
Economic Ideas and Redistributive Policy in the Spanish Parliament: The 1900 Debate on Fiscal Progressivity

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Introduction¹

It has not been until recently that a substantial number of historians of economics have enlarged their research boundaries, shifting away –as A.W. Coats put it– “from preoccupation with the history of economic theory towards broader, less precise and elusive matters”.² Among these new broad and imprecise matters, the study of the institutional framework in which economists operate has become a particularly appealing field of research.³ Within this approach, the study of the phenomena of penetration, diffusion and influence of economic ideas in politics has attracted historians’ attention, particularly at the time of consolidation of political economy as a formal field of knowledge in Western World, in the second half of the 19th century and first decades of the 20th century, characterised by liberal parliamentary regimes (the *liberal age*). Some research works have attempted to assess the linkage be-

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2. Coats (1993), p. 1.

3. Augello and Guidi defined the idea of studying the history of economics from the point of view of the relationship of economists with the institutional environment where they perform as “the history of the institutional contexts surrounding the discourse on political economy, or, more briefly, the institutional history of political economy”. Augello and Guidi (2005), p. xiv.

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tween politics and the process of institutionalisation of political economy, exploring whether political economy and economists themselves influenced political debate (and vice versa), and whether these connections aided in the diffusion of political economy in this period. It seems that the answer to this question is affirmative, and that the performance of economists in politics may be considered an essential part of the process of dissemination of economic ideas and of institutionalisation of political economy.⁴

This essay follows this institutional approach. It joins other research works dealing with the role of economics in politics, specifically in the activity of European national parliaments in the liberal age. Literature on this topic is however not plentiful, except for the cases of Britain, Portugal, and, above all, Italy.⁵ In particular, this article analyses the presence of economic ideas in the debate held in the Parliament of Spain in 1900 ensuing a government's bill which introduced progressive rates in the inheritance tax. This debate is particularly relevant, not only in terms of uses, influence and diffusion of economic ideas, but also from a strictly fiscal point of view. Although it was a relatively small tax, this bill led to an exhaustive discussion on the issue of fiscal progressivity. Remarkably, apparent political and social implications of progressivity were mostly avoided in the debate, it being grounded mainly on technical fiscal and economic terms. The study of this debate suggests that the idea of modernising the Spanish tax system by introducing a fiscal measure already issued in other countries was behind this bill. The role played by economic ideas in the discussion was significant; first-rank international literature and well-known economists were invoked. The economic expertise of the Members of the Parliament (from now on MPs) in the debate should also be praised. The echoing of the debates through the political press might suggest that they contributed to an effective diffusion of economic ideas too. This paper is organized as follows: First section explains the bill issued by the government reforming the inheritance tax introducing progressive tax rates. Second section explores the parliamentary debate and the arguments there displayed in favour and against this reform. Third section deals with the influence of economic ideas on the lines of reasoning of the MPs taking part in the discussion.

4. Augello and Guidi (2005), pp. xiii-xiv.

5. Studies on the influence of economic ideas in the British parliament in the 19th century are pioneering: Fetter (1975, 1980), Gordon (1976), Grampp (1987), Harris (1997), Gambles (1999) and Schonhardt-Bailey (2003, 2006). The Italian case is probably the best known, thanks to extensive work developed by numerous scholars, gathered in the works edited by Augello & Guidi (2002, 2003) They also edited another international monography (2005). Recently, Portuguese researchers have led an important project to assess the influence of political economy in their national Parliament: Almodovar and Cardoso (2005), Cardoso (2007) and Bastien and Cardoso (2009). As for Spain, an excellent survey on Spanish parliamentary economists was developed by Almenar (2005). There are also valuable contributions for diverse periods in Costas (1988), López Castellano (1999), Comín and Vallejo (2002) and Martín Rodríguez (2009).

Villaverde's tax reform project

In 1899 Finance minister Villaverde launched a plan to reform the tax system, in the framework of a general transformation of the Spanish public finance, which had been dragging out serious deficiencies for the entire century. Villaverde had been appointed minister in the conservative Silvela cabinet,⁶ which had succeeded liberals after the war against the United States and subsequent loss of the last parts of the colonial empire in 1898. This “disaster”, as it was named, plunged Spain into a sort of collective despair, in front of which intellectuals and politicians started calling for the regeneration of the nation. One of the key topics this movement insisted on was the healing of public finance. Prime Minister Silvela placed this as a priority and addressed Villaverde to urgently put under control the problem of the public debt and the budget deficit. There was social demand for stabilization policies, led by taxpayers, in front of the increasing national debt and the problems caused by its inflationary financing through money issues.⁷

Villaverde's immediate objectives were to reduce the public debt –a problem worsened by the sums borrowed for the previous war– and to balance the budget, restoring Spanish credit. The government decided to suspend temporarily the debt amortization and to reduce its effective interest rate charging its yields with a 20% tax. As for the fiscal system, Villaverde strove to set the bases to improve its efficiency, to make it able to guarantee enough ordinary revenues to meet public expenditure and reduce the debt burden.⁸ In spite of new fiscal trends slowly spreading in Europe towards the personalization of taxes, which are best shown in the expansion of income taxation in the continent in these years, Villaverde kept the traditional product tax system, thus discarding

6. Raimundo Fernández Villaverde (1848-1905), was an exceptional conservative politician in the first part of the Bourbon Restoration. He was an expert in Public Finance, and Professor of Commercial Law and Criminal Law at the University of Madrid. His political curriculum (always in the conservative party) was impressive, as his career as public official. He held several positions in the Finance Ministry, becoming minister twice (March 1899 – July 1900 and December 1902 – March 1903). He was also appointed minister of the Interior twice, minister of Justice, Chairman of the Parliament, and eventually Prime Minister during two brief periods in 1903 and 1905.

7. Taxpayers' policy demands and criticism of Spanish oligarchic political system shows the contemporary divorce between producers or entrepreneurs and politicians. Vallejo (2001), p. 351.

