


THE DISSEMINATION OF PUBLIC ECONOMICS IN BRAZIL AT THE TURN OF THE TWENTIETH CENTURY: RUI BARBOSA BETWEEN LAW-MAKING AND POLICY-MAKING

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Rui Barbosa was a renowned jurist who served as the first finance minister of the Brazilian Republic, established in 1889. Despite his renown as an intellectual, Barbosa faced a severe financial crisis during his ministerial tenure and gained a bad reputation for his economic policy. In the texts produced in this context, he combined different traditions of economic thought from the point of view of the legal expert serving as economic policy-maker. In the field of public finance, while assimilating arguments associated to German state socialism and its North American developments, he was also influenced by French liberal economist Paul Leroy-Beaulieu. Through these international assimilations, Barbosa constructed an assemblage of economic ideas organized not by theoretical affiliations in the contemporary sense but around two main goals: to rationalize and legitimize his policy as finance minister and to influence the legal ordering of the Brazilian fiscal economy.

I. INTRODUCTION

The international dissemination of economic thought has been recognized as an important field within the history of economics for several reasons, which can be summed up into two. First, the study of the international diffusion of ideas, whether pertaining to the field of economics or not, may allow for a more precise understanding of the ideas “exported” to another context and the new discourses they eventually help to forge. This

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reflects the notion that the historical understanding of a text must go beyond its internal content, since its reception, transmission, and eventual adaptation are essential features of its historical significance. Second, the international dissemination of an *economic* discourse has a specific attribute: it involves a set of ideas that often intertwines with the framing of economic policy and the defense of concrete political propositions, particularly in the receiving countries. Thus, the analysis of these processes may take on a socio-historical status, allowing for cross-fertilization between intellectual history and the history of economic structures and institutions (Cardoso 2003, 2017).

The international dissemination of ideas in the specific field of public economics interlaces even more closely with the framing of economic policy and the defense of concrete political propositions. Approaching issues such as taxation and government expenditure, public economics is inseparable from considerations related to the state administration and economic policy. Therefore, this field is particularly receptive to contributions from different areas of knowledge. The science of law, in particular, has important connections with public economics, inasmuch as it deals with the legal structure of the state, from the constitutional arrangement to the regulation of fiscality. Moreover, theoretical developments in public economics tend to be related to the practice of formulating and implementing public policies, which makes the concrete experience of individuals who combine intellectual activity with functions in state administration particularly interesting for the study of the history of public economics. The dissemination of public economics in Brazil at the turn of the twentieth century presents thus a singular opportunity for investigation, related to one of the most prominent jurists and public men of the country at this juncture: Rui Barbosa (1849–1923). Operating between law-making and policy-making in the early Brazilian Republic, he made a concrete effort to capture and incorporate different international sources into his contributions to the discussion of public economics.

In this paper, we specifically discuss Barbosa's appropriation of the ideas of three public finance economists: Paul Leroy-Beaulieu, Adolph Wagner, and Henry Carter Adams. Leroy-Beaulieu was a representative of French nineteenth-century liberal economic thought who wrote mainly on public finance and on the topic of imperialist colonization. Wagner, in turn, was part of the German intellectual movement called *Staatssozialismus* (state socialism), which favored a social reformist agenda in the field of public finance. Adams, a North American student of Wagner, also hewed close to this line of public economics centered on what Richard Musgrave (1996, p. 189) called the "social-policy concept" of taxation. This peculiar network of international assimilations might seem paradoxical, since Wagner, Adams, and Leroy-Beaulieu belonged to "conflicting" currents of economic thought. Leroy-Beaulieu was, in fact, a bourgeois liberal who severely criticized the German state socialist school of thought that would inspire North American thinkers such as Richard Ely and Henry Carter Adams. We argue instead that this apparent paradox is part of Barbosa's way of approaching economic matters, which was informed by his legal expertise, marked by pragmatism and by the need to legitimize his widely criticized tenure as finance minister.

As its first finance minister and as one of the jurists responsible for drafting its first constitution, Barbosa can be considered one of the founding fathers of the Brazilian Republic. He received his legal education and started his successful career as a lawyer in imperial Brazil, having adhered to republicanism shortly before Emperor Pedro II was dethroned by a military coup in November 1889. While he achieved a widespread,

positive reputation as a jurist and publicist, Barbosa experienced frustrations as a policy-maker and as a politician in general. He ran for president four times between 1894 and 1919 and lost all the elections, which were held within an oligarchic system in which Barbosa was an ambiguous figure. On the one hand, he was a member of the ruling elite in that he was a deputy of the Empire, a finance minister in the first republican administration, and, from his resignation until his final days, a senator of the Republic. On the other hand, Barbosa failed to become a true achiever in the realm of politics. In addition to his frustrated presidential ambitions, he had to cope with the poor reputation he acquired as a policy-maker: he became associated with the financial crisis that erupted during his ministerial term (November 1889 to January 1891).

Facing an initial shortage of means of payment due to the abolition of slavery and the consequent expansion of wage labor, Barbosa began his tenure as finance minister by increasing the monetary supply via regional banks with issuing power. The conjuncture was marked by initial enthusiasm, followed by speculation and currency devaluation. The expansionary policy spun out of control, and, in an attempt to regain control of the economy, Barbosa created a bank that should function as a monopoly note issuer. The bank, however, was unable to address the financial crisis, and Barbosa resigned in January 1891. The first decade of republican rule in Brazil was marked by political and economic instabilities, which prevailed until the turn of the century. The economic consolidation of the regime was achieved between 1898 and 1900 with the help of a funding loan conditioned on a rigid austerity program. On the political front, relative stability was assured by an oligarchic arrangement in which the central government represented the most powerful regional elites, while these guaranteed political support for national situationism at the local level.

The economic crisis that burst during Barbosa's tenure has been discussed by the economic literature in Brazil since the beginning of the twentieth century. According to the "sound currency" perspective prevailing at the time, Barbosa's "excesses" in monetary policy were the main cause of the financial crisis (Calógeras [1910] 1960, p. 233). Specialized historiography would later emphasize internal and external factors contributing to the crisis. John Schulz (1996) argues that the political intent to compensate the agrarian elite for the abolition of slavery (1888) led Barbosa, who had close ties with members of these powerful interest groups, to adopt an "excessively" expansionary policy. On the other hand, Gustavo Franco (1983) shows that the international financial panic of 1890, caused by the Barings Bank's exposure to bad investments in Argentina, triggered such an outflow of capital from Latin American economies that the exchange rate and the internal prices went virtually out of control in Brazil. Gail Triner and Kirsten Wandschneider (2005) provide further evidence of this process of international financial contagion, strengthening the claim that, while Barbosa's economic policy was inflationary at the beginning, external factors played a crucial role in explaining the acuteness of the Brazilian crisis of the early 1890s.

