

TAX AND THE FORGOTTEN CLASSES – A POTTED HISTORY

Abstract

Peasants, workers and other ordinary people have shaped our world. In this paper I look at their mass struggles over tax, often escalating into broader rebellions, revolts and revolutions against the status quo. This can start as battles within the elite, and end as solutions within the elite. Or it can be a revolt from below, which the elite co-opt or repress or which goes a step further with the lower classes overthrowing the old way of doing things and sweeping aside the impediments to a new economic system, i.e. a social revolution.

In looking at the role of peasants, workers and other often forgotten people in the tax and then wider rebellions and revolutions over the last millennium we can I hope discern the long slow march of history to democracy. This is a potted history of forgotten people in the story of tax over the last millennium. There are many more examples which I hope others, inspired by my tentative steps, explore.

The long slow march to political and economic democracy we see in this analysis may be side-tracked at the moment. In Australia and other countries social democracy has been the main side-tracker. Although the old mole of class struggle is not visible at the moment we can be sure it is burrowing away to claw its way to the surface, often sparked to do so by the taxes of the elite.

I INTRODUCTION

War, democracy and revolution are key themes in the history of taxation. In turn taxation is often a key theme in war, democracy and revolution. Tax is both a cause and consequence of revolution and in the case of income tax, a consequence of capitalist development and expansion and the wars that go hand in hand with that development and expansion. There is an intertwining of tax, war, democracy and revolution that confirms Schumpeter's argument, borrowing the language of Goldscheid, for a new school of study, fiscal sociology.¹ As Schumpeter says there is both 'a causal importance of fiscal policy (insofar as fiscal events are an important element in the causation of all change) and of the symptomatic significance (in so far as everything that happens has its fiscal reflection).'² He sees the symptomatic

¹ Joseph Schumpeter, 'The Crisis of the Tax State' in Richard Swedberg (ed), *The Economics and Sociology of Capitalism/ Joseph A Schumpeter* (Princeton University Press, 1991), 99 at 100. Marc Leroy traces the development of fiscal sociology not just from Goldscheid and Schumpeter but includes de Tocqueville's insights, the influence of an Italian school including the pioneering work of Pareto and a harking back to Machiavelli, and the influence of Mann. Marc Leroy, *Action publique / Public Action, Volume 7: Taxation, the State and Society: The Fiscal Sociology of Interventionist Democracy* (Peter Lang, Brussels, 2011). See also Miranda Stewart, 'The Tax State, Benefit and Legitimacy' in Peter Harris and Dominic de Cognan (eds), *Studies in the History of Taxation Law Volume 7* (Hart Publishing, Oxford, September 2015) 483.

² Schumpeter, above n 1, 100.

significance of fiscal history as even more important than its causal significance because tax is ‘the thunder of world history.’³

For Schumpeter the history of the last millennium is in major part a fiscal history of the replacement of demesne revenues (personal revenue rights of monarchs) by the tax state, driven mainly by the need for increased spending on war.⁴

However, what is missing in most analyses of this intertwining of tax, war, democracy and rebellion is the perspective of the ruled, the oppressed and exploited, the labouring classes. The poor and working masses are often mere footnotes in the history of taxation. Most commentators see or imagine the thunder coming from on high, i.e. from or within the ruling class. What this mainly Anglo-centric⁵ overview of key taxation events aims to do, with a detour via France in 1789, is to refocus our vision so that we see that tax can be a spark for the fire from below. This is the bushfire in Australian terminology, the fire that races across the terrain destroying all before it and in doing that allows and creates the conditions for both new growth and re-growth. This article then is about the tax spark and the bushfire, in some cases, like the Peasants’ Revolt of 1381, the English Civil War and the French and American Revolutions, and in a very localised way the Eureka Stockade in Australia, the rising up of the exploited classes as they enter on to the stage of history.

What is striking in the struggles over tax we will look is that they have been at their heart battles about democracy, or depending on the societal and historical context, democracy for a minority, albeit often a powerful minority, a battle for a say among the exploiters, the ruling class of hostile brothers⁶ challenging their brothers in the ruling status quo and the particular governing body.

The big struggles over tax have often been about a say in what an autocratic ruler or government does in both its extraction of money from the various classes and its spending of that money. In earlier times sections of the ruling elite demanded a voice, with, in times of acute crisis, the common people joining the battle. Often the lower classes have been encouraged to do so by some of the hostile brothers to help them in their struggles against other members of the ruling class. The hostile brothers can indeed be very hostile not only to

³ Ibid, 101.

⁴ Michael J Braddick, *The nerves of state, Taxation and the financing of the English state, 1558-1714* (Manchester University Press, 1996) 12.

⁵ In part this reflects my own background and the intellectual heritage and history I have been burdened with. In part it reflects the fact that it was in Western Europe that capitalism developed and England and then Great Britain that became the dominant capitalist power. In part it is a consequence of the inadequacies of tax history too in relation to these events. Another aspect is my own birthplace, Australia, and the lack of class analysis of tax developments here. Finally I have to plead space. This is an essay, not a book, and so even those events covered are dealt with fairly briefly, but adequately enough I hope, to make some key points. As a socialist, tax and working class rebellions and revolutions, like the Paris Commune and the Russian Revolution. Although mentioned here briefly, they, along with other working class uprisings, deserve in depth and separate analysis as the next stage in developing an understanding of tax and political and social revolutions. The *Studies in the History of Taxation Law* series published by Hart Publications, with the first six volumes edited by John Tiley and Volume 7, published in September 2015, edited by Peter Harris and Dominic de Cognan give a good overview of various, mainly specific, aspects of tax history, including occasionally from non-Anglo and non-European perspectives.

⁶ Karl Marx, *Capital Volume III*, (Progress Publishers, Moscow, 1974, 253; see also 9 Fred Moseley, ‘Hostile Brothers: Marx’s Theory of the Distribution of Surplus-Value in Volume 3 of Capital’ in G.Reuten (ed), *The Culmination of Capital: Essays on Volume 3 of Capital*, (Palgrave 2002) 65.

the exploited classes but also to other sections of their own class as they battle among themselves for political or economic supremacy, or both.

In other words tax battles are often about democracy and representation. Seligman highlights this when he says:

It is well known that liberty has been intimately bound up with the contest against unjust taxation; the constitutional history of England is to a large a history of the struggle of the people to gain control of the treasury; the American revolution was precipitated by a question of taxation; the French revolution was bought about primarily by the fiscal abuses of the *ancien régime*.⁷

The insights of Schumpeter and Seligman need to be seen in a class context. Tax battles are not just about democracy and representation. They are the struggles of particular classes for democracy and representation. More than that, these battles for a voice are often sparked by tax, the immediate extraction of money or goods or even free labour from the various classes that can spark revolutions and at the same time be seen as one avenue for progressive change. Tax, war, democracy are all reflections of the battle over surplus labour and who gets what share of that surplus labour - the same sections of the ruling class or hostile brothers, different sections of the hostile brothers, a complete new band of hostile brothers, or the oppressed and exploited.

What is missing from the analyses of the likes of Schumpeter and Seligman is class analysis from the perspective of the forgotten; for example, what and whose liberty are we talking about? Why and in what ways was the taxation unjust? Whose thunder? Whose history? Whose taxation? Who was on the streets and in the armies literally fighting for democracy and against the rulers and their class based taxes? While the analysis of the likes of Schumpeter and Seligman do position such revolts in the context of the particular class societies they arose in, they don't view the particular class pressures and struggles occurring from the point of view of the oppressed and exploited. They certainly don't view history as the battle of classes. To continue with Marx and Engels and the idea of [written] history as the history of class struggle, what we need to do, by necessity only briefly in this paper, is to look at tax and history not just in the context of opposing classes (and of course in the context too of battles within the ruling classes or band of hostile brothers) but in the context of the battle between the contending classes. I can do no better than quote Marx and Engels on this.

Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed, [stand] in constant opposition to one another, [carry] on an uninterrupted, now hidden, now open fight, a fight that each time [ends], either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.⁸

In saying that the history of all hitherto existing society is the history of class struggle we should also heed Marx's warning that this is not in fact always between opposing classes but are often between particular sections of society. As we shall see, the combatants in these battles over tax often start off as sections of the elite themselves wanting to rein in the taxing power of the sovereign and to ensure there is some common consent (narrowly understood to be consent among the ruling class) to taxation. And in saying that the history of all hitherto

⁷ Edwin R.A. Seligman, 'The Single Tax' in *Essays in Taxation* (The MacMillan Company, New York, 1931), 66, 78.

⁸ Karl Marx and Friedrich Engels, *The Communist Manifesto* (Wordworths Editions Ltd, 2008) 1.

existing society is the history of class struggle we should also heed Marx's warning that this is not in fact always between opposing classes but are often between particular sections of society. In rebutting historical continuity between figures from different periods of human development, for example Caesar and Bonaparte in the form of Caesarism and Bonapartism, Marx says: 'People forget Sismondi's significant saying: "The Roman proletariat lived at the expense of society, while modern society lives at the expense of the proletariat." With so complete a difference between the material, economic conditions of the ancient and the modern class struggles, the political figures produced by them can likewise have no more in common with one another than the Archbishop of Canterbury has with the High Priest Samuel.'⁹ It is the trend over the past millennium towards the increasing involvement of the exploited classes in making their own history that is the evolving theme of this paper. I argue too that that trend has been slowed or side-tracked in the case of Australia, and other major Western countries too, by the rise of social democracy and political reform from above, rather than reform, let alone revolution, from below. I hope that the theme becomes clearer as we remove the cloak of history and reveal the reality of class struggle in all its beauty and imperfections.

The danger to all of the ruling class is that in mobilising the common people to fight in one or both sides of the battles of the hostile brothers, the oppressed and exploited may themselves mobilise around their own issues, often cloaked in the language of liberation one section of the emerging or existing ruling class uses. For example, as the first signs of capitalism developed in the interstices of the feudal system, the common people entered more and more onto the stage of history, not as adjuncts to the elite and their pursuits of limited democracy and limited representation, but as the bearers of ideas for new societies based on equality and common ownership. However, as we shall in the English Civil War, the American Revolution and the French Revolution, the depth of representation the oppressed and exploited classes demand often challenges the rule of the oppressors. These visions of democracy frighten and threaten the ruling classes who then incorporate the oppressed and exploited within the current social structures through some apparent concessions or through brutal repression.

War too plays its part in all of our examples of tax and rebellion. The brutal conflicts between various states and regimes in feudal and capitalist society appear a constant backdrop to rebellion and revolution. War seems an inevitable consequence of class society. It is a continuation of the class struggle on a state or national level, a fight by particular exploiters on one geographic area for dominance over other similar elites in other areas and hence about winning a greater share of surplus labour by expanding jurisdiction at the expense of other regimes. Funding actual wars requires extra revenue, often through a state or regime imposing taxes on sections of society with power, or more widely, on those exploited and oppressed without power.¹⁰ However it has consequences. As Trotsky so eloquently put it in early 1917 in New York before he made it back to Russia:

⁹ Karl Marx, *The Eighteen Brumaire of Louis Bonaparte*, 'Preface to the Second Edition (1869)' <<https://www.marxists.org/archive/marx/works/1852/18th-brumaire/preface.htm>>.

¹⁰ As Le Goff points out it also means not just funding war expenditure but the government debt that wars inevitably give rise to. T J A Le Goff 'How to Finance an Eighteenth-Century War' in WM Ormrod, Margaret Boney and Richard Bonney (eds) *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal history 1130- 1830* (Shaun Tyas, Stamford, 1999) 377, 378-379.

In all the belligerent countries the lack of bread is the most immediate, the most acute reason for dissatisfaction and indignation among the masses. All the insanity of the war is revealed to them from this angle: it is impossible to produce necessities of life because one has to produce instruments of death.¹¹

Funding the production of those instruments of death almost invariably requires states or regimes to tax their populations. That can take various forms, including alienating other sections of the hostile brothers by taxing them heavily, or taxing the exploited and oppressed and hence reducing their share of necessary labour and making basic living and survival even more difficult. The more tax, the less bread.

This article is a brief outline or first sketch of a people's history of taxation, drawing on tax, war, and the growing role of the common people in historic events. I look at the often undocumented role of the unfree, the oppressed and exploited, in rebellions from the Magna Carta, the Peasants' Revolt of 1381, the English Civil War, the American Revolution and the French Revolution. From there our journey sees us briefly visit the Napoleonic Wars and the drivers for income tax in the United Kingdom and the factors embedding it permanently in the English tax system, including the Chartist movement. I will go on then to look at the tax spark for the Eureka Stockade, what that rebellion was about and the impact of World War I and II on tax in Australia.

My aim is to reintroduce class and class struggles from below into discussions about tax and history. It was Marx and Engels who famously declared 'the history of all hitherto existing society is the history of class struggles.'¹² In a nutshell, the big tax struggles of the past and the present and those political and social revolutions sparked by tax are part of the ongoing battles between oppressed and oppressor, between exploiter and exploited, a battle for the social surplus which, under capitalism, is a battle over surplus value and its market reflection in wages, profits, interest, dividends and taxes and state expenditure.¹³ These can be battles within the hostile brothers over their particular share of the surplus the exploited create, or it can be a battle by the exploited for a greater share of the social surplus, or a combination of both.

When the exploited rise up it is because taxes cut their ability to provide for their basics. In Marxist terms under capitalism taxes on workers reduce the value of the labour power workers have to sell to survive. The added point under capitalism is that some state expenditure is returned to workers in the form of a social wage and that includes health services, education, public transport and direct welfare payments they receive. Together with their actual wage this is the price of their labour power as part of the self-sustaining process for workers to return to work the next day and have adequate education, and so on, to be exploited.

In the past tax and tax inspired rebellions have been very bloody. To misquote Marx, the history of taxation is, 'written in the annals of mankind in letters of blood and fire.'¹⁴ It is the

¹¹ Leon Trotsky, 'On the Eve of a Revolution' 13 March 1917, <<https://www.marxists.org/archive/trotsky/1918/ourvevo/ch08.htm>>. Trotsky wrote this in New York as the first news of widespread unrest in March in 1917 in St Petersburg reached him.

¹² Marx and Engels, above n 8, 3.

¹³ Tax is a deduction from surplus value. See John Passant, 'Some Basic Marxist Concepts to Help Understand Income Tax', (September 2015) 27 *The Journal Jurisprudence* 263, 267-268.

¹⁴ Karl Marx, *Capital Volume 1* (Progress Publishers, Moscow, 1977) 669. He was referring to capitalism. Marx later in that tome says that '...capital comes dripping from head to foot, from every pore, with blood and dirt.' Ibid, 712. So too in my view does income tax, and the demands for tax justice and equity.

blood and fire of ordinary people – of the likes of slaves, peasants, and workers - that I particularly want to highlight. This is my contribution to tax history from below. As Brian Manning put it when discussing the English Revolution but with an approach we can generalise to all rebellions or revolutions:

At the time of the English Revolution it was common to make a tripartite division of society into the gentry, 'the middling sort' and 'the poor'. The first and second of these categories have occupied the attention of historians – the first much more than the second – in assessing the causes and course of the revolution, but the third has been largely neglected.¹⁵

Like Manning, I too want 'to make a preliminary attempt to remedy this omission'¹⁶ but from the point of view of tax and history and the role of the forgotten classes.

The aim in this paper then is to introduce readers to the open battle of the oppressed against the oppressor in the fights over or caused in part by tax. This paper is a sketch, an introduction to a potted people's history of taxation, a potted history in which I want to draw out a simple message – tax, democracy and rebellion are intertwined, often walking hand in hand with war, failed war, and colonial expansion. This is the first step to help me put the people back into the history of taxation and on to the stage of history.

Before we begin our journey with the Magna Carta two further explanations are necessary. First, there are revolutions and there are revolutions. In fact there are political revolutions and social revolutions, and shades in between. What's the difference?

As Neil Davidson puts it:

Political revolutions take place within a socioeconomic structure. They are struggles for control of the state, involving factions of the existing ruling class, which leave fundamental social and economic structures intact.¹⁷

This means that political revolutions can be fights among sections of the ruling class, with their own specific interests, or involve the oppressed and exploited who may win reforms and better conditions of existence, (sometimes under the urging and very watchful eye and control of sections of the elite in their battle with other sections of the ruling class,) but win those benefits without threatening the social order. Such political revolutions can and often do replace particular individuals in key positions in the ruling class, and sometimes even establish new institutions of governance. They do not however challenge the existence of the ruling class itself nor the system producing that ruling class.

On the other hand, social revolutions, according to Davidson:

... are not merely struggles for control of the state, but struggles to transform it, either in response to changes that have already taken place in the mode of production (the early bourgeois revolutions), or in order to bring such changes about (the late bourgeois revolutions and the socialist revolution): they involve a change from one socioeconomic structure to another.¹⁸

¹⁵ Brian Manning, *The Far Left in the English Revolution, 1640 to 1660* (Bookmarks, London, 1999), 1.

¹⁶ Ibid.

¹⁷ Neil Davidson, 'What is a Revolution?' *New Socialist Webzine* 28 October 2015 <<http://newsocialist.org/808-what-is-a-revolution>>.

¹⁸ Ibid.

The move from slavery to feudalism, from feudalism to capitalism¹⁹ and from capitalism to socialism²⁰ are examples of social revolutions. As the English Civil War and the French, American and Russian revolutions show, such social revolutions require a movement from below, the exploited classes entering on to the stage of history to challenge the old ways of doing things. So too, often, do political revolutions, as the Magna Carta and the Peasant's Revolt show. Indeed arguably it is the masses making demands on the state that resulted in making income tax a permanent fixture of capitalism in Great Britain, together with the cost pressures of war. The demands for equity and freedom, of which, for example no taxation without representation' and 'taxing the rich' form part, express the political revolution society is or was undergoing.

Further, we need to be careful not to draw iron curtains around political and social revolutions. Political revolutions can become social revolutions. Only nine months separated the fall of the Czar in Russia in February 1917 and the democratic working class socialist October Revolution.²¹

The demands for democracy and economic equality by the left and especially far left sections of the exploited classes in for example but not limited to The English Civil War, the French Revolution and the American Revolution pre-figured later socialist demands. However, and this is the second point of explanation necessary in this context before we look at my potted history of tax, war, democracy and revolution, we need to be careful in any examination of the past not to read back into that study our own historical context and predilections.

Peasants are not workers, and a working class, along with other groups in transition, developing in the interstices of feudal society is not a working class able to win socialism, unlike today's working class or indeed the working class in the 1830s and 1840s in England and the 1870s in France.

Having said that, we also need to understand that the exploited classes and the nascent ruling class trying to break free from feudal strangulation will appropriate the struggles of the past to express their own struggles. In the hands of the exploited classes the slogans of the past can be progressive both in the sense of moving from an historically outdated system, feudalism to capitalism, and in making demands on the state or the economic exploiters for a better life. In the hands of the developing bourgeoisie these demands of the past can be historically progressive in the sense of hastening the move from feudalism to capitalism. Yet, as Howard Zinn points out in his magisterial discussion of the American Revolution, the ruling group can find 'a wonderfully useful device'²² in addition to material advantage to win the loyalty of sections of the exploited and oppressed. As he says: 'That device [is] the language of liberty and equality...'²³ which in the case of the American Revolution as an

¹⁹ The English Civil War and the French revolution are examples of this social revolution to enable the new ruling class to control the state. See Neil Davidson, above n 17.

²⁰ The working class and socialist revolution in Russia on 7 November 1917 is the only short lived example of this movement.

²¹ Trotsky's theory of permanent revolution explains how a working class revolution could occur in a country with a massive peasantry and how, without working class revolutions in capitalist heartlands, it could not survive. See Leon Trotsky, *The Permanent Revolution and Results and Prospects* (Merit Publishers; 3rd edition, 1969).

²² Howard Zinn, *A People's History of the United States*, (Harper Collins, New York, 2003) 58.

²³ *Ibid.*

example the ruling group used to ‘...unite just enough whites to fight a Revolution against England, without ending either slavery or inequality.’²⁴

With these various introductions, caveats, warnings and hopes, let’s begin our journey.

II TAX, DEMOCRACY, REVOLUTION AND WAR – A POTTED HISTORY

(i) The Magna Carta – a political revolution from above

The Magna Carta was the product of a failed war and excessive tax.²⁵ It was ‘a selfish document in which the baronial elite looked after its own interests’²⁶, the result of a battle by ‘thuggish barons’²⁷ to, among other things, limit the king’s power to tax.²⁸ Indeed, David Carpenter goes so far as to say it was ‘above all about the money.’²⁹ Claire Breay and Julian Harrison from the British Library put it more politely. “Magna Carta stated that no taxes could be demanded without the ‘general consent of the realm’, meaning the leading barons and churchmen.”³⁰ According to them: ‘It re-established privileges which had been lost.’³¹ In this sense it was an intra-class dispute, a battle between members of the ruling class. The hostile brothers had fallen out. In applying at its widest to freemen, the Magna Carta excluded the majority of the English people at the time, the unfree – that section of the peasantry that had to provide unpaid labour to the lord.³² It not only excluded them, it discriminated against them.³³ It also discriminated against women.³⁴

It was however not just a war among the elite. It was also a war of the elite against ‘sections of society’.³⁵ In Carpenter’s words, ‘Magna Carta shows the king’s subjects in conflict with one another as well as in conflict with the King.’³⁶ Linebaugh goes so far as to say the Magna Carta was a treaty among contending forces in a civil war involving seven conflicts, including between the common people and what he calls the privatizers, those who would drive the commoners off their land.³⁷ Certainly, the common people were not absent from the struggle for the Magna Carta. The barons could only take London, and thus force the King to sign the Charter at Runnymede, with the support of the people of London. As Alexander says:

²⁴ Ibid.