8. The Spanish tax system at the end of the 19th century was essentially the outcome of the Mon-Santillán tax reform of 1845. This had unified the liberal tax system under the principle of direct product taxation, inspired by the French model, which was complemented by some indirect taxes to generalize taxpaying and attain the sufficiency of the whole system. Its main levies were the tax on land property and the indirect tax on consumption goods. One of the flaws of this system was that capital and labour incomes remained almost uncharged. However, its most important limits were the short tax collecting capacity and its rigidity to tax new forms of wealth or new activities, which made the system shift more and more towards indirect taxation. See Fuentes Quintana (1990), pp. 3-47, and Vallejo (2001), pp. 39-43.

a fundamental reorganization of the whole system in order not to put current revenues at risk. In this framework, the main innovations were a new tax on some incomes (the *impuesto de utilidades de la riqueza mobiliaria*),⁹ some new taxes on specific consumption goods (especially alcohol and sugar), and a reform of the general tax on property transmissions (*impuesto de derechos reales y transmisiones de bienes*), which included the introduction of progressive rates in the inheritance tax. He completed these reforms with some reductions in government expenditure and a restrictive monetary policy. Villaverde's plan *leitmotiv* was to increase revenues and reduce expenses without disturbing credit or public services.¹⁰ This would be the first step of a long-term project for the Spanish public finance: After solving the debt question, balancing the budget and improving the tax system, the second stage would be the economic reconstitution of the country developing public services and promoting productive activities. The third step would be a tax relief. Eventually, Villaverde dreamed on Spain joining the international gold standard system.¹¹

One of the most striking novelties in this reform plan was the diffusion of the principle of progressivity in the tax system through the inheritance tax. Up to then, inheritance tax fees were proportional and varied according to the relationship of the beneficiary to the deceased. Fees ranged from 1% of the amount inherited to 9%. Some extraordinary surcharges had been recently imposed on behalf of the economic crisis, making fees 40% higher.¹² Villaverde's project established several scales of fees, depending on the relationship beneficiary-deceased, each one with five steps depending on the amount inherited. In the first scale, applied to inheritances between legitimate direct ascendants and descendants, fees ranged from 1% to 2.50%.¹³ The last scale, with highest fees,

9. This tax aimed at charging new activities that so far had avoided taxation. It bore certain similarity to an income tax. According to Solé, it was inspired by its Italian homonymous. Solé (1999), p. 27.

10. Solé (1999), pp. 29-30. According to this author, Villaverde was an enthusiastic follower of the British income tax, and he even thought of introducing it in Spain, but rejected the idea in front of the enormous difficulties he foresaw. The income tax was somehow a myth for many Spanish economists. Navarro Reverter, minister of Public Finance from 1895 to 1897, recognized that the idea was interesting, but impossible to apply in Spain because of its management difficulties. Solé (1999), pp. 25-28.

11. On Villaverde's monetary policies and plans, see Serrano (2004), pp. 91-107, and Sabaté and Serrano (2006), pp. 70-99.

12. In 1897, Finance minister Navarro Reverter introduced a transitory surcharge of 10% on tax rates. Succeeding minister, López Puigcerver, increased it to 20%, and, for the economic year of 1898-1899, introduced another war surcharge of 20%. The issue of surcharges was important in the debate, as whether they were taken account of or not, Villaverde's reform turned out to benefit or harm taxpayers.

13. Fees in this first group were as follows: Inheritances (amount accruing to the beneficiary) under 10,000 pesetas, 1%; from 10,001 to 30,000 pesetas, 1.25%; from 30,001 to 50,000 pesetas, 1.75%; from 50,001 to 150,000 pesetas, 2%; over 150,001 pesetas, 2.50%. See the bill in the *Diario de Sesiones del Congreso de los Diputados* (from now on, DSC), 1899-1900, 14, appendix 9, pp. 11-12.

applied to inheritances to third parties, they ranged from 11% to 13%. There was not tax threshold. The inheritance tax did not furnish much to the Treasury: According to the income budget project for 1900, its revenues amounted to only 2% of the budget. It was a small tax, but its significance was high, as it fell harder on wealthy citizens, well represented in the Parliament. Progressivity was not new, however: Two small taxes applied progressive rates.¹⁴ Nor was it new in the Parliament: Some MPs had defended it in the Chamber before, and some public finance officials had also supported it occasionally.¹⁵ But the first general debate on this matter took place when Villaverde brought to the Parliament his tax reform plan, in the 1899-1900 campaign.

Villaverde's reform project faced hard opposition, and he eventually was constrained to reduce or remove some of his proposals in order to get the Parliament pass. He was very committed to the economic reform, and linked his remaining in office to the general acceptance of his plans, which created difficulties to Silvela's cabinet, as many of the members of the conservative group in the Parliament were reluctant to pass some of the reform bills.¹⁶ Villaverde fought extremely hard in that parliamentary campaign, often without support of many members of his own party. Having attained just a part of his plans, he resigned on July 1900. However, his measures eventually managed to balance the Spanish budget quickly and to reduce the public debt burden.¹⁷ Surplus in the public budget would last until the Morocco war in 1909, as Finance ministers in the following decade did not deviate from Villaverde's direction.¹⁸

The debate on the progressive inheritance tax

The preamble of the inheritance tax reform bill, issued in June 1899, contains the reasons Villaverde hinged on to justify its transformation. It stated that the introduction of progressive fees in this tax was a means to compensate a reduction in the fees of the other major item of the tax on property transmission, *inter-vivos* transmissions (this reduction had been done in order

14. These were the tax on wages and salaries (*sueldos y asignaciones*), in which progressive rates were applied only to public officials' wages; and the tax on personal identification documents (*cédulas personales*), in which the tax burden was set on behalf of external indicators, such as housing rent.

15. DSC 1899-1900, 118, p. 4044; and 119, p. 4059.

16. Martorell (2000), pp. 68-69; and (1999), pp. 73-75.

17. The budget balance eventually served to reduce the public debt, maintain money circulation and price level constant, and appreciate the Spanish peseta in front of the Sterling.

18. Literature has made diverse evaluations of Villaverde's reform: See Solé (1999), pp. 25-28; Vallejo (1999), pp. 67-69; Betrán (1999), p. 121; Fuentes Quintana (1990), pp. 61-62; Martorell (1999), p. 75; Comín (1988), pp. 589 and 596, and (2000), pp. 54-59. Lately, Comín himself stated that Villaverde's tax system was conceptually obsolete, as new fiscal principles on taxation fairness were already circulating in Europe. Comín (2010), p. 231.

to encourage trade). The new progressive structure of the inheritance tax would benefit poorest classes by reducing the effective fees they were subjected to, whereas the tax burden would fall comparatively harder on large inheritances, as their beneficiaries were more qualified to bear taxes. This “fits better the principles of equity and distributive fairness, which call for alleviation of levies on small capitals, in order to make taxpaying less onerous and easier”.¹⁹ This was the clearest statement Villaverde made about the redistributive implications of progressivity: During the debate he was much more ambiguous concerning distributive connotations of progressive rates. The preamble also stressed that the new fees were lower than the old ones (surcharges included),²⁰ and much lower than the fees applied to inheritances in other European countries.