The fact that Barbosa adopted an expansionary monetary policy placed him on the "non-metallist" side of the Brazilian spectrum of ideas on economic policy-making. Brazilian metallists tended to accept the tenets of the currency school and the quantity theory of money, emphasizing the maintenance of monetary parity, in terms of the international gold standard, as the goal of economic policy. In a peripheral country undergoing an incipient process of industrialization and thus dependent on the exports of primary goods such as coffee to attract metallic reserves, this perspective was associated

to a confidence in the “agrarian vocation” of the Brazilian economy. The rival approach, named *papelismo* (“paperism”), had affinities with the banking school, seeing paper emissions as a way of alleviating the recurrent scarcity of metallic reserves in Brazil, so as to keep economic activity in motion (Bruzzi Curi 2019, pp. 470–471).¹

Apart from Barbosa’s inclination toward *papelismo* in the broader spectrum of Brazilian ideas on policy-making, an interesting aspect of his polemical tenure as finance minister is that he felt compelled to react to the criticism he received and to defend his legacy. Therefore, he mobilized a sophisticated arsenal of ideas that reflected both his expertise as a professional jurist and his self-taught incursions into various aspects of economics, such as monetary theory and, of course, public finance. These incursions into public economics, which involved the concrete assimilation of ideas of international circulation, provide the sources for our investigation here, as we discuss next, in section II. The third section of the paper examines the concrete assimilations of Leroy-Beaulieu’s ideas in Barbosa’s economic discourse, while section IV presents Barbosa’s reception of state socialist ideas in their German and North American versions. Section V consists of the final remarks.

II. RUI BARBOSA AND THE INTERNATIONAL DISSEMINATION OF ECONOMICS

Early twentieth-century Brazil is a relatively well-known example of a country in which intellectuals and policy-makers received European and North American economic thought and adapted it, with varying levels of creativity, to their own environment.² Barbosa is one of the most interesting cases for the study of the international diffusion of ideas in Brazil at the turn of the twentieth century, not only because he was one of the prominent intellectuals of the late monarchy and the early Republic but also because he left sources whose potential for the study of the international dissemination of economics has just begun to be explored. Most canonical writers in the field of economics are represented in his very rich (and well-preserved) personal library: Adam Smith, David Ricardo, John Stuart Mill, and Alfred Marshall from Britain; Wilhelm Roscher, Karl Bücher, Gustav Schmoller, Lujo Brentano, and Adolph Wagner from Germany; Jean-Baptiste Say, Léon Say, and Paul Leroy-Beaulieu from France; and Edwin Seligman and Henry Carter Adams from the United States, to name just a few.

In the field of public finance, Barbosa read and assimilated arguments by experts such as Leroy-Beaulieu, Wagner, and Adams, all of whom had different theoretical and political leanings. While Leroy-Beaulieu struggled to defend his established liberal values in relatively adverse circumstances and radicalized his support of colonialism, Wagner was one the most influential representatives of state socialism in Germany, having coined the “law” of increasing state spending. Adams was a student of Wagner and helped establish the science of public finance in America. Barbosa incorporated their

¹ For further details on Brazilian debates on economic policy and their context, see Gambi (2017, pp. 190–192), Fonseca and Mollo (2012), and Villela (1999, pp. 229–239).

² On the international diffusion of economics in early twentieth-century Brazil, see, for example, Love (1996), Boianovsky (2013), and Bruzzi Curi (2017).

arguments selectively into the economic discourse he produced in order to explain and defend his economic policy as finance minister.

Barbosa possessed the following books by Leroy-Beaulieu: the fourth (1888) and fifth (1891) editions of the *Traité de la science des finances*, the *Précis d'économie politique* (1888), and the third edition of the *Essai sur la répartition des richesses* (1888). These are books from a relatively “late” phase of Leroy-Beaulieu’s intellectual production. Interpreters tend to relate them to his dissatisfaction with the course taken by the French Third Republic after 1877, when monarchists (or legitimists) were ousted from power by “advanced republicans” who accepted some measure of social change in order to consolidate the new political order. Sharif Gemie (1992, p. 354) refers to three phases in Leroy-Beaulieu’s political-ideological evolution: liberal optimism, in opposition to both the Second Empire and the “monarchist” Republic, in the 1860s and 1870s; anti-republicanism in the 1880s; and radical disillusionment in the 1890s.

By the same token, Dan Warshaw (1991, pp. 66–69) observes that there was a “turning point” in Leroy-Beaulieu’s thought between 1877 and 1880. In his view, French “established liberals” such as Leroy-Beaulieu came under increasing intellectual challenge as French representatives of the reformist line of economic thought popular in Germany started to widen their audience and ascend to important positions. This group included Emile de Laveleye, Charles Gide, and Paul Cauwès. Though a critic of German public economics (*Finanzwissenschaft*) and its French enthusiasts, Leroy-Beaulieu contributed to establishing the term “*science des finances*” in French academia (Facarello 2010, p. 751). Having published the first edition of his *Traité de la science des finances* in 1877, Leroy-Beaulieu limited his contributions to public economics thenceforth to re-editions of his textbook. In this context, he became more suspicious of democracy and of the republican regime in that he became skeptical of universal suffrage and progressive taxation. Furthermore, he became a resolute advocate of colonial imperialism (Warshaw 1991, p. 77).

Turning to the state socialist lineage of public finance, Barbosa possessed both the French and Italian translations of Wagner’s textbook *Finanzwissenschaft*. One of the distinctive aspects of Wagner’s approach to public finance was the attempt to connect the purely economic sphere and the realm of social welfare by means of the so-called law of increasing state spending or simply Wagner’s law. This “law” proposed that the state and its organs could and should satisfy an ever-increasing range of public necessities. In Wagner’s system, there were two main reasons that justified the enlargement of the state: one was related to law and power, and the other was related to culture and welfare (Bruzzi Curi 2019, pp. 476–477). Concerning public revenues, Wagner adopted a social policy concept of taxation; according to this concept, taxation, in addition to providing the required revenue for the state—its “purely financial” purpose—should function as a regulator of the distribution of national income (Wagner 1890, p. 207).

