Taxation from the Eighteenth Century: An Essay in Rule and Government[1]

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As we move into the modern period – certainly by the nineteenth century – it becomes difficult to separate the state from other views of the polity.[2] This was the age of universals, where segmented views of a polity morphed into aggregate categories, each purporting to capture the entirety of relations and persons. Economy, society, population, nation, culture, and the state itself – each underwent a movement from term of exclusion to one of universal inclusion, and they necessarily overlapped because they claimed to represent the same totality though with specific inflections. This entanglement is key to what we refer to as modernity: an all-encompassing space of vulnerable, alienated, or isolated individuals; or a necessary, productive, even enjoyable experience in self-transformation.[3]

That the state is difficult to locate should not be problem to surmount, and it will not do to force a neat separation in order to study the state in its pristine isolation. Rather, the state's enmeshment with the polity as a whole is a historical moment; we explore and narrate it. The movement from the eighteenth century to the twentieth is about regime change in the full sense of the term, the wholesale transformation of the most basic analytic categories we employ in order to make sense of history. One of the products of the change was a unitary state that was a way to view almost anything, because the state claimed to encompass almost anything. Then again, the economy may be understood in the

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[1] This paper is based on materials in my book, *States of Obligation: Taxes and Citize nship in the Russian Empire and Early Soviet Republic* (Toronto, 2014).

[2] Charles Maier accepts that the state-society, public-private boundaries are in question, but does not go so far as to consider that the boundary might be impossible to locate: Charles Maier, ed., *Changing Boundaries of the Political: Essays on the Evolving Balance between State and Society, Public and Private* (Cambridge, 1987), 1–24. Mitchell proposes that the boundaries are deliberately blurred: Mitchell, "State, Economy, and the State Effect," in Steinmetz, ed., *State/Culture: State-Formation after the Cultural Turn* (Ithaca, 1999), esp. pp.82-97.

[3] A gloomy look in Anthony Giddens, *The Consequences of Modernity* (Stanford, CA, 1990), introduction; Marshall Berman, *All That Is Solid Melts into Air: The Experience of Modernity,* 9th ed. (New York, 2011), with a definition on 345–6; an alarmed David Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change* (Oxford, 1990), where postmodernity is on a spectrum with modernity; a quizzical Michael Hardt and Antonio Negri, *Empire (Cambridge, 2000)*, where social oppositions in the post-industrial world are overcome by affluence, individualism, and rootlessness in an unbounded space; Christopher Otter, *The Victorian Eye: A Political History of Light and Vision in Britain, 1800-1910* (Chigaco, 2008), where the benefit or harm of modern transparency is not at issue; and Umberto Eco, *Travels in Hyper Reality* (San Diego, CA, 1986), where shopping and consumption are expressive of existential rather than social concerns.

same way, as the view of almost anything including the state, and much the same can be done with the population, the nation, the society, and the culture. Each became a view of the other, and one could only make sense of the one in terms of the other. One may certainly privilege the state as our chosen optic, as we do here, bearing in mind however that it is a narrative choice and an analytic convenience. It is partial view, owning up to the fact that it is partial. It has little to say about culture and the social, though there is much to be said.

Taxation is a particularly useful way of understanding this enmeshment. At first glace taxation is necessarily a state undertaking, since no other undertaking is as decidedly a state function; only the military rivals it. We often use taxation to study the state in its free-standing, autonomous condition, the moment when the state expresses its own interest against the defensiveness of the society and economy. Scott's "seeing like a state" is only the most eloquent statement of an assumption that is very widely held. "Strong states" act with more force, more "muscle," and unilaterally. They can mold society or at least pound it into a form that the state finds congenial, and at a high cost to the local, the social, and the authentic. It has not transformed; it is simply more forceful and willful.[4]

There is much to commend the approach because states do act coercively. The approach does not satisfy to the extent that modern states are equally institutions of complicity, mass participation and universal membership. In our loose references to the state, we may mean a discrete institution of coercion and public order, with its own interests (*raison*) and dignity, acting anthropomorphically as would a very large person, as masculinized coercion and feminized nurturing. Or we may mean (especially in other European languages) the sum total of a territory, its institutions, and its population, a space where action takes place rather than an actor in its own right. One may consider the distinction in Russian between the state (*gosudarstvo*), which is enduring and all-encompassing, and the government (*pravitel'stvo*), which is partisan, partial, or temporary.

We are left with two senses of the state, which is where Gramsci left us some decades ago, and to whom a generation of state theorists owe their conceptual foundations. He referred to the state "in its narrow sense" and the "*stato integrale*."[5] We need not choose between the one state and the other. States do have autonomous powers, rooted in a monopoly of coercion, and with a vision of power as wielded by a subject against an object. It may be a state acting in its own interest, or a state controlled by an interest, but it acts over and above its population. But modern states work continually to redefine their nature, as sovereignty became extended to all citizens in all-encompassing nations, peoples, economies, societies, and cultures. Modern states sought legitimacy in their capacity to implicate people if not necessarily consult them, and in some ways to become the people. The modern state developed practices that legitimized and

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[4] James Scott, *Seeing Like a State*: *How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, 1998).

[5] As Perry Anderson recognized: "The Antinomies of Antonio Gramsci," *New Left Review* I/100 (1976), pp. 5–78.

strengthened it in these new conditions, with a population that was implicated in state power and carried out state functions on a regular basis.