The inheritance tax debate took place in January 1900.²¹ Despite it being a minor tax, it was the longest debate on Villaverde’s reforms (ten sessions), and was extraordinarily controversial (probably much more than what the government expected) if compared to other discussions in this campaign in which other more significant reforms in the fiscal system were considered. The debate was established mostly on legal and economic principles, mainly on the adequacy of progressivity as a device to achieve an overall proportional allocation of tax burden. Redistributive implications of progressivity were almost entirely avoided. Ideas and writings by renowned economists were often quoted; indeed the quality of the discussion was praised by some of its participants.²²

As it was usual in economic debates, only a handful of MPs took part in it, mainly economic-specialized MPs. These parliamentarian economists were not in general linked to academic posts (only a former professor of political economy, Moret, was among them).²³ Their economic expertise was acquired through university Law degrees, long careers as public officials in economic-related positions, and as politicians specialized in economic discussions. Many of them had held significant economic posts in the public administration, including appointments to the heads of some ministries: A significant group had been (or would be later) appointed Finance minister: This was the case of

19. DSC 1899-1900, 14, appendix 9, p. 2.

20. However, this was true only for small inheritances, those under 30,000 pesetas.

21. Delay in the parliamentary discussion of economic bills led Villaverde to issue a new bill on the inheritance tax which would allow it to rule immediately on a provisional basis. In this new bill, the progressive steps had been slightly modified (steps were 8 instead of 5, and fees ranged between 1 and 2.75%; new rates hardly favoured medium-size inheritances. See DSC 1899-1900, 108, appendix 8.

22. For instance, Azcárate (DSC 1899-1900, 119, p. 4058), Laiglesia (DSC 1899-1900, 119, p. 4073), or Gamazo (DSC 1899-1900, 120, p. 4093).

23. Moret, a close follower of French optimistic school, had taught Political Economy between 1857 and 1859, and then was Professor of Public Finance at the University of Madrid from 1863 until 1875. Since 1881 he taught Administration. Almenar (2005), pp. 83 and 96; Perdices and Reeder (2003), p. 647. Only another scholar took part in the debate: Azcárate.

liberals Moret, López Puigcerver, Gamazo, Suárez Inclán and Canalejas, and conservatives Bergamín and Villaverde.²⁴ Progressivity divided the Parliament into two factions, although there was not homogeneity inside them. Villaverde's reform was supported (at least formally) by the Conservative Party and the republicans, a quite unusual alliance. Their main representatives were Villaverde himself and Azcárate, who, despite supporting the reform, made severe criticisms to it.²⁵ Opposition was conducted by the Liberal Party; its five major representatives just mentioned. Some members of the opposition were in favour of progressivity, but not of this specific project. This was the case of Bergamín (a conservative dissident) or Canalejas.²⁶ As expected, many conservative MPs were against tax progressivity. However, the conservative group voted for Villaverde's plan, surely in order not to jeopardize cabinet stability, and possibly confident of its defeat in the Senate, as it eventually happened.²⁷

“You will not find any idea of justice to justify this tax”

Liberals' strategy in the debate was to attempt to prove that progressivity did not constitute a fair system of allocating tax burden, and defend the traditional proportional scheme. Their chief argument was that progressive taxes implied wealth redistribution, which was unacceptable: redistribution was a socialist idea that bestowed the State with prerogatives it should not have at all. López Puigcerver, Villaverde's main antagonist in this particular point, maintained that tax progressivity was not justified by any theory on fiscal justice, but by the (socialist) theory of the redistributive State, which deemed tax-

24. This confirms Almenar's view that, since 1891, the participation of university professors in politics decreased sharply in a context of political professionalisation and divorce between academia and politics. The process of specialisation in economics was increasingly endogenous. Almenar (2005), pp. 86-92. Moret had an impressive political career. He had been appointed Finance minister twice in 1870 and 1871, and would be Prime Minister three times between 1905 and 1909. Suárez Inclán was appointed minister of Agriculture and Industry and later, of Public Finance (1912-13). López Puigcerver, another strong follower of the liberal economic school, had been Finance minister twice (1886-1888 and 1897-1899). Gamazo had been Finance minister between 1892 and 1894. See Sánchez de los Santos (1908 and 1910), Rull (1991), Perdices and Reeder (2003) and Urquijo (2004).

25. Azcárate was a Krausist jurist and economist, committed to the progression of education and social reform. He was Professor of Comparative Legislation in Madrid. He was very active in the country's cultural life and the President of the Instituto de Reformas Sociales. Sánchez de los Santos (1910), p. 713.

26. Bergamín and Canalejas also occupied high posts in the administration. The former was appointed minister in several occasions (he would be the Finance minister in 1922). Canalejas became the leader of the Liberal Party and was Prime Minister in 1911-1912, when he was assassinated. He had also been the Finance minister for a brief period in 1894-1895. Rull (1991), pp. 68 and 81; Urquijo (2004).

27. In this particular matter, conservatives kept party discipline and backed Villaverde. But it was not infrequent that MPs absented from voting, therefore not supporting bills promoted by their leaders with which they did not agree. See for instance Martorell (2000), p. 75.

ation to be a major tool to eliminate social inequalities, not just instruments for the State to fulfil its duties and achieve its goals.²⁸ Moret stressed that tax relief for small fortunes, which progressivity entailed, should not imply higher tax rates for the rich. In his opinion, tax relief for the poor was not a matter of social justice but of fiscal technical tenets: cost-benefit calculation (collecting costs were higher than the revenues supplied), and the principle of not destroying taxpaying capacity.²⁹

The most common position in the defence of progressive taxation at that time, also in economic literature, was to consider it as a measure to counteract the overall regressivity of the tax system, caused by the presence of indirect taxes, particularly taxes on consumption. Progressive taxes would serve to achieve real proportionality in the tax system as a whole. This reasoning appeared in the debate, but liberal MPs did not admit it either: Gamazo and López Puigcerver, stated that, in the case of Spain at least, there was no need to compensate lower classes in this regard, because there were several taxes that were paid only by the high-income group, which already generated this compensatory effect in the whole tax system (Gamazo was not against positive discrimination measures, such as a tax threshold, to achieve equity, which contradicted his earlier assumption).³⁰ This idea was in general accepted by Villaverde, who did not lean on the compensation argument to support progressivity, contrary to many European liberal authors who acknowledged the possibility of its existence.