Wagner was one of the most important representatives of the German tradition of public finance, having exerted significant influence in his native Germany and in other European countries, such as Italy, France, and Spain.³ For our purpose, however, the most important aspect of the international diffusion of Wagner’s ideas is the fact that it

³ For the dissemination of Wagner’s ideas in Europe, see Astigarraga and Zabalza (2014), Poitier (2016), and Gioia (2016).

crossed the limits of the European continent, reaching the United States and Brazil. The North American reception is particularly important because ideas were transmitted not only in print but also directly, from German professors to American students who went to Germany to pursue doctoral or post-doctoral studies. This process of the international transmission of ideas helped shape the way economics developed in America, particularly in the subfield of public finance (Carlson 1999; Schulz 2013; Johnson 2014).

Adams contributed to this dissemination of *Finanzwissenschaft* from Germany to the United States, as he studied with Wagner in Berlin during his academic tour of Europe in 1878–79 (Schulz 2013, p. 415). According to Albert Coats (1968, pp. 192–193), before Adams received tenure at the University of Michigan, he faced hindrances due to the progressive stance on social policy he had assimilated from his German teachers. As he consolidated his academic career at Michigan, Adams managed to surmount this resistance and exert his influence on social policy, as he became chief statistician to the Interstate Commerce Commission in 1888. This appointment enabled him to take part in the effort to reconcile the rights of private enterprise with the public interest, which would be a characteristic feature of the American Progressive Era.

Barbosa possessed two books by Adams: *Public Debts: An Essay in the Science of Finance* (1887) and *The Science of Finance: An Investigation of Public Expenditures and Public Revenues* (1899). These textbooks were written in language that was probably appealing and accessible to a jurist such as Barbosa. They formed part of the Progressive tradition of public finance, which, apart from its social reformist inclination, was responsible for establishing the field of academic public finance in America. According to Marianne Johnson (2014, pp. 15–16), when these books were produced, among Progressives such as Adams in the 1880s and 1890s, it was an open issue whether the science of public finance should be approached as a subfield of economics or as a field of law. At the University of Wisconsin, for instance, until 1892, public finance courses were taught under the heading of “civics.” The essay on public debts is considered the first American treatise on this topic, and it is the most relevant here, as it was published shortly before Barbosa’s ministerial term and was therefore up-to-date literature when he was forced to make sense of and defend his performance as a policy-maker. Moreover, the exemplar found in his library bears many handwritten notes and marked passages, which he would eventually translate and incorporate into his own texts.

Concretely, the main source for the examination of Barbosa’s economic ideas in this context is the “Report of the Finance Minister” (*Relatório do Ministro da Fazenda*) that he drafted upon leaving office in 1891. This report was actually intended to summarize for Members of Parliament the tenure of a minister leaving office: it was an official, bureaucratic document containing data on tax revenues, public spending, public debt, the banking system, etc. In his report, however, Barbosa went further and, aided by his self-taught expertise in the economics of the public sector and by his extensive legal knowledge, produced a relatively sophisticated economic discourse that had a twofold aim. He sought to justify the economic policy carried out during his tenure and to give suggestions concerning possible strategies to balance the Brazilian federal budget, which was under serious pressure.

It is worth bearing in mind that Barbosa handed his report in January 1891 not exactly to a consolidated parliament but to a constituent assembly called to elaborate a legal structure for the new regime. As an influential jurist and minister of the provisional

republican government, he also directly influenced the making of the new Brazilian constitution, which was promulgated in February 1891. Therefore, the 1891 “Report of the Finance Minister” should be understood as an economic as well as legal text. Further, the text expresses economic reasoning filtered by a legal perspective, one that understands political economy as an auxiliary legal science. As Barbosa was writing to an audience of politicians and potential legislators, he used a mixed language in which economic arguments were part of a discursive strategy aimed at transforming his proposals into law. When he defended the taxation of income, for example, he argued that “the income tax is imposing itself to legislators around the world” (Barbosa [1891] 1949, p. 24). Thus, the economic reasons for levying such a tax, for which Leroy-Beaulieu was an important source, were embedded in a network of arguments produced by a jurist directly involved in the elaboration of a legal structure for the new Republic.

There is no way to analyze the text, therefore, without bearing in mind this deliberate attempt at persuasion, which in itself guides a sharp but also sufficiently flexible use of economic arguments. This makes, for example, the internal logic and the quality of the narrative that the report constructs much more important than any discrepancies we can detect today in terms, for example, of the use of conflicting lines of economic analysis in the argument. In this sense, it is important to make brief mention of another author, Walter Bagehot, who was widely referenced by Barbosa and, alongside with John Stuart Mill, became one of his main sources of inspiration at the intersection of economics and law. Barbosa’s interest in Bagehot’s writings was due not only to the latter’s ideas on financial crises, presented in *Lombard Street: A Description of the Money Market*, from 1873 (a book of which Barbosa had different editions, with markings and annotations, and that was referred to by him on several occasions),⁴ but in particular to Bagehot’s *The English Constitution* (1867). This latter work was widely quoted in Barbosa’s speeches in those years and provided him with insights for comparative reflections and arguments in his effort to influence the definitions of constitutional order in the nascent republic of Brazil. While Mill provided Barbosa with the model of an enlightened liberal democracy, Bagehot’s constitutional monarchy represented for him a superior form of government (Lynch 2014, pp. 211–213).

Bagehot was not only an important source of ideas and arguments for Barbosa but also in a sense provided a model for how to articulate these political and economic arguments in terms of a constitutional order reasoning. This model provided by Bagehot’s works becomes clear in aspects such as the realism of Barbosa’s analysis and the importance of rhetoric and elements of form for achieving the goal of persuasion. Two brief examples can be highlighted from the various quotations of Bagehot’s books in Barbosa’s texts. The first is found in Barbosa’s intervention in the debate at the parliamentary session of January 12, 1892, on the topic of issuing and converting paper money. At a certain point in his intervention, just before reading a quote from *Lombard Street*, Barbosa insists: “I do not want, Gentlemen, to praise theories. Questions of this sort cannot be resolved by abstract theses” (Barbosa [1892] 1949, p. 49). In the second example, in a text from 1898, Barbosa explicitly comments that “anyone who has read Bagehot cannot ignore the scientific value of ornamentation

⁴ See, for example, his 1888 essay on issuing banks (Barbosa [1888] 1949, p. 49) or his parliamentary address on the same issue in 1892 (Barbosa [1892] 1949, p. 50).

elements in the destiny of constitutions and in the effectiveness of governments” (Barbosa [1898] 1949, p. 11).