²⁵ Claire Breay and Julian Harrison, ‘Magna Carta: an introduction’ <<http://www.bl.uk/magna-carta/articles/magna-carta-an-introduction>>.

²⁶ David Carpenter, *Magna Carta: With a New Commentary by David Carpenter* (Penguin Classics, 2015) 107.

²⁷ Geoffrey Robertson, *Crimes against Humanity: The Struggle for Global Justice* (New York: New Press 1999) 3.

²⁸ David Carpenter, above n 26.

²⁹ Ibid, referred to and linked to by Chris Berg in ‘Magna Carta: archaic tax document and icon of liberty’ The Drum, ABC, <<http://www.abc.net.au/news/2015-06-09/berg-magna-carta-anniversary/6529966>>.

³⁰ Claire Breay and Julian Harrison, above n 25.

³¹ Ibid.

³² David Carpenter, above n 26, 107.

³³ Ibid, vii.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Paul Linebaugh, *Magna Carta Manifesto: Liberties and Commons for All* (University of California Press 2008) 45.

[T]he rebellion of 1215 hinged on the support of the citizens and people of London. King John was finally forced to negotiate only when Londoners handed the city to the rebels. The barons depended for legitimacy on a wide social base of support.³⁸

The role of the people, both as support for their ‘betters’ and as fighters themselves for a better world, is a theme that rings down the corridors of tax history.

What then did the barons win? To quote Nicholas Vincent:

Clauses 39 and 40, for example, forbid the sale of justice and insist upon due legal process. From this sprang not only the principle of habeas corpus (that the accused are not to be held indefinitely without trial), but the idea of the right to trial by jury (by the accused’s ‘peers’). Even the presumption of innocence pending conviction can be traced back to the provisions of Magna Carta clause 40. From clause 14 of the 1215 Magna Carta springs the idea of no taxation without representation, and with it the establishment of a common council, duly embodied in Parliament, as a means of obtaining popular consent.³⁹

Here lies the key to and the ambiguity of the Magna Carta. The Magna Carta’s revolutionary content seemingly lies not in its contextual specifics but its ahistorical universality or, as Alexander describes it, ‘the gap between the original reality and subsequent meaning.’⁴⁰ This enables not just revolutionaries and radicals to claim it, as they did in the Peasant Revolt of 1381, the English Civil War, the American War of Independence, the struggle of the Chartists, the suffragette movement,⁴¹ the struggle against apartheid⁴² and the Zapatista uprising,⁴³ but also for right wing free market libertarians and liberals to proclaim its ‘truths.’ Chris Berg sets out the process for this liberal universalism. He says it arose:

[b]ecause those obscure Latin clauses became, in the hands of propagandists and revolutionaries decades and centuries after June 1215, a document symbolising general limits on royal power. Anachronistic misunderstandings of the Magna Carta were themselves a force for liberal progress. So to celebrate the Magna Carta is to celebrate 800 years of its history, not the specific rules it imposed about, for instance, the receipts of an estate’s earnings while it was held in wardship. It is to celebrate how this strange, failed peace treaty established a permanent relationship between tax resistance and political freedom in the English-speaking world.⁴⁴

In essence the Magna Carta established a ‘link between taxation and consent’⁴⁵ that was to echo down the ages. While latter day libertarians might celebrate the link, they do so from the point of view of the barons rather than the commoner.⁴⁶ It is when the idea and then the

³⁸ Dominic Alexander, ‘Ten reasons why the story of Magna Carta is about rebellion’ *Counterfire* 13 June 2015 <http://www.counterfire.org/history/17859-ten-reasons-why-the-story-of-magna-carta-is-about-rebellion#_ftnref1>.

³⁹ Nicholas Vincent, ‘The Clauses of the Magna Carta’, *The British Library*, <<http://www.bl.uk/magna-carta/articles/the-clauses-of-magna-carta>>. On top of that, as Nicholas points out, there were a large number of clauses that have no meaning today or which are reactionary and in one case anti-Semitic.

⁴⁰ Dominic Alexander, ‘Magna Carta: A tradition of rebellion’ *Counterfire* 7 June 2015 <<http://www.counterfire.org/history/17840-magna-carta-a-tradition-of-rebellion>>.

⁴¹ *Ibid.*

⁴² Nelson Mandela, ‘I am prepared to die’, Statement from the Dock at the Opening of the Defence Case in the Rivonia Trial, Pretoria Supreme Court, 20 April 1964 <http://www.un.org/en/events/mandeladay/court_statement_1964.shtml>.

⁴³ Paul Linebaugh, above n 37, 1-2.

⁴⁴ Chris Berg, ‘Magna Carta: archaic tax document and icon of liberty’ *The Drum, ABC*, 11 June 2015 <<http://www.abc.net.au/news/2015-06-09/berg-magna-carta-anniversary/6529966>>.

⁴⁵ John Maddicott, ‘Magna Carta and the Origins of Parliament’, (Spring 2015) *The Historian* 22, 22.

⁴⁶ Linebaugh says for example that ‘[f]or a time during the twentieth century, the cultural development of Magna Carta led to its reification: it ceased to be an active constitutional force and became a symbol

actuality of resistance seizes the oppressed and the exploited that the possibilities for real democracy and hence a challenge to the rule of the elites emerges. The link then becomes more clearly between struggle and freedom, often mediated through tax and rebellions against its imposition. Tax can be the spark. For example that resistance and universality found expression in the popular uprising of 1381 known as the Peasants' Revolt.

(ii) The Peasants' Revolt of 1381 – a political revolution from below

The Peasants' Revolt was a reflection of and deepened the crisis in mediaeval society in England at the time.⁴⁷ The class antagonism and conflict between feudal lord and serf was its basic cause.⁴⁸ The poll tax, or rather a series of poll taxes, were its spark.⁴⁹

There were a number of contributors to the generalised discontent that led to the Revolt. O'Brien identifies the long term causes of the revolt as the 'immense forces of economic, social and ideological antagonism [that] had become locked together...'⁵⁰ These forces were changing and the antagonisms heightening as the towns grew and trades developed, with a nascent capitalist class emerging.⁵¹ Still, O'Brien believes it may have taken one or two centuries for revolution to break out.⁵² However, as he puts it: 'The historical process was hastened ... by the politics of the time and the actions of the ruling class and by the forces of nature.'⁵³

The Black Death in 1348-49 killed somewhere between one third and one half of the population.⁵⁴ This created a shortage of labourers.⁵⁵ The serfs (or villeins) more and more demanded, and received, wages for their labour.⁵⁶ They also became more mobile as the demand for their work saw land owners bid for their presence and bid up their wages.⁵⁷ The wealthy classes united against the rising price of labour and the confidence this was giving the lower classes.⁵⁸ The King's Ordinance of 1349 and then the Parliament's Statute of Labourers of 1351 tried to keep wages at 1346 levels, that is, at pre-Black Death levels.⁵⁹

characterized by ambiguity, mystery, and nonsense ... it became an idol of the ruling class." Linebaugh, above n 37, 192.

⁴⁷ Rodney Hilton and Hyman Fagan, *The English Rising of 1381* (Lawrence and Wishart, 1950) 13.

⁴⁸ Ibid.

⁴⁹ Ibid, 49.

⁵⁰ Mark O'Brien, *When Adam Delved and Eve Span: A History of the Peasants' Revolt of 1381* (New Clarendon Press 2004) 13 <<https://andylamas.wordpress.com/2014/06/19/mark-obrien-when-adam-delved-and-eve-span-a-history-of-the-peasants-revolt-of-1381/>>.

⁵¹ Ibid, 11.

⁵² Ibid, 13.

⁵³ Ibid.

⁵⁴ Ibid, 15.

⁵⁵ Ibid. See also Megan Konicki, *The Peasants' Revolt* <<https://prezi.com/7iz2q7mqhmq/the-peasants-revolt/>>; Reproduced at Marxists website, *The Peasants Revolt* <<https://www.marxists.org/history/england/peasants-revolt/story.htm>>.

⁵⁶ Mark O'Brien, above n 42, 17

⁵⁷ Ibid 17-18.

⁵⁸ Ibid, 18.

⁵⁹ Ibid.

Prices outstripped wages for a time.⁶⁰ However such was the demand for labour that over time average wage rates rose.⁶¹

Not only did the Statute of Labourers attempt to set payment rates for particular labour in great detail, it also had draconian labour supply clauses. It made those able bodied men and women who were under 60, not in work, and with no land or master, bound to work for anyone who wanted them.⁶² Any servant leaving their master before their time (for example for a better position) was liable to two years jail.⁶³

As O'Brien notes:

The repeated attempts to enforce [the Statute of Labourers], however, meant that it became not only a hated piece of class legislation but also the grist in a class struggle of a new type. Previously, peasants had struggled against a particular lord who oppressed them. Now their hostility was aimed increasingly at Parliament and other national institutions. The politicization that this made possible was to become generalized into a much more fundamental questioning of society.⁶⁴

War too played an important part in the Revolt. The Hundred Years War had exhausted the Treasury coffers.⁶⁵ In 1377 for example the French had landed on the south coast and occupied the Isle of Wight, as well as sacking Rye, Lewes, Folkestone and Portsmouth.⁶⁶ The barons had borne the taxes to fund the war.⁶⁷ To relieve the burden on them and allay fears about the seemingly bottomless pit of military spending their money was going into, the poll tax applied to 'the urban and rural poor,'⁶⁸ not just landowners. There were 3 poll taxes – 1377, 1379 and 1381. They were raised to fund expeditions in France.⁶⁹ Each became more punitive. The rate in 1371 was 4d per person, the rate in 1379 depended on how rich the person was and in 1381 it was 12d per person.⁷⁰ Its enforcement in the spring of 1381 to pay for the disastrous and very costly wars⁷¹ was 'the immediate cause of the revolt.'⁷²

The first response by peasants to the trebled poll tax in 1381 was evasion on a massive scale.⁷³ A poll tax is levied on each person. To evade it peasants 'disappeared.' The population numbers, driven by the need to evade the tax, 'seemed to have fallen from 1,355,201 in 1377 to 896,481 in 1381.'⁷⁴

⁶⁰ Megan Konicki, *The Peasants' Revolt* <<https://prezi.com/7iz2q7mqhmq/the-peasants-revolt/>>; Reproduced at Marxists website, *The Peasants Revolt* <<https://www.marxists.org/history/england/peasants-revolt/story.htm>>.

⁶¹ Mark O'Brien, above n 50, 20.

⁶² Hilton and Fagan, above n 47, 185.

⁶³ Ibid.

⁶⁴ Mark O'Brien, above n 50, 20.

⁶⁵ Konicki, above n 60. The Hundred Years War from 1337 to 1453 was a struggle between English and French rulers for control of France.

⁶⁶ John Simkin, 'Taxation in the 14th Century', Spartacus Educational, <<http://spartacus-educational.com/YALDtaxation.htm>>.

⁶⁷ Ibid.

⁶⁸ Hilton and Fagan, above n 47, 49.

⁶⁹ John Simkin, above n 66.

⁷⁰ Ibid.

⁷¹ W. M. Ormrod, 'The Peasants' Revolt and the Government of England' (1990) 29(1) *Journal of British Studies* 1, 1.

⁷² Hilton and Fagan, above n 47, 49.

⁷³ Mark O'Brien, above n 50, 30.

⁷⁴ Ibid, 30-31.

The state responded by giving extra powers to the tax investigators, assessors and collectors. In January and February 1381 people across England, including local officials, falsified the lists of the inhabitants of their villages, towns and other areas.⁷⁵ In May 1381, when a Tax Commissionaire in Brentwood attempted to make villagers pay, many for a second time, to make up for the unpaid tax of others, they rose up and drove him and his colleagues out.⁷⁶

As Lindsay and Groves remark, ‘The rebellion had begun.’⁷⁷ Others did the same, killing some Commissionaires or those assisting them.⁷⁸ Soon two separate groups of peasants, perhaps of up to as many as 70,000 each,⁷⁹ drawn initially from Exeter and Kent, and then snowballing across the country, and with the support of the people of London,⁸⁰ took the City.

This was an organised revolt,⁸¹ built on 20 years of preaching and discussion and fueled by the class grievances of the peasants and the towns.⁸² As O’Brien puts it the revolt was the result among other things of ‘the patient work of revolutionaries.’⁸³ Those revolutionaries ‘were poor priests who were close to their parishioners and who shared the sense of outrage and social injustice of their times.’⁸⁴ This included the idea that people should not pay an unjust tax. Unjust it was. As Dobson says, it was not only ‘the ferocity of national taxation in the years before 1381 but also the severity with which with which governmental exploitation could bear on fourteenth-century local communities’⁸⁵ that was a major cause of the 1381 revolt. And to return to a theme that will recur, the tax was unpopular because it was inequitable. According to Lindsay and Groves, “‘Divers lords and commons,” recorded the scribe of the *Anonimallae Chronicle*, “think the tax unfairly levied from the poor and not from the rich, and that in any case the collectors have retained most of the yield.””⁸⁶

The essential egalitarianism of the peasants (what David Hume called ‘the ideas of primitive equality ... engraven in the hearts of all men’⁸⁷) comes out most clearly in a speech of radical preacher and one of the leaders of the revolt, John Ball, a man who had preached a form of common wealth for many years and had been imprisoned as a consequence of that and various religious heresies.⁸⁸ The revolt freed him from prison. In his speech on his release he said:

⁷⁵ Philip Lindsay and Reg Groves, *The Peasant Revolt 1381* (Greenwood Press, Westport, 1974) 76.

⁷⁶ Ibid, 77-78; Mark O’Brien, above n 50, 33. See also David Hume, *The History of England, vol. 3* (William Pickering, London, and Talboys and Wheeler, Oxford, 1826) 6; Paul Foot, ‘This bright day of Summer: The Peasants’ Revolt of 1381’ (Socialists Unlimited, 1981) <<https://www.marxists.org/archive/foot-paul/1981/06/1381.html>>.

⁷⁷ Lindsay and Grove, above n 75, 78.

⁷⁸ Mark O’Brien, above n 50, 33-34.

⁷⁹ Paul Foot, ‘This bright day of Summer: The Peasants’ Revolt of 1381’ (Socialists Unlimited, 1981) <<https://www.marxists.org/archive/foot-paul/1981/06/1381.html>>.

⁸⁰ Mark O’Brien, above n 50, 31, 40; Lindsay and Grove, above n 75, 88 and 93.

⁸¹ Paul Foot, above n 79.

⁸² Ibid; Mark O’Brien, above n 50, 31.

⁸³ Mark O’Brien, above n 50, 27.

⁸⁴ Ibid.

⁸⁵ R B Dobson, *The Peasants’ Revolt of 1381* (Macmillan, London, 1993) xxxv.

⁸⁶ Lindsay and Groves, above n 75, 76.

⁸⁷ David Hume, *The History of England, vol. 3* (William Pickering, London, and Talboys and Wheeler, Oxford, 1826) 6. Whether equality is ‘engraven in the hearts of all men’ and women historically and today is in part the point of this paper. Certainly it appears engraven in the hearts of all the oppressed.

⁸⁸ Lindsay and Groves, above n 75, 70-75.

Good friends, things cannot go well in England, nor ever will until everything shall be in common; when there shall be neither vassal nor lord and all distinctions levelled, when lords shall be no more masters than ourselves. How ill have they used us? And for what reason do they hold us in bondage? Are we not all descended from the same parents, Adam and Eve? And what can they show or what reasons give, why they should be more masters than ourselves? except perhaps in making us labour and work for them to spend. They are clothed in velvets and rich stuffs, ornamented with ermine and other furs, while we are forced to wear poor cloth. They have handsome seats and manors, when we must brave the wind and rain in our labours in the fields; but it is from our labour that they have wherewith to support their pomp, we are called slaves, and if we do not perform our services we are beaten.⁸⁹

As examples of these ideas of primitive equality the demands of the rebels included not just the abolition of the poll tax and better wages but an end to serfdom, cuts in rent, stopping maintenance to the aristocracy and better off clergy and even some form of democracy or self-governance.⁹⁰ Here then was a demand for fundamental societal change, a social revolution, without the understanding of how it could be won. Even if that understanding of the power the mass of the unfree had existed, it would not have been enough to overthrow feudalism. They may have had enough power to change fundamentally change feudalism, although even then whether the social position of the unfree gave them that power is a moot point. In any event their ideas did not allow them to push through to some sort of social levelling within feudalism. As Harman says the peasantry were uneducated and interested in their own village and land.⁹¹ They could not organise and unite around a vision for a new society and push it through.⁹² Certainly the capital and labour relationship had not developed in a sufficiently capitalist direction to see a large enough capitalist class and the middling sort of to challenge feudalism, or even the particular representatives of the system, the King especially.

Instead the revolutionaries swore allegiance to the King, and to the commons. It was their downfall. Given the overwhelming show of defiance, the King agreed to all the demands of the unfree in order to buy time to organise his own forces. After an elected leader, Wat Tyler was killed at a meeting on his own with the King and his supporters, - a trap in other words⁹³ - the King, on the basis of his agreement with the demands, coupled with the despair of the peasants, convinced the tens of thousands of them gathered nearby to return to the land and continue the harvest. They did. The revolt died out, and within days the King had gathered a force of thousands and ditched the peace terms. A period of reaction ensued and the leaders of the revolt and many followers were executed.⁹⁴

Was the revolt a failure? Not at all. It won real gains for the unfree over time. Paul Foot explains:

In 1382 a new poll tax was ordered by John of Gaunt's parliament, but this time for *landowners only*.
In 1390 the attempt to hold down wages by law was formally abandoned and the Statute of Labourers

⁸⁹ G. Trevelyan, *England in the Age of Wycliffe*, (Longman, 1915), 197.

⁹⁰ Stephen F. Eisenman, 'Communism in Furs: A Dream of Prehistory in William Morris's "John Ball"' (March 2005) 87 (1) *The Art Bulletin* 92, 98. See also David Hume, above n 87, 8.

⁹¹ Chris Harman, *A People's History of the World: From the Stone Age to the New Millennium* (Verso, London, 2008) 155.

⁹² *Ibid.*

⁹³ Lindsay and Groves, above n 75, 130.

⁹⁴ *Ibid.*, 133 et ff.

effectively repealed. By 1430, only fifty years from the end of the Peasants' Revolt bondage and villeinage had been abolished, in England before anywhere else in Europe.⁹⁵

The oppressed had risen up against their oppressors, sparked by an unjust tax. Their quest for equity in a deeply unequal society drove them. They had neither the political understanding nor the social position to overthrow feudalism or to even impose their own will on the King and the rest of the ruling class.⁹⁶ However the Peasants' Revolt was a political revolution from below that set in train long term processes for change within feudalism which both benefited peasants and also hastened the development of capitalism in the centuries to come in England.

Future rebellions of the English and other peoples for freedom looked back to and drew inspiration from both the Magna Carta and the Peasants' Revolt of 1381. That is certainly true of the English Civil War.

- (iii) The English Civil War 1640 to 1660 – a political and social revolution from above and below

By now this story may sound familiar. The finances of the nation were in some trouble; war was brewing; and the king and the restricted franchise Parliament⁹⁷ were locked in a battle over whether he could tax without the approval of those elected.⁹⁸ On top of that, religious difference and persecution and repression added to discontent, and among other things to war with Scotland and in Ireland.⁹⁹

The deeper systemic and economic causes of the Civil War are complex. Hill attributes them to the changing nature of the economy, in particular the rise of the capitalist farmer alongside the urban bourgeoisie.¹⁰⁰ The alliance of the two took over the State and by helping sweep away feudal restrictions on its development made the expansion of capitalism in England possible.¹⁰¹ 'It was necessary,' says Christopher Hill, 'for the further development of capitalism that this choking parasitism should be ended by the overthrow of the feudal state.'¹⁰² It was the middling sort, a developing or wannabe bourgeoisie, with the help of the oppressed, often represented by 'the left,'¹⁰³ who made possible the long transition, a social revolution, from feudalism to capitalism in the United Kingdom.

Now, as Manning points out, it is a mistake to separate the political revolution from the social revolution as the political revolution was rooted in social forces.¹⁰⁴ In the end the compromisers with the old regime won out and those who wanted the permanent overthrow

⁹⁵ Paul Foot, above n 78.

⁹⁶ Chris Harman, above n 91, 155.

⁹⁷ These were Parliaments not of the people but of what Christopher Hill calls 'the landed classes and the merchants' or 'principally the gentry and wealthy merchants'. Christopher Hill, *The English Revolution 1640* (Lawrence and Wishart, London, 1966) 29 and 39 respectively.

⁹⁸ Martyn Bennett, *The English Civil War 1640-1649* (Longman, London, 1998) 1-2.

⁹⁹ *Ibid.*, 1, 2, 17-18.

¹⁰⁰ Christopher Hill, *The English Revolution 1640* (Lawrence and Wishart, London, 1966) 21.

¹⁰¹ *Ibid.*

¹⁰² *Ibid.*, 9.

¹⁰³ Brian Manning, above n 15, 1. The program of radicalism was driven by the Levellers, but Manning's focus is on those to the left of the radicals, such as the Diggers, individuals often labelled Ranters, and elements of the Fifth Monarchists, the Quakers and even some of the Levellers themselves. Manning, 33. My focus will move from the Levellers and their programme, especially its radical aspects, to the Diggers and their more revolutionary proposals.

¹⁰⁴ *Ibid.*

of the monarchy and aristocracy did not.¹⁰⁵ However that victory, that political victory, contained within it the social revolution. The re-establishment, contrary to Perry Anderson's view of an incomplete revolution,¹⁰⁶ did sweep aside the real impediments to capitalist expansion in England, even if the 1660 restoration saw the royal but now mainly titular head of government reinstated. The English Revolution shifted power away from the monarchy and aristocrats to capital so that by 1688 the newly installed Protestant monarch (in line with Parliament) had much reduced power while the bourgeoisie through their Parliament were in control of the state. Of course things were in a state of flux but the Parliament of the middling sort was on the ascendancy and over the next century consolidated their power as the bourgeoisie grew and expanded, at the expense of the monarchy and the last real vestiges of feudal rule.