The third big argument against progressivity, linked to the distributive reason, showed the social question beneath this issue and perhaps the chief controversy of the reform: Progressive tax rates put property and wealth at risk. López Puigcerver was particularly fond of this argument. He openly feared that, although progressivity was not new in the Spanish fiscal system,

28. “Whatever the theory might be to justify or explain this tax [...] you will not find any idea of justice to justify it; you will only find a single theory to explain it; and this is the theory of those who believe that the State must intervene in the distribution of wealth; the theory of those who believe that taxes are not a means for the State to fulfil its duties and to meet the budget expenditure; the theory of those who believe that taxes are something to make social inequalities to be eliminated”. DSC 1899-1900, 118, p. 4032. However, some liberals accepted a certain degree of anticyclical fiscal policy: Gamazo and Moret believed that the government could never use taxes to create the economic cycle, but the latter admitted that it could “steer” it. DSC 1899-1900, 119, p. 4072; and 120, p. 4097.

29. “This is not progressive, regressive or progressional: This is, simply, a matter of common sense”. DSC 1899-1900, 119, pp. 4071-4072.

30. Gamazo considered that the taxes paid only by upper classes amounted more than 20% of the total tax revenues. In his opinion, it would be good to implement other measures, such as a tax threshold to achieve a higher degree of equity, but a progressive tax on capital, as he considered the inheritance tax, should be never established. DSC 1899-1900, 120, p. 4095. López Puigcerver believed that the tax structure in Spain compensated lower and upper classes, although he admitted that, in other countries, circumstances could be different, such as in England. DSC 1899-1900, 119, p. 4068.

applying it to new taxes would create a dangerous precedent that would eventually lead to the creation of new progressive taxes. He ardently warned that this matter transcended politics; what was at stake was the fundamentals of the Restoration: propriety, wealth, capital and business, and therefore all the economic system.³¹ As a consequence, he was intimately persuaded that any progressive tax was unacceptable. López Puigcerver, who explicitly grounded these beliefs on the ideas of Léon Say and Leroy-Beaulieu, tried here to invoke all MPs to defend the essence of the social system. His appealing to general class interest shows well the intersection of vested interests and politics in contemporary parliamentarism. All the opposition joined this argument: Gamazo said that the progressive inheritance tax would charge capital so heavily that it was a confiscation. Moret also stressed this idea, whereas Suárez Inclán believed that progressivity discouraged capital accumulation.³² Canalejas, a radical liberal MP stated that passing Villaverde's bill implied truly sanctioning the principle of progressivity in Spain, which many conservatives feared, but did not dare to express frankly (this shows that Villaverde did not have the support of his own parliamentary group).³³ Azcárate, in turn, also believed that, despite the fact that progressivity already existed in the tax system, it has only caused concern when applied to property.³⁴ Although the issue of the connections of interests, politics and economic ideas is beyond the scope of this paper, it should be pointed out that economic thought is playing the role of subordinate, supplying with arguments for the other two to prevail.

Last, liberals also clung to a range of other reasons to oppose the reform. First, the whole tax on property transmission was illegitimate: It levied capital, not incomes, thus violated the principle that taxes should never destroy future taxpaying capacity. This kind of taxes prevented capital accumulation, hindering economic growth and thus harming the working class. High rates (Villaverde's rates were higher than the former rates, because they consolidated surcharges) and progressive rates made these state of affairs worse, and besides resulted in lower tax revenues, as they stimulated fraud.³⁵ Second, progressivity could not be fair, as rates were always arbitrarily established, and it did not take into account taxpayer personal circumstances (the latter reason-

31. DSC 1899-1900, 118, p. 4032.

32. DSC 1899-1900, 117, p. 4005; 119, p. 4070; and 120, p. 4096.

33. DSC 1899-1900, 120, p. 4101. These opinions were not unanimous, though: MP Romero Robledo, who was contrary to progressivity, denied that Villaverde's plan would cause a general introduction of fiscal progressivity in Spain. DSC 1899-1900, 120, p. 4104.

34. DSC 1899-1900, 119, p. 4060.

35. López Puigcerver was the main supporter of this position. In his opinion, property transfer taxes existed just because they were easy to implement. DSC 1899-1900, 117, p. 4005; and 118, p. 4030. Azcárate, a defender of progressivity, also believed that taxes on property transmission were unjustified, as they only represented government eagerness to tax every human activity. DSC 1899-1900, 119, pp. 4058-4060.

ing could also be applied to proportionality, but, as Suárez Inclán pointed out, progressivity aggravated it).³⁶ The problem of the establishment of the steps of the progression rates, which depended on the legislator will, was widely stressed by contemporary literature, and highlighted by liberals at the debate (this has remained the most important flaw of progressive taxes).³⁷ Third, the lack of tax threshold was another flaw of the project: Many MPs believed it was a strong contradiction, as Villaverde had said that his progressive plan baked low-income groups.³⁸

“This is not a progressive tax [...], it is a financial tool, seeking proportionality”

Surprisingly enough, Villaverde and his collaborators did not have a clear strategy and unified criteria to defend the reform bill in the Parliament. They struggled to convince the Chamber that the new progressive rates in the project were neither redistributive nor a threat to wealth classes; however they leant on arguments that sometimes were contradictory. As it has been pointed out, Villaverde did not cling to the argument of progressivity as a means to correct overall tax system regressivity caused by indirect taxes (although he ended up acknowledging that relief of poor classes, which his tax reform entailed, was a matter of correction of unfair tax burden allocation).³⁹ In his defence of the inheritance tax reform, his lines of reasoning combined Treasury requirements, relief to poor classes, legal commandment, a personal interpretation of the doctrine of equality of sacrifice and innocuous consequences on property and capital.

Villaverde first tried to defuse liberal’s arguments about the consequences of progressivity by simply rejecting the existence of any progressivity in his inheritance tax: His project only involved what he called “progressional proportionality”, a system of limited progressive rates devised by Garnier.⁴⁰ This

36. It was mainly Moret who stated that progressivity was arbitrary, and therefore, unfair. DSC 1899-1900, 117, p. 4005; and 119, p. 4072.

37. See, for instance, Neumark (1994), pp. 189-197, or Slemrod (1994), pp. 1-4.

38. Other reasoning used by liberals was that progressive taxes were forbidden in the Constitution of 1876. This was quite a restrictive interpretation of the constitutional text: It just stated that the population should contribute to the expenses of the public administrations proportionally to their wealth (Sánchez Agesta (1985), p. 60). At the end of the debate, López Puigcerver uttered that the progressive inheritance tax was not necessary even for the reason of collecting the revenues planned in the budget: they could be easily raised with the old proportional system. DSC 1899-1900, 118, pp. 4023, 4029 and 4044; 119, p. 4062; and 120, p. 4102.