We can understand the perspective adopted by Barbosa in the economic discussions presented in various of his texts and speeches during the period as eminently that of a jurist: he is fully aware of how the artifice of form is part of the convincing content and little interested in theoretical or abstract discussions without an effective counterpart for solving concrete problems that the legal apparatus can reach. Moreover, he is a jurist who is also a Member of Parliament, reinforcing his realistic perspective focused on mobilizing specific arguments in order to sway his colleagues’ votes in legislative matters.

It is known that in the nineteenth century most policy-makers and intellectuals discussed economic issues without having formal university training. The debate on economic policy, in Parliament and in executive governmental bodies, was deeply influenced, in different countries and especially in Brazil, by individuals who learned political economy mostly in the context of their legal training. Though it later expanded, that knowledge acquired originally as part of a legal education tended to reproduce the perspective of economic knowledge as an auxiliary legal science. Thus, for Barbosa, it is not surprising at all that (economic) policy-making and law-making were combined and inseparable elements of the same process.

III. LEROY-BEAULIEU, “WHO NO ONE WOULD DARE ACCUSE OF SOCIALIST INCLINATIONS”

The first references Barbosa made to Leroy-Beaulieu in his report are related to the broad topic of public debt, particularly to strategies for reducing the pressure such debt placed on the public budget. The Brazilian Republic inherited a rising public debt from the monarchy, which had borrowed large sums of money, both domestically and abroad, to finance the war against Paraguay (1864 to 1870). This conflict was a turning point in the financial and political history of the Brazilian Empire. Between 1865 and 1870, the external debt approximately doubled, while the internal debt was multiplied by a factor of approximately three (Costa 1998, p. 147; Summerhill 2015, pp. 66–67, 106–107). According to Summerhill (2015), the Empire was able to increase its sovereign borrowing both in London and in Rio de Janeiro because of the institutional arrangements that assured an enduring commitment to repaying the debt.⁵ Indeed, debt service consumed 27.56% of all imperial revenues in 1889, so that the central government saw itself increasingly incapable of meeting the needs of the provinces (Costa 1998, p. 148). This fueled the claim for more regional autonomy and strengthened the republican movement, resulting in a federalist arrangement for the republican regime.

As the first finance minister of the new Republic, Barbosa had to cope with this serious fiscal situation and attempted to generate some fiscal relief for the finances of the Republic by means of the amortization and conversion of public debt. The measure he attempted to explain and legitimize with the help of Leroy-Beaulieu’s arguments was

⁵ Summerhill (2015) shows that the political system of the Brazilian Empire enabled Parliament to “punish” cabinet governments unwilling to commit to debt payment.

governmental Decree 832-A, dated October 6, 1890, which was signed by himself and by President Deodoro da Fonseca. The decree regulated the amortization and conversion of public debt by establishing an amortization rate of 2% per semester and the conversion of public debt bonds with a 5% yield into new bonds yielding 4% (Brasil 1890, p. 2591). Barbosa defended both the repayment and the conversion of public debt as ways to alleviate the burden on public finances represented by indebtedness, and he used Leroy-Beaulieu's arguments to develop his own argument.

The reading marks he added to his 1888 edition of Leroy-Beaulieu's *Traité de la science des finances* show the importance he ascribed to the topic of amortization and conversion when consulting this book. Barbosa underlined many parts of both chapter IX, "On Amortization," and chapter X, "On the Conversion of Public Debt" (Leroy-Beaulieu 1888). These chapters consist of commentaries on historical descriptions of the public debt policy carried out in Britain and France since the eighteenth century, with relatively short observations on other national cases, such as the United States and the Netherlands. When discussing the benefits of amortization, Barbosa reproduced, in close translation, Leroy-Beaulieu's main argument regarding the British case: that Great Britain had made two "opposite mistakes" in its amortization policy. Before 1828, British governments had pursued a costly and inconsistent amortization strategy, repaying debt while at the same time borrowing more, whereas in the following decades, they had been too loose regarding their public debt, missing the opportunity to repay a significant share of it during the decades of relative stability beginning in 1815 (Leroy-Beaulieu 1888, pp. 438–439).

Barbosa used Leroy-Beaulieu's description of the British experience to reinforce his own argument that the Brazilian Republic should be much more committed to the amortization of debt than the monarchy had been. In his opinion, the United States was the model to be followed in public debt matters, as the American case demonstrated that the repayment of public debt was not counterproductive in terms of economic development (Barbosa [1891] 1949, p. 177). Furthermore, the United States had shown that the amortization of debt could go hand in hand with its conversion. According to Barbosa ([1891] 1949, p. 186), from 1866 to 1886, the US had repaid 59% of the principal of its public debt while reducing the interest rate at a 68% ratio. At this point, Leroy-Beaulieu is quoted to imply that the state should not be forced to accept the "captivity" of commitments that damage its finances and that can be easily eliminated by means of public debt conversion (Barbosa [1891] 1949, pp. 186–187).

Leroy-Beaulieu's general argument about the conversion of public debt was that it was a legitimate strategy, since it could reduce the burden taxpayers had to bear. Particularly, he stated that even the issuance of perpetual bonds could be reverted, as the state always had the prerogative to redeem the bonds at par. The reduction of the interest a certain kind of bond yields could also be legitimate, provided it was associated with the debtor's increased credibility (Leroy-Beaulieu 1888, pp. 474–476). As in his previous chapter on amortization, Leroy-Beaulieu contrasted British and French historical experiences, emphasizing that the inconsistency of French policy had led to the disapproval of conversion in his home country. In his view, this was regrettable because it implied a tendency to favor the interests of bondholders, to the detriment of the "not less respectable interests" of taxpayers (Leroy-Beaulieu 1888, p. 494). This excerpt, in which Leroy-Beaulieu contrasts the interests of bondholders and those of taxpayers, is underlined in Barbosa's copy of the 1888 edition.

