



Written by [Alex Newman](#) on January 5, 2015

After Pummeling French Economy, Socialists Quash Own 75% Tax

After turning France into a global laughingstock of failed Big Government schemes and [further damaging the nation's already battered economy and reputation](#), the French Socialist Party's [infamous 75 percent "supertax"](#) on the rich is set to die a quiet death on February 1. Despite the pro-wealth-confiscation ideological leanings of deeply unpopular Socialist French President Francois Hollande (shown) and his radical comrades, analysts said authorities in France appear to be finally acknowledging reality — and may now even understand that ending the massive tax scheme and scaling back draconian restrictions on economic freedom will be essential in attempting to revive the struggling economy, if not in preserving some semblance of a political future for the Socialist Party.



The controversial "supertax" plot to fleece those earning more than 1 million euros per year, part of a broad package of economy-destroying measures imposed by French socialists starting in 2012, helped to produce record unemployment, soaring government debt, and an [unprecedented exodus of capital, investment, and wealth](#). Ironically, while the schemes were portrayed as a way to balance government books and force the "rich" to pay their "fair share," French politicians even engaged in a high-profile showdown with European Union decrees after [breaching the EU government debt-limiting regime for formerly sovereign national governments](#).

As predicted by virtually every credible analyst and economist, the deeply controversial 75 percent tax was a complete and total failure — even based on the stated objectives of its proponents. In addition to failing to reduce "wealth inequality" or bring in extra revenue to pay for more Big Government plots, the tax also sparked a [stampede for the exits among entrepreneurs, investors, executives, celebrities, talent, and business](#). Fellow European Big Government leaders even ridiculed France's Socialist rulers for the tax, with British Prime Minister David Cameron, for example, boasting that the United Kingdom would "roll out the red carpet" for people fleeing the French government's insatiable appetite for more taxation.

The numbers offer some clues about the utter failure of the Socialist confiscation plan. According to media reports citing studies by the French Finance Ministry, the "supertax" brought in slightly more than \$300 million U.S. dollars in 2013. The next year, 2014, it brought in less than \$200 million. For perspective, during that same period, the Socialist government's budget deficit skyrocketed by more than \$100 billion, prompting the EU to lambaste French authorities over their out-of-control spending that was supposedly becoming a threat to the entire bloc and its economy.



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Still, French Socialists fought hard for their schemes. But, in the end, even Hollande — perhaps the most unpopular French leader in recent history as the economy continues to implode — has been forced to face reality. “Everything must be made easier,” the Socialist leader conceded in a New Year’s address, referring to his latest efforts to cut spending and regulation while freeing the economy slightly. “It is necessary if we want to become more attractive, more modern, more flexible.” He has already been forced to fire two radical Socialist cabinet ministers who refused to back down on more socialism as what remained of the French economy swirled its way down the drain.

The damage wrought by the wild tax scheme, though, is certain to be longer lasting than the supertax itself, which was formally left on the ash-heap of failed Big Government ideas when it was not renewed for 2015. France’s richest man, Bernard Arnault of the firm LVMH, for example, formally became a Belgian to escape being plundered. High-profile actor Gerard Depardieu, meanwhile, fled to Belgium before taking on Russian citizenship in 2013 to avoid the Socialist fleecing. “I am leaving because you consider that success, creation, talent — anything different — must be punished,” wrote Depardieu, who reportedly paid a comparatively tiny six percent tax in Russia. Even French soccer teams suffered under the policy, which was marketed by socialists as a way to coerce the wealthy to provide an “exceptional contribution to solidarity.”

Businesses, too, have been struggling hard to survive in France as the Socialist rulers, elected in 2012, tried to impose various half-baked policy schemes, outlandish tax rates, and mountains of red tape in their supposed quest to create a socialist utopia. “Businesses are in danger of dying,” Gerard Ramond, representing small and medium-sized enterprises, was quoted as saying by AFP at a rare demonstration organized by business owners last month. “This year, 70,000 businesses went bankrupt. That’s 110,000 jobs gone.” The real damage is likely far more severe.

Already ridiculed around the world as a bastion of anti-business and anti-market hysteria, the socialist schemes imposed in recent years further damaged and cemented France’s reputation as a terrible nation to invest or start an enterprise in. “The reform clearly damaged France’s reputation and competitiveness,” Jorg Stegemann, head of the executive search firm Kennedy Executive, was quoted as saying by the leftist U.K. *Guardian* newspaper. “It clearly has become harder to attract international senior managers to come to France than it was.” Whole books have been written on French citizens fleeing the socialist utopia and its confiscatory zeal.

Even across France, where Big Government and high taxes remain less unpopular than in other civilized nations, a strong majority opposed the 75-percent rate. Still, it took a long time for the “supertax” to finally die. First, in late 2012, the scheme was attacked by the French constitutional council in a ruling dismissing it as unconstitutional. In response, Socialist authorities, who had put the tax at the top of their agenda, tinkered with the details somewhat — making it slightly less onerous and draconian. When France’s more “moderate” leftist “Economy Minister” Emmanuel Macron said the wild taxation was turning the nation into “Cuba without the sun,” however, it became clear to all except the most die-hard and loony ideologues that the scheme was on its last legs.

Indeed, as *The New American* reported in April of 2014, the economic catastrophe unleashed on France in large part by its Socialist rulers even [threatened the political viability of the Socialist Party](#). In local elections in the spring, the socialists were crushed. Shortly after that, the Socialist Party [suffered another humiliating drubbing](#) in elections for the European pseudo-Parliament. Despite being hysterically demonized by the Socialist Party and other establishment forces, the anti-EU National Front emerged as the strongest party in that vote. Its success was reportedly attributable, at least in



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part, to the plummeting French economy mismanaged by Hollande and his radical comrades.

A handful of analysts have suggested that the humiliating failure of the socialist French “supertax” would serve as a cautionary tale for other governments, politicians, and regimes around the world. However, that seems unlikely. Socialism has always produced misery and poverty wherever it has been tried. Oftentimes, it also produces mass death, political terror, torture, and other horrors — the brutalization and tragedies that afflicted Cuba, Vietnam, National Socialist (Nazi) Germany, China, North Korea, the Soviet Union, and countless other nations all stand as a testament to the evil inflicted on innocents under the guise of “share the wealth” and “equality.”

Any casual student of history or economics could easily have told Hollande and his Socialist Party what would happen when they imposed their 75-percent supertax and the other Big Government “reform” measures. However, just as the French socialists refused to acknowledge reality before it became a threat to their own political survival, humanity can be certain that, despite the ongoing implosion of the French Socialists and their half-baked scheming, politicians and dictators around the world will continue trying to foist socialism and Big Government on their subjects at the national and [even international level](#). Still, France’s latest experience proves once again that, if prosperity, growth, jobs, and peace are the goal, there is no substitute for true liberty.

Photo of French President Francois Hollande: AP Images

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