Who then are the middling sort who played such an important role in the English Revolution? Brian Manning is vague about the specific make-up of the middling sort, and for good reason. As he says:

The term 'middle sort', however, is vague... A bourgeoisie is in the process of formation and the appearance of the term 'middle sort' prefigures this, but without divorcing them from the general body of small property holders...¹⁰⁷

In the context of this fluidity and changing social relations, Mark O'Brien offers us a view of the parameters of this developing group. He says:

The vagueness of the definition of the 'middling sort' is a necessary historical function of the social reality of the time. The rise of trade and commerce had led to the emergence of a proto-capitalist commercial class, with interests different from those of the dominant Catholic landowners. The 'middling sort', then, began with the upper layers of the peasant class whose horizons were more and more fixed upon the expanding London market. Alongside these were the traders and monopolists who were now detached from the immediate production of goods and who craved control of the urban centres and trade routes. Rising through the social hierarchy there were the merchants whose world encompassed markets and power beyond the coastline of Britain and whose domestic loyalties were both ambivalent and pragmatic. Finally there were the lower reaches of the gentry whose social insulation within the old aristocracy had worn thin and whose interests had become more and more allied with those of the rising commercial class.¹⁰⁸

Yet, as we shall see, it was not just the middling sort who drove the English Revolution. The oppressed played a key role in the Civil War and the transition to capitalism, sparked in part by taxes. Indeed the immediate causes of the Civil War included, among other things, war and taxes. Hill again:

The real crux of the problem was finance, over which there had already been conflict at the end of Elizabeth's reign. Prices were rising, the wealth of the bourgeoisie was increasing by leaps and bounds, yet the revenue of the Crown, as of most great landowners, remained static and inadequate to the new needs. Unless the Crown could tap the new wealth either (a) by

¹⁰⁵ Ibid 96-97.

¹⁰⁶ Perry Anderson, 'The Origins of the Crisis' (January-February 1964) 23 *New Left Review* (Series I) 26; Perry Anderson, *English Questions* (Verso, London, 1992).

¹⁰⁷ Brian Manning, *Aristocrats, Plebeians and Revolution in England 1640-1660* (Pluto Press, 1996) 10-11.

¹⁰⁸ Mark O'Brien, 'The class conflicts which shaped British history' (Winter 1996) 73 *International Socialism* <<http://pubs.socialistreviewindex.org.uk/isj73/obrien.htm>>.

drastically increasing taxation at the expense of the bourgeoisie and gentry, or (b) by, somehow taking part in the productive process itself, its independent power must disappear.

The first policy – increased customs, forced loans, new taxes – led to violent quarrels with Parliament, which had long claimed the right to control taxation, and was not going to allow taxes to be increased unless it was given full control over the machinery of State.¹⁰⁹

This relationship between taxation and a voice in the state imposing those taxes, plus capitalism developing within feudalism itself, was one of the reasons Schumpeter describes the development of society over the last millennium as the move towards ‘the tax state’, a state that reaches its apogee under industrial capitalism.¹¹⁰ This has a superficial attraction but misunderstands the nature of capitalism and the role of the state in restricting, or developing, and then protecting the extraction of surplus value from workers. Tax is but one intricate example of the development of the handmaiden of capitalist exploitation. As Poulantzas argues: ‘[o]ur investigation must take as its guiding thread the tendency of the falling rate of profit: state intervention in the economy should be essentially understood as the introduction of counter-tendencies to this tendency ...’¹¹¹ In this light, and in today’s climate of tax ‘reform’, the role of the state in relation to tax is to reduce taxes on business. The reason is simple enough. Marx says:

...the fall of the rate of profit can further be delayed by the omission of existing deductions from profit, e.g. by a lowering of taxes, reduction of ground rent etc...for these are themselves portions of the profit under another name, and are appropriated by persons other than the capitalists themselves.¹¹²

Dave Eden, in discussing the role of the State in social reproduction, applies this logic in a nuanced dialectical way. He says:

For the state the question is always how to fund social reproduction in a way that minimises the impact on capital accumulation. The state itself is dependent for its functioning on capital accumulation. This is not simply the outcome of a neoliberal ideology but is a material reality.

As such the concern of the state is to shape policy in a way that stimulates capital accumulation. And if capital accumulation is driven by the investment of firms seeking to make a profit tax policy needs to be shaped in a way that ensures or increases profitability. The main thrust of current tax reform discussion is about shifting more of the burden of tax from capital to labour in particularly through increasing consumption tax in the form of the GST whilst cutting corporate taxes. This is the case is being made by various factions for capital.¹¹³

These are arguments for the future, but are inspired by developments in the English Civil War, the first revolution against feudalism and objectively for capitalism. Let’s return to that. In the period before the English Civil War, the voice of the King rang louder than any of his powerful subjects. Between 1629 and 1640 Charles I ruled without parliamentary support or

¹⁰⁹ Christopher Hill, above n 100, 30.

¹¹⁰ Schumpeter, above n 1.

¹¹¹ Nicos Poulantzas, *State, Power, Socialism* (NLB, London, 1978), 173.

¹¹² Karl Marx, *The Grundrisse*, (Penguin Books, London, 1977) 751.

¹¹³ Dave Eden, ‘Australia you’re standing in it part 2: Debt & Social Reproduction’ *With Sober Senses* 11 December 2015 <https://withsobersenses.wordpress.com/2015/12/11/australia-youre-standing-in-it-part-2-debt-social-reproduction/#_ENREF_15>.

restriction – the Eleven Years’ Tyranny as his opponents called it.¹¹⁴ He basically barricaded up the Parliament - Hill calls it a coup¹¹⁵ - imprisoned some of its leaders and prevented the Parliament from sitting. To survive the King relied on traditional taxes such as customs duties known as tonnage and poundage. However in 1625 Parliament had granted Charles only a year by year approval to impose such duties. This was one of the reasons he refused to allow Parliament to sit for 11 years. To collect these taxes, Charles developed a set of customs farmers who were required to advance the tax for a particular area and then mandated to collect it, plus a percentage for themselves.¹¹⁶

Another role of the capitalist state is best described as ensuring the social reproduction of the system occurs and that means, among things, not only that capital can continue to exploit workers without challenge but that there is an educated and healthy working class fit to be exploited. Of course the contradiction between the immediate pressures of falling profit rates to cut taxes on capital and capital’s contribution to taxes to pay for social welfare.

But I am getting ahead of myself. Back to the class struggle in 17th century England and the revenue crisis the king was facing. To raise money Charles also used purveyance, the King’s ‘prescriptive right to have his household supplied or transported at less than market rates.’¹¹⁷ In a society where market relations and exchange at value were becoming more and more the norm, or at least had the potential to do so, this way of raising revenue undermined free and competitive exchange. In one method of application purveyance developed into a tax known as the Composition.¹¹⁸ It was the difference between the King’s price and the market price applied to the goods and services due from a particular county to the King.¹¹⁹ That difference was essentially a tax collected from subjects.

The sale of monopolies, another method that Charles I used to raise revenue, also undermined the market and competition. The King granted patents to individuals and corporations and gave them ‘the right to deal exclusively in a great number of goods. For such privileges the beneficiaries paid.’¹²⁰ A more ingenious tax, and one that didn’t impact on the market, was distraint of knighthood. Essentially this involved fining people who possessed more than £40 of freehold land if they had not attended the coronation and been knighted.¹²¹

Charles also revived Ship Money and then widened its base. Ship money was a traditional right of kings to demand ships and men from port towns to defend the country or, as it developed over time, to provide money in lieu.¹²² It had continued to be applied intermittently without parliamentary approval in the years after the Magna Carta despite that document’s declaration of no taxation without consent, effectively a form of parliamentary support.

¹¹⁴ Martyn Bennett, above n 98, 1.

¹¹⁵ Christopher Hill, above n 100, 35.

¹¹⁶ Brian Quintrell, *Charles I 1625 to 1640* (Longman, London, 1993) 60.

¹¹⁷ G E Aylmer, ‘The Last Years of Purveyance 1610-1660’ (1957) 10 (1) *The Economic History Review* 81, 81.

¹¹⁸ *Ibid*, 82.

¹¹⁹ *Ibid*.

¹²⁰ Hilaire Belloc, *Charles I* (Gates of Vienna Books, Norfolk, VA, 2003) 139.

¹²¹ H H Leonard, ‘Distraint of Knighthood: The Last Phase: 1625-41’ (February 1978) 63(207) *History* 23, 23.

¹²² D L Keir, ‘The Case of Ship-Money’ (1936) 52 *Law Quarterly Review* 546, 551.

Charles was having difficulty raising revenues so in 1634 he revived and applied Ship Money to coastal shires, ostensibly to fund the Navy.¹²³ Ship Money did not go into the Exchequer. It went to the Navy.¹²⁴ However it saved the revenue money. It was clearly seen as having a beneficial effect on revenue, helping to arm the nation state against future enemies or, as Andrews puts it, 'it would enable the Crown to have a credible foreign policy without bankrupting itself.'¹²⁵ The immediate excuse given for Ship Money was the threat of piracy¹²⁶ or sometimes the more general argument about the need to defend the realm.¹²⁷ It may also well have been in some of its conceiving minds that it would become, 'as Clarendon put it, "an everlasting supply for all occasions."' ¹²⁸ Charles argued, not unreasonably, that the whole realm benefited from the Navy defending it, and so in 1635 extended Ship Money from coastal regions to all of England.¹²⁹ Unlike other taxes which applied only to the rich and powerful, Ship Money applied to all,¹³⁰ but in reality could only be paid by those who held assets, personal as well as real.¹³¹ It thus encompassed the middling sort, the merchants and small scale producers in the towns, some of who were on the way to becoming the bourgeoisie.

The importance of the tax, as Hill notes, was political.¹³² 'If it could be established as a regular tax which the King was entitled to collect without parliamentary consent, the fundamental constitutional issue of the century would be decided in favour of the monarchy.'¹³³ In the famous Ship Money case of 1637, the Court of Exchequer Chamber had narrowly decided that the King could levy the tax after the wealthy John Hampden refused to pay it.¹³⁴ Compliance with the tax had at first been very high at almost 97 percent of the tax assessed.¹³⁵ By 1638 that figure was 61 percent unpaid, in part a response to the Hampden court case and the outbreak of the Scottish War,¹³⁶ and the burden the tax was imposing on the middling sort. Marx wrote about Hampden's refusal to pay Ship Money, setting in train the chain of events that led to Charles I's execution. He said:

It was not John Hampden...who brought Charles I to the scaffold, but only the latter's own obstinacy, his dependence on the feudal estates, and his presumptuous attempt to use force to suppress the urgent demands of the emerging society. The refusal to pay taxes is merely a sign of the dissidence that exists between the Crown and the people, merely evidence that the conflict between the government and the people has reached a menacing degree of intensity. It is not the cause of the discord or the conflict, it is merely an expression of this fact. At the

¹²³ Quintrell, above n 116, 63.

¹²⁴ D L Keir, above n 122, 554.

¹²⁵ Kenneth R. Andrews, *Ships, Money, and Politics: Seafaring and Naval Enterprise in the Reign of Charles I* (CUP, 1991) 138.

¹²⁶ *Ibid.*, 130-131.

¹²⁷ *Ibid.*, 131.

¹²⁸ *Ibid.*, 138.

¹²⁹ Christopher Hill, *The Century of Revolution 1603-1714* (Routledge Classics, London: 2002) 54.

¹³⁰ Keith Lindley, 'The Part Played by the Catholics' in Brian Manning, (ed), *Politics, Religion and the English Civil War*(Edward Arnold, London 1973) 166.

¹³¹ Christopher Hill, above n 129, 54.

¹³² *Ibid.*

¹³³ *Ibid.*, 55.

¹³⁴ *Ibid.* On the narrowness of the decision, most commentators, including Hill, above n 128 at 55, say that it was seven judges for the King and five against. Keir says closer analysis reveals that 'nine of the twelve had no doubt that Ship-money was a legitimate charge on the subject.' Keir above n 122, 546.

¹³⁵ Christopher Hill, above n 129, 55.

¹³⁶ *Ibid.*

worst, it leads to the overthrow of the existing government, the existing political system. The foundations of society are not affected by this. In the present case, moreover, the refusal to pay taxes was a means of society's self-defence against a government which threatened its foundations.¹³⁷

Tax conflicts are evidence of wider societal conflicts or crises, mediated through the state under capitalism or the feudal rulers under feudalism. However, and to disagree with Marx, as we have seen tax can spark rebellions that become social revolutions. Why is this? Under capitalism for example imposing or increasing taxes on workers may, ignoring for our purposes any benefits like education and health that the tax revenue funds to provide to workers, reduces the value of labour power. In crude terms these changes – new taxes or increased taxes - cut the living standards of workers. The capitalist state is then the target of anger about the loss of real spending power the new or increased taxes provide. In regimes of feudal absolutism, the necessity to work for a number of days for the baron was clear to all and any extractions by the monarch from the barons reduced their luxurious for the time life styles. This then would find reflection in pressure on peasants to work longer for the lord, reducing the peasant's share of the social surplus they were creating.

Under immense money pressures as a consequence of his wars, Charles recalled the Parliament in 1640. The question of power and who yielded it – a King with Divine rights or a parliament of the middling sort - was now on the agenda. In August 1641 the Parliament of the men and women of the emerging bourgeoisie and sections of the landed gentry declared Ship Money, its levy, collection and the judgments against it as 'contrary to the laws and statutes of this realm' and had always (that is, from the very beginning) been so contrary.¹³⁸ They also over time swept aside the other feudal levies such as purveyance and distraint of knighthood and the royal creation of monopolies.

The rest, as they say, is history. Clearly Ship Money, and more generally the desire of the emerging bourgeoisie and other elements of the middling sort to have a voice not just in the taxes imposed on them to fund the wars of the time but more generally in sweeping away the old ways of doing things which had become a barrier to further capitalist development in England, were very important elements in the outbreak of the English revolution. However, some of those in revolt wanted a voice to protect their positions, positions which had developed in the growing spread of capitalist relations within feudalism, a protection essentially from growing proletarianisation and vision of mass production.

The armed conflict between the King and Parliament, the class divisions and fluid and fluctuating alliances within the anti-monarchist camp, the establishment of the New Model Army, the rise of the Cromwellian dictatorship, the fall of the Republic and the reinstatement of the monarchy with much reduced powers and then the Glorious Revolution of 1688 were all a consequence of the intermingling of the development of capitalism, the choke hold on that development, both political and economic, that was feudal relations, the concentration of state power in the hands of the King, the nature of the state, whose state it was, and the impacts of war and taxes as outlined above on capital accumulation and the drive for bourgeois and other elite representation. All of these factors opened up a space for the entry

¹³⁷ Karl Marx, 'The Trial of the Rhenish District Committee of Democrats', *Neue Rheinische Zeitung No. 231 and 232*, February 1849, <<https://www.marxists.org/archive/marx/works/1849/02/25.htm>>.

¹³⁸ D L Keir, above n 122, 546.

of the masses into the debates and struggles. However, as Manning warns, the voice of the poor in the Civil War and Revolution wasn't recorded directly¹³⁹. Rather we have the voices of the left, those who '... attempted to speak for the poor and the more deprived sections of society.'¹⁴⁰

Let's then see what sort of ideas were being put by the left, especially the far left during the English Revolution. Adopting Brian Manning's approach, the far left in the English Revolution is 'those who sought to speak for and mobilise the labouring poor.'¹⁴¹

The Revolution was a necessary clearing away of feudal chains to free up the capital accumulation process which allowed the flowering over the long term of capitalism in England. The first robust and revolutionary steps to universalising capitalism in England (including not just tax changes and who could levy tax but from 1642 the Civil War between the two sides) also produced a response from one of the groups later fighting the King in that Civil War, the Levellers. This group of radicals, representing 'skilled guildsmen' such as 'tradesmen, craftsmen, journeymen weavers, printers and brass founders,'¹⁴² as Brockway puts it, as well as demanding democracy also, among other things, demanded 'direct taxation proportionate to income.'¹⁴³ The demand for democracy was 'to protect their status and livelihood.'¹⁴⁴

The development of capitalism, and the process of the proletarianisation of labour, threatened both peasants and small producers.¹⁴⁵ They were threatened with ongoing economic and physical dispossession to make way for wage labour. In response they wanted a say in the way the world they helped make was run to prevent further change and thus consolidate their own positions or manage the change for their benefit. Contradictorily some had the potential to become capitalist producers, extracting surplus value from workers. This was true of both some peasants and small producers, although for peasants the reality was that it was the landed aristocracy who would more likely become capitalist landlords or dependent on renting their land to capitalists. On the other hand the process of dispossession of peasants created the conditions for an expansion of wage labour. As Manning puts it, '[t]he Revolution was a crucial phase in crystallising a proto-bourgeoisie and proto-proletariat.'¹⁴⁶

Just as the middling sort had a range of reasons for supporting democracy for themselves, the peasants and labouring masses had a range of reasons to oppose proletarianisation, and they did.¹⁴⁷ For peasants this was because they were moving or being moved from a society where they owned their labour and its products to one where they sold it to someone else.¹⁴⁸ For part time wage labourers it was the spectre of full time wage labour and hence the loss of

¹³⁹ Brian Manning, above n 15, 2.

¹⁴⁰ Ibid.

¹⁴¹ Ibid 33. Within this category were some of the Levellers and their demands, the Ranters, the Quakers, the Fifth Monarchists and the Diggers.

¹⁴² Fenner Brockway, *Britain's First Socialists: The Levellers, Agitators and Diggers of the English Revolution* (Quartet Books, London, 1980) 24-25

¹⁴³ Ibid, 35.

¹⁴⁴ J Walter, 'The Impact on Society: a World Turned Upside Down?' in J Morrill (ed), *The Impact of the English Civil War*, London, 1991) 120-121; quoted in Manning, above n 15, 25.

¹⁴⁵ Brian Manning, above n 15, 13.

¹⁴⁶ Ibid, 21.

¹⁴⁷ Ibid, 13 and 27 et ff.

¹⁴⁸ Ibid.

their other means of subsistence and self-ownership that frightened them. For full time wage earners it was low wages and unemployment that saw them fear and sometimes oppose the process of proletarianisation.

In a state of deep societal crises and flux, sections of the left can and will attempt to balance opposing interests. Thus it was that one response from the Levellers to demands from the labouring masses, and to ensure that these elements of society did not threaten the middling sort, as the Civil War progressed, was to extend their programme ‘... to economic and social claims for equality’,¹⁴⁹ of which the demand for progressive direct taxation was one example. For example the Levellers demanded a progressive tax based on income and wealth. The idea of primitive equality remained ‘engraven in the hearts of many’ because class society is unequal per se. However the Levellers’ demand also reflected as discussed above the social position of groups under threat as capitalism expanded and deepened and contained within it the seeds of industrialisation. These groups wanted to create a State in their image to reflect their interests against the whirlwind that capitalism was unleashing, and in some cases contradictorily to benefit the new emerging bourgeoisie. It was a time when, to take Marx and Engels out of context, all that was solid was melting into air and all that was holy was profaned,¹⁵⁰ and in relation to that holy profanity, was moving from Catholicism to the religion of capitalism, Protestantism.¹⁵¹

Again, we need to be careful about subscribing our own versions of left and far left to groups arising at the beginnings of an expanding capitalism in England. We also need to be careful to understand that in this period of the development of humanity, there appears to be little ability for the poor and labouring classes to give voice themselves to their demands. Given the social composition of the left groups like the Levellers and even the Diggers, they reflected the demands of the lower classes rather than coming from them and directly expressing them. However those demands did come out of the ‘popular revolts’¹⁵² from below that were rocking the country. We also should not ascribe strict fixed boundaries between the Levellers and the Diggers and the other groups on the left and far left. Christopher Hill argues for example that there was a left and right within the Levellers¹⁵³ and the fluidity of the situation and social relations¹⁵⁴ saw some Levellers and others such as the anonymous author of *the Tyrannipocrit*¹⁵⁵ espouse ideas and approaches best described as far left.¹⁵⁶ Having said that we can draw broad lines of difference.

In essence the difference between the Levellers and groups like the Diggers (or true Levellers as they were sometimes called) was that the Levellers wanted political equality but without threatening economic inequality while the Diggers wanted both universal suffrage and

¹⁴⁹ Ibid, 13.

¹⁵⁰ Karl Marx and Friedrich Engels, above n 8, 5.

¹⁵¹ Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (Taylor & Francis e-Library 2005); R H Tawney, *Religion and the rise of capitalism: a historical study* (Penguin Books, Harmondsworth, 1938).

¹⁵² Brian Manning above n 15, 25.

¹⁵³ Christopher Hill, *The World Turned Upside Down: Radical Ideas during the English Revolution* (London, 1971) 193.

¹⁵⁴ Brian Manning, above n 15, 47.

¹⁵⁵ *Tyrannipocrit Discovered* was an anonymous document which argued among other things for equal citizenry – a land where kings and queens were the same as the lowliest citizens. The author envisaged mass education and the same amount of income for everyone to live on. See Andrew Hopton (ed), *Tyrannipocrit Discovered* (London, Aporia Press, 1990).

¹⁵⁶ Brian Manning above n 15, 23.

common ownership – hence the radical content to their phrase (and that of other radical economic egalitarians in history), the commonwealth.¹⁵⁷ In Paul Foot's words, 'the Levellers searched for political liberty that threatened no one's property.' The Diggers on the other hand, according to one of their leaders, Gerrard Winstanley, envisaged a 'common treasury', a radical world of common ownership.