The most relevant influence of Leroy-Beaulieu on Barbosa's economic discourse appears, however, in the part of his report where he discusses the reform of the Brazilian taxation system. The new republican constitution of Brazil, which Barbosa helped elaborate during his ministerial tenure, was influenced by North American and Swiss legal traditions, which accommodated the federalist mood that had informed the dissolution of the Brazilian Empire. Though structured as a constitutional monarchy, the Empire had been politically centered on Emperor Pedro II, who legally exercised the moderating power, a fourth power accorded to him by the constitution. Geographically, the hub of the monarchy was Rio de Janeiro—the Court—where all political decisions were made. To respond to local elites' claims, particularly the coffee-based bourgeoisie from São Paulo, the new republican regime framed a legal structure aimed at strengthening regional instances, both politically and financially. Thenceforth, the federated states could, for example, obtain international loans autonomously. On the fiscal front, the new legislation transferred the revenues from duties on exports from the union to the federated states, necessitating that the federal government seek other sources of funding. In his report, therefore, Barbosa was forced to discuss possible alternatives, such as income taxation, and Paul Leroy-Beaulieu's work was used as a reference.

Barbosa ([1891] 1949, pp. 13–14) started his discussion of alternative modes of taxation by differentiating between direct and indirect taxation. He used the example of Switzerland to show that a mixture of both forms of taxation should be preferred and that the distribution of revenues should be balanced between the central government and local administrations. The argument in favor of the introduction of direct taxation was that indirect duties, usually on consumption, tended to have a disproportionately harsher impact on the poor while “touching only the surface” of larger fortunes. Amidst the possible means of direct taxation, the income tax should be preferred as the most appropriate to fulfil a distributive function. Barbosa ([1891] 1949, p. 18) reinforced that contributions based on income are the most efficient, the fairest, and, in fact, the only instrument for determining the share of public expenditure supposed to be borne by the upper classes.

In the paragraphs of the report related to income taxation, Leroy-Beaulieu's *Traité* was brought to the fore to help justify and legitimize a tax to which Brazilian legislators had hitherto been resistant. In other words, Barbosa was attempting to convince legislators that they should legalize income taxation as a source of revenue for the Brazilian state by telling them that an unsuspecting, liberal-bourgeois French economist such as Leroy-Beaulieu was in favor of such taxation. Indeed, in his chapter “The General Tax on Income and on Capital” of his *Traité de la science des finances*, Leroy-Beaulieu had described the income tax and defended its imposition, at least under certain conditions. Following the same pattern as in other parts of this textbook, Leroy-Beaulieu mixed theoretical principles with long historical examples. In the case of income taxation, Great Britain was again a central example, while for France the question was whether to introduce this tax or not, as it had not been levied in the country hitherto. The general argument, which Barbosa assimilated, was that the income tax could “reestablish justice” by demanding a relatively higher share from the upper classes, since these tend to be “spared” by indirect taxation (Leroy-Beaulieu 1888, p. 442).

Barbosa incorporated into his report Leroy-Beaulieu's idea that the income tax had a complementary function, working as an adjustment and compensation tax by making the upper classes contribute to the public treasury, immune as they were to indirect taxes.

He articulated this with the idea that an income tax created the possibility of occasionally raising the taxation rate and increasing public revenues in “great national urgencies” to diminish states’ need to resort to borrowing (Barbosa [1891] 1949, p. 29). Barbosa discussed next whether the income tax should be levied together with other taxes. The usual objection was that there already were, in France and in other countries where it could eventually be introduced, taxes on property and on *patentes* (industry and professions) and, of course, indirect taxes. Leroy-Beaulieu’s position on income taxation, however, was more complex than the favorable references that Barbosa selectively assimilated seem to convey.

As he elaborated on his *Traité* during the two decades following its first edition, Leroy-Beaulieu changed his position regarding the income tax. While he favored its introduction in France until the 1879 edition of the textbook, in the later versions, he added very skeptical remarks. Concretely, Leroy-Beaulieu added an extra paragraph to the section referring to the French case, warning that the establishment of such a tax in France would be very difficult, particularly because of two factors: a political one and an economic one. Politically, Leroy-Beaulieu feared that the prerogative to levy a general tax on income could be “misused” in a more democratic society, which he thought France was becoming. The argument was that the popular classes would tend to dominate Parliament and would enact fiscal legislation sparing themselves, thus transferring the totality of the tax burden to the upper classes. In his words, “a tax on income is much more dangerous in a republic where the government tends to fall in the hands of proletarians and their representatives” (Leroy-Beaulieu 1888, p. 491). The economic reason to be cautious regarding income taxation in France was that, in his opinion, wealth was much less concentrated in France than in the United Kingdom; thus, with the exception of bondholders living on the public debt, the upper and middle classes tended to be taxed as intensively as the populace (Leroy-Beaulieu 1888, p. 491).

This shift in Leroy-Beaulieu’s position regarding the income tax was due to the changing circumstances in French politics (Warshaw 1991, pp. 71–72). In the 1870s, Leroy-Beaulieu tended to see an income tax modeled on the British system as preferable to President Adolphe Thiers’s proposals to introduce trade tariffs and indirect taxes. However, when the “advanced republicans” took control of Parliament and the government, Leroy-Beaulieu amended his textbook, as he feared that France was becoming an “unchecked” democracy. In Warshaw’s (1991, p. 72) view, this reaction to the new distribution of power confirms Leroy-Beaulieu’s identification with the French “*grande bourgeoisie*,” whose wealth and status he considered to be threatened by a potentially high income tax.

An interesting rhetorical feature of Barbosa’s ([1891] 1949, p. 30) discourse is revealed when he declares that “Beaulieu, who no one would dare accuse of socialist inclinations,” was in favor of the imposition of the income tax together with other taxes, since the former was supposed to have a corrective function. The upper classes should indeed bear this burden, even if they had already paid, “together with all other (big, small or median) taxpayers the taxes on land, services, rents, industries and professions” (Barbosa [1891] 1949, p. 31). This argument is reinforced some paragraphs later, when Barbosa ([1891] 1949, p. 53) quotes Leroy-Beaulieu again in a description of the Prussian approach to income taxation, in which the income tax was superimposed upon other contributions. Barbosa nevertheless recommended caution to the Brazilian legislator, since accumulation could generate problems.