Taxation, then, is a nexus, where the state takes measure of the economy and the aggregate of persons and in the process takes measure of itself. Consider, by way of introduction, the symbolic and ritual import of April 15 in the United States, the single moment when all citizens carry out their one, inescapable obligation of declaring their income, if not necessarily paying tax. It is far more regular, inescapable, enduring, and ubiquitous than, say, military service, voting, and jury duty. The wealthy, the very poor, and those with good lawyers, accountants, and lobbyists escape payment, but they cannot escape the declaration. The sum total of declarations gives us our data on national income, as it has done since the income tax was introduced, and it is fundamental to our economic thinking and national accounts.[6] The citizen, for all her grumbling, readily embraces the categories given in the tax forms and represents herself as a tax bracket to friends and family, and at that moment becomes a state creature carrying out the state's bureaucratic functions in a state-provided idiom. Our children are deductions. It is a moment of mass participation and self-examination, whatever the outcome in terms of payment: part civic ritual infused with a tacit pride in fulfilling one's duties, part inescapable Panopticon. It is bounded by the threat of coercion for those who blatantly evade, with prison and fines reminding us that the state retains its character of the dreadful gendarme. We may marvel at the power of the state to extract from us, and we may equally marvel at the relations and self-fashioning forged within the bounded space.

The practice of declaration is rooted precisely in the transition from a pre-modern to a modern state, when official practices became personal practices, when the economic was shaped by the political, when the power of the state became a function of the well-being of the person and the economy. And to alert ourselves to the fact that we are dealing with variations on modernity rather than exceptions to it, we ask how a country like Russia developed practices that were scarcely distinguishable from those of Britain, the USA, Canada, or Australia. We will then be left with a different question: if Russia was an autocracy, the USA a republic, and the UK and its dominions constitutional monarchies, where can we locate their differences? It will not suffice to speak tautologically (Russia was backward because it was not modern) or purely descriptively (Russia was an autocracy and Soviet Russia a dictatorship). Autocracies and communist dictatorships were as prone to these practices as elected legislatures. We will need to work within the framework of modernity itself, not seek answers outside it.

Taxes and Regimes

There are different ways to study taxes historically, some of them ahistorical. For the most part we measure their weight and incidence and confirm that an old regime exempted those with the most economic capacity and taxed those with the

[6] D.E. Schremmer, "Taxation and Public Finance: Britain, France, and Germany," in *Cambridge Economic History of Europe*, edited by Sidney Pollard and Peter Mathias. Cambridge, 1989, pp.446–7.

least. It is an easy case to make and the answers will generally be the same – that socio-economic fairness was never achieved – because the old regimes were not geared to achieve socio-economic fairness. State revenue was never really a matter of measuring payer capacities, certainly not in the first place; taxes were the measure of the state's needs, which were apportioned to the population based on matters of status, privilege, hierarchy, and geography. The distinction between taxable and non-taxable estates was basic to most old regimes, and status-based exemptions existed from Russia to Britain. Nevertheless, and starting from the question of social fairness, we measure progress toward a new regime by the extent to which taxes were extended to all persons regardless of their status, and to which payments acquired some relationship with capacities.[7] We ask whether taxes became universal or at least universalistic, and we ask whether they became proportional or progressive.[8]

This is a story worth telling if our end-point is the present day, when some notion of proportionality or progression is accepted as the norm, at least for the moment. But it misses a stage. Equally compelling is a narrative not of whether social fairness was achieved, but how social fairness became the new standard of measurement of a regime's success. Terms like fairness and equality were new into the nineteenth century, and the words had multiple meanings. Fairness was not the starting point for contemporaries but an objective over which they fought. In the process historical actors reconsidered their most basic analytic categories: the state, the economy, and person, and to a large extent they reinvented them.[9] By narrating this process, we can become sensitive to the multifaceted nature of our modernity, which was at once liberating and constricting, and always productive of new ways of performing.[10]

The new regimes implied universalisms that were the product of the great revolutions of the eighteenth and nineteenth centuries. They proposed that all persons might share in sovereignty, one way or another. But it would be a mistake to reduce the idea of shared sovereignty and the related category of citizen to one of rights and obligations, the one neatly balanced against the other.

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[7] Edwin R.A. Seligman, *Essays in Taxation*, tenth ed. (New York, 1925); and *The Income Tax: A Study in the History, Theory, and Practice of Income Taxation at Home and Abroad*, second ed. (New York, 1914).

[8] Michael Kwass, "A Kingdom of Taxpayers: State Formation, Privilege, and Political Culture in 18th Century France," *Journal of Modern History*, 70:2 (1998), pp.295-339; Robert Elliot Kaplan, *Forgotten Crisis: The Fin-de-Siècle Crisis of Democracy in France* (Oxford and Providence, RI, 1995), p.68; Robert Stanley, *Dimensions of the Law in the Service of Order: Origins of the Federal Income Tax, 1861-1913* (New York, 1993); N.G. Sokolov, "Nalogovaia politika v derevne v pervye gody sovetskoi vlasti (1917-1920 gg.)," *Istoricheskie zapiski*, 113 (1986), pp.76-111

[9] Good examples are Martin Daunton, *Trusting Leviathan: The Politics of Taxation in Britain, 1799–1914* (Cambridge, 2001); and Assaf Likhovski, "'Training in Citizenship': Tax Compliance and Modernity," *Law & Social Inquiry* 32 (2007): 665–700.

[10] Poulantzas (*State, Power, Socialism*, Translated by Patrick Camiller [London, 1978]) makes the point that laws and institutions are productive, invitations to act in certain ways: 23-5, 29-30, 82-3.

The universalization of sovereignty implied first and foremost inclusion in one or another whole, be it the mass state or the commercial economy. These were spaces of inescapability, not necessarily consent, where rights and immunities may or may not have been important, and where elected government was optional. One might participate in the polity by voting, but much more often one paid taxes and served in the military, regardless of the franchise; and one paid taxes in a variety of ways, all related to exchange in the new economy of money.

