When in Rome: Taxes and Outrage in Ancient Rome

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> Over the course of Rome's long history, taxation was frequently a source of outrage and grief. Indeed there is a basic lesson to be learned from Roman history, namely that people did not like paying taxes they found unjust, writes Stephanie Forrest

It was winter in AD 357, and the Roman Gaul (broadly France) was under attack from barbarians. In the last episode of fi ghting, vast tracts of land had been devastated. To remedy the losses for landowners, the Praetorian Prefect Florentius and the bureaucrats under his charge decided to raise an emergency levy, in addition to the standard poll tax and land tax.

In marched Julian, the Caesar—a 'junior Emperor' in this late period of Roman history. According to the historian Ammianus Marcellinus, when Julian learned about the planned levy, he:

"declared that he would rather lose his life than allow it to be done. For he knew that the incurable wounds of such arrangements, or rather derangements … had often driven provinces to extreme

poverty."

Later, when another tax increase was proposed to him, he 'could not bring himself to read [the decree] or sign it, but threw it on the ground'.

This tale about Julian still resonates with us today. True: we are not under immediate attack from barbarians. Yet debates over taxation much like this one are a feature of politics today, just as they were 1,658 years ago. This anecdote is one of many. Overall, there are many interesting lessons that can be drawn from the Roman experience of taxation. First, it shows us that people haven't changed that much over the last several hundred years. Now as then, people hate paying taxes—particularly taxes they consider unjust.

Second, it shows that many of the tricks our governments use to raise revenue are nothing new. Th ey were also attempted by the Romans. Overlooking a strong central government and what was probably the most advanced economy in the history of the world prior to the Industrial Revolution, the Roman Emperors required increasingly vast revenues to fund their armies and the workings of the state. At various times, they tried to achieve this by creating new taxes, raising taxes on the rich, or devaluing the currency.

Third, the Julian anecdote shows that it has long been recognised that excessive taxation can actually be counter-productive and harm the economy.

Indeed, it has even been suggested at various times—though not proven— that over-taxation contributed to the collapse of the Western Roman Empire in the fifth century.

This is topical now, in 2015, while the federal government and commentators are grappling with the question of how best to tackle Australia's mounting deficit problem. Both the Abbott and now the Turnbull governments have proposed increasing taxes as if this will solve the government's spending problem.

Debates of this kind are certainly nothing new. They reappear throughout much of human history, and there is little doubt that they become particularly visible in the Roman Empire between the third and sixth centuries. This led one prominent Roman historian, A. H. M. Jones, to claim in the 1950s, 'rarely in recorded history has there been a louder and more persistent chorus of complaint against the taxes than under the later Roman Empire.'

It is in these centuries that taxation is blamed for the impoverishment of regions. Th is clearly occurs in the anecdote cited above from Ammianus Marcellinus, in which Julian connects tax levies with the impoverishment of certain provinces of the Empire. The same idea is most famously expressed by the early fourth century Christian writer, Lactantius. Reflecting on the reign of Diocletian (r. 285-305), he claimed:

"There began to be fewer men who paid taxes than there were who received wages; so that the means of the husbandmen being exhausted by enormous impositions, the farms were abandoned, cultivated grounds became woodland, and universal dismay prevailed."

Nor were these writers lone voices. Th e orator and statesman Th emistius likewise complained in the middle of the fourth century that the tax burden had doubled over the last four decades. Later, in the middle of the sixth century, the historian Procopius complained about the exactions of the Eastern Roman Emperor Justinian I and the destruction of the economy in his eff orts to portray Justinian as an autocrat.

Indeed, one old argument that has been advanced since the beginning of the twentieth century is that high taxation contributed to Rome's decline in this period. Major proponents of this argument have included author and Pulitzer Prize winner H. J. Haskell (d. 1952), British historian A. H. M. Jones (d. 1970), and American economic historian and former Reagan domestic policy adviser, Bruce Bartlett. All three of these worked independently of each other, but nonetheless produced similar arguments. The essence of it is that the Roman Empire—under Augustus— began with a small government, which translated for the most part to low taxes and economic prosperity.