Barbosa was thus suggesting that the income tax, with all the problems its introduction eventually involves, should be seriously considered by the Brazilian legislator, as even a conservative liberal such as Leroy-Beaulieu agreed with its introduction. Even though he had the 1888 version of the *Traité*, which was much more skeptical about the general income tax than previous editions, Barbosa held to Leroy-Beaulieu's favorable arguments, omitting the misgivings evident in many passages. Since this chapter of Leroy-Beaulieu's textbook contains abundant reading marks, it is unlikely that Barbosa read the text superficially. Two possible reasons for this selectivity seem plausible here. On the one hand, Barbosa could have deliberately cherry-picked the convenient parts of Leroy-Beaulieu's text to anticipate the probable criticism that the taxation of income was a "socialistic" measure and to strengthen his argument in favor of the introduction of such a tax in Brazil. On the other hand, he might have been well aware of the character of Leroy-Beaulieu's warnings against the income tax but did not take them into consideration because of the context in which he was writing. Leroy-Beaulieu's skepticism was related to the expansion of democracy in France, an endeavor that was not on the political agenda of the oligarchic republican regime that had just seized power in Brazil.

According to José Murilo de Carvalho (2002, pp. 38–40), the construction of a democratic electoral system in Brazil suffered a serious setback at the transition to the twentieth century, while European countries reformed their electoral systems, expanding the percentage of the population able to vote. The blow to popular electoral participation came in 1881, when a restrictive law was passed. Before this, the Brazilian system, codified in the imperial constitution of 1824, had been liberal in international comparison, as approximately 13% of the total male population (excluding slaves) had the right to vote in 1872. There was a relatively low income threshold that did not exclude most of the free male population from the electoral process. In 1881, however, the new legislation restricted voting rights to literate citizens, who constituted no more than 20% of the free male population. The 1891 constitution, which was directly influenced by Barbosa, introduced "universal" suffrage in that it abolished (negligible) income distinctions but continued to deprive the illiterate of their political rights. In practice, this meant that in the first election of the Brazilian Republic, in 1894, only 2.2% of the population voted, clearly less than in 1872. Therefore, Barbosa had no reason to fear the democratic mismanagement of the income tax, as in the legal order he himself was helping to frame, the popular classes had no prospect of increasing their political influence.

IV. STATE SOCIALISM: GERMAN AND AMERICAN

In addition to being selective, Barbosa's appropriation of Leroy-Beaulieu's arguments favoring the adoption of the income tax was also articulated with the assimilation of ideas from other lineages of economic thought, such as German state socialism, which Leroy-Beaulieu fiercely attacked. For Wagner, who understood himself as a representative of state socialism, this current of thought was a sort of middle way, in the realms of economic theory and policy, between individualism and socialism. From the point of view of principles, on the one hand, state socialist doctrine hewed close to socialism, as it favored the socialist claim that property should be reorganized to reduce social

inequality. On the other hand, state socialism did not envision an institutional break with the capitalist order and recognized that, to a certain extent, individualism is necessary and beneficial for a community (Wagner 1892, p. 58).

While for Wagner “state socialism” made sense as a concept defining a way of thinking and a political position, the usage of this category in the historiography of economic thought has been disputed. For Thomas Riha (1985, pp. 80–85) and Heinz Rieter (2002, pp. 148–152), for example, it is possible to understand this intellectual movement as part of the broad lineage of German historicism in economics, which casts doubt on the necessity of employing the additional category “state socialism” to refer to this reformist “middle way” described by Wagner. The reasons for focusing on historicism are related to the diversity of the representatives of the German historical school and to the fact that some of them were called “socialists of the Chair” (*Kathedersozialisten*). The intellectual movements known as the “German historical school” and “state socialism” overlapped, for example, in the foundation of the German Association for Social Policy (the Verein für Sozialpolitik) in 1873, which tended to associate, particularly after 1879, the advocacy of the historical method and an agenda of social reform (Hagemann 2001; Schulz 2013, p. 128).

There are other reasons, however, for establishing a specific delimitation for state socialism as an explanatory category. One of them is the fact that thinkers associated with state socialism did not necessarily adopt the historical method in their research. Moreover, they attributed to the state an economic and social role that some historical economists, particularly those from the first generation (e.g., Wilhelm Roscher, Karl Knies, and Karl Bücher), did not emphasize. Waldemar Koch (1977, pp. 121–234) defends this differentiation between state socialism and other lines of thought, focusing on the way this current approached social policy. For him, it was a stream of thought in the field of social policy that aimed to tackle social problems with socialistic measures, such as nationalization and communalization, but within the prevailing political order represented by the constitutional monarchy.

Focusing on the history of public sector economics, Jan-Pieter Schulz (2013, p. 131) highlights the specificity of the science of public finance proposed by state socialists. Their *Finanzwissenschaft* tended to question the economic status quo, proposing redistributive measures and a general expansion, in extent and in scope, of the economic tasks of the state. Schulz warns, nevertheless, that state socialist attacks on liberalism should not conceal the distance separating this movement from Karl Marx’s socialism and from the political practices of German social democracy in this context. While state socialists advocated the end of inheritance rights, progressive taxation, and checks to urban land rent, they rejected the socialist revolutionary utopia. For Schulz (2013, p. 131), state socialism is associated with the attempt to subject economics to moral principles.

While “state socialism” originally referred to a specifically German intellectual movement, the international diffusion of ideas facilitated by Americans’ travels in Europe led to the emergence of an American lineage of public finance that, although not identified with the label of “socialist,” incorporated many aspects of German social reformism (Carlson 1999, pp. 297–298). Adams’s indebtedness to Wagner is expressed, for example, in his adoption of Wagner’s social policy concept of taxation. Though he rejected the introduction of a tax on wealth, Adams saw the social policy concept as an epochal breakthrough in public economics and welcomed the ethical aspect of

progressive income taxation (Adams 1899, p. 343). As Johnson (2014, pp. 18–22) argues, American Progressive public finance thinkers such as Adams defined the realm of public finance from the perspective of the necessities of the state: progressive income taxation was desirable not because of efficiency concerns but because it would help support the nation-state.

Adams wrote one of the first American books in the subfield of the economics of public debt, which eventually reached Barbosa's library in Rio de Janeiro. In general, Adams saw public debt as a way of increasing public revenues by relaxing public budget constraints. Governments could resort to this sort of revenue for the three following purposes: to weather a temporary deficit, to finance wars, and to fund large public investments from which future generations would profit. In the last case, Adams considered the temporal reallocation of the social costs involved in this sort of investment (Adams 1887, pp. 78ff). According to Schulz (2013, p. 555), it is possible to draw a parallel between Adams's justifications for public debt and the idea, found in German public finance, that ordinary state expenditures should be financed by ordinary revenues (i.e., taxes), whereas extraordinary spending is to be funded by extraordinary revenues (such as public borrowing). In his book, Adams discussed many details related to the technical management and social effects of public debt.

