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and the international economy; and between armaments themselves and the desperate desire for disarmament that so influenced interwar diplomacy.

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Top Incomes in France in the Twentieth Century: Inequality and Redistribution, 1901–1998. *By Thomas Piketty translated by Seth Ackerman*. Cambridge, Mass.: Harvard University Press, 2018. ix + 1,261 pp. Figures, tables, appendices, bibliography, notes, index. Cloth, $35.00. ISBN: 978-0-674-73769-3.
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Reviewed by Malcolm Sawyer

This book focuses on incomes of the top 10 percent of highest-income families in France during the twentieth century. It could be seen as a prequel to the author's *Capital in the Twenty-First Century* (2013), having been initially published in French in 2001. It is a massive tome of over 1,250 pages, with eleven appendices of over 500 pages on statistical material and methodology and 250 pages of sources and notes. Anything approaching a full assessment is clearly not possible, nor is it possible to give any evaluation of the immense amount of statistical work that underpins the book. The book is divided into three parts: on the evolution of income inequality in France, on redistribution, and on France and the Kuznets curve.

Chapter 1 provides background on the twentieth-century French economy. Of particular note is the trend of "wageification," where the self-employed and wage earners shift from a position of near equality in 1901 to a 10:90 split in 1998, and the capital income share described as following a U-shaped curve though the dip in capital income shares from 30 percent or above to just above 10 percent is concentrated in the 1940s before returning to the 30 percent figure.

Chapter 2 focuses on the evolution of the level and composition of top (pretax) incomes, with intense use of the tables of the French tax administration. The use of tax data has its drawbacks in terms of coverage of the tax regime, the definition of the tax unit, and tax avoidance and evasion. "Top incomes" refers to the top decile of tax units, with discussion of fractiles of the top decile. Piketty argues that "the estimates do permit a preliminary periodization of the history of income inequality in twentieth century France" (p. 83). The share of the top decile fluctuated in the lower 40 percent range in the first three decades of the twentieth century, rising sharply from 40 percent to 47 percent between 1919 and 1935, then plunging below 30 percent in the mid-1940s, followed by a rise to 37 percent in the mid-1960s, a decline to 30 percent by 1982, and a rise during the 1980s to 33 percent, where it plateaued during the 1990s. A possible consequence of this focus on the top 10 percent—rather than on a measure of inequality of the whole distribution, such as the Gini coefficient—is the resulting emphasis on rentier income as a strong element in inequality rather than on forces such as the growth of the welfare state and the power of trade unions. It is in the top 1 percent where mixed and capital income play a large role, and even more so among the richest two hundred families (the top 0.01 percent), where more than 60 percent of income comes from capital income. The dependency of the top decile (and particularly the top 1 percent) on capital income is shown to have fallen dramatically between 1917 (first date available) and 1945, followed by a tendency to rise thereafter—for the top 1 percent, falling from 47 percent in 1917 to 14 percent in 1945 and then rising back to 21 percent by 1998.

Chapter 3 turns to wage inequality, and the statistics are derived from wage declarations that employers were required to make to tax authorities. The share of the top decile of wage earners also shows ups and downs: from 21 percent in 1919 to 28 percent in 1932, falling to 24 percent in 1937. In the postwar world, the share peaks at over 28 percent in 1965, followed by a decline to 26 percent in 1980 and then a broad constancy.

Chapter 4, which opens Part 2, has the rather dry title of "Income Tax Legislation from 1914 to 1998," but provides, in over a hundred pages, the details of the legislative changes. The author systematically reviews the tax legislation and identifies the major shifts, which I will not attempt to summarize here. This serves to provide the background for Chapter 5, in which two central questions are addressed. The first question is, how did the construction of a progressive income tax system impact the distribution of income? Piketty identifies a number of shifts. The first long-term shift was "the spectacular decline in the 'top' income levels affected by the top brackets of the rate schedule after the Second World War" (p. 334). The second shift is the extension of the income tax system to cover a much larger portion of the population. The chapter's second question is, in effect, what can changes in the income tax system tell us about attitudes toward income inequality?

Chapter 6 asks whether the "end of the rentiers" was a tax illusion, which is highly significant given the importance given to the effects of a collapse of rentier income on inequality trends. Compression of income inequality would have taken place in twentieth-century France. The broad conclusion to be drawn is that the sharp decline is a "real event" and not a statistical construction.

In Chapter 7, Piketty makes international comparisons that lead to the view that "the similarities between the different national histories of twentieth century inequality seem to far outweigh the differences," and the differences are consistent with the way in which the French experience has been interpreted (p. 461).

There are two related major themes that I took from the book. The first is the dismissal of "the idea that a natural and irrepressible tendency toward declining inequality is at work in the advanced stages of economic development," which can be associated with the Kuznets curve (p. 513). The top income shares had their ups and downs in France. There is, though, a basic long-term stability in wage inequality with fluctuations. The periods during which the share of the top incomes declines are associated with "outside shocks" and state intervention, notably through the tax system. These relate to the second theme: a tendency toward inequality of wealth and, thereby, the inequality of capital income to rise—a theme that comes to the fore in Piketty's *Capital*.

Malcolm Sawyer is emeritus professor of economics, University of Leeds, U.K. His most recent books are Can the Euro be Saved? *(2017) and* Inequality: Trends, Causes, Consequences, Relevant Policies *(coedited with Philip Arestis, 2018). His book* The Power of Finance: Financialization and the Real Economy *is forthcoming.*

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A Business of State: Commerce, Politics, and the Birth of the East India Company. *By Rupali Mishra*. Cambridge, Mass.: Harvard University Press, 2018. vii + 412 pp. Notes, index. Cloth, $35.00. ISBN: 978-0-674-98456-1.

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Reviewed by Edmond Smith

Rupali Mishra's *A Business of State* offers a detailed description of the political history of the East India Company (EIC) during the early decades of the seventeenth century. The book rests on an array of interesting material—drawn predominantly from the court minutes of the EIC held in the British Library's India Office Records—and the reader is presented with a considerable depth of material to get their teeth into. Through this material, Mishra argues that the state, "be it king, Privy Council, or occasionally parliament," had very close connections