In fiscal terms states moved toward a new terrain of intimacy with economies and persons, manifest in the new industries of information on persons and enterprises and statistics about norms.[11] Fiscal theorists at the time expressed it as a movement away from systems of "apportionment" and "repartition" which required little knowledge beyond the state's claims, to systems of "assessment" which required the regular production of data. Into the nineteenth century, in Russia as much as France, state needs were defined in advance and apportioned to the population, with little regard for the capacity of the payer to bear the burden; the sums were then repartitioned among smaller territories and collectives. The payer and the economy were separate from the state and largely unknown to it, by neglect more often than by design. The system neither required much knowledge nor generated it. It was an unelaborated claim by a separate and sovereign power which demanded taxes because it had the authority and power to do so, not because it knew who could afford to pay what. Tax rates were set by trial and error, guesswork, abject state need, and the imminence of force.[12]

Reformers since the eighteenth century pursued a regime of assessment, whereby the capacities of the economy and the payer were calculated before the tax rate was set, and state needs were set according to the paying power of the economy or the population. These systems required information, and force was calibrated accordingly. Taxation moved toward a system of government rather than mere rule, and the culmination was the income tax which was based on the known paying power of persons and enterprises. The system required better knowledge and also produced knowledge in the process of assessing and collecting; consider the practice of tax declarations, where the act of providing data to the state was as important as the revenue it would yield. More generally, assessment reversed the order of things: state capacities were determined by the capacities of the population and the economy. No longer could state need be imposed blindly and unilaterally. The population had to be a part of the state's calculation, its capacities measured down to the single citizen. To share in sovereignty meant to be exposed to the larger whole. The new regime rested on accurate and regular information about persons and enterprises, and that information was the solvent that brought the erstwhile separate and autonomous

[11] Mary O. Furner and Barry E. Supple, eds, *The State and Economic Knowledge: The American and British Experiences* (New York, 1990), pp.7-10, 31; and Mary O. Furner and Michael J. Lacey eds, *The State and Social Investigation in Britain and the United States* (New York, 1993), pp.4-9. For the fiscal argument, Seligman, *The Income Tax*, pp.16-17.

[12] On apportionment in France and its endurance, see Gabriel Ardant, *Histoire de l'impôt, bk. 2, [Du] XIlle [au] XXIe* siècle (Paris, 1972); Schremmer, "Taxation and Public Finance."

individual into the national aggregate, and made the person and the economy known and visible to the state.

Taxation and Modern Dualities: The Person, the State, and the Economy
The movement toward a regime of inclusion was not in a straight line and the outcome was not a monolith. Europeans in the nineteenth century practiced a philosophical duality based on two notions of personhood, two notions of the economy, and two notions of what the modern state should look like. The dualities are still with us today and they can be located, *inter alia*, in our fiscal codes and practices.

The individual is a good place to begin because it is so basic to modern history writing – our smallest building block in the study of a polity. It has been usefully problematized in the historiography of the USSR,[13] with implications for complicating personhood that stretch well beyond that time and place. Modern government is all about individuation and a new focus on the person rather than the territory or collective, but this did not necessarily mean pure liberty from outside force. It produced the equally modern objection that rampant individualism was producing a deracinated citizenry lacking in solidarities, vulnerable and untethered in a public atmosphere of *sauve qui peut*. It was immediately met with a movement to establish a national or social whole that would end the perceived anomie that individualism had produced – an anomie detected in Tocqueville's early disquiets and by the Utopian socialists, in Durkheim's sociology, and in Mann's philosophical rejection of "the liberal individualism of the West."[14] Reconciliation might take the form of better ordering and stability in a corporation; in a Hegelian "consciousness," where the objective and the subjective are reconciled in "one serene whole"; or in a Marxist universal class where conflict would be absent once it had completed its historical logic. With the exception of the corporatist models, these visions tended to be aggregates of the whole population – the national economy or the nation-state or the body politic – rather than the particular communities of a legal estate or town. Brubaker tells us that all sorts of solidarities had always been possible; now the solidarities were appropriated by the national state.[15]

Two notions of personhood implied two forms of statehood. In the one scenario the state was separate from the person and stood above the person, with greater or lesser degrees of autonomous power from one regime to the next. Skocpol in particular has made this case, using Russia and taxes as an example, affirming that states might influence social and cultural attitudes but not vice

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[13] Stephen Kotkin, *Magnetic Mountain: Stalinism as a Civilization* (Berkeley, 1995), ch.5, where the person is in focus for his performance of official categories sooner than his antagonism to officialdom; and Jochen Hellbeck, *Revolution on the Mind: Writing a Diary Under* Stalin (Cambridge, MA, 2006), where Soviet citizens are creatures of ideology.

[14] Stephen Lukes, *Individualism* (London, 1973), esp.12-15, 20-22; the broader point in Taylor, *Sources of the Self*, p.193.

[15] Brubaker, Rogers. *Citizenship and Nationhood in France and Germany (*Cambridge, MA, 1992).

versa.[16] This state claimed taxes from some distance and without detailed information about personal wealth. The state may have been more or less demanding but, deliberately or out of necessity, by design or by neglect, recognized the existence of the person in a separate realm. By the same token the person could cultivate that separateness and affirm autonomies, and find refuge in the economy, society, civil society, local territory, or family, any of which could be defined in terms of its separateness from the state and as the state's contradistinction. Ultimately the person could find refuge in his own fortified individuality, which existed intact beneath a veneer of outward compliance and despite the blows of an external state power; she maintained an inner, stubborn authenticity. He really was an *individuum* of the Latin, the *atomo* of the Greek, both words implying impenetrability and indivisibility.

Entire schools and generations of scholarship have been structured around this notion of a separate and power-wielding state, implicitly or explicitly encountering its opposite forces in the society, the economy, or the individual. It was this separateness that allowed the state to venture into the economic realm as a more or less alien force, and exercise what Skocpol terms "autonomous power." Hence Levy's notion of the "predatory state" that ventures into society, as if on an institutionalized foraging expedition in an alien terrain.[17] Russians called this power "superordinate," (*vysshestoiashchii*) which pairs with "subordinate," a force that was not of the population it ruled but acted on it. Separateness makes for the very notion of "intervention" in the society, the economy, and the person. And it was this separateness that allowed the person and society to resist, as Scott would have it: persons, classes, and societies encountered the state but were not of the state, and they stubbornly maintained identities of their own, be it in a moral economy that defied the formal practices or in the hidden transcripts that baffled the deliberative bureaucracy.[18]

In the other scenario the state is a membership organization that comprises the people it governs; it longer simply rules, it assimilates populations in order to govern.[19] In this rendering the state "cannot stand as a transcendent

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[16] Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge, 1979), with reference to Russian taxation on pp.132-33; introduction to Peter Evans, Dietrich Rueschmeyer, and Theda Skocpol, eds, *Bringing the State Back In* (Cambridge, 1985), pp.1-23; Dietrich Rueschmeyer and Theda Skocpol, eds., *States, Social Knowledge, and the Origins of Modern Social Policies* (Princeton: Princeton University Press, 1996).