As time passed by however, the expenditure of the Roman government rose due to military costs, public works, welfare costs, and the growth of the central bureaucracy.

Since from the early second century the Empire had largely stopped expanding, governments could no longer rely on conquests as a source of income. There were now two potential ways through which the government could raise money to pay wages and fund its existence: either it could increase taxes or mint more coins.

It ultimately resorted to both measures. From relatively early in the period, the government increased taxes on the wealthiest segments of society as a quick measure for raising revenue—a measure which is repeated in modern times. Later in the second century, Roman governments also began to mint further coins with diminished silver content. The typical narrative of this period of Roman history maintains that the devaluing of the currency led to episodes of rapid inflation.

According to this narrative, the key moment occurred in the third century, when the Roman Empire almost collapsed in the midst of a crisis. Over fifty years, it was nearly torn apart by ongoing civil war. Warlords rose and fell from power, and most did not survive more than a few years on the throne. More than anything else, the military became the determining factor in the struggle for power. As a result, successive Emperors expanded the Roman armies and poured more resources into them to secure its support and fend off the barbarian invasions that were occurring at the same time. Meanwhile, inflation was reaching crisis point and crippling the Roman economy.

The standard version of the story says that while the government expanded throughout this period, the broader population suffered as a result of economic crisis and repeated exactions by the government.

Some historians have speculated that the burden was particularly harsh on the small-holders and mercantile class—the so-called Roman 'middleclass'. Some have even gone so far as to argue that the beginnings of feudalism in the West date to this period.

According to this line of thinking, burdened smallholders voluntarily put themselves under the protection of major landholders, preferring to work on the land as tenants or even to sell themselves into slavery. This practice was so widespread that in the later fourth century, apparently, the Emperor Valens issued a law expressly prohibiting it.

In the decades after the crisis, the Emperors Diocletian and Constantine consolidated the power of the Roman government by undertaking various administrative reforms. Some of these were good: they reformed the currency and standardised the taxation system, which gave citizens some degree of certainty. Yet these reforms did nothing to curb the expansion of the state.

Increasingly, tax revenue was not adequate to fund the needs of the government. The more the taxes were raised, the fewer were willing or able to pay them, and the less revenue the government collected. The ‘middle class’, so the argument goes, was wiped out by excessive taxation, widening the gap between the rich and the poor.

Some have speculated that the increased taxation caused tax evasion on a massive scale. It was roughly in this period that ‘coin hoarding’ became commonplace in Britain and some other areas of the Empire. All of this happened while the borders of the Empire were being penetrated by barbarian tribes, who had long been pressuring the Roman borders in a quest for wealth and more arable lands. The cost of keeping them out was too much for the inhabitants of the Roman dominion. In the end, they succumbed to barbarian rule, and the Western Empire fell apart.

This narrative should not be embraced as established fact. Today’s scholarship is somewhat divided over whether the decline of the economy in the third and fourth centuries was as severe as authors like Lactantius and Ammianus Marcellinus claimed.

Moreover, it does not fully explain why only half of the Empire collapsed in 476. The Eastern half struggled on for another thousand years, although it too partially disintegrated over the course of the seventh century, and remained in a substantially-reduced form for the rest of its existence. Nevertheless, this should not detract from the basic lesson—people haven’t changed that much. We don’t like paying taxes we consider overly burdensome, and never have. Taxation, over the course of Rome’s long history, was frequently a source of outrage and grief.

In Rome, as in Australia today, it was also recognised by some that excessive government and the burden of taxation can be counter-productive, and can impede human flourishing.

And so far as the fall of the Western Roman Empire was concerned, it does not require too much imagination to speculate that the inhabitants of the Western Roman frontiers in the fi ft h century, given a choice between rule by the overburdened, heavily-taxing Roman government and the comparative freedom under the rule of the barbarians, might have opted for the latter—albeit at a terrible cost for future generations.

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