In the same part of the report in which he discussed taxation using Leroy-Beaulieu's ideas, Barbosa ([1891] 1949) referred to German state socialist thinkers, such as Gustav Cohn, Lorenz von Stein, and Adolph Wagner. He resorted in particular to Wagner's "law" of increasing public spending, which associated the expansion of the state's economic functions with the progress of modern civilization. Barbosa ([1891] 1949, p. 132) stated that treasury expenditures had been increasing "hugely and incessantly" in all civilized countries and that the causes for this phenomenon were not fictitious, vicious, or anomalous; they could not be, for example, excessive military spending or the prodigality of parliamentary majorities. On the contrary, Barbosa argued, quoting Wagner, they were associated with "the organic expansion of the modern state, as a result of the natural development of its [the state's] physical, moral and economic life (Wagner: *Finanzwissenschaft*, v. II, c. VII)" (Barbosa [1891] 1949, p. 132).

As Luiz Bruzzi Curi (2019, p. 484) argues, the function of Wagner's argument in Barbosa's "Report of the Finance Minister" seems connected to an attempt to justify an interventionist, expansionary fiscal policy such as the one Barbosa had carried out as a minister. Barbosa attempted to dissociate increasing public spending from uncontrolled management, relating it to the "natural development" of the nation-state instead. Indeed, while he attempted to alleviate the fiscal burden by reducing the public debt, public expenditure increased considerably under Barbosa and, on different occasions, he had attempted to explain this loose fiscal policy by stating that it was the inevitable price to pay for the republican "revolution" in Brazil (Salomão and Fonseca 2015, pp. 166–168). Thus, he clearly associated progress—in this case, the Republic—with the expansion of public expenditure in a context in which policy-makers were expected to act in accordance with the rules of sound finance. As the positivist ideology of early Brazilian republicanism sold the new regime as a necessary step towards civilization, Wagner's law argument helped to make acceptable that this allegedly civilizing transition be accompanied by expansionary economic policies.

As for Adams, Barbosa referred to him in his 1891 report when discussing public debt amortization, a topic for which Leroy-Beaulieu was also a source. The general purpose

of the assimilation was to support the idea that the new republican regime should commit itself to the amortization of public debt. Barbosa's copy of Adams's *Public Debts* (1887) is underlined and annotated in the following chapters of Part I: "2. Political tendencies of public debt"; "3. Social tendencies of public debt"; "4. Industrial effects of public debt"; and "5. When may states borrow money?" In Part II, the marked chapters are "4. Peace management of public debt"; and "5. Payment of public debt." The abundance of marks and notes in these chapters indicates that Barbosa's reading was careful, albeit selective.

To defend the amortization of debt, Barbosa ([1891] 1949, p. 172) translated and quoted a whole paragraph from Adams's book. In the excerpt, Adams (1887, p. 22) argued that the possibility of borrowing money may lead governments to conceal the true cost of "administrative measures" from citizens. If they avoided levying taxes, governments were, at least for a time, less likely to be held accountable for the (mis)management of public resources. Barbosa ([1891] 1949, pp. 184–185) reproduces another, similar, paragraph by Adams (1887, p. 75) in which the latter implies that public borrowing may turn into a way of introducing an indirect tax on labor, collected not directly by the state but by employers. The argument is based on Adams's idea that public borrowing at "abnormally high" interest rates would have disruptive effects on the industry of a country. In this situation, capital would be driven away from productive uses—such as hiring labor—to find higher remuneration in public debt. In the excerpt translated by Barbosa, Adams suggests that an employer would reduce the amount he was ready to pay as wages in order to invest in public bonds and collect "whatever premium the distress of the government permits him to secure" (Adams 1887, p. 75). The practical effect of this would be a transfer of income from the laboring classes to their employers (Adams 1887, p. 75; Barbosa [1891] 1949, p. 185). Barbosa thus suggested through his reference to Adams's text that public debt should be repaid or reduced not only for the sake of sound budgetary management but also because persistent public borrowing might increase social inequality, particularly if it is done at abnormally high interest rates.

The previous references, used to support Barbosa's idea that the burden of public debt should be reduced, were from Part I of Adams's book, which referred to more conceptual issues. Part II, in turn, was more historical and descriptive, containing information on the practical issues involved in the management of public debt. Barbosa ([1891] 1949, p. 176) also referred to this part of the work to discuss the advisability of introducing new taxes in order to reduce the burden of public debt. Following the same line of argument guiding the assimilation of Leroy-Beaulieu's ideas on amortization and conversion, Barbosa used Adams's text to suggest that, in some cases at least, it is legitimate to levy new taxes and use them to reduce the burden of public debt. The reason underlined by Barbosa ([1891] 1949, p. 176), with reference to Adams (1887, pp. 261, 273), was that the refusal to tax citizens is not always productive. In other words, the money the state loses by refraining from taxing the people will not necessarily bear fruit in the pocket of the taxpayer: it might be hoarded, for example. According to Adams (1887, p. 273), an anti-tax attitude towards the payment of public debt prevailed in England, where the belief in the potential of money in the pockets of taxpayers was widespread and people demanded the remission of every tax unnecessary for the funding of current expenditures.

Barbosa's reading marks in Adams's book reveal interesting features of his assimilation of the author's ideas that cannot be grasped from reading only his final text.

In chapter 5 of Part II, Barbosa marked several paragraphs but chose to quote only the argument on the eventual advisability of new taxes to reduce public debt. The very question of the payment of public debt, however, was discussed by Adams (1887, pp. 240–247), who mentioned arguments in favor of and against policies for public debt reduction. For him, there was a compelling reason why the principal of debt should be repaid (whether by means of new taxes or by cutting expenditures), which was the existence of an idle class of rentiers living off the yields of public debt bonds.

The heavier the burden of public debt was, the higher the premium the state was forced to pay on bonds, enabling this “idle class” to refrain from working and from using its capital productively. The existence of such a class would engender “carelessness and jealousy,” which hinder “efficient labor” in a society (Adams 1887, p. 247). In Adams’s (1887, p. 246) words, “There is but one way in which the government may escape the necessity of supporting in idleness this class, and that is by paying its members their respective claims.” His argument was that by repaying public debt, the government would deprive bondholders of their annuities: if they were willing to enjoy an income from their property, they would be forced to apply their funds to a productive purpose. Bondholders who had at some point in the past lent money to the state would cease to capture part of the present economic surplus for themselves: the past would cease to lay “heavy claims upon the present,” and industry would be invigorated.