While the Levellers said almost nothing about wage labourers,¹⁵⁸ and did not in fact want to level distribution within society,¹⁵⁹ the Diggers certainly did. This group of 'far left'¹⁶⁰ agitators claimed as I mentioned above to speak on behalf of the poor and labouring classes. The Diggers by and large were not of those classes or even in most cases from those classes. One of the most well-known Diggers' leaders, Gerrard Winstanley, for example, in 1640 had set up as a cloth merchant in London, just before the English Civil War broke out and forced him to turn his attention from cloth to communism.

Winstanley argued for the abolition of private property.¹⁶¹ Others, like the anonymous author of the *Tyrannipocrit*, argued for the radical redistribution of wealth and income such that everything above £100 a year would be taken from those earning that amount or greater (in effect taxed at 100%) and redistributed to those earning below that amount.¹⁶² As Manning points out such a radical redistribution of wealth would in fact have been effectively a social as well as a political revolution. To quote Manning, it is this 'broad aspiration for the redistribution of wealth'¹⁶³ that defines the far left in the English Revolution and distinguishes it 'from the leadership of the Levellers, Fifth Monarchists and Quakers.'¹⁶⁴

Yet redistribution or even a common wealth were an aspiration that could not in the then existing economic circumstances be addressed without a vision of direct empowerment of ordinary citizens, i.e. not just empowerment through parliament but through major institutional structural changes on the part of the ruled that challenged capitalism. While Winstanley did argue for this empowerment – he has been labelled the first socialist from below, as opposed to the Stalinists and Labor Party types with their socialism from above – it was still too early for the voice of the working class and the poor to be strong enough to be

¹⁵⁷ Paul Foot, *The Vote* (Penguin, London, 2005) 35. As an aside this is one of the reasons Queen Victoria had grave concerns about calling the newly created Australia in 1901 the Commonwealth of Australia. Her advisers calmed her down with reassurances that private property was not threatened in any way.

¹⁵⁸ Brian Manning, above n 15, 25. Interestingly Manning argues at p 25 that the Levellers began to see the poor, the lowly paid and the unemployed not as an economic threat but as an economic opportunity, one offering real opportunities for capitalist exploitation in manufacturing.

¹⁵⁹ The name the Levellers was given to them by their political foes who wanted to paint them as the enemies of private property.

¹⁶⁰ Manning, above n 15, 1.

¹⁶¹ *Ibid.*, 45.

¹⁶² *Ibid.*, 48. This was a tax in everything but name and a hypothecated one at that. This extreme equalisation of incomes finds echoes today, for example in France, where the Left Front 2012 Presidential candidate Jean-Luc Mélenchon argued that all those on incomes greater than €360,000 (or about A\$500,000) be taxed at 100% on any income above that figure. Mélenchon won 11% of the vote in the first round of the presidential elections. The Left Front comprised the Communist Party of France, the Left Front (of which Mélenchon was president) and the Unitarian Left. Francois Hollande, the Socialist candidate then and President now, responded with an income tax of 75% on incomes greater than €1 million. While I might respond drily that the end result of implementing the tax was that Gerard Depardieu left France to live just across the border in Belgium, his response reflects a more important point about national attempts to address inequality through taxes on capital and the rich in a globalised world.

¹⁶³ Manning, above n 15, 49.

¹⁶⁴ *Ibid.*

heard. The class was ‘inchoate.’¹⁶⁵ It was certainly too early in capitalism’s rise for the working class to be the dominant class both economically and politically in society. It was neither yet fully a class in itself nor in any way for itself. This meant the social class with the power to implement Winstanley’s vision was only in its early stages of development and certainly did not have the societal power or ideological understanding to overthrow a system that itself was only in the first stages of development, capitalism. Arguably the maturation of the capitalism and the working class took almost a further two centuries before the possibility of working class revolution could become a potentiality rather than just a dream in England. That opportunity arose in England in 1831 or 1832 according to E P Thompson,¹⁶⁶ and a bit longer, 1848 and afterwards in Europe. A mass uprising of workers, leading to the first workers’ revolution and state, albeit only for a brief two months, the Paris Commune, happened in 1871. It was not really until the 20th century that workers revolutions in Europe and then other areas of the globe broke out, most notably in Russia in 1917 and in Germany in 1918,. These two working class revolutions effectively ended the festival of barbarism that was imperialist conflict, for a short period of time at least.

That is for future and more in-depth analysis at another time. For now let’s return to 1649.

The vision of radicals like Winstanley was a cooperative movement within the developing capitalist society, a cooperative movement that rejected ownership in a society based on private ownership. In 1649 Winstanley set up ‘a community of equality at St George’s Hill in Surrey.’¹⁶⁷ This action, and the establishment of another ten or so such communities, was intended to spark the masses to emancipate themselves. Coupled with this practical commune example, the Diggers also called for labourers to stop working – a general strike in essence¹⁶⁸ - and to stop paying rents. The logic appears to have been that the big estates would collapse with workers and the work they performed and rent the paid and these estates would join with the communes in producing enough to satisfy the needs of all.¹⁶⁹

The Levellers derided this approach of the Diggers and their precursory or perhaps in retrospect prescient and predictive historical demands and dreams as fanciful. Yet the Levellers were in no practical or even societal position to win their demands either. The Putney Debates, centred around the Levellers’ *Agreement of the People* which called for representative democracy (although it was initially ambiguous as to how far this went but certainly much more than the 4 percent of the population who could then vote and much wider than the Army leadership wanted,¹⁷⁰) saw the Levellers win the debate but lose the power politics and hence the argument.¹⁷¹ Three very powerful people voted against the Agreement, including the Lieutenant General Oliver Cromwell and his son in law, the Commissary-General Henry Ireton. The Army leadership would not and indeed could not, given their propertied position in society, allow the democratic vision of the Levellers and the agitator–officers to become the basis for an extended franchise they feared would empower

¹⁶⁵ Christopher Hill (mentioned by Manning later on saying this.)

¹⁶⁶ EP Thompson,

¹⁶⁷ Manning, above n 15, 59.

¹⁶⁸ Christopher Hill, ‘Pottage for Freeborn Englishmen: Attitudes to Wage Labour’ in *Change and Community in in Seventeenth Century England* (London, 1974), 233.

¹⁶⁹ Manning above n 15.

¹⁷⁰ Paul Foot, above n 157, 23-24.

¹⁷¹ Ibid, 35.

those without property to take away their property through democratic and parliamentary means.

The General Army Council debates at Putney were held against a backdrop of two of the Leveller leaders in prison, but with a number of Levellers and officers and soldiers sympathetic to the Levellers also elected. Foot suggests in the weeks leading up to the General Council that the rank and file of the New Model Army and agitator officers, and the political representatives they elected, began to see the Council as the implementer of the democratic decisions they were making rather than the forum for democratic decision making. This prefigures the socialism from below of The Paris Commune and the Russian Soviets during and immediately after the October Revolution in 1917.

The arguments at Putney were long and arduous but centred on how far the Parliamentary franchise should go. They can be summed up by two quotes. The first is from Colonel Rainsborough, a supporter of universal suffrage and the Levellers, who said:

For really I think that the poorest he that is in England hath a life to live, as the greatest he; and therefor truly, Sir, I think it's clear, that every man that is to live under a government ought first by his own consent to put himself under that government; and I do think that the poorest man in England is not at all bound in a strict sense to that government that he hath not had a voice to put himself under ...

The second quote sums up the alternative view, the view that took almost 300 years of struggles by workers and women for the British bourgeoisie to address. Ireton said:

I think that no person has a right to an interest or share in the disposing of the affairs of the kingdom, and in determining or choosing those that shall determine what laws we shall be ruled by here - no person has a right to this, that has not a permanent fixed interest in the kingdom...

A permanent fixed interest is of course property.

It shows the depth of fear that the ruling class in Britain had of their own workers that it was to be 1918, during World War I, before this vision, for the adult male population of Britain, propertied and propertyless, and for propertied women, became a reality. The 1926 General Strike, although it was a failure in the hands of a social democratic Labour Party type leadership frightened more by its own members than the class enemy, was a wake-up call to the British ruling class of the possibilities inherent in the power of their working class.

The Suffragette movement had won a partial victory in 1918 which in 1928 became a full victory when all women over 21 won the right to vote. In 1948, 299 years after the Putney debates about universal suffrage in England, the abolition of the right to vote more than once for a section of the propertied classes finally secured universal suffrage on the basis of one person one vote in Britain. Foreshadowing what I will discuss in relation to Australia, the impact of the World Wars and their aftermath was to force the ruling class to accommodate its working class. As Quentin Hogg, the future Lord Hailsham, said in 1943: 'If you do not give the people social reform, they are going to give you social revolution.'¹⁷²

Although the Levellers and their supporters won the vote on an extended suffrage, the resistance of the English and British ruling class in whatever form to a basic democratic

¹⁷² British Parliament, Hansard, 17 February 1943.

demand for almost 300 years shows the power of capitalism, the real fear it had then, and I would add, now, of its lower classes and the societal powerlessness of those lower class and the left which represented them to win full democratic rights. This powerless at first was the powerlessness of position but by the 1830s and 1840s it was also the powerlessness of will, the result of the dominance of social democrats and the either/or of capitulation to power or its overthrow.

In summary, the struggle for democracy was a struggle by the emerging bourgeoisie to grow economically and politically and over time take control of the state. It was also a struggle by the middling sort to resist the growing encroachment on their positions in society and paradoxically for sections of them to take advantage of it as part of the nascent bourgeois class. The poor and labouring classes and the groups that sprung up to represent them had a very different approach, demanding extensive or universal male suffrage. This is not I hope to be deterministic. English capitalism could perhaps have accommodated its growing working class instead of fighting among themselves in Civil Wars and half made revolutions. However the historical necessity, if capitalism were to grow and succeed, of throwing off the chains of feudalism as a result of the growth of capitalist relations in England drove sections of the middling sort in alliance with some of the ruling elite to

The fact that tax had played a major role in sparking the English revolution yet did not play a major role in the solutions to the problems reflects both the embryonic nature of generalised capitalism in England at the time of the English revolution and the reality tax is a reflection of the wider social issues the crises produce. Solutions to that crisis will be found not in tax policy but in resolving who owns the means of production, the nature of that ownership and who controls whose state.

(iv) The American War of Independence

Echoing the idea of representation and taxation, tax was the handmaiden of the American Revolution, in particular the conflict over whether the British Parliament had the power and right to tax or whether that the American colonies had that power and right.¹⁷³ Unlike the Magna Carta, this was both a rebellion of the American elites and the common people.

One of the key cries of the American revolutionists, and one that they took, real or imagined, from previous tax sparked rebellions such as the Magna Carta and the English Civil War, and a cry that continues to echo down the ages to today, was no taxation without representation. Yet like much of the American Revolution there is a complexity to this that ignores a deeper reality – the class nature of the demand and the fear the elite had of the lower classes and their gamble in joining with them to further their limited political revolution.

All men are created equal, the revolution declared. Yet a majority of the 56 men who signed The Declaration of Independence owned slaves.¹⁷⁴ For them all men meant not all men (and certainly not women¹⁷⁵) but a specific section of American white men – big property owners

¹⁷³Edward Countryman, *The American Revolution* (Macmillan, 2003) 35.

¹⁷⁴ Alfred B Young, Ray Raphael and Gary B Nash, 'To begin the world over again' in Alfred B Young, Gary B Nash, and Ray Raphael (eds) *Revolutionary Founders: Rebels, Radicals and reformers in the Making of the Nation* 3, 3.

¹⁷⁵ Howard Zinn, *A People's History of the United States* ((HarperCollins Publishers, New York, 2003) 102. As Zinn says at page 73 this was not a deliberate omission of women. They were invisible as political and

in the country, including those who owned other, black, men. Indeed the founders feared the lower classes. Harking back to the enemies of change in the English revolution, they labelled those who argued for democracy and equality as 'levellers' and used the word 'democrats' as an insult.¹⁷⁶ Their constitution was framed to curb 'an excess of democracy.'¹⁷⁷ As Young, Raphael and Nash note: 'With few exceptions, the honourable gentlemen who drafted and signed our two founding documents opposed popular democracy and social equity.'¹⁷⁸ They describe this as a '... rich dialectic in which men in power chose to accommodate or repress threats from below, [which] was central to the forming of the nation.'¹⁷⁹

There is more to it than that, as Young, Raphael and Nash themselves recognise. The men in power were rich white men. The deeper dialectic was the revolutionary movements from below which challenged their rule. Further, contrary to popular history, filtered through the prism of the victory of the ruling class in the Revolution, the real revolutionary founders were not the elite who wrote the founding documents but common artisans, farmers, labourers, slaves who had escaped slavery, women fighting for equality, persecuted religious minorities, soldiers with democratic ideals, Native Americans and the self-proclaimed democrats who turned the elite's insult about democrats on its head.¹⁸⁰ These were true radicals, wanting root changes to the social and political structures.¹⁸¹ Their impact was profound. As Young, Raphael and Nash note: 'Each of these rebels, radicals, and reformers moved the American Revolution in some direction the traditional founders did not want to take, extending it farther and deeper than a separation from the British Empire. They made the Revolution more revolutionary.'¹⁸² The dialectic of action and reaction however saw the elite, threatened by the classes below, respond for example in 1791 with a Constitution, 'a more perfect union' that prevented 'an excess of democracy'.¹⁸³

The fear the elite had was that the underclasses would take up the very slogans of freedom and equality the elite were proclaiming for themselves. As Howard Zinn puts it:

[The] upper classes, to rule, needed to make concessions to the middle class, without damage to their own wealth or power, at the expense of slaves, Indians, and poor whites. This bought loyalty. And to bind that loyalty with something more powerful even than material advantage, the ruling group found, in the 1760s and 1770s, a wonderfully useful device. That device was the language of liberty and equality, which could unite just enough whites to fight a Revolution against England, without ending either slavery or inequality.

There is another related aspect to this. Because this was essentially a political revolution in which one section of the hostile brothers, the home-grown America capitalist class and big property and slave owners fought against colonial capital for possession of the colonial state

economic actors to the framers of the Declaration. However, as Zinn points out for example at pages 109-111, women played an important role in the Revolution.

¹⁷⁶ Young, Nash, and Raphael, above n 174, 3.

¹⁷⁷ Ibid, 3.

¹⁷⁸ Ibid, 4.

¹⁷⁹ Ibid, 11.

¹⁸⁰ Ibid, 4-5.

¹⁸¹ Ibid, 5.

¹⁸² Ibid.

¹⁸³ Ibid, 3.

and states, and fought for the establishment of a unified American capitalist state,¹⁸⁴ the loyalty of the lower classes to the Revolution could not always be guaranteed. Where class and nationalism intersect in a crisis such as a national revolution, class has the potential to break the boundaries of nationalism, not just in specific lower class movements. If that movement of the lower classes is thwarted, some of the oppressed and exploited may support the enemy of their immediate enemy. So it was in the American Revolution.

For example, most Indians fought with the British.¹⁸⁵ This was because the British had reached Settlement with the Indians in the Royal Proclamation of 1763 not to expand beyond the Appalachians. Local US capital chafed at this restriction on its expansion.¹⁸⁶ For slaves and freed slaves, while 5000 fought for the Revolution, 30,000 fought for the British.¹⁸⁷ This at first seemingly bizarre result is explicable by the fact that the British offered slaves their freedom if they fought for them.¹⁸⁸ It was the poorest Americans who did the fighting.¹⁸⁹ Its generals however were from the ruling class. For example George Washington, a capitalist farmer, was the richest man in the United States.¹⁹⁰

An important component of the siren song of liberty and equality was ‘no taxation without representation.’ The coupling of representation and taxation, drawing on the Magna Carta and the left in the English Civil War, reflected a similar process to that which sparked the Magna Carta. The thuggish barons of the US in the 17760s and 1770s were eventually forced to fight for control of the state that was taxing them, or more precisely replace that state with a state of and for national capital (slave holders in the South and manufacturing in the North and big property holders more generally). They wanted their national class and its interests not just represented but in control. British political rule prevented that.

Taxation was clearly one of the major sparks for the rebellion that became the American Revolution. As the Office of the Historian says: ‘The American Revolution was precipitated, in part, by a series of laws passed between 1763 and 1775 ... regulating trade and taxes.’¹⁹¹ The funding of wars such as the Seven Years’ War,¹⁹² the desire to control the colonies, the push from within Britain to reduce taxes on key constituencies and by corollary to tax the American colonies’ wealth and increasing income,¹⁹³ all contributed to punishing taxes being

¹⁸⁴ As Harman notes, this national unity of the American elite against Britain was a late development forced on them by the actions of the colonial ruler. Even as late as 1776 not all the future revolutionaries argued for an independent United States. Chris Harman, above n 91, 265-26.

¹⁸⁵ Howard Zinn, above n 175, 87.

¹⁸⁶ Ibid.

¹⁸⁷ AP U.S. History: Unit 3.3 Student Edition ‘The American Revolution: 1775-1783’ 1, 9

<<http://teacherpress.ocps.net/pamelamontague/files/2013/12/History-Sage-Notes-American-Revolution.pdf>>.

See also Howard Zinn, above n 175, 88.

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

¹⁹⁰ Howard Zinn, above n 175, 85.

¹⁹¹ Office of the Historian, US Department of State, ‘Milestones: 1750–1775 - Parliamentary taxation of colonies, international trade, and the American Revolution, 1763–1775’

<<https://history.state.gov/milestones/1750-1775/parliamentary-taxation>>.

¹⁹² The treaty of Paris ended the Seven Years’ War in 1763. It was ‘also known as the French and Indian War in North America. France ceded all mainland North American territories, except New Orleans, in order to retain her Caribbean sugar islands. Britain gained all territory east of the Mississippi River; Spain kept territory west of the Mississippi, but exchanged East and West Florida for Cuba.’ The British Library, ‘A timeline of the American Revolution from 1763 – 1787’

<<http://www.bl.uk/onlinegallery/features/americanrevolution/timeline.html>>.

¹⁹³ John C Miller, *Origins of the American Revolution*, (Stanford Publications, Stanford, 1959) 88-90.

levied on the colonies. However Americans were not the first target of the British state for revenue for its wars and colonial governance and expansion. . The first option for taxes to fund these wars, colonies and colonial expansion was its own populace. This had two components. Parliament taxed the landowners - the squires as Miller calls them¹⁹⁴ - more highly than it taxed merchants.¹⁹⁵ As this proved inadequate and provoked real anger and potential rebellion from the powerful landholders who at various stages controlled the state, while merchants at other times did, the British State looked to slug its own working class and other lower classes. The taxes on the poor and labouring classes as well as the squires included new stamp duties, window taxes and excise taxes on wine and cider.¹⁹⁶ It is interesting to note that the stamp duties that caused so much angst when they were introduced in later years in the United States were tried out first in Britain, with seeming acceptance.¹⁹⁷ Colonial states in America followed suit, again without much protest.¹⁹⁸

Apart from the stamp duties, the other new taxes on its own citizens were not so well accepted, perhaps because they related among other things to the staple alcoholic drinks of the squires and the labourers. For example, as well as the tax on the drinks of the squires, wine and cider, during the Seven Years' War Pitt also imposed an additional duty on beer. The government calculated that the average hardworking Londoner drank four quarts of beer and anticipated an increase in revenue.¹⁹⁹ These taxes provoked the landed gentry and the labouring classes across the country. The government withdrew them in light of the protests and uproar. It was a lesson the American colonies learnt well.

After the rebellions against taxes on its own citizens, and its victory in the Seven Year War against the French for control of North America and the spread of its colonial power cross the globe, the British Parliament imposed a range of taxes on the American colonies without their approval. These taxes were designed to pay for the war, to pay for the cost of colonisation, to reduce taxes on the squires in Britain and to control trade for the benefit of British merchants. So it was that the Parliament in London imposed on its American colonies a tax on molasses, the raw sugar used in making rum, in 1764, a stamp tax on legal documents, newspapers and pamphlets in 1765,²⁰⁰ a Quartering Act which imposed the cost of British troops in America on the colonies and then a tax on imports in 1767.²⁰¹

These taxes provoked widespread anger and rebellion among Americans, sometimes not just against the British but against the rich strata in American society. The Stamp Act produced one such class rebellion. Because the tax applied to all legal documents, newspapers and pamphlets it was almost self-executing. Without a stamp a document had no legitimacy or standing in the courts. The tax itself was an attempt by the British to tax the people of the colonies to pay for war against the French.²⁰² In other words colonialists were to pay for the

¹⁹⁴ Ibid, 87.

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

¹⁹⁷ Lyn Oates and Pauline Sadler, 'Variations on a Theme: Stamp Duty in the Eighteenth Century' in John Tilley (ed), *Studies in the History of Tax Law Volume 4*, (Hart Publishing, Oxford, 2010) 67.

¹⁹⁸ Ibid, 68 et ff.

¹⁹⁹ John C Miller, above n 193.

²⁰⁰ The British Library, 'A timeline of the American Revolution from 1763 – 1787' <<http://www.bl.uk/onlinegallery/features/americanrevolution/timeline.html>>.

²⁰¹ Chris Harman, above n 91, 267.