[17] Levy, *Of Rule and Revenue* (Berkeley, 1988), pp.3, 6. And yet other aspects of the work show a fuller awareness that the state never acts independently: see her appendix, "Bringing People Back into the State: Bibliographic Essay."

[18] James C. Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven, 1985).

[19] Nicos Poulantzas, *State, Power, Socialism*, esp. pp.12, 15, 20; Bob Jessop, *State Theory: Putting the Capitalist State in Its Place* (Cambridge, 1990), chs.1, 10, and esp.pp.6-9; Timothy Mitchell, "The Limits of the State: Beyond Statist Approaches and their Critics," *American Political Science Quarterly*, 85:1 (March 1991), pp.77-96; and Mitchell, "State, Economy, and the State Effect." For a different rendering of the state's duality ("the two arms of the state"),

power over and against society," Gianfranco Poggi writes, "but it must thoroughly 'innervate' it, interpenetrate itself with it."[20] As Bob Jessop puts it, the state in its inclusive sense cannot be treated as an originating subject; it is "a set of institutions that cannot, qua structural ensemble, exercise power."[21] It is instead a locus of power. Taking stock of the tensions, Poulantzas concluded that the modern state is "Janus-faced."

In fiscal terms, the one state generates steady and modest revenue based on guesses about what the payer can afford, and it was well understood that the wealthy pay less than they could and the poor more than they should. At least the autonomy of the one was guarded against the incursions of the other. The person remained somewhat private, and the state guarded its prerogatives against the population. The other state produces the massive revenue on which modern states depend, and proceeds with greater confidence that the tax is commensurate with capacities because those capacities are now known. In the process, the person who encounters the state has undergone transformation: no longer entirely separate and hardly autonomous, this person is known and recast in official categories, represents himself in those categories, and through data and practice becomes a conduit of the state, not its antithesis.[22]

The economy is likewise a term that generates a slippage that relates to its intrinsic duality. It continued to be a function of the state but political economists began to use it in the early nineteenth century as one more way to express a universal whole, alongside the society, the nation, and the state itself. In the 1820s and 1830s Friedrich List, in the absence of a German state, used the economy as a way of aggregating the entire population and termed it the *Nationalökonomie*, though he, his contemporaries, and their heirs never gave up on the Cameralist notion that the economy was also a realm of state management. For Karl-Heinrich Rau it was the *Volkswirthschaft*, for French economists the *économie nationale* as well as the *économie populaire*, and so on.[23] The Russian *narodnoe khoziaistvo* (literally the popular economy, an economy made up of people) was a neologism in the 1890s and still new in the 1920s. It never lost its duality. Consider that many renderings of the term economy derive from roots in "the household" – *oikos*, *khoziaistvo* – and can

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see Pierre Bourdieu, *Acts of Resistance: Against the New Myths of Our Time* (Cambridge, 1998), ch.1.

[20] Gianfranco Poggi, "The Modern State and the Idea of Progress," in *Progress and its Discontents*, ed. by Gabriel A. Almond, Marvin Chodorow, and Roy Harvey Pearce (Berkeley, CA, 1977), pp.351-52.

[21] Bob Jessop, "Corporatism, Parliamentarism, and Social Democracy," in *Trends toward Corporatist Intermediation*, eds. P.C. Schmitter and G.Lehmbruch (London, 1979), pp.185-212; and Jessop, *State Theory*, pp.6-9.

[22] Consider Jan Goldstein's distinction between interiority and self-talk, a priori self and partitive. The Post-Revolutionary Self: Politics and Psyche in France, 1750–1850 (Cambridge, MA, 2005), introduction and ch. 4

[23] On the German history of the term to 1900, see Johannes Burckhardt, "Wirtschaft," in Otto Brunner, Werner Conze, and Reinhart Koselleck, eds, *Geschichtliche Grundbegriffe. Historisches Lexikon zur politicsch-sozialen Sprache in Deutschland*, band 7 (Stuttgart, 1992), pp.581-7.

imply patriarchal management; abstracted it can imply universalism, lacking in any one directing force. Peter Struve, the Russian political economist and philosopher, made this case plaintively: the economy is not a tool and "there is no subject," he insisted against the preponderance of contemporary opinion. It cannot be an actor.[24] Sergei Witte, author of *The National Economy and Friedrich List* and soon a finance minister working to create a national economic space of wide state activity, implied that this space could still have a directing force, like the chairman of the board of a large corporation.[25] The state was in the economy, but the state was also the economy's vanguard.

The Historical Unfolding of the New Fiscal Order

From the eighteenth century political economists and philosophers across Europe who could not speak directly and openly about the shortcomings of absolute monarchial rule could engage in technical debates about the better way to raise revenue. Arcane and esoteric conversations about assessments, subjects and objects of taxation, presumed income, projected income, normal income – all were oblique ways to propose a better way to govern, because in all cases the terms skirted without directly confronting the central question of the day: ascribed status that determined who paid taxes and who was exempted. The great French debates on absolutism and its possible reform were, after all, discussions of revenue that the likes of Turgot and Condorcet thought should also be discourses on power, the nation, and the administrative state. As Baker tells us, these were meant to become coterminous.[26]

Laissez faire was one version of the movement from the 1750s (*laisse-nous faire*), a philosophy which as practice meant not asking who people were and letting them sort it out for themselves in the world of contracts, exchanges, and production. The state might only skim from the results by way of flat and unelaborated rates. If a state, ignoring status, also taxed aristocrats, then this was acceptable to many and the point to many others.[27] In Britain meanwhile tax reform was paying for a larger imperial state that did its best to ignore who the payers were by birth and status and instead followed exchanges and transactions. All people consumed, bought, and sold, and in the process of taxing these activities the conversation turned to all people, not just taxable classes.[28] Taxes were very much on the mind of revolutionaries and in a similar way. In Boston "the people" demanded a say in their burdens, in a manner that ignored their personhood, and for over a century the new state (the federal government) taxed economic activity (tariffs) but studiously avoided the individual as a person; local

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[24] "Narodnoe khoziaistvo," *Brokgauz i Efron, Enstiklodedicheskii slovar'*.