39. Villaverde corrected the argument used by his fellow M. P. Fernández Hontoria, who had said that the progressive scale was a device to correct the overall regressivity of the tax system, caused by the indirect taxes. The inheritance tax was a mechanism to achieve tax justice, looking for the real proportionality commanded by the Constitution. DSC 1899-1900, 118, p. 4029. This shows the confusion conservatives had in the defence of progressivity.

40. See Garnier’s *Elements d’Économie politique* (1846).

was a powerful reason, as it was grounded on an idea by a famous liberal economist, which had been adopted by authors as J. B. Say and J. S. Mill. Thus Villaverde was trying to distance himself from the distributive (and socialist) connotations of progressivity, and to ease the project pass. Villaverde claimed that he needed to charge direct inheritances with a fee of 1.70% to accomplish his plan of balancing the public budget. By using his progressive model, he assumed to relief poorer classes, and therefore he was fulfilling the requirement of establishing a proportional tax systems commanded by the Constitution. As a result, the inheritance tax turned out to be not progressive, but *degressive*: its goal was to reduce the tax burden on small fortunes.⁴¹ Thus Villaverde's plan of a limited progressivity was the result of combining public finance requirements and constitutional justice commands, but it was also a consequence of his fidelity to the fiscal principle of ability to pay in the allocation of the tax burden as the best way to attain tax justice. In order to accomplish this –what he called “proportionality of faculties” (which he believed was a constitutional mandate)–, it was necessary to implement the progressivity system in some taxes.⁴² In another occasion, Villaverde stated that taxes were the contribution of each citizen in proportion to his wealth, so that the State could exist: This “proportion” was sometimes better achieved through a graduated scale. This, he stated, was Léon Say's doctrine, which he assured to follow.⁴³ Azcárate also interpreted the “proportionality” command of the Constitution as “proportionality of faculties”,⁴⁴ an idea that allowed him to support the progressive system, in the Garnier fashion followed by Villaverde. In his opinion, the “progressional” tax fitted well with the values of freedom and justice, the pure proportional system being unfair. Its application in some taxes was in order to achieve the equality of sacrifice in tax-paying.⁴⁵

Having attempted to state the narrow limits of progressivity of his reform, Villaverde faced liberals' arguments: First, he absolutely rejected the idea of using taxes as a mechanism to modify wealth distribution, as a socialist tool to equal fortunes. This idea, defended by the Chair Socialists, was absolutely alien to his economic and political thought.⁴⁶ Here Azcárate offered

41. DSC 1899-1900, 118, pp. 4036-4039. Laiglesia called Villaverde's proposal of progressivity as a “modern proportionality” and remarked that liberals' suggestion to establish a tax threshold was a real progressivity. DSC 1899-1900, 119, p. 4075.

42. DSC 1899-1900, 118, p. 4040.

43. DSC 1899-1900, 119, p. 4060.

44. He stated that the constitutional order to pay taxes according to the individual ability should not be interpreted restrictively, as if it stood for pure tax proportionality. DSC 1899-1900, 119, p. 4061.

45. DSC 1899-1900, 119, p. 4068.

46. “This is not a progressive tax, a progressive tax [...], as it has been defended by the Chair Socialists in their books and lectures, and as it has been defended by action socialists in their programmes, is a fiscal device with which the State intervenes in the distribution of wealth.

him a solid support, rejecting the use of taxation as a redistributive mechanism, for, in his opinion, applying taxation as an instrument for social reform was a mistake.⁴⁷ He only considered progressivity legitimated in the framework of the theory of compensation: Progressivity was not really fair, but it served to compensate the excess of tax burden on lower classes caused by indirect taxes. In his opinion, this was the idea supported by Leroy-Beaulieu and Léon Say. Azcárate explicitly rejected Wagner's idea of using taxes for social transformation through wealth redistribution.⁴⁸ Second, Villaverde also denied that progressivity had been established as a compensatory device: Although the "progressional" technique of taxing used direct taxes to counteract the relatively greater harm caused to low-income economies by indirect taxes, there was no need of this effect of compensation in Spain. This was because, in his opinion, taxes on consumption turned out to be mostly direct taxes, as in practice they were managed as surcharges on the main direct taxes on agricultural and industrial activities returns. Here Villaverde seemed to contradict his argument on constitutional real proportionality mentioned above. However, his intention was to guarantee the Chamber (as he stated) that implementing the progressive inheritance tax would not lead to an extension of progressivity to every tax. Thus, Villaverde was trying to reassure liberals and conservatives, most of them defenders of proprietors' interests (he also declared that he had rejected progressive rates in the *inter-vivos* property transfer tax in order to avoid any risk of confiscation, as one asset could be transmitted several times in a short period).⁴⁹ Third, and in connection with this matter, progressivity supporters denied that the inheritance tax could hamper capital accumulation or threaten economic growth, because it was extremely small. Laiglesia estimated that this tax amounted just 1.26% of the total tax base in Spain, according to statistics from 1890-1891 and presupposing that domestic product had remained constant.⁵⁰ The lack of tax threshold (claimed by some parliamentarians, including Azcárate, and described by

It entails a constant, continuous and practical progression, equal or bigger than the progression of wealth; it tends to make fortunes equal [...] It is not, therefore, a fiscal mechanism to intervene in wealth distribution; it is a financial tool, seeking proportionality". DSC 1899-1900, 118, p. 4040.

47. "There is a school [...] which supports progressive taxation, what for? Wagner has stated it, he making a glaring error; he has stated that time has arrived for this tax to cease to be a mere fiscal device; it must become a tool for social reform. And this is a fundamental error: this tax will never be other than a fiscal device". Azcárate believed that social reforms should be implemented through laws, not through taxes. DSC 1899-1900, 119, p. 4060.

48. DSC 1899-1900, 119, p. 4060.

49. DSC 1899-1900, 120, p. 4106.

50. Villaverde believed that a maximum tax rate of 2.75% could hardly damage capital. He insisted that his project did not raise tax rates, but, on the contrary, lowered them (he was taking into account the effect of the temporary surcharges). DSC 1899-1900, 119, pp. 4064-4065; and 120, pp. 4105-4112.