²⁰² Howard Zinn, above n 175, 61.

expansion of the British Empire.²⁰³ In Boston in 1767 riots of the poor against the Stamp Act swept the city.²⁰⁴ They focussed not just on the British but also rich Americans. The economic and political inequality in the city at this time was stark. The top ten percent of the city's taxpayers held almost two-thirds of all the taxable wealth.²⁰⁵ The bottom 30 percent had no taxable property at all.²⁰⁶ Those 30 percent, because they had no property, could not vote.²⁰⁷ Neither could women, blacks or Indians.²⁰⁸ The British withdrew the Stamp Act, but followed it with the Townshend Acts, new taxes with similar impacts and intent. Eventually these two were withdrawn in the face of popular discontent, except for the tax on tea.²⁰⁹

Clearly the rich white male leaders of the independence movement wanted to use lower class agitation against the British, but did not want to call these demons from below onto themselves. It was a delicate balancing act but one which the American ruling class, after learning the lessons of the Boston riots, proved more than capable of doing. The emphasis became on peaceful protest and not 'mob rule',²¹⁰ and the language of democracy and liberty (but not its actuality before or after the revolution for the majority of Americans) plus highlighting the undemocratic and tyrannical rule of the British (without explaining their project was about replacing one set of political tyrants for another without changing the economic tyranny) became more and more their mode of operation. However the colonial elite were also not above repression. For example a movement of radicals in North Carolina known as the Regulators made up of the lower classes (white farmers but not slaves or servants) rose up in the 1760s against the rich and corrupt colonial powers and argued for wider representation, an equitable tax system and other progressive demands.²¹¹ In 1771 they were repressed and six of their leaders hanged.²¹²

A boycott of British goods was one way the colonialists resisted British taxes and overweening control. The elite were ambivalent and wavered, in part because they benefited from the trade. The middling sort supported it but were trapped in their own timidity. The poor and exploited classes were enthusiastic. So it was that in 1773, as part of direct action to support the tea boycott, an attempt to have the tea tax lifted, a group of one hundred men, dressed as Native Americans, with thousands of protesters onshore supporting them, boarded an East India Company ship and threw the tea it was bringing in overboard.²¹³ 'Respectable' leaders condemned the action but this was soon lost in the British response to the Boston tea Party actions – repression. The rebellion was no longer just about tax. It was about both the heavy handedness of London, and the lack of representation that saw, as Jefferson put it, 'whether 160,000 electors in the island of Great Britain give law to four million in the states of America.'²¹⁴

²⁰³ Ibid.

²⁰⁴ Ibid, 65.

²⁰⁵ Ibid.

²⁰⁶ Ibid.

²⁰⁷ Ibid.

²⁰⁸ Ibid.

²⁰⁹ Chris Harman, above n 91, 268.

²¹⁰ Howard Zinn, above n 175, 65-66.

²¹¹ Ibid, 63.

²¹² Chris Harman, above n 91, 268.

²¹³ Ibid, 269.

²¹⁴ Quoted in Harman, *ibid.*

The time for revolution was fast approaching. The various groups that sprung up before and during the American Revolution reflected in part the differences of class cloaked in the unity of nation. Those agitating for revolution against the British included not just the middling sort but the lower classes and their more radical agitation drove the revolution forward and bought with them the ruling classes. Thus, while the Continental Congress of the middling sort supported a new boycott against British goods and against British repression, the lower classes set up revolutionary committees – mass meetings of ordinary people making decisions democratically about the way forward and the actions to achieve their decisions - to enforce the boycott and drive the agitation against the British forward. Edward Countryman goes so far as to say that '[b]etween 1774 and the summer of 1776 those committees did in New York what similar bodies would do in Paris between 1789 and 1793 and Russia in 1917.'²¹⁵

Given the different class interests, different demands and actions arose before and during the revolution. The most radical of the middling sort, people like Thomas Paine, wrote and spoke about freedom and equality but this had to be viewed through the prism of his class position. It was freedom that saw equality in the context of private ownership. The most radical demands came not unnaturally from below, from those poor and labouring masses inspired by the calls for democracy and freedom.

Because the revolution was couched in terms of representation this basic democratic demand (democratic in the sense of extending the vote beyond those owning property but not yet including blacks, native Indians or women) inspired the poor and white male labouring classes to fight for its realisation. Thus the demands of the real radicals and revolutionaries during the American Revolution went far beyond progressive and equitable tax to demands for a deepening of democracy and a sharing of property that if implemented would threaten the very 'democracy' and free market capitalist society the rich American elite wanted. The political revolution in their view had to remain a political revolution in which one group of the elite's hostile brothers replaced another group from the same ruling classes or at worst in which those from below in replacing the British quickly became members of that American ruling class.

It was only in drawing up the Constitution of 1791 that the elite could finally re-establish control and impose their version of democracy, a system of representation that not only excluded blacks, women and Native Americans but also excluded most of the poor and working class. These were the very people who had joined the armies of rebellion to defeat British rule. Their social role as subservient classes and their focus on the British enemy meant that the American Revolution would remain a political revolution and not a social one.

The demands of the real radicals and revolutionaries for tax justice and equity were a subset of, and hence an important part of, the democratic demands of the radicals and revolutionaries. The spark for revolution was but of many sparks which lit the fuse of rebellion among ordinary Americans from the lower classes and middling sorts and inspired them to rise up against the economic and political oppression of British capital and the British state. Their class and political immaturity consigned them to replacing one set of economic and political oppressors for another. The years during and after would produce no tax justice or indeed justice. The Revolution gave a glimpse of alternative world but the leadership

²¹⁵ E Countryman, *A People*, 102, quoted in Harman, above n 91, 271.

snuffed that out with unity, the unity of the exploited classes with their exploiters. The spark spluttered out.

The French revolution

Arguably tax was a midwife at the birth of global capitalism.²¹⁶ The French Revolution is an example. The clash between the need for the feudal absolutist state to fund its wars and the inability to reform its tax system was a key element in the fiscal instability of pre-revolutionary France.²¹⁷ The impact on war on pre-revolutionary France was immense. As Le Goff says: 'France was at war for 38 of the 90 years from 1700 to 1789, and in 60 of the 129 years from 1661 to 1789.'²¹⁸

The Revolution was in part sparked by inter-class and intra-class battles over tax, including the seemingly oppressive burden imposed on Paris in particular and the various exemptions for the clergy and nobility, together with the fear those groups had of losing those exemptions. Interestingly Gail Bessango says the problem for pre-revolutionary France was not that, apart from Paris, the country was overtaxed, but rather that it was not taxed enough.²¹⁹ She describes the most important issues as '... regional disparities, arbitrariness in assessment, and lack of political participation.' Whatever the merits of that case, in an era of changing modes of production, a feudal tax system both expresses the barriers to capitalist expansion that feudalism is or can be and is itself one of those barriers. It does so as Bessango says in its arbitrariness, its disparities and lack of democracy for some of those subject to tax, but also in the restraints it imposes on capitalism developing fully and the fury it provokes among those who are overtaxed and those who think they are overtaxed. Of course for the poor the question of tax is or may literally be one of life or death. For the rich it is or may be one economically of life or death.

These tax issues had a class basis. Class disparities and differences around tax, including between the *ancien regime* and a nascent but systemically constrained bourgeoisie,²²⁰ arose in the lead up to the Revolution and contributed to its outbreak. This is because, according to Sargent and Velde: 'Taxation was not uniform across classes, occupations, or provinces.'²²¹ One argument is that the elite in French society paid little tax and resisted the feudal Kings' attempts at tax reform which was aimed at taxing them.²²² This meant the main burden of

²¹⁶ For a discussion of the revolutionary nature of the bourgeois revolutions - the English, French and American revolutions - see Neil Davidson, *How Revolutionary Were the Bourgeois Revolutions?* (Haymarket Books, 2012). See also John Rees, 'The socialist revolution and the democratic revolution' (Summer 1999) 2:83 *International Socialism* <<https://www.marxists.org/history/etol/writers/rees-j/1999/xx/revolution.htm>>, and Georges Lefebvre, *The coming of the French Revolution 1789*, translated by R.R. Palmer, (New York : Vintage Books, 1947).

²¹⁷ Thomas J. Sargent and François R. Velde, 'Macroeconomic Features of the French Revolution' (June 1995) 103 (3) *Journal of Political Economy* 474, 488 <<http://piketty.pse.ens.fr/files/capitalisback/CountryData/France/Other/PublicDebtFR/SargentVelde95.pdf>>.

²¹⁸ T J A Le Goff 'How to Finance an Eighteenth-Century War' in WM Ormrod, Margaret Boney and Richard Bonney (eds) *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal history 1130- 1830* (Shaun Tyas, Stamford, 1999) 377, 377.

²¹⁹ Gail Bessango, 'The Origins of the French Revolution', (June 2007) 5 (4) *History Compass* 1294, 1311.

²²⁰ Georges Lefebvre, translated by R.R. Palmer, *The coming of the French Revolution 1789* (New York : Vintage Books, 1947); Albert Soboul, *The French Revolution, 1787-1799*, translated by A. Forrest and C. Jones, (New York, 1975); George Rudé, *The Crowd in the French Revolution* (Oxford, 1967).

²²¹ Thomas J. Sargent and François R Velde, above n 216, 485.

²²² See for example, Marcel Marion, *Histoire financière de la France depuis 1715*, (Paris, 1914-1928), mentioned in Michael Kwass, 'A welfare state for the privileged? Direct Taxation and the Changing face of

taxation fell on peasants and other lower classes. Kwass challenges this view but acknowledges that the regime of fiscal privilege continued throughout the 18th century in France²²³ but that reform did see the elite pay more tax over time. These attempts to raise revenue from the privileged of course sparked a section of the elite and their disagreements with the King.

Just as the Seven Years' War had put real pressure on the British State to fund the war and the successful colonial expansion that arose from it, it also put incredible pressure on the French regime, which, like their British counterparts, increased taxes on all sections of society. The regime doubled and then tripled the *vingtième*,²²⁴ imposed a surtax on the *capitation*,²²⁵ and undertook measures to improve the collection of the older direct tax, the *taille*.²²⁶

Clearly tax inequality in France prior to the Revolution remained a significant social issue. Couple that with the need to fund wars, and the government debt that arose from them,²²⁷ and it comes as no surprise that tax discontent was widespread. As Beaurepaire puts it in relation to the period before the revolution: 'The demand for equality in matters of taxation was omnipresent.'²²⁸ This demand for equality echoes down the ages and is alive among workers and others today.²²⁹ The sale of labour power itself, the foundational contract of capitalism, gives rise to the demand among workers for social democracy and equality generally²³⁰ and tax equality and tax justice specifically.²³¹ In other words class differences can find expression in arguments and sometimes struggle over tax policy and tax law and develop into fundamental challenges to the ruling regime if not the whole ruling class. For example, in 1789 Louis XVI was forced to call the Estates General to meet to develop reforms to address the fiscal crisis, a financial crisis caused by war, and the debt funding of

Absolutism from Louis XIV to the French Revolution', in WM Ormrod, Margaret Boney and Richard Bonney (eds), *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal History 1130- 1830* (Shaun Tyas, Stamford, 1999) 344, 345 footnote 6. The online link to volume 1 of Marion's Financial History of France since 1715 can be found here (in French) :

<https://archive.org/stream/histoirefinancie01mari/histoirefinancie01mari_djvu.txt>.

²²³ Michael Kwass, 'A welfare state for the privileged? Direct Taxation and the Changing face of Absolutism from Louis XIV to the French Revolution', in WM Ormrod, Margaret Boney and Richard Bonney (eds) *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal history 1130- 1830* (Shaun Tyas, Stamford, 1999) 344, 344-345.

²²⁴ This was an income tax originally of 5% of income introduced in the aftermath of the war of Austrian Succession in 1749. Five percent is one twentieth of income, hence the name.

²²⁵ This was effectively a head tax levied on the 22 classes identified for the purposes of progressivity. Thus a labourer was to pay 1 livre and the King 2000 livres.

²²⁶ T J Le Goff, above n 217, 389.

²²⁷ *Ibid*, 378-379.

²²⁸ Pierre-Yves Beaurepaire, 'The View from Below: the 1789 cahiers de doléances', in David Andress, *The Oxford Handbook of the French Revolution* (Oxford University Press, 2015) 155.

²²⁹ See, for example, David Hetherington, *Per Capita Tax Survey 2015: Public Attitudes Towards Taxation and Public Expenditure* (Per Capita Australia Limited, June 2015) <<http://percapita.org.au/wp-content/uploads/2015/06/2015-Tax-Survey.pdf>>. The survey shows that most Australians want more spending on government services like health and education and transport and more tax levied on and paid by big business and the rich.

²³⁰ Tony Cliff, 'The Economic Roots of Reformism' (June 1957) 6 (9) *Socialist Register* <<https://www.marxists.org/archive/cliff/works/1957/06/rootsref.htm>>.

²³¹ John Passant, 'Lessons from the Recent Resource Rent Tax Experience in Australia', (2011) 10(2) *Canberra Law Review* 159, 160-167.

war, plus the inability to impose consistent and uniform taxes to raise enough revenue to cover the costs of war.²³²

While tax may have been the spark for the French Revolution, the people who drove it were the *sans culottes* in Paris. Sans culottes literally means those without knee breeches. Because culottes were the preserve of the well off the sans culottes were, in other words, the poor and working classes. The phrase sans culottes was initially a term of contempt the rich used to describe the lower classes in revolt but as part of their growing class consciousness became a phrase the revolutionaries appropriated and embraced to describe themselves. This class drove the overthrow of feudal relations and forced it to the left, at least for a time. Like their British cousins of 1649, they and their political representatives executed the king. This beheading of the symbol and actuality of feudal rule opened the way for capitalism to flourish and under Napoleon, a dictator balancing between the different class forces of the revolution, to spread across the Continent.²³³

The twists and turns of the French Revolution (from extreme levelling to extreme reaction) are an example of the capacity of the revolutionaries of the time to overthrow the political expression of the feudal system and in doing that free up the society for a transition to capitalism unfettered by the chains of feudalism. They could not however replace it with a system that reflected the interests of the poor and working classes. Unlike Russia in 1917 there was no mass, concentrated and class conscious working class able to drive the revolution forward and, with the Bolsheviks winning majorities in the workers' councils (or soviets in Russian) in the main cities in September 1917, being able to set up their own workers' state to rule. There can be no permanent revolution without such a working class and Paris in 1789 did not have such a class structure. It took just under another century for capitalist class relations to develop to such an extent in France before French workers set up the first short lived workers' state, the Paris Commune, in 1871.

This does not mean there was not an embryonic socialism among the sans culottes. Their demands, captured by *Les Enragés* (the Enraged) were not just for liberty, equality and fraternity. These were the demands of the rising bourgeoisie and other sections of the ruling classes viewed as their liberty, their equality and their fraternity. The exploiters and oppressors were able to adapt these slogans to their own interests as part of the process of drowning the revolutionaries and the revolution in blood or in its less violent phases in a seemingly shared ideology. Like their counterparts in the American Revolution, the emerging French bourgeoisie feared the masses and wanted to control them. This dialectic was played out in a range of different ways. The ringing words of La Marseillaise, for

²³² Thomas J. Sargent and François R. Velde, above n 216, 475.

²³³ According to Engels: 'Bonapartism is the necessary form of government in a country in which the working classes have reached an advanced stage of development in the cities, but are outnumbered by the small peasantry and have been defeated by the capitalist class, the petty bourgeoisie and the army in a great Revolutionary battle.' 'Die preussische Militarfrage und die deutsche Arbeiterpartei', Marx-Engels Werke, Vol. 16, 71, quoted by Jost Dulffer, 'Bonapartism, Fascism and National Socialism', (October 1976) 11 (4) Journal of Contemporary History 109, at 111, and end noted at note 7 page 125. While I don't think that Bonapartism as a balance between class forces is inevitable I do think the rise of Bonaparte like figures is explicable in terms of the defeat of an historically young and politically immature working class not yet able to successfully prosecute the class struggle on a scale that threatens the old exploitative regime or the new one the revolution is giving birth to. Intellectually too, with the spread of capitalism across the globe the mature working class has the power to challenge the old order of capitalism but although it is now a class in itself, it has not yet become, apart from seconds in time, a class for itself.

example aux armes, les citoyens, was one. The slogan liberté, égalité, fraternité, as well as expressing the weltanschauung of the nascent bourgeoisie, was another way of bringing the masses on side.

Yet the masses, for a time, threw off the yoke of imposed bourgeois respectability and not only overthrew the feudal state but also made demands that the newly liberated bourgeoisie could not meet. This included demands for liberty and equality that went far beyond the narrow vision of the bourgeoisie. At the height of the radical phase of the French Revolution, *Les Enragés* were not only condemning the failure to really implement the goals of the Revolution but also taking action to address that. Spurred on by them, the National Assembly in early June 1793 expelled the Girondins and the Montagnards took power. What drove this was the anger of the sans-culottes about the disparity between the inspiring words of the revolution and the actions of those swept to power by it. Here for example are some words from Jacques Roux, a priest and one of the leaders of the loose group of sans-culottes supporters known as the Enragés, in his 1793 Manifesto of the Enragés. The first set of proclamations show the deep anger the sans culottes had with the direction of the Revolution. Thus Roux says:

Freedom is nothing but a vain phantom when one class of men can starve another with impunity. Equality is nothing but a vain phantom when the rich, through monopoly, exercise the right of life or death over their like. The republic is nothing but a vain phantom when the counter-revolution can operate every day through the price of commodities, which three quarters of all citizens cannot afford without shedding tears.²³⁴

What was the answer? Let me quote Roux again, not only for the insights this gives into the battle between profit and people but also for the wonderful language:

But today, when the sanctuary of the laws is no longer soiled by the presence of Gorsas, Brissot, Barbaroux and other chiefs of the appellants; today when these traitors, in order to escape from the scaffold, have gone to hide their nullity and infamy in those departments they've whipped up against the Republic; today when the National Convention has been returned to its dignity and vigour, and when in order to do good it only has to want to do so, we call on you, in the name of the salvation of the republic, to strike speculation and monopoly with a constitutional anathema, and to decree the general principle that commerce doesn't consist in ruining, rendering hopeless, or starving citizens.

For the last four years the rich alone have profited from the advantages of the Revolution. The merchant aristocracy, more terrible than that of the noble and sacerdotal aristocracy, has made a cruel game of invading individual fortunes and the treasury of the republic; we still don't know what will be the term of their exactions, for the price of merchandise rises in a frightful manner, from morning to evening. Citizen Representatives, it is time that the combat unto death that the egoist carries out against the hardest working class of society come to an end. Pronounce against speculators and monopolists: either they'll obey your decrees or they won't. In the first hypothesis you will have saved the fatherland; in the second case you will still have saved the fatherland, for we will have been able to identify and strike the bloodsuckers of the people.²³⁵

²³⁴ Jacques Roux, *Manifesto of the Enragés*,
<<https://www.marxists.org/history/france/revolution/roux/1793/enrages01.htm>>.

²³⁵ Ibid.

So the target of the Enragés was not capitalism itself but those bloodsuckers of the people, the merchants and monopolists who speculated on or profited exorbitantly from the sale of essential commodities. Roux offers a constitutional solution:

Up to the present moment the big merchants who are, by principle criminals and by habit accomplices of kings, have abused the freedom of commerce to oppress the people; they have falsely interpreted that article of the Declaration of the Rights of Man that establishes that it is permitted to do all that is not forbidden by the law. Well then, decree constitutionally that speculation, the sale of minted money, and monopolies are harmful to society. The people, who know their true friends, the people who have suffered for such a long time, will see that you are sorrowed by their lot and that you seriously want to cure their ills. When it will have a clear and precise law in the constitutional act against speculation and monopolies it will see that the cause of the poor is closer to your hearts than that of the rich; it will see that there don't sit among you bankers, arms merchants and monopolists; finally, it will see that you don't want the counter-revolution.²³⁶

The manifesto was, as well as a wonderfully articulate diatribe against the monopolists and speculators, a call for price controls. As Roux makes clear in the Manifesto there was already in place a system of forced loans from the rich, a form of taxation, but that didn't stop those in charge of the markets profiting from them at the expense of the poor. Indeed it may have just added to the misery of the sans-culottes as the monopolists and speculators tried to recoup their state imposed costs in the form of higher prices. We are seeing here perhaps another early indication of the rise of capitalism and the sale of labour power at prices fluctuating around its value. The value of labour power is, as John Passant says:

... the socially necessary labour time required to regenerate the worker for the next day and into the future and includes immediate [necessities and] costs such as food, clothing, heating, transport and housing but also more long term costs like the support of children - the next generation of workers - education, skills, health, and other less immediate requirements for capital. It also includes a historical and moral element.²³⁷

What we are seeing here are societies shifting from direct feudal exploitation, open to the eye of all who were forced to work for say 3 of their six labouring days to produce products for the consumption of the lord. In its place comes the hidden exploitation of capitalism and the displacement that the change from feudalism to capitalism is producing and the pattern of constant revolutionising of production that is capitalism and the constant change to working relations which flows from that. As Marx and Engels say:

The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses his real conditions of life, and his relations with his kind.²³⁸

²³⁶ Ibid.

²³⁷ John Passant, above n 13, 275.

²³⁸ Karl Marx and Friedrich Engels, above n 8.

It comes as no surprise then that at this early stage in the development of global capitalism, in this case in France, the feeling of the poor was anger, anger against aspects of capitalism, and its solution, reforms within capitalism. This is because there was much to be angry about and because an understanding of the nature of capitalism as an exploitative system was yet to be fully formulated and argued. It is also because in the cross over from to the other the class capable of revolutionary change has not yet consolidated its position in society as the most powerful class with the capacity to overthrow capitalism.