[25] *Po povodu natsionalizma: Natsional'naia ekonomiia i Fridrikh List*, 2nd edition (St. Petersburg, 1912).

[26] Keith Baker, *Condorcet from Natural Philosophy to Social Mathematics* (Chicago, 1975), esp.pp.206-13

[27] Kwass, "A Kingdom of Taxpayers."

[28] John Brewer, *The Sinews of Power: War, Money and the English State*, 1688-1783 (Cambridge, MA, 1988); Christopher Storrs, introduction to *The Fiscal-Military State in Eighteenth Century Europe. Essays in Honor of P.G.M. Dickson*, ed. Christopher Storrs (Burlington, VT, 2009).

government depended and still depends on taxes on exchange and on property, with little need for added investigation. In Paris the revolutionaries repealed all taxes on persons and universalized taxes on properties and, indirectly, their owners. In London in 1799 Parliament adopted a first experiment in income taxation that, by assessing payments as such, fell on the wealthy and privileged at regressive rates.[29]

Russia was not the exception and it was not even that late on the scene. It adopted the income tax in 1811 and, like Britain, repealed it because of its penetrating nature; anyway, the nobility ignored it. The larger moment came during the Great Reforms of the 1860s, arguably a revolution but less pleasing aesthetically because it came from above. Enlightened bureaucrats, confronted with a seemingly immovable system of legal estate discrimination, considered how tax systems might introduce equality without quite saying so. The reforms created a larger state with bureaucrats, jurists, teachers, statisticians, agronomists, and economists, and defeat in the Crimea required a different army. To pay for all this the fiscal reformers challenged the old order of privilege and exemption and taxed the wealthy. We might associate the change with overt reformers like Nikolai Bunge in the 1880s, who fathered most of the innovations; but the movement continued into the 1890s ("the counterreforms"), under an autocracy that showed few signs of yielding its absolute powers. It is hard to associate these measures with any one political current, one autocrat, or one cabinet. From the 1880s excises and other indirect taxes paid by everyone were becoming the mainstays of the budget. As for direct taxes, the nobleman and the privileged merchant were both paying for the first time, and the debate changed from whether they should pay taxes to a question of how much and in what manner. In the process, the nobleman had lost the larger argument: it was mattering just a little bit less that he was a nobleman, and the new regulations called him – blandly and significantly – a payer (*platel'shchik*).

European fiscal reformers taught a lesson that Russians learned quickly and well: the best way to avoid legal distinctions was to ignore people altogether and instead look at the things they owned, in a system called "objective taxation," i.e., the taxation of objects. The eighteenth century was the age of the cadaster, which the Physiocrats had valued as a legally neutral way to raise revenue.[30] Russians had a similar conversation all the way to 1917 though the cadaster was never completed.[31] A building viewed dispassionately from a distance and

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[29] Approached less through the large legislative measures and more through the small precedents and changing regulations: B.E.V. Sabine, *A History of Income Tax* (London, 1966); F. Sheehab, *Progressive Taxation: A Study in the Development of the Progressive Principle in the British Income Tax* (Oxford, 1953); H.V. Emy, "The Impact of Financial Policy on English Party Politics before 1914," *The Historical Journal*, 15:1 (1972), pp.103-32; R.C. Whiting, "Taxation and the Working Class, 1915-24," *The Historical Journal*, 33:4 (1990), pp.895-916.
[30] Roger J.P. Kain and Elizabeth Baigent, *The Cadastral Map in the Service of the State: A History of Property Mapping* (Chicago, 1992), esp. ch.9.
[31] E.N. Kolotinskaia, *Pravovye osnovy zemel'nogo kadastra v Rossii* (Moscow, 1968); discussed in larger ways in Igor Khristoforov, *Sud'ba reform. Russkoe krest'ianstvo v pravitel'stvennoi politike do i posle otmeny krepostnogo prava* (1830-1890-e gg) (Moscow, 2011), pp.58-70.

measured for its doorways, windows, foot traffic, and arriving horse carts, and expressed as money, would not tell whether the owner was a count or a peasant, gentry or burgher, Orthodox, Muslim, Catholic, Jew, or Lutheran. Expressed as cash all persons were comparable and belonged on the same scale. With the numbers aggregated as Imperial revenue, territorial differences were less important: the numbers would not reveal that one payer was in Tashkent, the other in Riga, and another in Gomel'.

For some of the same reasons of equality and equivalence, the tax collector would not even enter the property or interrogate the owner: her anonymity was to be guarded in an effort to avoid noting his legal status. Anonymity may or may not have implied privacy as well, though it could.[32] The new tax system was a form of economic liberalism and it could converge with political liberalism in the nineteenth century, most explicitly in France and the United States where taxes and constitutions were often debated in the same breath, and customarily in Britain where one could claim the right to be left alone. It meant guarding the immunities of the person against the encroachments of the state, very often at the price of great fiscal unfairness. When more revenue was needed, increased rates were lumped onto territories and properties with little regard for the relative burden it represents for the payer. In Britain the pattern continued into the 1980s and took the form of the Council Tax which opponents quickly dubbed the Poll Tax for its regressiveness. It is still not clear if the purpose of the tax was to make all arithmetically equal in their obligations or to relieve the better-off. Such taxes do both.[33] In California the backlash against escalating and irrational rates led to the crude ceilings of Proposition 13, a profound regression, and a new irrationality.[34]