Barbosa underlined the whole argument and remarked in the margin (in English), “idleness cripples industry” (Adams 1887, p. 246), but he did not mention in his report this reason for the amortization of public debt. As with his assimilation of Leroy-Beaulieu, Barbosa’s assimilation of the North American version of state socialism was selective. He did include a concern with social justice, as he mentioned that the government might generate a redistribution of income in favor of capital by borrowing money at a high premium, but, nevertheless, he omitted Adams’s emphatic condemnation of rentier behavior and his concern that a perpetual public debt might favor the existence of this “idle class.” The many reading marks and notes in Adams’s book indicate that Barbosa’s selection of arguments was a result of careful choice.

The choice to bypass the issue of rentier behavior might be related, once again, to context. Barbosa’s report was to be read by the members of a constituent assembly who belonged to the Brazilian elite. While Adams wrote his essay to a readership of academics and public men interested in the technical and social aspects of the management of public debt, Barbosa’s target audience comprised, above all, representatives of the political and financial elite, who held bonds issued by the Brazilian government. It would not help him to justify and legitimize his own policy-making if he referred to the eventual bondholders among his readers and listeners as an “idle class” whose interests were inconsistent with industrious activities, as Adams had suggested. In this context, Barbosa’s assimilation of Adams’s argument that public borrowing at “abnormally high” interest rates might lead to a regressive reallocation of income (from workers to capitalists) can be seen as “progressive.” His reception of Adams’s ideas seems related to a concern with social justice, which, although modulated by Barbosa’s own national context, makes the picture of his international influences more complex, especially considering that a conservative liberal public finance expert such as Leroy-Beaulieu also served as a support for the formulations he presented in his report.

This limited progressivism, tempered by elements of conservative liberalism, became apparent again in another text indirectly related to public finance matters, which Barbosa

wrote as a senator some months after leaving the finance ministry, in August 1892. It consisted of a report on a bill proposing tax exemptions for urban property owners who built popular houses and the expropriation of all land properties in the city of Rio de Janeiro that remained abandoned for longer than six months. Barbosa ([1892] 1948) conceded that tax exemptions were acceptable in this case but opposed the expropriation of idle properties, arguing that this measure was “socialistic” and offensive to private property. As a source for his comments on the bill under consideration by the Senate, he used the third edition (1888) of Leroy-Beaulieu’s *Essai sur la répartition des richesses*, which he possessed and annotated. Quoting this book, Barbosa ([1892] 1948, p. 250) endorsed Leroy-Beaulieu’s negative assessment of Wagner’s suggestion that municipalities should acquire urban properties and become a universal landlord to whom tenants would pay a rent (or tax). He argued that this idea, as the expropriation proposed by the bill under analysis, would lead to an unacceptable “nationalization of land.” Instead of this, Barbosa ([1892] 1948, p. 251) recommended Leroy-Beaulieu’s proposition that municipalities should act “within limits,” preserving private property. They should basically acquire land located in habitable suburbs and resell it at reasonable prices to capitalists interested in building popular houses. Here, Barbosa’s reference to Wagner via Leroy-Beaulieu’s text functioned as a discursive device to stress the importance of the limits to be imposed on public action. Barbosa’s combination of different perspectives served the purpose of persuading his interlocutors that his decision to ratify the bill only partially was the most advisable, from both the economic and the legal points of view.

Irrespective of their general political and theoretical leanings, Wagner, Adams, and Leroy-Beaulieu were received by Barbosa as authorities on public finance, and their arguments were selectively incorporated into Barbosa’s discourse. In his report, Barbosa was concerned with his own reputation as a policy-maker and with the legal reconstitution of the Brazilian budget. The main purpose of the assimilations of Wagner’s ideas was to provide a justification for the “excesses” incurred during Barbosa’s ministerial tenure. Similarly, the incorporation of Adams’s arguments seems aimed at justifying and giving a limited progressive tone to his public debt management. Leroy-Beaulieu, in turn, helped make palatable the suggestion, targeted at legislators, to levy an income tax in Brazil. Such a tax was regarded as a possible method of increasing Brazilian federal revenues in the context of budgetary pressure. In sum, this set of assimilations was functional to the discursive structure of Barbosa’s report, even though they were derived from thinkers belonging to different lineages of economic thought.

V. FINAL REMARKS

The international dissemination of economic ideas provided a singular perspective from which we could examine Rui Barbosa’s ideas on public economics at the end of the nineteenth century. Rather than a political economist by formal training, he was a well-informed legal expert who, entrusted with the task of managing Brazilian public finances in the context of the republican transition, resorted to economic texts. Barbosa assimilated the ideas of an “established liberal” French economist of the Third Republic, Paul Leroy-Beaulieu, in connection with the reception of state socialist ideas in their German

and American versions. This assimilation was shaped by two specific aspects of the context in which the ideas were received.

First, Barbosa was a jurist, and his main intellectual concern was legal. For him, therefore, theoretical economic arguments were not an end in themselves. Coherence in the choice of the economic theorists was not necessary, as long as his discourse was able to convince his audience of politicians (legislators) that the new legal framework for Brazilian fiscality should prioritize the amortization of public debt and new sources of public revenue, such as income taxation. Furthermore, although Barbosa was an outstanding intellectual, he began in this context to gain a bad reputation as a policy-maker, such that he felt compelled to mobilize his acquired erudition in order to defend the measures carried out during his term as finance minister.

Second, the social and political context in which Barbosa worked made certain concerns regarding the practical consequences of ideas and proposals less relevant. Since the new constitutional order in elaboration did not include the intention of extending political rights to the masses, the many caveats regarding the eventual democratic misuse of income taxation, presented in the pages of Leroy-Beaulieu's textbook, essentially lost their relevance as they traveled to Barbosa's library in Rio de Janeiro. A similar point can be made about the omission of Adams's most compelling argument in favor of the amortization of public debt: that it would check the pretensions of an idle class of rich rentiers who managed to live off the returns of their financial assets, particularly public bonds. The implications of public debt for social justice and industrial development informed Barbosa's reading of Adams's book, as his notes show, but they were not fully integrated into his public economic discourse as expressed by the 1891 report. The overall result of Barbosa's assimilations was a seemingly contradictory combination of economic arguments organized around his endeavor to preserve his legacy while influencing the juridical structure of the Brazilian fiscal economy.

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