Indeed the Enragés' demands, even in the context of societal development of the time, seem to be a precursor of the debates between revolution and reform. On the other hand the demands for price control and outlawing of monopolies together with enforced loans had an anti-capitalist effect. But they devastated the economy and the ability of a revolutionary government to fund its expenditures. Sargent and Velde argue that the Terror arose to address 'the extreme fiscal exigencies.'²³⁹ They describe this period in the French Revolution as the merger of economic and political dictatorship.²⁴⁰ What then happened economically during the Terror? Sergeant and Velde again:

Threat of death for offenders enforced parity of assignats with specie. It was illegal to hold such assets as commodities, private financial securities, precious metals, specie, jewelry, or foreign exchange, and markets in them were closed. Holding land was permitted. All assets and bonds constituting the public debt were converted into a single non-transferable perpetual rent title. In response to inflation, grain prices, then consumer prices and wages, and later producer prices were controlled with the so-called laws on the Maximum. Currency demand was supported by the laws on the Maximum and restrictions against hoarding. Under the Terror, any citizen accused of violating these laws could expect swift and arbitrary proceedings.²⁴¹

The regime did not and could not last, based as it was on anti-market rules such as price and wage controls, brutally if episodically enforced, repression of monopolies and the like. The Jacobins were themselves overthrown.

There is a second lesson for me from this brief historical review. The Enragés appealed to the National Assembly to take action. Certainly the sans culottes were on the streets of Paris making their demands for a better life and expressing their anger about the gross privations they were suffering. However the agency for change was not the sans culottes themselves but, under constant pressure from below, the newly forming and constantly reforming and reconstituting institution of French capitalism then and at more settled later times in French history, the National Assembly. Again this reflects something inherent in capitalism in developed democracies – the social democratic view that progressive change comes through Parliament, even if sometimes there has to be pressure from below in the form of strikes and/or mass protests to achieve those reforms. The alternative vision is that workers and others set up their own directly democratic institutions of governance, something that begins to happen in 1871 in the Paris Commune and accelerates in the 20th century in Russia in 1917, Europe from 1918 until about 1923 when the German Revolution is finally defeated. It plays out finally with the defeat of the left (broadly understood) in the Spanish Civil War.²⁴²

²³⁹ Thomas J. Sargent and François R. Velde, above n 216, 505.

²⁴⁰ Ibid.

²⁴¹ Ibid.

²⁴² We find this process of workers setting up their own democratic institutions in the Hungarian Revolution against Stalinism in 1956, in Iran in 1978/79 and we get glimpses of it in Bolivia in 2005, a process the election of Evo Morales undermined.

We can see this reforming process playing out too in the rise of capitalism in Great Britain and the introduction of the temporary income tax in 1799, at the time of the Napoleonic Wars, all the way up, for the purposes of this paper, to the Chartists in the 1840s and on to income tax being made permanent in Great Britain in 1860.

B A brief history of the early days of income tax in the United Kingdom

Unlike the fiscal crisis of French feudalism, the British state, with less population and less income, was able to more successfully fund its aggressive and defensive wars. Unlike the French feudal regimes it did not do so through over reliance on debt raising but through taxation.²⁴³ Between 1688 and 1799 one main tax was land tax.²⁴⁴ This was some sort of feudal substitute for taxing wealth. The other main taxes were significant excises on common consumables like salt, seaborne coal, spices, beer, spirits, tea, coffee, cocoa, tobacco, malt and leather.²⁴⁵ Again these were seen as some form of recouping contributions from the wealthy but applied not just to them but, depending on the excise, to the poor and labouring classes. Indeed excises were by far the major contribution to revenue for the British state before and during the years immediately after the French Revolution. Seligman points out that of the more than 17 million sterling in overall government revenue, land tax brought in about two million sterling and houses and establishments taxes only about one and a quarter million sterling.²⁴⁶ Almost all of the rest – around 13 million sterling - came from customs and excises.²⁴⁷

The various wars with revolutionary France and then the Napoleonic wars revealed the inadequacies of this approach. The reliance on taxes on consumption and their inadequacy in times of war and even perhaps the existential threat that the French presented, saw the first steps away from customs and excises concentrate on the other main source of revenue – the ‘direct imposts, partly on houses and partly on so-called establishments, including carriages, servants, horses, hair-powder, dogs, watches and clocks.’²⁴⁸ Pitt decided to change from an episodic set of taxes on particular examples of property and wealth and income to ‘what he called “a general tax on persons possessed of property commensurate as far as practicable with their means.”’²⁴⁹ It was to apply equitably to those better able to pay and those unable to contribute – the poor - would be excluded.²⁵⁰ The Aid and Contribution Act of 1798, or the Triple Assessment as it became known because it in many cases (at least) tripled previous assessments, divided essentially property owning taxpayers into three classes.²⁵¹ All were essentially property holders. The wealthier with property such as man-servants, horses and carriages had their previous assessments tripled at the lower end of previous assessments, those assessments below £25, and at the upper end, where previous assessments were greater

²⁴³ Ibid, 475.

²⁴⁴ Jane Frecknall Hughes, ‘The Concept of Taxation and the Age of Enlightenment’ in John Tiley, (ed), *Studies in the History of Tax Law*, Vol 2 (Hart Publications, 253, 255.

²⁴⁵ Ibid.

²⁴⁶ Edwin R A Seligman, *The income tax: a study of the history, theory and practice of income taxation at home and abroad* (New York, Macmillan, 1911) 60.

²⁴⁷ Ibid.

²⁴⁸ Ibid, 62.

²⁴⁹ Ibid.

²⁵⁰ Ibid.

²⁵¹ Ibid, 65.

than £50, the previous assessments were increased fivefold, with gradations in between.²⁵² The next class were those well off who owned houses, clocks, watches and windows.²⁵³ They had lower rates of increase applied to their previous assessments (ranging from 1/10th of previous assessments to five times previous assessments.²⁵⁴ For the less wealthy property owners with lodgings or shops the rates were even lower, from one tenth to double.²⁵⁵

Seligman makes the point that the Triple Assessment was a de facto income tax in the sense there was some relation between the expenditures on houses, clocks, man servants and horses for example and income.²⁵⁶ The tax was arranged in a way that was progressive. Those with incomes below £60 were exempt.²⁵⁷ The rate increased to ten percent on incomes over £200.²⁵⁸ Where the quadrupling fell short of reaching ten percent the taxpayer was asked to make a voluntary contribution to reach that figure.²⁵⁹

Because of fraud and evasion the tax collected less than half its original estimate (although the voluntary contributions, which as Seligman notes, Pitt realised could not be relied upon in the long term, were more than expected.)²⁶⁰ The battle between taxing wealth and taxing expenditure was destined to burst forth. It did a year later in 1789/99 when Pitt introduced an income tax as a way of directly taxing the income of the well-off rather than indirectly through taxing wealthy property holders as a corollary of income as the Triple Assessment attempted to do.

As we have seen, attempts to extend the excise to cider and sherry and to increase it on beer produced major opposition, and saw the British Parliament extend a rapacious eye to its American colonies, with historically disastrous results. However, just as dissatisfaction with tax and inequality, and starvation, were key contributors to the social and class dissatisfaction and anger that led to the French Revolution, war, and the need to fund it, was an important driver in the establishment of income tax as the main revenue raiser for capitalist states. Britain led the way. The Lincoln government in America followed suit during the civil war.

Despite the seemingly better position of the British State, (or higher tax burden on British people than on their Continental counterparts), the burden of war and war debt was still very great. As the British Archive remarks: 'The cost of war had drained Britain's resources, and run up a considerable national debt. The army was starving, and poor conditions in the navy in 1797 had led to mutiny.'²⁶¹

As Seligman says 'The British income tax was a direct outcome of the gigantic struggle against France.'²⁶² Pitt introduced the first, temporary, income tax in 1799 to fund the Napoleonic Wars and to avoid public debt becoming unsustainable.²⁶³ As Patrick O'Brien

²⁵² Ibid.

²⁵³ Ibid.

²⁵⁴ Ibid.

²⁵⁵ Ibid.

²⁵⁶ Ibid, 66.

²⁵⁷ Ibid.

²⁵⁸ Ibid.

²⁵⁹ Ibid.

²⁶⁰ Ibid, 71.

²⁶¹ National Archives, 'A Tax to Beat Napoleon'

<<http://webarchive.nationalarchives.gov.uk/20130217082231/http://www.hmrc.gov.uk/history/taxhis1.htm>>.

²⁶² Seligman, above n 245, 57.

²⁶³ D. I. Trotman-Dickenson, *Economics of the Public Sector* (Palgrave Macmillan, 1996) 90.

put it: ‘Only the armies of Revolutionary France and the probable collapse of public credit prompted the political classes to accept [income taxation].’²⁶⁴

The reference to political classes by O’Brien is instructive. This first income tax was a class tax.²⁶⁵ It did not apply to the poor and ordinary working people. It was in fact imposed on land with a deemed rate of return then taxed. This meant that the British Parliament, made up of the men of property and merchants, was imposing a tax on those like them who held property and earned income from it. A temporary peace meant the income tax was repealed but the return to war and a change of government saw Prime Minister Addington re-introduce the income tax in 1803, temporary of course (and temporary it proved to be for almost 3 decades after the end of the Napoleonic Wars.) Again it was a class tax. It did not apply to the labouring classes and the poor. It was only during the First World War that income tax in Britain applied to all classes.

By 1799 Britain had become a society of generalised income, in the form of wages, profits, rent and interest.²⁶⁶ Indeed the debates when Pitt moved the Bill to introduce income tax sometimes raised the difference between income from property and income from personal exertion with some arguing property income should be taxed more harshly than income from labour.²⁶⁷ Pitt argued for the equal treatment of all types of income for the purposes of this tax on income. The differences in income source – property or work - arose from inequalities in society and taxing those equally would leave them as we find them.²⁶⁸ To complain about this inequality was in effect to complain about the way society was constructed.²⁶⁹ The events in France showed where such thinking led – to the rabble running society.²⁷⁰ Pitt rejected the idea that a tax on expenditure was the best and most progressive way²⁷¹ to raise revenue.²⁷²

²⁶⁴ Patrick K O’Brien, ‘The Political Economy of British Taxation, 1660-1815’ (February 1988) 41 (1) *The Economic History Review*, 1, 22.

²⁶⁵ Although Carolyn C Jones uses the term in describing the federal first income taxes in the US because they applied not to all income owners but only to the most prosperous section of society, the term has more general application. So too does her related description of the class tax becoming a mass tax under the pressure of funding the Second World War. See for example Carolyn C Jones, ‘Bonds, Voluntarism and Taxation’ in Studies in John Tiley, (ed), *The History of Tax Law, volume 2* (Hart Publishing, Oxford, 2007) 427, 427.

²⁶⁶ As Marx explains, the Holy Trinity of profit, wages and rent disguises the reality of exploitation and the common root that is surplus value from which these branches spring. Karl Marx, *Capital Volume III*, Chapter 48. See also John Passant, above n 236, 287.

²⁶⁷ For those interested in a good in depth explanation and analysis of the introduction of the income, Edwin RA Seligman, ‘The War Income Tax 1798-1816’ in Edwin RA Seligman, *The Income Tax: A study of the History, Theory and Practice of Income Taxation at Home and Abroad* (The MacMillan Company, New York, 1914) 57 et ff is excellent. Of course for Marxists income from property such as land and savings is in fact a distribution of the surplus value workers create, rendered into the form of interest or rent or dividends or annuities and so forth. See for example Karl Marx, *Capital Volume III*, chapter 48, The Holy Trinity. The Holy Trinity refers to Adam Smith’s capital and profit, labour and wages and land and rent. Marx explains these are the surface realities of something deeper, namely the surplus value that workers in the productive (market) sectors.

²⁶⁸ Seligman, above n 246, 74.

²⁶⁹ *Ibid*, 75.

²⁷⁰ *Ibid*.

²⁷¹ The argument in favour of expenditure taxes then was that the rich spent more on consumables that were subject to the excise tax. It is one we see raised today in relation to debates about consumption taxes, including Australia’s Goods and Services Tax and its possible extension, for example, to spending on education. The rich are more likely to send their kids to fee paying schools than the rest of us.

²⁷² Seligman, above n 246, 74. .

He appealed to the British people to support the war effort by supporting the new tax.²⁷³ To win support for the tax he raised the spectre of a French invasion.²⁷⁴

The income tax was not a direct response to the agitation of the British working class and the poor. It was a tax imposed from on high on the elite and the well off. It was driven by their concerns about funding war, not in response to an angry population demanding reforms. At the same time William Pitt the Younger was introducing the income tax, he also introduced the Combination Act in 1799, an anti-union law, slightly modified in 1800, which effectively made trade unions illegal.²⁷⁵ The laws were repealed in 1824 but an outbreak of strikes saw a revised Combination of Workers Act made law in 1825 which severely restricted trade unions and trade unionists.²⁷⁶ It was not till 1871 that the Trade Union Act gave workers the right to be in unions.

When the Napoleonic Wars finished in 1815 the income tax was repealed but was reintroduced by Sir Robert Peel in 1842, a time of peace.²⁷⁷ This was part of a wider shift from mercantilism and protectionism to free trade and in part centred on revenue concerns that arose from the proposed repeal of the Corn Laws in 1846 and the duties under them.²⁷⁸ This embrace of the free market may itself also be linked to the rise and rise of Great Britain not only as the biggest capitalist economy but also its colonial expansion across the globe and its desire to defeat possible manufacturing and colonial competitors.²⁷⁹ The move from mercantilism to the free market and the rise of a working class movement like the Chartists in the 1840s help explain the first tentative steps to a tax on income, via property taxes as an estimate for wealth, and then it becoming permanent, all against a backdrop of war – the Napoleonic, Crimean and class wars.

The temporary tax was renewed and became a permanent political feature of British life when the Crimean War broke out in 1853.²⁸⁰ The tax was re-legitimised during this period.²⁸¹ Dome, drawing in part on the work of Martin Daunton,²⁸² says that ‘an important part of this process [of legitimation] was the transformation of the British fiscal-military state into what Daunton (2001: 135) calls “the civilian-military state”.’²⁸³

Discussion of the relationship between capitalism and the state in relation to tax, when it all too infrequently occurs among mainstream tax scholars,²⁸⁴ has become an analysis based on

²⁷³ Ibid.

²⁷⁴ Ibid.

²⁷⁵ ‘The Luddites and the Combination Act’ <<https://www.marxists.org/history/england/combination-laws/>>.

²⁷⁶ Ibid.

²⁷⁷ UK Parliament Living Heritage, ‘TAXATION: Income Tax Abolished and Reintroduced’ <<http://www.parliament.uk/about/living-heritage/transformingsociety/private-lives/taxation/overview/incometaxabolished/>>.

²⁷⁸ Cheryl Schonhardt-Bailey, ‘Free Trade: The Repeal of the Corn Laws’ in Cheryl Schonhardt-Bailey, (ed) *Free Trade: The Repeal of the Corn Laws* (Key issues series, 10, Thoemmes Press, Bristol, 1996) 87, 93.

²⁷⁹ Ibid, 92; D. I. Trotman-Dickenson, above n 262, 90

²⁸⁰ Edwin Seligman, above n 246, 155; D. I. Trotman-Dickenson, above n 262, 90. It took some time for this permanence to solidify. Seligman at 155 for example says that over the period from 1842 to 1862 the income tax was on trial.

²⁸¹ Takuo Dome, *Political Economy of Public Finance in Britain, 1767-1873* (Routledge, London, 2004) 11.

²⁸² Martin Daunton, *Trusting Leviathan: the politics of taxation in Britain, 1799-1914* (Cambridge, 2001).

²⁸³ Dome, above n 280, 11.

²⁸⁴ A recent good discussion of these issues in the context of benefits and legitimacy, enmired in the liberal left’s love of the limited democracy that is bourgeois democracy through for example linking public finance to good democracy, can be found in this article by Professor Miranda Stewart, Director, Tax and Transfer Policy

the concept of the tax state or the civil-military state. Neither fully captures the reality of the capitalist state, one which does indeed levy taxes and which in certain colonialist and imperialist countries does have significant military elements in its makeup. However both ignore the fundamentals of capitalism and the fact it is built on the exploitation of workers. Tax and the military are important components of the state under capitalism but not its full explanation. Indeed, by a one sided focus on tax or the military we lose focus on the nature of the state as the guarantor of the exploitative relationship between capital and labour. Poulantzas goes so far as to say:

Our investigation must take as its guiding thread the tendency of the falling rate of profit: state intervention in the economy should be essentially understood as the introduction of counter-tendencies to this tendency, in relation to the new coordinates whereby the average rate of profit is established in the present phase of monopoly capitalism.

Of course Poulantzas is writing at a time about capitalism in old age, when it is in, arguably, its monopoly stage. Nevertheless the relationship between the state and profit rates is an interesting suggestion. We could see for example tax reform in the current era as an attempt to reduce tax on capital and hence temporarily improve the after tax return to capital as one response to falling global profit rates. In capitalism's teenage years (for example in 1799 in Britain) it may well be that the role of the state is not to cut taxes but to impose new ones such as an income tax not just to fund wars but in the very near future - 1842 and after in Britain in part in response to the mass Chartist movement, and after 1848 in Europe among a section of the victorious sections of reaction - to fund state expenditure on the working class to make it healthier and more educated and thus more exploitable and more productive of profit.

The tax alternated over the next decades from repeal in 1816 to reintroduction in 1842 (but reviewed annually) to final acceptance by all the major political parties in the 1860s that the tax was permanent. It is still reviewed annually, and can only apply if the Parliament votes to do so for the next year.

Institute at the Australian National University. Miranda Stewart, 'The Tax State, Benefit and Legitimacy' in Peter Harris and Dominic de Cognan (eds), *Studies in the History of Taxation Law Volume 7* (Hart Publishing, Oxford, September 2015) 483. Stewart argues (my interpretation) that a fiscal constitution exists between rulers and ruled in democratic tax states that is in essence a limit on tax power and the rule are bought off (my words, not hers) through benefits that flow from this revenue raising social tax contract. She says for example in the abstract at p 483 '... the evolution of successful tax states, especially democratic states, seems to depend on both an acceptance by taxpayers of benefits derived under government and a fiscal constitution that limits taxing power. The chapter argues for a renewed focus on principles of benefit and legitimacy of taxation to fund successful democratic tax states in the global era.' This argument I believe is an example of tax dominance, a carryover from the likes of those who misunderstand the ambiguity in Adam Smith's thought, and more specifically Schumpeter and the fiscal sociology theorists who follow in his footsteps. Tax dominance is the idea that tax is the dominant explicator of the state and capitalism, a position which sees solutions to capitalism in terms of tax and hence government expenditure without questioning the profound contradictions at the heart of capitalism, in particular the exploitation of workers that is at the lifeblood of the system. Viewed in this deeper light tax crises are both an expression of the crises of capitalism – for example war, depression, recession – and at best in the hands of intelligent political operators are a band aid on the cancer. At worst, in the hands of ideologues stuck in the past and clinging to and defending it or, imagining they are visionaries reforming the system, but with little understanding of the dialectic of capital and labour and the key role labour has in producing profit, tax changes worsen the crises and provoke the anger of the common people against specific tax and other living standards' problems in the system and possibly ultimately against the system itself.

However something significant had also been developing over the this period of time when income tax was on trial, from 1799 to about 1862, had also been developing. The British working class became the majority of the country and began to agitate for reforms both political and economic. The Chartist movement grew out of a strengthening and more confident working class movement in the 1830 and then in the 1840s. Its demands were for democracy for all.

I said above that the income tax was reintroduced in 1842, a time of peace. The UK was not at war with other countries. But the war within, the class war, was hotting up. The Chartists were organising demonstrations and demands for the vote for all men, and for equality more generally. Here is how the British Library describes their demands:

In 1838 a People's Charter was drawn up for the London Working Men's Association (LWMA) by William Lovett and Francis Place, two self-educated radicals, in consultation with other members of LWMA. The Charter had six demands:

- All men to have the vote (universal manhood suffrage)
- Voting should take place by secret ballot
- Parliamentary elections every year, not once every five years
- Constituencies should be of equal size
- Members of Parliament should be paid
- The property qualification for becoming a Member of Parliament should be abolished.²⁸⁵

The middle classes had won the vote in 1832. The focus of the Chartists was on parliamentary democracy and representation for working class people. The 1838 Parliament rejected their demands. As a result there was unrest across Britain. It was suppressed. The petition was presented again in 1842. It was rejected again. There was more unrest. There was a general strike in 1842, the first general strike in capitalism's history.²⁸⁶ It was no accident that at the same time the British state in 1842 reintroduced an income tax there was mass working class unrest. Economic depression²⁸⁷ had both undermined government revenue and cut wages and jobs. Free trade rather than mercantilism become one ruling class solution to the crises inherent in capitalism. This saw a range of laws passed including the repeal of the Corn Laws, The debates on both the Income Tax and the Tariff Bill in that year were interspersed with debates about the People's Charter re-presented in 1842. Like its 1838 predecessor its demand for universal suffrage and fair electorates were defeated overwhelmingly not only in the Parliament, but also in the streets. The state mobilised its oppressive arm to control the Chartists and the strikers. This became the response too in 1848 when spurred by revolutions abroad the Chartists once more rose up only to be met with repression.²⁸⁸ This had consequences for Australia as many of the rebellious Chartists ended

²⁸⁵ British Library < <http://www.parliament.uk/about/living-heritage/transformingsociety/electionsvoting/chartists/overview/chartistmovement/>>.

²⁸⁶ The strike was also known as the Plug Plot Riots. For more detailed discussion of the strike see for example a Marxist analysis from Mick Jenkins, *The General Strike of 1842*, (Lawrence and Wishart, 1980). See also F.C. Mather *The General Strike of 1842: A Study in Leadership, Organisation and the Threat of Revolution during the Plug Plot Disturbance* (George Allen & Unwin Ltd, London, 1974) <web.bham.ac.uk/1848> and Catherine Howe, *Halifax 1842: A Year of Crisis* (2014, Breviary Stuff, London).

²⁸⁷ John Charlton, *The Chartists: The First National Workers' Movement* (Pluto Press London 1997) 81.

