



Mr. M. Leroy received a letter in 1789 with commentary on the fledgling American republic. It read, in part: "Our Constitution is in actual operation; everything appears to promise that it will last; but in this world nothing is certain but death and taxes."

These words of Benjamin Franklin are cherished every April as the 15th looms closer and the population is transformed into Banshees. The French staged a revolution over the onerous burden of taxes, but the English acquiesced in the increasing demands of state and empire. Roy Douglas addresses himself to this puzzling historical development. He does so in a knowledgeable, concise, and articulate fashion.

The real ruler in England was not the monarch. He who controlled the purse strings controlled the country and the course of action at any given time. The development of the English constitution was determined, in large measure, by the struggle between royal prerogative and greed and Parliamentary appetite. Later on it was a subject of contention between the two Houses.

The major cause of the rise of taxation in England was incessant involvement in continental affairs. Fighting for the glory of the few had its benefits, at least for them. "If the first victim of war is always truth," Douglas avers, then "the second is financial prudence." The aristocrats, then the merchants, and later the industrialists devised the most ingenious direct and indirect taxes to extract revenue from a populace that also had to do the fighting. So an amazing array of special taxes were imposed, such as "stamped paper, hackney carriages, hawkers, births, deaths, marriages – and bachelors! – salt and tobacco pipes". And, of course, local taxes and poor rates.

The National Debt can also be attributed to the originality of the English ruling classes. And I feel it today, especially when I walk on 42nd Street in Manhattan and look up at the endlessly flick-

ing numbers telling me how much more I owe for the imprudence of the White House and the Pentagon. Thank you Great Britain for this most wondrous species of financial wizardry. And I also have to thank you for your marvelous ways of taxing the land, for they have been transplanted over here in one fashion or another.

The Rule of Tax Britannica

Ken Wenzler

TAXATION IN BRITAIN SINCE 1660

by Roy Douglas
Macmillan Press, £40

Isn't it absurd to tax what I have to work for rather than the value of the land? Why should my hard toil have to pay for some pseudo-liberal venture? Nature has provided enough for the Internal Revenue Service, that paragon of ethical behaviour, to pay for \$5,000 toilet seats in a bomber capable of destroying any city on the globe filled with people who display nothing more (so far as I know) than resentment towards the dominance of US capital.

But then, there is the argument that the price of democracy is eternal vigilance. Douglas captures this feeling of my dilemma quite succinctly:

The growing bulk of taxation was, overwhelmingly, money paid for war: money to defray the cost of current wars, money to prepare for future wars or money to service debts incurred in past wars. All [the eighteenth-century wars, (and for that matter nineteenth, twentieth, and no doubt twenty-first century wars)] without exception, resulted in a permanent increase in burdens upon the taxpayer.

The appalling prices of beer, whiskey and tobacco can also be attributed to the exigencies of warfare and the endless search for unique forms of taxation to enrich the beneficiaries of bloodshed. It was the ending of lax enforcement of tax policies through Parliamentary pressure on the American colonies that severely curtailed the profitable Atlantic smuggling industry, that fermented the War of Independence, or improperly,

Revolution. It was not at all this "taxation without representation" or yearning for freedom stuff that I have been spoonfed since childhood. Under similar circumstances today, Lord knows what kind of society could be created by our cocaine smugglers! So much for free enterprise, the bedrock of American life.

Property qualifications were lowered so that the franchise could be extended in Britain. It was possibly a devilishly clever ploy to enlarge the blessings of electoral participation rather than an extension of genuine liberality (another one of those abused words in the US) and humanity. Possibly it could have dawned on city fathers after two millennia of open sewers that sanitation methods needed a renaissance? So they became flushed with constructive taxation.

Parliament was touched with a growing sentiment that taxation could also be a weapon in redistributing the wealth of the nation – an assault through a decrease on indirect taxes and an increase of direct taxes on the propertied and monied classes. A tinge of humanity even mellowed MPs: the Lords took a beating over Lloyd George's Budget, which included a proposal for land taxation at the beginning of the 20th century.

It took two world wars to wreck what little gains the little man had won. For the annual budget, and the debt, have been rising to unimaginable heights, despite the democratisation of an income tax and other fiscal innovations. So why has the British taxpayer calmly forked out a sizeable chunk of his earnings? Douglas provides a clue. While discussing the Second World War he tells us that

Everybody was seen to be paying something towards the national cause; nobody was suffering to a ruinous extent; and those who profited financially from the conflict were to be mulcted of most of their gains. On this occasion, as on others before and since, taxpayers were willing to pay sums which represented a perceptible erosion of their living standards, provided that other people were seen to be doing the same and the position of a particular taxpayer in the social hierarchy was not disturbed.

Chalk one up to human nature and its zest for class distinctions and love of seeing the other guy also suffer in the Age of Tax Britannica. The rich are richer. There is also that spirit of forgetfulness of past taxation, and a toleration that is quite astounding. This is all the more impressive since there has been a hundredfold increase in the burden on individuals over the last 300 years, with a thousandfold increase in the overall levy since 1914. Will all this ever stop? I fear not, so long as toilet seats command such respectful financial generosity.



■ Dr. Roy Douglas