Villaverde as a true progressivity) was a sort of contradiction in Villaverde's plan, he being aware of this. Fernández Hontoria, another conservative spokesman, recognized that the minimum tax exemption would be desirable, but it was not possible to apply because the Treasury could not dispense with those revenues. Anyway, he rejected the assumption that progressive taxes necessarily implied a tax exemption.⁵¹

Villaverde and his collaborators had always in mind the aim of the reform: to reorganise the tax system in order to make it capable to meet the State duties. As Laiglesia, the chairman of the parliamentary budget commission, close to Villaverde, pointed out, the object of the entire project was both to strengthen direct taxes and to find new fiscal resources, mainly taxing activities that so far had escaped taxation.⁵² Villaverde firmly believed that the tax base in Spain was much larger than it was assessed by the fiscal administration: there was not a correlation between the wealth of the country and the State resources.⁵³ In fact, in his first intervention in the inheritance tax debate he justified the legitimacy of a tax on the transmission of property: It was the State the institution that guaranteed the validity of contracts of transmissions; therefore it had the right to take a part of the amount transferred as a payment for the guarantee supplied.

Villaverde's commitment to the defence of the progressive inheritance tax is undeniable, and he eventually could get his project to pass the Parliament proceeding.⁵⁴ However, as probably many MPs expected, it did not get the Senate pass. This opened an institutional crisis, as some MPs complained about the usefulness of parliamentary debates. Ironically, the only progressive measure the Senate agreed to pass was a tax threshold for the inheritances below 1,000 pesetas, which Villaverde eventually accepted. The reform of this tax was settled by the Law of 2 April 1900. Although Villaverde did not succeed in his attempt to establish a progressive tax, as it happened in other European countries, he nevertheless had sowed a crucial idea, quite early in comparison with other nations' fiscal systems. A progressive tax on inheritances would be introduced later by the Finance minister Osma, but limited to inheritances to distant relatives and third parties. Cobián established a real progressive inheritance tax in 1910.

51. DSC 1899-1900, 118, p. 4029.

52. DSC 1899-1900, 119, p. 4075.

53. Villaverde believed that the financial difficulties of the state were not a direct consequence of the economic crisis of the end of the century: There had been economic growth since the central decades of the century, but it had not reflected in the public incomes. Villaverde (1973), pp. 593-594.

54. Solé said that Villaverde's interventions in the Parliament to defend the progressive inheritance tax were much longer than any other discourse he made to support any other tax reform. Solé (1967), p. 203.

Ideas on progressive taxation in the Parliament

MPs in the debate tried to reinforce their lines of reasoning referring to ideas and works by renowned economists. Leroy-Beaulieu and Léon Say's ideas were profusely mentioned, by both sides. Garnier's limited progressivity was the crucial reference for Villaverde and fellows, and J. S. Mill and J. B. Say were also cited in their discourses. Socialist theories of taxation showed up in the debate, only to be criticized. Wagner was quoted, most of the times to discard his ideas on taxation as a mechanism of wealth redistribution (however, Wagner was praised by Spanish economists on behalf of their deep scientific character). Needless to say, uses of intellectual sources in parliamentary debates were often instrumental. However, it is to remark that MPs seemed to be aware of the main European taxation theoretical trends and to know well the ideas and authors they were using in the debate, and also other countries' policies concerning progressive taxation. In this regard, most quotations seemed to be solidly grounded. It is worth to observe that no Spanish economist was mentioned in the debate. That French liberal authors were the most quoted matches up contemporary Spanish economic thought framework: In spite of the fact that the highly influential liberal school –the *Escuela economista*, which flourished in the mid-decades on the 19th century– had already faded away, the new trends of economic thought (represented by Krausist and Social-Catholic authors) had not distanced from economic liberalism, whose main representatives' works (especially French) were very widespread in Spain in the second half of the century.⁵⁵ Historicists and Chair Socialists were also known (not so widely, though), but their ideas were mostly rejected as they postulated a wider scope for State intervention in the economy.⁵⁶ As for marginalism, the degree of knowledge of this school in Spain at that time is still to be assessed, but in any case, it did not reflect in the works of any Spanish authors.⁵⁷

Opponents to progressive taxation grounded their arguments on the theoretical framework supplied by Leroy-Beaulieu and Léon Say, particularly MPs Moret and López Puigcerver. Leroy-Beaulieu clearly stood against tax progressivity, rejecting its theoretical foundations (the theory of equality of sacrifice) for being “sentimental” and not reasonable. In his opinion, progressivity was

55. See for instance the list of translations of economic works into Spanish by Cabrillo (1978), and, referred just to public finance books, by Sánchez Lissén and Aracil (2003).

56. Krausist economists at first seemed to sympathise with Chair Socialism. Piernas Hurtado, a well-known Krausist finance specialist had praised Chair Socialist's ideas on economic harmonism in his *Vocabulario de la economía* in 1877. He later distanced from this school as its ideas on progressive taxes and government intervention in the economy became more apparent. Malo (2005), 36.

57. On the Spanish economic thought in the 19th century, see Almenar (2000) and Serrano *et al.* (2001)

useless if it was mild, and extremely harmful if it was heavy. The diffusion of progressivity would create impossible and unfair situations, leading to confiscation of every increase in income. For this reason, mathematical progressivity was impossible to apply, and techniques had been devised to limit it.⁵⁸ Leroy highlighted the arbitrary characteristic of progressivity and its tendency towards the correction of social inequalities, which he deemed “dangerous”.⁵⁹ Léon Say agreed with Leroy in the principle of “national solidarity” as the base for allocating tax burden, rejecting the theory of equality of sacrifice, and also in the impossibility of a mathematical progressivity: This had been replaced with a “rationally limited progression” (Garnier’s “progressional tax”), which applied progressive rates not to the whole tax base, but to the increases of tax base.⁶⁰ In L. Say’s opinion, it was impossible to scientifically determine the rate of progressivity, as the inequality of sacrifice could not be measured in money. Like Leroy, L. Say feared the consequences of progressive taxation: if rates were high, it destroyed capital; if moderate, they did not supply but very short revenues.⁶¹ As it has been shown, all these ideas were put forward by liberal MPs in the debate, they closely following the fiscal thought of these two authors, particularly Leroy. This influence was openly acknowledged: López Puigcerver followed Leroy’s *Traité de la science des finances* in his discourses, whereas Moret used Léon Say’s *Les solutions démocratiques de la question des impôts*.⁶²

MPs in favour of progressivity grounded their argumentation on ideas by J. S. Mill, Jean-Baptiste Say and Garnier, but also on Leroy-Beaulieu and Léon Say’s thought, as these two authors observed some exceptional cases in which progressive rates could be admissible. Villaverde justified his progressive tax project on Mill’s theories, which rejected tax progressivity in general, but accepted it for inheritance taxes (although Mill’s reasons to apply progressive rates in inheritances were extremely far from Villaverde’s).⁶³ He also leant on Jean-Baptiste Say’s *Traité*.⁶⁴ Villaverde claimed that his plan was inspired on Garnier’s

58. Leroy-Beaulieu (1906), pp. 178 and 186-189. Leroy said that J. B. Say’s system to limit progressivity avoided the whole income to be absorbed by the tax, but, anyway, rates made it intolerable.