The new taxes, then, were moving toward universal obligation but not fairness. The flat rates that we perpetuate relate to the fact the tax assessor cannot know what the property is worth unless he challenges the owner's privacy. Vampiric metaphors are irresistible: payers everywhere, from the suburban dweller in Boston to the impressively evasive owner of a Greek villa – are told never to invite in the tax inspector, because his powers cannot be curtailed once he gains access. Even the ardent advocate of fairness (what in the US is called a liberal) will make fairness impossible by stopping the assessor at the property line, citing her right to be free of surveillance and interrogation (also liberalism). The objections and evasions are chalked up to one or another local idiosyncrasy, myth, or precedent: Russian history under the Mongols or Ivan the Terrible; French individualism; Orange County libertarianism; Ottoman rule in Greece; and the freeborn Englishman's right to be left alone. But the pattern is an international one expressed in local idioms, and we obscure the shared tropes and impulses when we ascribe it to an immovable history or irreducible tradition.

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[32] Schremmer, "Taxation and Public Finance," pp.378-80.

[33] To the accompaniment of riots and massive arrears. Chris Wheal, "Poll Tax Is History," *The Guardian*, 13 April 1999.

[34] Ranging from a deterioration in infrastructure and services to the use of "voter initiatives" funded by billionaires. "War by Initiative: A Case Study in Unintended Consequences," *The Economist*, 20 April 2011.

We also preclude reform: How can something as solid and essential as "culture" or "history" be overcome? How can a politician win over the average American voter if he raises taxes on the billionaire?

All of this concerns direct taxes on property, but indirect taxes (excises, sales taxes, value-added taxes, and tariffs) are often the backbone of modern fiscal systems (the EU, the counties and states of the USA, and all levels of Canadian government) and embody wholesale the idea that the person should not be investigated. These are preferred by governments in the first instance because they are so lucrative. As modern economies specialize and citizens buy rather than produce articles of consumption, states piggy-back on the exchange and secure steady and large revenues. Because they are levied most often on non-necessities, they seem to be less burdensome and unfair even though they are regressive to the core. They conform to a notion of strict political equality and individual immunity, in the sense that they ask nothing at all about the status of the payer, and are levied on a universal economic practice. And in a related spirit, they are politically safe: they do not entail a direct encounter of the payer with the treasury and they require no revelation of the payer's economic profile.[35] Hot-button issues tend to focus on the income tax rate and an increase on the marginal rate on millionaires is painted as an affront to all; changes in the sales tax on clothing can pass unnoticed.

The principles of private persons and private economies had a larger structuring effect. They delineated the boundaries between payer and collector, established and reinforced a regime of immunities, and helped create the larger division of a polity into state and society, government and economy, person and power. Laissez faire was one version of this because it respected – actually, helped create – the separateness of economic life from the power of the state, and Russia had its free-trade moment in the 1850s and 1860s. The tax farmer and the soldier would no longer be part of the tax process, and the assessor would not even enter the properties that were once fair game. A new kind of inspector would make educated guesses about what occurred inside the property, using norms and coefficients rather than direct knowledge. The assessments would be "external," based on indicators and symptoms of wealth and income.

So far these regimes achieved universalism and equality, the political extension to one-man, one-vote of the great revolutions of the late eighteenth and nineteenth centuries. Only from the mid-century across Europe did the arithmetic equality of the new regimes begin to seem unfair: by assessing properties but not necessarily affluence, consumption but not income, the fiscal system could scarcely distinguish between the goldsmith and the blacksmith, or the baker and the broker, so long as the buildings were the same size, had the same number of windows and chimneys, had a comparable number of people entering and leaving on a given day, and were on the same street. Originally this was the point in that it ignored the fact that the broker was a merchant by legal estate, the smithy a burgher, and the landowner a Catholic. But wealth was being generated not by the value of the building but by the commercial, banking, or

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[35] Nicolas Delalande, *Les Batailles de l'impôt. Consentement et resistances de 1789 à nos jours* (Paris, 2011).

manufacturing enterprise that it housed; the building was an indirect and poor indicator of well-being and affluence. The new commercial economy was generating shockingly large fortunes that existed as money and paper, not real estate, and one's personal enrichment might take place at a desk or a telegraph unit as well as a foundry, a field of wheat, or a coal mine. Estimates at the end of the nineteenth century suggested that industry and commerce generated about half of the national income but paid 3-5 percent of the taxes. Ultimately what was needed was a reconsideration of what was being taxed: the traditional notion that wealth is real estate, the trappings or symptoms of affluence that took the form of real estate, or the liquid wealth that was moving about in the economy at new speeds and in unprecedented volumes?

All of this brought the discussion to the income received by the person or enterprise, which was more in keeping with the movement of a commercial economy. It was addressed, in part, in Britain with its income tax of 1842. Here the government began to examine not just wealth and property, but the movement of payments from one person or institution to another. Politically, it still guarded a notion of personal immunity and indeed this was not a personal income tax. It tapped into moving money, which it called "income." No privacy was compromised once the money had left one person's hands and before it reached the next – a payment to a contractor, interest from a bond, proceeds from the sale of an enterprise. The state would claim a flat rate on money in transit. It was flat but at least it was proportional.[36]

Quickly the idea of flat and proportional taxes was outmoded by the belief that the wealthier person should pay not only more as a proportion of income (a cousin of the flat tax), but also a larger share of the income. This was the progressive rate, which would be steeper, the more one moved past biological subsistence (*Existenzminumum*, standard deduction, *prozhitochnyi minimum*). The new system depended on direct knowledge of the aggregate of a person's income, not separate financial transactions. The person was being surrounded by webs of information and wealth was documented; the evaders were coerced, but all others were disciplined by their awareness that their incomes were known or could be known. A Russian writer in 1910 decried this as the "Sword of Damocles," and the term is apt, and others (like the Benthams who set up shop in Russia) developed the Panoptic effect: one never knew if one was being watched. And as more states required declarations – Prussia in the 1890s, Britain from 1906, followed by all other Great Powers over the next decade – citizens were required to adopt state categories of income and expense, subsistence and net income, and lay out their financial life annually. It was personal but not private.[37] Borrowing from psychoanalysis, German fiscal experts termed this "the economic personality" and writers elsewhere followed suit. A Russian economist termed it

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[36] Seligman, *The Income Tax*; Schremmer, "Taxation and Public Finance;" Daunton, *Trusting Leviathan*.

