

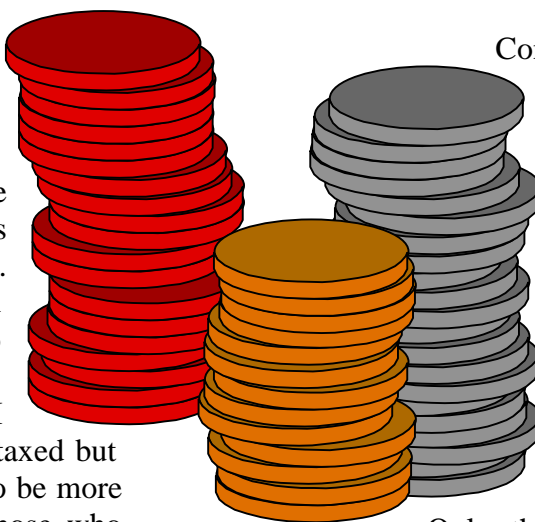


## No Representation Without Taxation! - J C Lester

**T**he other day I saw some old film footage of Suffragettes marching with a banner that read, “Taxation Without Representation Is Tyranny”. I seem to remember that some American colonials also once expressed similar views (whatever happened to them?). Most people would now regard that point as a fair one. I am no great fan of democracy, preferring liberty, but even I can agree that people who are taxed but not allowed to vote are likely to be more than averagely oppressed by those who can vote.

This then prompted me to consider the converse proposition: Representation Without Taxation Is Tyranny. It would, of course, be a fallacy to think that this is entailed by the first proposition. But surely it is just as reasonable. In the mid-nineteenth century most people accepted it as a fair limit on the franchise. Why should people who are not taxpayers be allowed to vote money away from those who are? If we must have state services, it should at least be for those who pay for them to vote for which services they want and how much they wish to pay. To allow those providing, or living off, the services to vote is like allowing a shopkeeper to vote on what you must buy from him, or a beggar to vote on what you must give him. Naturally, I hear you say, but doesn't everyone pay tax, at least on goods and services? And so is the proposition not true but irrelevant? No, they do not and it is not. Not by a very long chalk.

### People in the pay of the state are not genuine taxpayers



Consider the state distribution of tax-money. We can see that this must create two social categories: those who are net taxpayers and those who are net tax recipients.

Only the net taxpayers can be said to provide the state with tax-funds. The net tax recipients are paid out of taxation, plus any payments in newly created state-currency (which effectively taxes those who hold money). So to the extent that people are in the pay of the state they cannot be genuine taxpayers. A proof of this is that if their jobs were abolished the state would have more money to spend elsewhere, unlike those jobs in the genuinely taxpaying sector.

To take a clear case, when a direct state-employee, such as a civil servant, receives his salary cheque, there will be an apparent deduction for the amount of tax that he pays. As a matter of fact this is a mere bookkeeping exercise designed to keep up the pretence that he is a taxpayer along with everyone else. Abandoning this pretence of taxpaying and simply paying him less in the first place would save taxpayers' money in administration and make the political reality clearer to all.

## **An absolute injustice**

Now, I am not arguing (here at least) that the people who live off taxation are social parasites. For the sake of argument, I am prepared to grant the (absurd) assumption of so many superior state services that the state ought to employ half the population. My point is that it should be clear who is paying what to whom and that those who are being paid cannot be allowed to decide what is to be paid for — which is what allowing them the vote does. This is an absolute injustice, a tyranny that destroys the wealth and liberty of the real taxpayers.

## **Class Theory: True and False**

Wouldn't allowing only taxpayers to vote be socially divisive? The social divide is there already. This is merely a demand that it be unmasked and that those who do not pay taxes be stripped of their privilege to vote themselves more 'resources' (as tax-recipients like to euphemise tax-money). Charles Comte, Charles Dunoyer, and Augustin Thierry were foremost among those who exposed this divide as the classical liberal theory of class. Yet Karl Marx took classical economics's supposed clash between labour and capital for his own notorious class theory. However, while there is sense to the idea that taxpayers and tax-recipients are at odds with each other (for every gain to the tax-recipient is a greater loss to the taxpayer in a destructive struggle), there is no truth in the idea that workers are at odds with capitalists (for there are gains to both sides, and to the consumer too, in the process of production). But if only the genuine taxpayers are voting for services that they want, then any conflict between the two tax-classes is minimised: taxpayers cannot be milked by tax-recipients (though there is still democracy's inevitable tyranny of the majority within the group of voting taxpayers).

## **Who doesn't and does pay taxes?**

So who does not pay taxes and so ought not to have an electoral vote? Judges, state-school teachers, all in local government, state policemen, all in the armed forces, all in prison, all in the NHS, all in the civil service, all employees of the BBC, all the unemployed, all in academia (except, perhaps, in the private University of Buckingham), some farmers, some solicitors, maybe some barristers, any employed in businesses that receive tax-subsidies in excess of their tax-payments, and MPs with insufficient taxed market-incomes to cover their salaries. I cannot list them all, but you see the size of the problem. You can also see that there is no class conflict in any quasi-Marxian sense here.

Who, then, does pay taxes? Well — anyone who is left. If you are in any doubt as to which category that you are in then the simple test is to ask yourself whether, in your current position, you would have more purchasing power or less purchasing power if taxation were completely abolished.

## **The benefit of the doubt**

There are some who are on the periphery of net tax-receiving and whom it will not be possible to distinguish with certainty. These people receive most of their income from purchases by state institutions or state employees. The latter is especially hard to be sure of. For instance, those working for *The Guardian* and *New Statesman & Society* might just fit this category. But if it is too hard to prove then they might have to be given the benefit of the doubt. Though if the state sector shrinks, due to a new Taxpayer Democracy, then enterprises will decline to the extent that they necessarily depend on indirect state patronage. In the case of the latter two publications I would expect such journals as *The Times* and *The Spectator* to expand to replace them.