59. Leroy compared the arbitrariness of progressivity to the establishment of a tax threshold, which had no arbitrariness, except for the definition of the threshold. In his opinion, progressive tax was not useful because the wealth taxed to high rates was not big enough so as to provide large revenues, and rich people would try to commit fraud. A light income tax would produce equal revenues than a strong progressive tax, without causing so many problems. Leroy-Beaulieu (1906), pp. 182-183, 190, 200-202 and 214.

60. Léon Say (1894), p. 365.

61. Léon Say (1886), pp. 172-173.

62. DSC 1899-1900, 118, p. 4044; and 119, pp. 4067-4068 and 4072. López Puigcerver stated that L. Say had opposed Poincaré’s progressive tax reform in France 1894.

63. DSC 1899-1900, 118, pp. 4039-4040; and 120, pp. 4108-4109. See Mill (1987).

64. “Taxation cannot be equitable, unless its ratio is progressive”. J. B. Say (2001), p. 455.

“progressional proportionality”; thus the inheritance tax was not progressive. He only used this expression to refer to redistributive taxes defended by Wagner and the Chair Socialists. He also reminded that “progressional” taxes existed in Switzerland, Holland, the United Kingdom and France (although it was temporarily suspended). Azcárate based his support to progressivity on Garnier’s model, explicitly rejecting Wagner’s redistributive ideas. He recognized that Leroy-Beaulieu and Léon Say discarded progressivity in general (even in its “progressional” form), but he tried to justify the limited progressivity in Villaverde’s project as the exception those authors accepted in order to compensate systemic regressivity caused by indirect taxation.⁶⁵

Parliamentarian dynamics and interests prevented economists’ quotations from being very rigorous, MPs misusing sources of authority in order to underpin their arguments. A good example is Leroy and L. Say’s cites. Certainly, these authors accepted an exception for the introduction of progressivity, counterweighing the effect of indirect taxes. Leroy called this *impôt dégressif*, as it aimed at relieving low tax bases, instead of surcharging high tax bases. Exemption or moderation in direct taxes, especially on incomes, would be admitted. This was justified by the existence of indirect taxes in fiscal systems which harmed comparatively the poor. The *dégressif* tax would relieve totally or partially low tax bases, but then it should charge the rest of taxpayers or taxable base (in fact, the vast majority) with a uniform tax rate.⁶⁶ Léon Say also accepted a sort of *dégressif* tax, proposing a moderate form of progressivity: a tax relief to tax bases equal to the minimum amount to survive. Although he thought that this was arguable from the equity point of view, he accepted a tax relief for the lowest tax bases and tax moderation for medium-size tax bases in order to compensate the relative effects of indirect taxation. As in Leroy’s case, this would be a system to achieve real proportionality in the tax system. Say considered that, although progressive rates were always arbitrary (also in this case), it was essential to acknowledge the difference between progressive rates to re-establish proportionality and to redistribute wealth.⁶⁷

The majority of MPs at the debate seemed to know well the sources they leant on, but this did not prevent them from misusing these sources –be it deliberately or not– in order to underpin their arguments. Leroy-Beaulieu’s ideas could perfectly support arguments against progressivity (López Puigcerver quoted him), but not the opposite position, as his *dégressif* exception did not fit Villaverde’s tax. Azcárate was not right when using Leroy’s exception to support it. Neither was López Puigcerver when quoting Proudhon’s censure of progressive taxes (this author deemed all taxes, as they were currently con-

65. DSC 1899-1900, 119, pp. 4060-4061 and 4069.

66. Leroy-Beaulieu (1906), pp. 203-205.

67. Léon Say (1894), p. 366; (1886), pp. 180, 185 and 190-192.

stituted, unfair);⁶⁸ nor Villaverde's quotation of Mill's inheritance tax. In any case, many contemporary liberal economists were rather ambiguous in their ideas about taxation, which allowed politicians to make use of these sources quite comfortably. This was the case of Léon Say. He was against progressivity, but accepted it as an exception in a quite broad sense, in systems in which there were indirect taxes (all European systems in fact), to attain proportionality. So, his ideas could be used by both parties. As it has been said, Villaverde did not back his plan with this argument of compensation, nor on behalf of Leroy's ideas. Garnier was the author that best fitted his project, with his "progressional" system, which, however created by Garnier some fifty years before, could hardly hide the real idea behind it.⁶⁹ Probably the only clear support for progressivity would be Chair Socialists' ideas. But this source could not be used, even partially, because of the fear to socialism which was so widespread among upper classes in Spain. The absence of quotations of Spanish economists to support MPs' arguments is remarkable, in spite of the facts that public finance was a fashionable topic in contemporaneous Spanish economic literature and that some valuable works on fiscal matters had been produced in this period. Probably quoting first-rate international economists served more MPs' goals.⁷⁰

Concerning the diffusion of the debate on progressivity, it must be pointed out that it interested Spanish cultured society. Political newspapers in general used to pay attention to economic debates in the Parliament. Although only a few of them went into the matter in depth, some grasped the magnitude of this debate and its possible consequences in the Spanish fiscal system. Others also highlighted theoretical discussion. Conservative-oriented papers in general supported Villaverde: *La Época* praised Villaverde's interventions, and even stated that concern for tax equity was slowly leading to the introduction of progressivity in more taxes. *El Tiempo* censored the opposition's "deplorable campaign" against the government. *El Heraldo de Madrid* evoked Canalejas' address, favourable to progressivity. *El Nacional* considered the project "very healthy and very democratic", and severely criticised liberals for rejecting progressive taxation, against the tradition of this party.⁷¹ Newspapers linked to the

68. DSC 1899-1900, 118, p. 4040; Proudhon (1868), p. 185.

69. According to Olózaga (1886), p. 488, the first to speak of "progressionality" was Garnier in his *Traité*.

70. The only exception, although his name was not cited, was Piernas Hurtado. His ideas were mentioned, not on the issue of progressivity, but concerning the general taxation model. Piernas referred to the progressivity debate in the 1900-1901 edition of his *Tratado de Hacienda Pública*: He stated that neither progressivity nor proportionality could really achieve tax equity. Piernas (1900-1901), pp. 291-300.