²⁸⁸ Ibid 82.

up in the penal colonies and their ideas and some of the people played an important part in the Eureka Stockade in 1854, Australia's first and only tax rebellion from below.

The coalition of landed and bourgeois interests that was coming together saw their interests as threatened by the working class could not allow that class to have a majority in the British Parliament. As the majority of the population, workers might achieve by legislation what they could not achieve by strikes and protests – not just the political revolution of radical reform but the social revolution of changed property relations. Marx thought this a possibility at the time so perhaps the ruling classes were right to fear this potentiality. As he wrote in the New York Daily Tribune about the Chartists:

But universal suffrage is the equivalent of political power for the working class of England, where the proletariat forms the large majority of the population, where, in a long though underground civil war, it has gained a clear consciousness of its position as a class and where even the rural districts know no longer any peasants, but only landlords, industrial capitalists (farmers) and hired labourers. The carrying of universal suffrage in England would, therefore be a far more socialistic measure than anything which has been honoured with that name on the continent. Its inevitable result, here is the *political supremacy of the working class*.²⁸⁹

Like John Charlton I have my doubts.²⁹⁰ First, judged with the benefit of hindsight the idea of a parliamentary road to socialism has been one of the great sustaining myths of the reformist wing of the labour movement, expressing as it does the ideas and logic of the trade union bureaucracy who stand above and separate from the working class and balance between labour and capital as the retailers to capital of workers' labour power.²⁹¹ These people have no interest in fundamentally altering the nature of society and abolishing their own jobs and social position. Second, as Charlton recognises, if the Chartists had won the vote for all workers would have meant civil war if they attempted to introduce fundamental reforms for the benefit of their working class constituency voters.²⁹² Charlton argues that '[i]t is probably true that the achievement of universal suffrage in the 1840s would have required a revolutionary overthrow of the existing power, given the fierce determination of the property holders to maintain their authority.'²⁹³

Although the Chartists were put down brutally each time they rose and seriously challenged the gentry and capital politically, they did win real gains. Against this background of a discontented working class and the Crimean War of 1853 to 1856, the income tax became permanent in the sense that it was accepted by both the Conservatives and Liberals, despite the usual rhetoric about repealing it when appropriate to do so. Every year it was renewed with the usual tears of concern, despite the fact for example that in 1842 an illegal demonstration of middle class protesters opposed it, as did the City. The tax effectively became permanent to fund the growing war machine that was British colonialism and also to fund expenditure on the troublesome working class for its benefit and by design for the

²⁸⁹ Karl Marx, 'The Chartists' in *The New York Daily Tribune Marx Engels Collected Works Vol 11*, 335-336, quoted by Samuel Hollander, *Friedrich Engels and Marxian Political Economy* (Cambridge University Press, New York, 2011) 197.

²⁹⁰ Charlton, above n 287, 82.

²⁹¹ John Passant, 'The Minerals Resource Rent Tax: The Australian Labor Party and the continuity of change' (2014) 27 (1) *Accounting Research Journal* 19, 31.

²⁹² Charlton, above n 286, 88.

²⁹³ *Ibid.*

benefit of the ruling class in making the working class even more a source of value. The revenue also funded the state to suppress the working class if they became too troublesome. Income tax became part and parcel of the machinery of government and a key element in the social reproduction of the capitalism that welfare and other spending were to entail. At this stage it did not cover workers. It was not until 1909, just five years before the outbreak of World War I that the tax expanded to all of the working class and so moved in Jones's terminology from a class tax to a mass tax. Nine years later, in 1918 and driven by the war, the obvious need to respond to the demands of workers for representation now that they were paying tax and the example of Russian workers by revolution having set up their own workers' state, that the British State included all adult males and women over the age of 30 in the vote and extended that in 1928 to include all adult women, i.e. all women over the age of 21.

The rise of the Chartists and the protests and strikes they led, while they did not produce a revolution, or win universal male suffrage, forced a parliament of vested, mainly landed, interests, move quickly to introduce some progressive changes. These reforms also benefitted the ruling classes or sections of them too, in the short term or longer term, depending on the circumstances. As August notes, that despite the repression and decline of the Chartists in 1842 and afterwards (before the 1848 resurgence and similar defeat and decline):

A series of policies made it clear that even an unreformed Parliament could act in ways that benefitted workers. Peel's 1842 Budget, cutting consumption taxes and levelling an income tax on the affluent, offers but one example. The Mines Act of 1842, the Factory Act of 1844 and Ten Hours Act of 1847, repeal of the Corn Laws and other reforms undermined the notion that the existing system could only produce 'class legislation'.²⁹⁴

However these reforms, in the interests not just of workers but of the free market and industrialism, alone do not explain the decline for a time of the Chartists after 1842 before its mild revitalisation for a while in 1848. Repression helps fill in the explanation. As August explains: 'The State defeated Chartism through coercion as well as reforms. Mass arrests, show trials, transportation and imprisonment destroyed the local leadership of the movement.'²⁹⁵

C – Some back ground to tax in Australia

The deportations of Chartists helped the class struggle in Australia and are an important element in understanding the one tax rebellion in Australia, the Eureka Stockade, overlaid as it was too with demands for democracy. The successful American Revolution saw Britain's rulers turn their attention to Australia as a dumping ground for its prisoners of poverty. 'Discovered' in 1770 by James Cook the first British settlement was established at Sydney on 26 January 1788. Hillier and O'Lincoln note that one of the conditions for capitalism is 'free' labour.²⁹⁶ They then comment that in the penal colony stage of the

²⁹⁴ Andrew August, *The British Working Class 1832-1940* (Routledge, 2014) 77-78.

²⁹⁵ Ibid, 78.

²⁹⁶ Marx describes labour under capitalism as 'free' in two ways – free from the means of production and free to be sold in the labour market. He says 'For the conversion of his money into capital, therefore, the owner of money must meet in the market with the free labourer, free in the double sense, that as a free man he can dispose of his labour-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realisation of his labour-power.' Karl Marx, *Capital Volume 1* (Progress Publishers, Moscow, 1977) 166.

development of capitalism in Australia (from 1788 to roughly 1828) 'a multifaceted labour market developed in which the differences between freedom and bondage could be a matter of degree.'²⁹⁷

The other side to this is that the successful implantation and expansion of the colony and the capitalist system it was bringing required the violent dispossession, in other words the genocide, of the original inhabitants. Many many Aboriginal people died in the invasion and wars of conquest and their consequences, perhaps over 100,000.²⁹⁸ Further, it is not just that the consequences of that ongoing systemic genocide haunt the living today. As a direct consequence of government decision making many Aboriginal communities have living standards at third world levels, with death coming ten years or so earlier to Aboriginal people than to non-Aboriginal Australians. The genocide itself continues in the sense of ongoing attempts by governments and big business (especially mining companies) to drive Aboriginal communities off their land. The state continues to steal Aboriginal children from their families, another form of genocide.

By the 1820s, as Hillier and O'Lincoln note: 'A state-run prison with capitalist features was transforming itself into a full-blown capitalist society in eastern Australia.'²⁹⁹ The economy was changing, led by an explosion in the production and export of wool. Between 1821 and 1840 wool production increased from 175,000 pounds to more than 12,000,000 pounds.³⁰⁰ Over this period the nature of revenue sources and revenue raising changed too. The colonial state had initially been dependent on money, men and arms from Britain to survive. There was simply nothing to tax in the colony.³⁰¹ The first attempted tax in 1795 was an appeal to the wealthy for voluntary contributions.³⁰² For some reason this did not work well. The wealthy resented contributing to the upkeep of the lower classes.³⁰³ The failure of voluntary contributions saw the first taxes levied on imports – collected on entry into the wharf and hence easy to administer - and the imposition of excises on spirits, wine and beer.³⁰⁴ The taxes on alcohol were the main source of revenue, and were raised to build a new gaol after the original one was inexplicably burnt down.³⁰⁵ The next set of taxes, to build an orphanage, relied in the main on a tax on rum.³⁰⁶ There were also various duties on goods from the Far East, and fees and charges for various government services such as wharfage, for land grants and for licencing fees for liquor retailing and auctioneering.³⁰⁷ Smith concludes, not

²⁹⁷ Ben Hillier and Tom O'Lincoln, 'Five hundred lashes and double irons: the origins of Australian capitalism' (Summer 2013) 5 *Marxist Left Review* <<http://marxistleftreview.org/index.php/no5-summer-2013/89-five-hundred-lashes-and-double-irons-the-origins-of-australian-capitalism>>.

²⁹⁸ Henry Reynolds, *Frontier War* (University of New South Wales Press, Sydney, 2013) says the evidence is that 30,000 Aboriginal people died resisting the invasion and many many more as a consequence of disease and dispossession.

²⁹⁹ Hillier and O'Lincoln, above n 296.

³⁰⁰ Hamish McPherson, "'To stand truly by each other'" - The Eureka rebellion and the continuing struggle for democracy' *Marxist Interventions* <<http://www.anu.edu.au/polsci/marx/interventions/eureka.htm>>

³⁰¹ Julie P Smith, *Taxing Popularity: The Story of Taxation in Australia* (Federalism Research Centre, Canberra, 1993) 2.

³⁰² *Ibid.* 3.

³⁰³ *Ibid.*

³⁰⁴ *Ibid.*

³⁰⁵ *Ibid.*

³⁰⁶ *Ibid.*

³⁰⁷ *Ibid.*

unsurprisingly that ‘the first taxes reflected the interests of the rich and powerful in early colonial society.’³⁰⁸

As we have seen in relation to Britain, indirect taxes raised easy money. However they often fell on the necessities of the poor and working class. For example in NSW in 1840 the duties were extended to essential items like tea, sugar, rice, flour and grain.³⁰⁹)

Couple this unfairness of taxes on consumption with a British ruling class keen to extract more revenue to fund its wars and fearful of the wrath of the masses that it had seen in Paris, or in its own country as the Chartist movement grew and made its demands, and it was almost inevitable that the long slow switch to income taxes began in the UK in 1799, and after the income tax’s repeal in 1816, re-appeared in 1842. However colonial New South Wales was not Britain. It did not at this early stage have the level of capitalist development necessary to make the imposition of an income tax feasible. So its main taxes were customs duties and excises and this remained the case for the first 50 years of the colony.³¹⁰

The economy began to change from penal colony to market economy, from unfree to free labour. Some wealthy interests opposed this. For example, as part of the process of moving from cheap convict labour to free labour, transportation ended in 1840.³¹¹ The squatters opposed this because it raised their labour costs and thus cut into their profits.³¹² Attempts to transport convicts into Victoria and New South Wales were met with big demonstrations of thousands against such moves, with one newspaper going so far as to suggest taking up arms to stop it from happening.³¹³ The Anti-Transportation League formed out of these struggles and was an important part of the fight for free not convict labour in the colonies.

At the same time as the economy was changing there was a slow and very carefully managed process of democratisation going on to give the rich and economically powerful a say in the state. For example the NSW Legislative Council set up in 1842 had a franchise and membership limited by property holding. To be eligible for election a member had to have property worth more than £2000 or income of more than £100 a year.³¹⁴ Only those with property worth more than £200 could vote.³¹⁵ This limited the vote and Council membership effectively to squatters and wealthy merchants. Even then the Governor appointed the Executive.³¹⁶

With such property and income requirements it is unsurprising that the squatters in 1846 won leasing rights from ‘their’ Parliament over ‘their’ land. They could then convert the lease into full ownership.³¹⁷

³⁰⁸ Ibid, 4.

³⁰⁹ Ibid6.

³¹⁰ Ibid, 5. Smith equates the move to income taxes as driven by the democratisation of British society whereas I would suggest that it was the growth in industrial capitalism that provided the ability to introduce such as tax and the creation of a mass working class hungry for democracy that drove its introduction.

³¹¹ Ibid.

³¹² Ibid.

³¹³ Ibid.

³¹⁴ Hamish McPherson, above n 299.

³¹⁵ Ibid.

³¹⁶ Ibid.

³¹⁷ Ibid.

The squattocracy understood the threat to their interests that democracy posed if it were eventually implemented. They fought back with proposals for an unelected or property qualified vote for a yet to be established Upper House as a bulwark against any democracy that allowed those without property to vote.³¹⁸ Thousands turned out to protest against such proposals.³¹⁹ McPherson quotes a report of the time about 3000 who protested against an anti-democratic Upper House in the Ovens Valley in Victoria. It shows the depth of anger and the extent of the desire for democracy.

A dray formed the temporary platform, on which the Chairman and the speakers were placed. Over the platform was a crimson flag on which was inscribed, "Taxation without representation is robbery". Another flag which waved from a venerable gum tree bore the inscription of "Representation for the miners", and on a third on which was written, "Unlock the lands", a pick and spade crossed were painted.³²⁰

The discovery of gold in prospectable quantities in Bathurst New South Wales in 1851 and then Victoria in various places in the same year changed not only the revenue dynamic but the democratic dynamic too. Class antagonisms had been sharpening well before the discovery of gold. The influx of prospectors from around the globe exacerbated those class tensions. McPherson puts it this way:

The burning questions of the day were the distribution of land, the form of labour that would supply the demands of a growing economy, civil rights and democracy. Conflict over these issues was framed by the moves toward the creation of the separate colony of Victoria in 1850, and toward colonial self-government, which was granted in 1855. All sides understood that the question of how democratic these new political institutions were to be would determine the future shape and direction of society. This conflict would inform the dramatic upheavals of 1854.³²¹

The spark for the demand for democracy and its partial implementation was the gold licence. Although the usual customs duties and excises continued after gold was discovered, both colonial governments – Victoria became a colony separate from NSW on 1 January 1851 - saw the opportunity to benefit from the gold rush by charging steep exploration fees, based on the idea that the gold belonged to the Crown and it could licence people to explore for it as a consequence.³²² Both colonial governments saw the gold mining licence as a new El Dorado. The fee was 30s per month in both NSW and Victoria. To put this in perspective, 30s a month was almost exactly the monthly wage of a rural labourer (who also often received rations on top of that.)³²³

The gold licence neither found reflection in the services and infrastructure the government provided in the gold rush towns nor in the income earned by the miners from exploration and mining. The most successful and the most unsuccessful miners paid exactly the same fee for the chance to be part of the gold lottery. There were not many winners.

The gold rush was literally a rush, a rush of people immigrating to Australia to find gold and escape wage slavery. The figures are staggering. Victoria's population for example grew

³¹⁸ Ibid.

³¹⁹ Ibid.

³²⁰ Ibid.

³²¹ Ibid.

³²² Julie P Smith, above n 300, 7.

³²³ Hamish McPherson, above n 299.

from 75,000 in 1850 to more than 280,000 in 1854.³²⁴ The number working in the goldfields over the same time trebled, from 35000 to over 100,000.³²⁵ Not only that, but the gold rush had an impact on labour that shook the wool and other pastoral industrialists to their core. Many workers left their jobs on the farms and in the cities to search for gold³²⁶ and hope to find a way out of capitalist drudgery. Without shepherds, without sailors, without mechanics, without servants, the rich and powerful found their society and the flow of profits and other comforts drying up.³²⁷

The miners, also known as diggers, came from 'Britain, Ireland, Europe, California and China.'³²⁸ They had overwhelmingly working class backgrounds and experience in Britain and Ireland.³²⁹ Many were influenced by the still warm Chartist ideas of democracy and universal suffrage. A number had been involved in the class or national liberation struggles in Britain, Ireland and the Continent in the 1840s. These ideas and memories of rebellion in all three centres were to play an important part in the Eureka rebellion.³³⁰ Italian freedom fighter Raffaello Carboni is but one example.

It is true that the miners were not workers. The diggers were not selling their labour power to survive but rather expending their labour in the hope of finding gold, essentially a small business, or petit bourgeois, activity.³³¹ However this ignores the idea and reality of transition, a transition from the working class, and in the case of most miners, back to the working class. It also ignores the fact that the traditions and experience of working class life were a living memory for many miners. There was also the reality that the conditions in the camps and the actions of the state in levying the licence fee forced miners together both as part of a shared experience of privation and as having a common enemy, the state. This common enemy imposed and brutally collected the licence fee which was seen, quite rightly, as a major contributor to their rotten conditions and poverty.

In the years before the Eureka Stockade there were protests against the licence fee in New South Wales and Victoria. From Sofala on the Turon River to the Ovens River mine and on to Bendigo, miners there and elsewhere turned out first in their hundreds and then in their thousands to condemn the licence and demand among other things a say in the governments that imposed the unfair tax on them. When in July at a meeting with elected delegates from the Bendigo miners Victorian Governor La Trobe rejected their moderate pleas to repeal the licence fee and dismissed their calls for representation in a Parliament that could approve or repeal the licence, the mood of the miners radicalised.³³²

They decided to pay only 10s instead of 30s for the licence and if the authorities refused to accept that payment, then to pay nothing.³³³ Troops were rushed to Bendigo but the local authorities advised the Governor that if attempts were made to collect the fee there would be

³²⁴ Ibid.

³²⁵ Ibid.

³²⁶ Ibid.

³²⁷ Ibid.

³²⁸ Ibid.

³²⁹ Ibid.

³³⁰ Ibid.

³³¹ Ibid.

³³² Ibid.

³³³ Ibid.

bloodshed.³³⁴ La Trobe decided to try to calm the situation. He asked the Legislative Council to repeal the fee and replace it with a duty on gold exports.³³⁵ They refused. He then suspended collecting the tax from the forthcoming October.³³⁶ The miners celebrated their victory but a few days into the start of October La Trobe re-instituted the fee but at 20s.³³⁷ The miners were incensed at this betrayal and underhandedness.

It was not till the next year that their inchoate anger found outlet. In October 1854 the new Victorian governor, military man Sir Charles Hotham, decided to increase licence checks to twice a week.³³⁸ He wanted to reassert total control over the miners and to increase revenue to address a fiscal crisis. Against this background of growing anger with the police state licence collections and the high non-income related fee, the spark for the rebellion became the acquittal of James Bentley, a hotel owner in Ballarat, for the murder of a miner.³³⁹

Many miners believed Bentley had bribed the magistrate to acquit him. A mass meeting of 5000 miners condemned the acquittal and 1000 marched to Bentley's Eureka Hotel and burnt it down.³⁴⁰ In response the Governor sent 450 police and troops to Ballarat.³⁴¹ They arrested 3 miners, McIntyre, Fletcher and Westerby and charged them with burning down the Eureka Hotel.

A meeting of up to 10,000 miners met to protest the arrest of the 3 miners and how to get them out of jail.³⁴² The air was filled with Chartist ideology and slogans. The meeting elected 3 men with Chartist views to lead a delegation to Hotham to win the jailed miners' release. As McPherson notes:

The three represented different wings of Chartism. Humffray and Black were advocates of "moral force" Chartism – for achieving democratic rights through the persuasive power of mass peaceful action and rational argument. Tom Kennedy was more radical, an advocate of "physical force" Chartism. He argued that direct action against the authorities would be necessary and achieve more than polite appeals.³⁴³

On 11 November 1854 a mass meeting of over 10,000 miners and others set up the Ballarat Reform League.³⁴⁴ Their demands were Chartism with Australian characteristics:

- *Disband the office of Gold Commissioners.
- *Abolish the miners' and storekeepers' licence tax.
- *Full and fair representation.
- *Manhood suffrage.
- *No property qualifications for Legislative Council candidates.
- *Payment of Legislative Council members

³³⁴ Ibid.

³³⁵ Ibid.

³³⁶ Ibid.

³³⁷ Ibid.

³³⁸ Ibid.

³³⁹ Ibid.

³⁴⁰ Ibid.

³⁴¹ Ibid.

³⁴² Ibid.

³⁴³ Ibid.

³⁴⁴ Ibid.

*Short parliaments³⁴⁵

Unfair taxes had again sparked demands for democracy. The program of the Ballarat Reform League alluded to a revolutionary alternative if their demands were not met. It said:

That it is the inalienable right of every citizen to have a voice in the making of laws he is called upon to obey. That taxation without representation in tyranny ... That it is the object of the League to place the power in the hands of responsible representatives of the people to frame wholesome laws and carry on an honest government. That it is not the wish of the League to effect an immediate separation of this colony from the parent country, if equal laws and equal rights are dealt out in the whole free community; but that, if Queen Victoria continues to act upon the ill advice of dishonest ministers and insists upon indirectly dictating obnoxious laws for the colony, under the assumed authority of the Royal prerogative, the Reform League will endeavour to supersede such Royal prerogatives by asserting that of the people, which is the most royal of all prerogatives, as the people are the only legitimate source of all political power.³⁴⁶

‘The people are the only legitimate source of all political power’ is a powerful democratic statement in a time of limited franchise. It was for the propertied governing minority a huge threat. In the eyes of these democratic rebels power, and with it legitimacy and sovereignty, flowed not from Parliaments, nor Kings or governors, or their armed representatives, but from the people. It was for the propertied governing minority a huge threat and they responded with both guile and then force.

Bentley, the owner of the now destroyed Eureka Hotel, was re-tried and found guilty of manslaughter of the miner.³⁴⁷ He was sentenced to 3 years jail. However the 3 miners’ leaders, the diggers McIntyre, Fletcher and Westerby, were also jailed for 3, 4 and 6 months for burning down Bentley’s Eureka Hotel.³⁴⁸ A deputation went to the Governor demanding the miners be released. The Governor refused to accede to their demands and instead talked of a commission of inquiry sometime in the future.

On 29 November a mass meeting of 12000 miners and others met to hear the report back from the delegation. They gathered under calls such as: ‘Down with Despotism! Who so base as to be a Slave! Down with the Licence fees.’³⁴⁹ Again tax and democracy were intertwined. After the failure of the moral suasion group to win concessions from the governor, the more radical elements of the miners’ leadership, based around Peter Lalor and others, won the day. One of the motions passed protested:

... the common practice of bodies of military marching into a peaceful district with fixed bayonets, and also any force, police or otherwise, firing on the people, under any circumstances, without the reading of the Riot Act, and that if Government officials continue to act thus unconstitutionally, we cannot be responsible for similar or worse deeds from the people.³⁵⁰

³⁴⁵ Ibid.

