

Economics of History Activity



The French Revolution and Napoleon

France's Finances: Why the Crisis?

One of the primary causes of the French Revolution was the economic crisis that gripped France in the late eighteenth century. Debt, poor management of finances, and food shortages all came together to spur the call for change in France's political system. Read the passage below, describing the economic situation in France just before the French Revolution, and answer the questions that follow.

Economics Terms to Know

debt something, typically money, that is owed or due

shortage a situation where quantity supplied is less than quantity demanded at a given price

On the eve of the French Revolution, France's economy was in a sorry state. Having spent large amounts of money funding wars in the Americas, France found itself with little left to run the country. This, combined with extravagant spending by King Louis XVI and his court, left France deeply in **debt**.

To help fund the quickly depleting national bank account, taxes were raised, but because the clergy of the First Estate and many nobles of the Second Estate were not required to pay taxes, the burden fell to the poorest and largest group of French citizens—the Third Estate. However, the French peasants already had a heavy financial load. In addition to numerous taxes, peasants paid hefty rents to landlords.

To further complicate matters, low crop yields in previous years left France without enough food to feed its people. This **shortage** caused the price of food to skyrocket, and many people could not afford to buy it. Bread was the staple food in the French diet, so when bread prices rose, people panicked, fearing that they would starve.

Taxes, rents, and increasing food prices left the French peasants reduced buying power and little option other than to demand change. But when it became clear that there was little hope of their needs' being met through the traditional system of voting by the Estates-General, they declared themselves the National Assembly, vowing to create a new, fair constitution. The commoners in France felt oppressed, powerless, and hungry, and when it began to look like nothing would be done to help them, they revolted.

Applying Economics to History

- Using Context Clues** Using information from the passage, explain the meanings of the following two boldfaced terms:

yields:

buying power:

Economics of History Activity *Cont.*



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2. **Analyzing** What factors contributed to France's financial problems?

3. **Identifying Central Issues** What were the motivations behind the peasant revolt?

4. **Making Inferences** Why do you think the First and Second Estates were not part of the revolt?