71. *La Época*, 17-19 June 1899, 27 January 1900, and 1, 2 and 4 February 1900; *El Tiempo*, 2 and 4 February 1900; *El Heraldo de Madrid*, 17-24 June 1899 and 6 February 1900; *El Nacional*, 2 February 1900.

liberal party wrote against the tax reform: *El Globo* qualified progressivity as a “revolutionary demand”, and “essence of socialist doctrine”. *El Liberal* was extremely critical of Villaverde, but also of the liberal opposition for not being tough enough. The weekly finance periodical *El Economista* devoted three long articles to the issue, warning against “the socialist criterion, without precedent in our country”, and accusing conservatives for attacking property and capital.⁷² *El Correo*, somehow neutral, published that this “profitable discussion” was not a matter of tax rates, but of tax structure. In June 1899 this journal stated that Villaverde’s budget had at least fostered interest for political economy in the country, which was “a symptom of regeneration”.⁷³ *La Época* and *El Nacional* highlighted the doctrinal background of the debate, and *El Globo* stated that it was of extraordinarily high level.

Conclusions

The 1900 debate on the progressive inheritance tax was not a discussion on a key instrument of economic policy, nor was it a crucial event for the contemporaneous political process, and its eventual outcome hardly had actual fiscal consequences. Nevertheless, it had some attributes that made it controversial, in terms of fiscal modernization of the country and of the process of diffusion of economic ideas in political institutions. Concerning the Spanish fiscal development, this debate entailed the introduction in the political debate of a modern crucial topic in fiscal theory, with implications in income distribution and, in all, in the organization of society. However, the debate did not lie in the convenience of having a fiscal system with redistributive features, or in social justice matters linked to redistribution, because Villaverde and fellows absolutely denied that the new inheritance tax rates entailed any distributive consequence, thus avoiding an overall debate on taxation fairness, which would have presumably prejudiced his reform (redistribution was deemed a socialist policy). Instead, the debate lay in fiscal technical arguments, mostly on the question whether progressivity was an appropriate means to achieve tax proportionality, which was widely considered as the cornerstone of tax fairness (this –as members of the opposition denounced– was reckoning that it was indeed redistributive), and also on the limits of tax rates and its effect on property confiscation. The lack of debate on tax justice, even in a challenging social atmosphere with increasing social clashes, is connected to the structure of the Spanish Parliament: male universal suffrage existed, but tradition-

72. *El Globo*, 18-24 June 1899 and 2 February 1900; *El Liberal*, 4 February 1900, *El Economista*, 8 December 1899, 10 February, pp. 96-97, and 10 March 1900, pp. 164-166.

73. *El Correo*, 2 February 1900, and 18-21 June 1899.

al elites managed to keep workers' parties out of the Legislative, or scarcely represented. That a conservative minister launched this reform bill might sound astonishing. This should be understood in the framework of the process of economic reform in which Villaverde was engaged, with the aim of modernising the national economic structure.⁷⁴ In this regard, both the regeneration movement in Spain after the 1898 crisis and the example of modern nations, such as the United Kingdom and France, in their contemporaneous attempts to implement progressive rates in their inheritance taxes (which took place in 1894 and 1898 respectively, although in France it was suspended until 1902), should have played an important role. However, Spanish policymakers did not accept the idea of progressivity in personal taxes as a major device for fair allocation of tax burden among citizens.

The debate was quite fertile regarding economic thought. MPs resourced to economic ideas and fiscal doctrine, grounding their opinions in well-known international literature: It mirrored to a large extent the contemporary intellectual debate concerning progressive taxation that economists were having through their writings. In spite of instrumental and out of the context quotations, the analysis of arguments and of influences allows saying that the expertise of the Spanish MPs taking part in the progressivity debate was noticeable: They knew well both doctrinal sources and fiscal policies implemented in other European countries. The quantity and quality of economic ideas displayed, the transcendence of the topic and the controversy it raised, and its diffusion mostly through the press, made this debate to enhance the role of the Parliament in the transmission of economic ideas. This is a case of its contribution to the current process of expansion and institutionalisation of political economy, not only in the political realm, but in Spanish society as a whole.

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74. According to Comín, conservatives were more receptive to new ideas from Europe on fiscality and public budget reorganization than liberals, more prone to restrictive budget policies. Comín (2000), p. 32.

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Economic ideas and redistributive policy in the Spanish Parliament: The 1900 debate on fiscal progressivity

ABSTRACT

This paper analyses the influence of economic thought in political debate in Spain at the end of 19th century. It studies the case of the debate in the Parliament on the introduction of progressive rates in the inheritance tax in 1900. The debate shows that the Members of Parliament at the discussion were conscious of the importance of a sound doctrinal founding of their lines of reasoning to defend their positions, for or against progressivity. Well-known European economists were often quoted as sources of authority, and, although these quotations sometimes were not rigorous but instrumental, it can be said that MPs had a fairly good degree of knowledge of contemporary trends of fiscal thought. Despite it being on a reform of a small tax, this debate was very controversial on behalf of the concern progressive taxation in a tax on capital raised in wealthy classes, represented in the Parliament. The diffusion of the discussions in media was noteworthy, thus contributing to the dissemination of economic ideas behind arguments among cultured Spanish elites.

KEY WORDS: Political Economy, Parliament, Public Finance, Progressivity.

JEL CODES: A11, B12, H24, K34, N43



Ideas económicas y política redistributiva en el Parlamento Español: El debate de 1900 sobre la progresividad fiscal

RESUMEN

Este artículo analiza la influencia del pensamiento económico en el debate político en España a finales del siglo XIX. En particular, estudia el caso del debate en el Congreso de los Diputados sobre la introducción de tipos progresivos en el impuesto de sucesiones en 1900. El debate muestra que los diputados que participaron en este debate tenían muy en cuenta la importancia respaldar sus posiciones a favor o en contra de la progresividad fiscal con unas bases doctrinales sólidas. Economistas europeos muy renombrados fueron citados a menudo como como fuentes de autoridad, y aunque estas citas a veces no eran suficientemente rigurosas, sino instrumentales, se puede decir que los parlamentarios en este debate tenían un alto grado de conocimiento de las tendencias contemporáneas de pensamiento económico. A pesar de tratarse de una reforma en un impuesto menor, el debate resultó muy controvertido a causa de la preocupación que la extensión del principio de progresividad a un impuesto sobre el capital produjo en las clases opulentas, bien representadas en el Parlamento. La difusión de las discusiones en los medios de comunicación fue notable, contribuyendo así a la difusión de las ideas económicas que apoyaban los argumentos en el debate entre las élites cultas españolas.

PALABRAS CLAVE: Economía política, Parlamento, Hacienda Pública, Progresividad.

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