[37] The legislation in all countries but Russia reviewed in Seligman, *The Income Tax*; Germany, France, and Britain in Schremmer, "Taxation and Public Finance;" the Russian case in Kotsonis, *States of Obligation*, p.145, and reviewed in chs 5-6; the Soviet case in ch.12.

"fiscal anthropometrics" and was not sure if he should marvel or protest at the capacity of an official form to enable us to declare who we are.[38]

It turned out that privacy might apply to individuals, perhaps enterprises, but their social interactions and economic transactions were public by definition. The state, rather than remain aloof from transactions, would become the third party to any bilateral relationship. Governments argued (and today still argue) that the decision to enter into contract or pay money or complete a mortgage or insurance application was necessarily a renunciation of privacy, a tacit agreement to make information available to any number of investigating institutions. "Credit rating agencies" sprung up in Germany (Schimmelpfennig) and the USA (the Mercantile Agency) to meet the need for transparency in economic transactions; government treasuries piggy-backed on what they found. To put it another way, one may still be a private individual, but one's interactions were public, and the confidentiality of those interactions a tenuous proposition. It was the birth of data mining and modern state surveillance technique.

State revenue, historically the function of state need that was then imposed on a population, would now become a function of the sum total of incomes and exchanges in an economy, much of it measured for the purposes of taxation. Again we should not lose sight of the international patterns in the national stories. In each country the occasion for debating comprehensive income assessment was different: French defeat in 1871 and the race to keep up with Germany; welfare and infrastructure provisions in Germany; Russia's war with Japan and revolution in 1905; and the Dreadnought arms race and the buildup for war on both sides of the Atlantic. By 1917 each of these counties had a comparable set of provisions, and no country lagged behind.

Laissez faire had not blinded the state to the economy and the economic actor; it brought them into focus, it set the conditions for a new relationship that was more intimate, and produced statistical categories, tools, and data that were more penetrating and encompassing. The separateness of state and economy – and with it the idea that the person could retreat into the economy and avoid the state – was subverted as soon as it was articulated. It was one version of Polanyi's "dual swing," whereby a non-interventionist state busily created the conditions for a new intervention.[39] Civil rights and privacy were rethought as states learned more about their citizens' economic lives; and the state could do good things for the citizenry if that citizenry told the treasury more about its wealth and poverty, its capacities and needs.[40] Welfare and taxation were not simply causally related, the one paying for the other; they were both predicated on the information state

[38]The economist and chinovnik Rafalovich in Kotsonis, *States of Obligation*, p.179.

[39] *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, 2002); what Keynes calls the illusion of laissez faire because it never really did or could exist in practice, John Maynard Keynes, *The End of Laissez Faire. The Economic Consequences of the Peace* (Amherst, NY, 2004); and what Mitchell calls a "space of calculation" that was created as soon as the state took stock of the purportedly separate economy, in Timothy Mitchell, *The Rule of Experts: Egypt, Techo-Politics, Modernity* (Berkeley, CA, 2002), chs 2-3.

[40] The opposition of civil rights and collective good is common, as in the eradication of epidemics which required compulsory vaccination and police measures to be effective, for the population's own good: Michael Willrich: *Pox: An American History* (New York, 2011).

and a new transparency. The state could only tax and assist if it knew what the population could spare and needed.

Be it in an autocracy or a republic, an elected legislature or appointed councils, the obscurity of the person that made for coercion and neglect yielded to the more modern complaint: anxiety that the state was too concerned with the person, it knew too much, and it had more inescapable tools at its disposal. Russian merchants complained not about their tax rates, which were rising but probably reasonable; they protested the humiliation (*izdevatel'stvo*) of being so fully exposed, with tax obligations that were no longer negotiable. French liberals adopted a different idiom: the state was "importunate" and the citizen "completely naked."

And yet it would be untoward to take too seriously the nebulous objections to surveillance, and not only because we voluntarily disclose private information on a daily basis. Foucault was much less alarmed than many of his students. Surveillance began as a term for monitoring and gathering information and it was entirely necessary to good government, including fair and reasonable taxation; it later added the dimensions of ubiquitous spying and prying, with sometimes vague protests against an intrusion on a purportedly private life. But the private was always to some extent created in public acts, and personhood itself was an evolving concept that we can study because it was shaped by public and official categories, in public and official conversations. In many ways the person was a product of state laws and categories and, more generally, political fights and outcomes. The first full-blown discussions of personhood related to corporations (as a way to better tax them and as a precedent for the progressive taxation of physical persons, in the US in 1909) and dead people (the "economic personality" existed after death and, as a dead person, had no privacy). Historically persons might be produced as decidedly autonomous or decidedly permeable. In practice they are both.

The Citizen as the State

The modern state practiced steady surveillance rather than merely command, it required updated information on changes in income rather than on the mere existence of properties, and it needed to trace the motion of wealth rather than its mere location. This was no small task for any bureaucracy, and in practice states do not confront every citizen, enter the home or business, and demand payment; at the very least, it would be too costly, and even the Russian autocracy found it politically fraught. The solution provided in Prussia and adopted worldwide was to make the payers and the citizenry do the work of assessment when they completed their tax forms and swore to them. The state intervened not to confront a payer, but to induce her to do the work of the state; and having sworn that the declaration was true, it shifted the burden of proof from the treasury to the payer who affirmed before one or another god that the entries were accurate. This produced the notion that the citizen, not the state, was doing the taxing, or that the state was taxing only to the extent that it comprised the citizenry. The mode of thinking was expressed in taxation as "self-assessment," which it is still called in Britain today.