³⁴⁶ Ibid.

³⁴⁷ Ibid.

³⁴⁸ Ibid.

³⁴⁹ Ibid.

³⁵⁰ Ibid.

The meeting elected a leadership body of one representative per 50 miners.³⁵¹ It also resolved to burn their licence fees then and there in a mass show of defiance.³⁵² The Commissioner of the Goldfields wrote to the Governor urging him to put down the democratic rebellion.³⁵³ He said:

The absolute necessity of putting down all meetings, public and private, I think must now be apparent, for the abolition of the license-fee is merely a watchword. The whole affair is a strong democratic agitation by an armed mob. If the Government will hold this and the other gold fields it must at once crush this movement, and I would advise again that this gold field be put under Martial Law, and artillery and a strong force sent up to enforce it.³⁵⁴

A thousand miners armed themselves and swore allegiance to the Southern Cross ‘to stand truly by each other, and fight to defend our rights and liberties.’ They stood their ground at various encampments and the troops and police withdrew for a few days to their camp. The governor sent in reinforcements and the Commander in Chief of the Army in Australia took control of the troops in preparation for the coming battle with the diggers.³⁵⁵ At this stage the rebels could possibly have attacked the camp and driven the police and troops out. They didn’t because their strategy was defence, not revolutionary offensive. The troops’ commanders waited a few days and attacked early in the morning of 4 December when numbers defending the Eureka Stockade were low. The troops routed the rebels, killed 29, some in cold blood as they lay wounded on the ground, and arrested 128. The rest fled.

In crushing the rebellion the government lost the support of the people of Victoria.³⁵⁶ The mayor of Melbourne called a meeting on 5 December in support of the government and its actions. Three thousand turned out and condemned the government and called for the Home Secretary to resign. The day after 6000 in Melbourne demonstrated their support for the miners and their demands. The Home Secretary resigned.

The agitation for an amnesty for all the rebels, including 13 charged with treason, continued over the next few months. The trials began in February 1855. The first one was of an African American called Jeffrey. This was a crude attempt by the Government to stoke racism and reinforce the message that it was ‘foreigners’ who were the problem. A jury acquitted him and he was received as a hero by a crowd outside the court. It was the same for the other 12 as they were all found not guilty over the coming months and cheered by rapturous crowds as they emerged free after acquittal. And still the masses demanded democracy!

The ruling class was scared and began a process of limited democratisation. After the Royal Commission handed down its findings in July 1855, reforms to the electoral laws and mining licence laws saw representatives from mining regions able to be elected. The fee itself was scrapped and a £1 annual fee introduced which enabled miners like Lalor to take seats in the Parliament. Even more importantly, a new source of class pressure arose in 1856. Various building workers fought and struck for the 8 hour day. They won the first 8 hour day in the

³⁵¹ Ibid

³⁵² Ibid.

³⁵³ Ibid.

³⁵⁴ Ibid.

³⁵⁵ Ibid.

³⁵⁶ Ibid.

world. This mass working class action and the popular movement for land reform, to take the land out of the hands of the squattocracy, together with the memory of Eureka Stockade, saw the government legislate for adult male suffrage in 1857 in a lower house Legislative Assembly. The upper house Legislative Council was to remain the preserve of the propertied until 1950.

The demands for democracy in other States saw governments there follow suit over time. An oppressive tax had sparked a rebellion for democracy which won full adult male suffrage in Victoria fully 50 years before male workers in the UK won it.

The Eureka Stockade was the high point of tax rebellion and the struggle for political democracy in Australia. The two later tax highlights – the introduction during World War I of the Federal Income Tax in 1915, effective from 1 July 1916, and the centralisation of tax in the hands of the Commonwealth government in 1942 during World War II – did not directly involve mass working class protests let alone rebellion. They were however responses to societal forces within Australian capitalism and to debates within the ruling class about the best way forward for that system.

Income Tax in Australia – the highlights of 1915 and 1942

The Australian Labor Party formed in 1891³⁵⁷ as a consequence of the defeats of the labour movement in the strikes of the early 1890s. It was born of depression and defeat.³⁵⁸ The party briefly held government in 1899 in Queensland – the first labour government anywhere - and then in 1904 formed the first (admittedly minority and short-lived) national labour government in the world.³⁵⁹ The very fact of Labor and parliamentary representation shifted the thinking of workers from direct won gains through strikes and protests to electing fellow workers who would implement reforms, or even socialism, for the benefit of workers. It is this single fact – the rise of reformism – that destroyed or forced underground the spirit of Eureka. However to echo Marx, the old mole of eureka would burrow underground to spring up at times to challenge the powers that be.

The discussion and practice of tax reform in Australia after the Eureka Stockade becomes the discussion and practice of reformism and conservatism and top down changes for workers or top down changes for capital. The people as direct participants, like they were in the Peasants' Revolt, the English Civil War, the American Revolution, the French Revolution, the Chartist movement and the Eureka Stockade, is missing. This is not to say that the working class were not agitating and fighting on the streets and in the workplaces for better wages and sometimes for progressive policies. It is just that tax was no longer a spark for rebellion in Australia. Viewed in light of the tax rebellions over the last millennium, this is likely to be a historically temporary set of affairs.

³⁵⁷ Tom Bramble and Rick Kuhn, *Labor's Conflict: Big business, workers and the politics of class* (Cambridge University Press, Melbourne, 2011) 25.

³⁵⁸ Ibid.

³⁵⁹ Ross McMullin, 'Chris Watson and the World's First National Labour Government' (Winter 2005) 4(4) *The Hummer* <<http://asslh.org.au/hummer/vol-4-no-4/chris-watson/>>.

Some States had begun to introduce income taxes before Federation in 1901.³⁶⁰ Tasmania for example introduced a withholding tax on rents, dividends and annuities in 1880.³⁶¹ South Australia introduced a general income and land tax in 1884 and the other States followed suit over the next 2 decades.³⁶² While the Constitution gave the Federal government a concurrent power, with the states, to impose tax, the first Federal tax that required a bureaucracy to collect it was land tax.³⁶³ It began in 1910 and marks the establishment of the Australian Taxation Office. 1910 was also the year that the Fisher Labor government came to power. The Land Tax, a Labor initiative, was designed to break up big landed estates.³⁶⁴

It was also introduced to support the newly introduced pension.³⁶⁵ Labor had promised in 1906 to implement just such a tax to fund an aged pension.³⁶⁶ In 1908 the first Deakin government introduced the aged and invalid pension.³⁶⁷ Men and women over 65 were eligible for the pension and in 1910 it was made available to women over 60. It was funded out of general revenue.³⁶⁸ So it was no surprise Labor, when it could, introduced a land tax. The need to finance social welfare and how to do so weighs heavily on the mind of all governments since the age of social welfare began. In Australia that was 1908, federally and the list of social and public services has increased markedly since then.³⁶⁹

It was the First World War and the enthusiastic response of all major political parties³⁷⁰ that led to the introduction of the Commonwealth income tax in 1915. As Krever and Mellor put it ‘... the costs of waging war were well above the cost of peacetime governance and the revenue shortfall was growing.’³⁷¹ Julie Smith notes that ‘...commentators saw the income tax as a sensible move to finance Australia’s role in the conflict.’³⁷² Given that government spending increased from virtually nothing to over one fifth of GDP during the war,³⁷³ this seems a sensible conclusion. In addition, the tax was progressive and redistributive, a factor

³⁶⁰ Sam Reinhardt and Lee Steel, ‘A brief history of Australia’s tax system’ The Treasury: Economic Roundup Winter 2006

<http://archive.treasury.gov.au/documents/1156/HTML/docshell.asp?URL=01_Brief_History.asp>.

³⁶¹ Julie P Smith, above n 301, 147.

³⁶² Ibid, 24-29 and 147-150.

³⁶³ Ibid 149 and 151.

³⁶⁴ Richard Krever and Peter Mellor, ‘Development of Centralised Income Tax in Australia: 1901-1942 in Peter Harris and Dominic de Cognan (eds), *Studies in the History of Tax Law Volume 7* (Hart Publishing, Oxford, 2015) 363, 368.

³⁶⁵ Julie P Smith, above n 300, 43.

³⁶⁶ Ibid.

³⁶⁷ Leslie Nielson, Economics Section, Parliamentary Library, ‘Chronology of superannuation and retirement income in Australia’ <http://www.aph.gov.au/binaries/library/pubs/bn/eco/chron_superannuation.pdf> 1.

³⁶⁸ Ibid.

³⁶⁹ For a more theoretical and philosophical discussion of the relationship between tax, benefits and legitimacy see Miranda Stewart, ‘The Tax State, Benefit and Legitimacy’ in Peter Harris and Dominic de Cognan (eds), *Studies in the History of Taxation Law Volume 7* (Hart Publishing, Oxford, September 2015) 483.

³⁷⁰ The Labor Opposition leader Andrew Fisher just before the war broke out and in anticipation of war famously proclaimed ‘... should the worst happen, after everything has been done that honour will permit, Australians will stand beside the mother country to help and defend her to our last man and our last shilling.’ See for example Jonathan Curtis, Research Branch, Parliamentary Library, ‘To the last man’—Australia’s entry to war in 1914’

<http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/AustToWar1914>.

³⁷¹ Krever and Mellor, above n 363, 370.

³⁷² Julie P Smith, above n 300, 45.

³⁷³ Ibid.

which bought support for the tax from the working class who were largely exempt from it.³⁷⁴ In other words the Federal Income Tax Act 1915 remained, to use Jones's terminology, a class tax. However its interaction with state income taxes muddied that exemption water somewhat.

Krever and Mellor add another layer of complexity. They argue that the income tax, which had no end date, was part of the process of centralisation of power in Australia that would take decades to concentrate revenue and other powers in the hands of the national government. As they say in their abstract:

The Commonwealth's entry into the income tax field in 1915 is often explained as a wartime measure. This chapter explains how other motives, particularly the goal of extending Commonwealth jurisdiction over State regulated economic fields, may have been an equal or greater consideration.³⁷⁵

Interestingly they conclude that '[i]t remains an open question whether the experience of the evolution of a centralised income tax system in the period 1915 to 1942 is the story of inevitability or coincide of circumstances.'³⁷⁶ I would suggest that, absent the struggles of the working class directly around tax, it was an inevitability that accorded with the ongoing trends to centralisation of capital around the globe, the ever closer and closer relationship between state and capital that was the hallmark of capitalism in the 20th century, until the age of neoliberalism from the 80s and the fall of the Stalinist state capitalist regimes in 1989-1991, and coupled with the need to sweep away the multiple layers of the state in dealing with business's most important reality – its profit and the tax payable thereon. All that the Commonwealth had to wait for to implement this inevitability was a coincidence of circumstances and it found them in World War I and II.

World War I, while it saw no direct class conflicts over tax, certainly was a period internationally and in Australia of class struggle. The apogee of this struggle was the Russian revolution in 1917 when in October workers took power through their own institutions of governance, the soviets or workers' councils. This was one major contributor to the end of the war between the major imperialist powers in Europe. The other was the German Revolution which broke out on 2 November 1918 and was not finally ended until 1923.

In Australia the class struggle during World War I broke out over, among other things, conscription. It was an issue that split the Labor Party. Twice the Australian working class rejected referendum proposals to allow conscription and the debates were often in specific class terms. The rise of the anti-conscription movement along class lines, the small but growing audience the Industrial Workers of the World were winning as a small but growing alternative to the Labor party with their One Big Union, direct action philosophy and anti-war and then anti-conscription arguments and actions, and in 1917 the New South Wales general strike frightened both the Labor Party and the wider ruling class. For example the Labor government and state governments combined to smash the IWW, or Wobblies as they were affectionately known, through frame ups, and in the end brutal repression which criminalised membership and then the group itself. The irony of fighting for freedom in the War to end all

³⁷⁴ Ibid.

³⁷⁵ Krever and Mellor, above n 363, 363.

³⁷⁶ Ibid, 392.

wars while smashing up the printing press of the Wobblies and jailing their leaders and members was lost on the ruling class.

The privations in Australia that the working class suffered during the war and the slaughter of its soldiers fighting in Europe saw the initial euphoria with the war fade among many workers, to be replaced with despair and in some case radicalisation. It was not however till 1920, inspired by the Russian Revolution, that the Communist Party in Australia formed, built in part by former Wobbly members and by workers, intellectuals and returned soldiers radicalised by the war and the impact of the Russian Revolution. One of the CPA's first popular calls was to tax the rich, just as the Wobblies had also argued occasionally before they were smashed in 1917. But this of course was in the days before it became a thoroughly Stalinist Party and the spirit of socialism from below, i.e. by the working class acting in its own interests democratically actually still lived on in it.

The income tax continued after World War I, with a period of concurrent income tax imposing burdens on business and other taxpayers.³⁷⁷ Smith describes this as two suns in heaven,³⁷⁸ a most arresting and apt description.

It took the Second World War to break this situation of dual revenue raising power. The Second World War provided the opportunity to accelerate the concentration of revenue raising and hence by extension other economic power in the hands of the Commonwealth. The Curtin Labor Government introduced its Uniform Tax Acts in 1941. The 1942 High Court challenge by the States to their constitutionality failed. Smith argues that because the tax was progressive and taxed the rich more, it had popular support.³⁷⁹ It was also popular because it was linked to funding a widow's pension introduced in 1942³⁸⁰ and unemployment benefits in 1944. While the tax was in 1942 a class tax in the sense that it exempted most workers with its high tax free limit, that changed in 1943 with a reduction in the tax free threshold which meant the Federal income tax applied to adult workers for the first time. It had become a mass tax (i.e. a tax on workers) under the cover of war. The changes appear to have produced little public disquiet. A Labor government can, because of its closer relationship to the working class and through its ties to the trade union bureaucracy, often get away with bigger attacks on workers than the conservatives can ever hope for.

It was 3 September 1939 when Britain declared war on Germany for its invasion of Poland. Australia followed. At 9.15 pm that evening Prime Minister Menzies told his countrymen and women: 'Fellow Australians, it is my melancholy duty to inform you officially that, in consequence of the persistence of Germany in her invasion of Poland, Great Britain has declared war upon her, and that, as a result, Australia is also at war.'³⁸¹

It was a war the Australian working class by and large supported. Although workers distrusted Menzies, and his government was weak because it was dependent on the support of two conservative independents, they trusted the Labor Party who enthusiastically supported

³⁷⁷ Krever and Mellor, above n 363, 370 et ff.

³⁷⁸ Julie P Smith, above n 300, 46.

³⁷⁹ Ibid, 71.

³⁸⁰ Ibid.

³⁸¹ Australian War Memorial, 'Prime Minister Robert G. Menzies: wartime broadcast' <https://www.awm.gov.au/encyclopedia/prime_ministers/menzies/>.

the war.³⁸² Couple Labor leadership on support for the war with the threat of Nazism and of Japanese invasion (talked up by our rulers and appealing to the baser racist instincts inculcated in the Australian working class by its Labor and conservative leaders) saw high levels of support from workers for the war. The CPA opposed the war for the first few years, not out of any revolutionary analysis, but at the behest of Stalin. Russia at that stage had a deal with Germany to divide up Poland and so its Australian mouthpiece sat silent. Only when Hitler invaded Russia in 1941 did the CPA join the war effort. Apart from mouthing the usual claptrap about defending socialism in the USSR, which was in reality about defending the new state capitalist overlords in charge of the Russian state, the other important role the CPA played was to suppress strikes and wages to further the war effort. The CPA had a strong following in a number of unions and used that strength to convince workers to support the Australian war effort and defeat the fascist threat to socialism. The spirit of Eureka was dead during World War II. One problem was that the working class was stuck in either reformism, or its cousin, Stalinism, both examples of 'socialism' from above and top down rule. The other problem was that this was a war at many levels – against Nazism, for British imperialism (although the US was on the verge of becoming the dominant imperialist power as a result of the war, and as we saw when the Iron Curtain approach dominated Western thinking, in reality even when they were allies, in competition with Russian imperialism.³⁸³

What was missing in Australia during World War II was any political or working class movement of sufficient size and political clarity to build working class opposition to the war and with it to argue that the rich should bear the burden of revenue raising during their war, not workers. It was not to be.

The degeneration of the CPA into Stalinist party, mirroring the battles in the USSR in the mid to late 1920s, and becoming a small mass party during the Depression was one aspect of this inability and working class acceptance of privations (including income tax cutting their living standards) during the war. Another factor was the hold of the Labor Party over workers and the fact it was in Government during and after the war. The party, as a capitalist workers' party,³⁸⁴ was both of the working class and against it. It manages capitalism. And so it was during World War II and in relation to income tax. The uniform income tax was a tool of both revenue raising and Keynesian macroeconomic stability, and a key to future funding of the welfare state that was needed to pay back workers for the sacrifices during the war and prevent an after war radicalism that hit much of Europe and even saw the successful war leader Churchill lose the 1946 election to a Labour Party with a reforming programme.

Social democratic dreams of reform flow from the labour-capital relationship. They are a response to the necessity for workers to sell their labour power. However the history of social democracy in Australia since the 1980s under Hawke and Keating has seen the Labor Party abandon that reformist approach as part of its historic role of managing capitalism and responding to the global crisis of capitalism and falling profit rates that re-asserted

³⁸² Bramble and Kuhn, above n 356, 56.

³⁸³ Famous Marxist economist Ernest Mandel argues that there were five different wars going on. See for example Ernest Mandel, 'Trotskyists and the Resistance in World War Two' <<https://www.marxists.org/archive/mandel/1976/xx/trots-ww2.htm>>. Note that he parrots the old Trotskyist line about the war being a defence of the workers' state against imperialism. It is a funny type of workers' state that does not have workers running it democratically through their own organs of government.

³⁸⁴ John Passant above n 290, 20-21.

themselves around the end of the 1960s and beginning of the 1970s. Labor embraced neoliberalism and implemented a transfer of income and wealth from labour to capital unprecedented in Australian history. . It is in the process of moving from being a capitalist workers party to a CAPITALIST workers' party and on to a capitalist party.³⁸⁵

We can see this in the politics around the introduction of the Goods and Services Tax in Australia. In the 1998 GST election John Howard and his Liberal National Coalition government won the majority of seats but won only 49 percent of the vote compared to Labor's 51 percent on a two party preferred basis. Labor had campaigned against the introduction of a GST and then in 2004 on the policy of 'roll-back'. However in government from 2007 to 2013 successive Labor governments left the GST alone. The revenue had become a central part of their thinking. Similarly Labor is opposing proposals in 2015 to consider a range of GST reforms, such as increasing the rate from ten percent to 12.5 percent or 15 percent and broadening the base to include fresh food, health and education spending, financial services and sewage and water charges. At not stage has Labor mobilised opposition to the regressive GST on the streets or in the workplaces. The spirit of Eureka is dead in the hands of Labor.

However the old mole of class struggle continues to burrow away, often hidden, sometimes in the open.³⁸⁶ As Lenin once remarked 'There are decades where nothing happens; and there are weeks where decades happen.' We might be in the decades of nothing happening, in part because of the role of the Labor Party, but the portents are there for a coming bushfire of revolt. If we couple the repressed anger below, reflected in Australia for example by a disengagement from traditional politics and the collapse in membership of the Labor Party as the party of progressive change, with the continuing growth of inequality in Australia, then the warning of Piketty³⁸⁷ and other major economists³⁸⁸ about the possibility of an explosion against that inequality and against the system itself remains a possibility. The ideas of primitive equality may have morphed into something more sophisticated among working class people globally and in Australia,³⁸⁹ but the result may still be the same – an explosion of class struggle. Quantity into quality as some dialecticians might argue. Equality remains engraven in our hearts.

CONCLUSION

This broad sweep of history has hopefully shown that tax, war, democracy and rebellion, and sometimes even revolution, are intertwined. The long slow march of history over the last millennium has been to more and more democracy, with ups and downs along the way not detracting from that broad tend. Democracy is not only about having a say in what taxes are levied and where the revenue is spent, although that is an important component of the march

³⁸⁵ Ibid.

³⁸⁶ Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (International Publishers 1938) 107.

³⁸⁷ Thomas Piketty, *Capital in the Twenty-First Century* (Harvard University Press, 2014).

³⁸⁸ See for example Joseph Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers Our Future* (2012, W W Norton and Co).

³⁸⁹ This desire for equality among workers arises from and is a result of the capital labour relation and the need for workers to sell their labour power to survive.

of democracy and the uprisings tax has helped provoke. It is not just about political democracy. It is also about economic democracy and challenges to the exploitative nature of feudalism and capitalism, often couched in terms of representation or angst against the imposition of taxes that cut the effective value of labour power by reducing after tax income for example.

Today the old mole of class struggle in Australia appears dead. Our task should be to rekindle the spirit of Eureka and argue for economic justice. A first stage in that is tax reform that is redistributive from capital to labour, a demand in the current crises of global and Australian profit rates our rulers cannot accede to. This then may raise questions about the nature of capitalism and its capacity to provide adequately for a working class feeling more and more exploited and brow beaten and working on average an extra 6 hours unpaid a week for the employing class (and in the order of 12 hours a week for academics). We can reach back in history and argue based on what peasants and workers have done in the past, for a society of economic justice. Such a social revolution is one that abolishes the exploited class's own exploitation. The long slow march of history to real economic justice continues, sometimes hidden, sometimes open. The old mole of class struggle is not dead; it is burrowing away under the surface waiting to break out and win that real economic justice that today we can only dream of.