Modern taxation also entails mutual surveillance in the form of reports on payments: a deduction for education or health requires the name of the person who was paid, so one person's deduction was another person's tax bill. It was a form of paid denunciation at the time, putting one citizen to work against another, a quiet way to disrupt social solidarities. The "us and them" of the state and the payer would be supplanted by the "us and them" of the citizenry itself. Moreover, a century ago the process was managed by elected assessment commissions comprising the payers themselves, in places like England, Prussia, and some American states. In Russia these were called *prisutstviia* and they were used in all direct urban and commercial taxes. The commissions legitimized a practice by making it participatory, even if the practice was introduced in a constitutional monarchy, in a republic, or in an unapologetic autocracy.[41]

And by enlisting to the needs of the state the tools of civil society in the form of monitored bank transactions, legal contracts, credit reports, insurance and mortgage policies, and all manner of economic exchanges, the state could plausibly claim that it was doing nothing new or pernicious; civil society was already a space of visibility and disclosure. If we felt exposed then we as economic actors had done it to ourselves when we applied for a loan or took out an insurance policy, when we contracted to buy or sell properties and merchandise, the information gleaned by a newly inquisitive but not directly intrusive tax inspector.

All told, then, the dual understanding of citizenship animated a dual understanding of the state. The burdens that had been imposed and resisted by private citizens were being assimilated by participating citizens who expressed their selves in declarations and in tax brackets, property censuses (hence in Russia "census society," *tsenzovoe obshchestvo*, which derived from the tax roles and determined who voted in local elections), and exemption levels. The person could be the antipode of the state and the victim of power, or the person could be realized in state practices and act as the conduit of power.[42] The idea of the citizen could imply the rightful person who was immune and autonomous, able when necessary to say no to the state, and advised to do so by the likes of Tom Payne and J.S. Mill;[43] or the committed and integrated actor, less able to say no because he was himself the state, and advised to reveal all by the likes of Hegel. On a more basic level the person may have no choice, as the Bentham brothers

[41] Daunton's view that the English commissions were genuine institutions of participation very much reflects the contemporary writings: "Payment and Participation: Welfare and State-Formation in Britain 1900-1951." *Past and Present* 150:1 (1996): 169-216.

[42] For the individual as a constructed "public view of the person," John W. Meyer, "Myths of Socialization and of Personality," in Thomas C. Heller, Morton Sosna, and David E. Wellbery, eds, *Reconstructing Individualism: Autonomy, Individuality, and the Self in Western Thought* (Stanford, 1986), pp.208-9; Poulantzas, *State, Power, Socialism*, p.73. For a discussion of Foucault in relation to the self ("the individual is not the *vis a vis* of power, but one of its prime effects"), see Jerrold Seigel, "Problematizing the Self," in Victoria Bonnell and Lynn Hunt, eds, *Beyond the Cultural Turn* (Berkeley, CA, 1999), esp. p.283. For a suggestion that the person can be realized within the state, as well as the society or the economy, see Jessop, *State Theory*, p.5.

[43] Skinner, "States and the Freedom of Citizens," pp.11-27.

proposed in their Panopticon, since their acts and transactions were open to public view. Consciousness and coercion, consent and compulsion – these were opposites that were dissolved in the new regime of discipline that emerged in the nineteenth century.

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The distinctiveness of the modern state lay in its deliberate and careful establishment of an economy and a citizenry that were separate from itself; and as it peered more carefully across the divide in order to calculate and assess needs and capacities, it began to erase that distinction altogether.[44]

Surely the Soviet case belongs on this spectrum, though at one extreme end. Soviet Russia pursued an inclusion that was complete, manifest in complete a nationalization which is better termed statization. By 1920 or so, the state was the economy, and all persons were state employees – or, in the case of peasants, worked on state land and owed their product to the state. Lenin drew in part on fiscal information to devise notions of the all-inclusive state of visibility and full accounting, where all would be working in the same whole and would therefore have "no place to go."[45] Faced with the opportunity for full assimilation – in the utter disintegration of 1918 and 1919, there seemed to be no limits – why settle for the tensions of an economy, a person, and a state which were sometimes merged but regularly separated anew? A well-administered state would solve problems not by tension-ridden process but by deliberate design and action, measured by outcomes, with no mediation between the person and power, and with an end point clearly in view. Soviet citizenship would mean full belonging.

Here, then, are the questions distilled from a particular study, and they are worth pondering in any field. Might we be satisfied with the Hegelian proposition that tensions endure and are productive, are regularly renewed, and are always present even as we strive to erase them? Or might we be more impressed by a Soviet notion that differences are to be overcome in a real and immediate unity of people and power, state and economy, so that in the thinking of a young Marx the bureaucracy ceases to be a caste and become the people? Is taxation a poor way to assimilate, or is taxation the ongoing affirmation of a necessary distance between the state and the people who encounter it, negotiated and renegotiated

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[44] The idea that the state used its apparatus to embrace and assimilate the social is more often implied than stated. Daunton ("Pay and Participate") is explicit. See also Emy, "Impact of Financial Policy," pp.104, 127-8; and for Germany in P.-C. Witt, "Tax Policies, Tax Assessment and Inflation: Towards a Sociology of Public Finances in the German Inflation, 1914-23', in Peter- Christian Witt, ed., *Wealth and Taxation in Central Europe: The History and Sociology of Public Finance (*Leamington Spa, 1987), pp.137-8. Steinmetz recognizes that a new separateness of state, economy, and society is at play in the nineteenth century and that this is complicated by a nascent welfare state (*Regulating the Social*, esp. pp.1-11 and chapter 3); and he develops the point more fully in his edited collection (*State/Culture*), esp. through the contributions of Jessop and Mitchell.

[45] Yanni Kotsonis, "'No Place to Go': Taxation and State Transformation in Late Imperial and Early Spviet Russia," *The Journal of Modern History*, 76 (September 2004), pp.560-77.

in every historical era? And finally: is full inclusion the measure of the good regime, or should we be careful what we wish for?