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Stephen Utz
University of Connecticut School of Law

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Chartism and the Income Tax

Stephen Utz

Although the identity of Chartism was bound up with political demands, many in the movement consistently pressed for the repeal of duplicative taxes on consumption and the introduction of even-handed taxation of land, capital and labour. Earlier popular radicals had asked for limited tax relief. Chartist leaders from the outset saw a link between fiscal problems and the democratic deficit prolonged by the Reform Act, insisting that a broader franchise would quickly lead to a broad direct tax. Novel features of their tax agenda emerged as they transformed views first aired in radical attacks on the replacement of workers with machinery and on the house and window taxes. By 1842, when Peel reinstated the income tax, they were arguing in their own words for the equity and neutrality of such a measure. Historians of the movement have neglected the coherence and detail of this Chartist agitation. With Peel’s defeat, and Disraeli’s failed attempt to extend the income tax, parliamentary hearings on making the tax permanent reflected elements of the movement’s distinctive views.

Introduction

Chartism gave the British working class of the early nineteenth century a distinctly political voice. The “People’s Charter,” from which the movement took its name, was a petition for parliamentary and electoral reforms and a challenge to the shortcomings of the Reform Act 1832, which had left 95 per cent of the British population ineligible to vote. Twice Parliament rejected the Charter, but Chartists remained passionate and at times distinctly menacing. The Government successfully blunted any threat the movement may have posed with a mixture of tolerance and selective repression. During its short career, however, Chartism held the attention of a wide public. It impressed Carlyle as an authentic, if dangerous, voice of the awakening industrial work force. The Anti-Corn Law League (ACLL) made an organised, if implausible, effort to harness its energy for the cause of free trade. Engels saw it as the prototype of the revolutionary proletariat, persuading Marx of its heroic potential. Historians of popular radicalism

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1 Professor of Law, University of Connecticut School of Law.
4 Mather, above fn.1, 372–405.
in our own time have lavished attention on it. Yet no one has commented on its serious advocacy of the income tax, a signature concern which had already emerged as a prevalent working class theme and briefly served to embody the movement’s implicit economic aims.

It has been easy to ignore the Chartists’ tax agenda, because others not concerned with working class issues also favoured the revival of the income tax and did so more eloquently. Contemporary parliamentary leaders, members and staff of the Board of Trade, and influential middle-class opinion makers made known their favourable view of a direct tax on income without risking a charge of class conflict. The 1828 Select Committee on Public Income and Expenditure, chaired by Sir Henry Parnell, roundly criticised the duplicative excise and customs, the only substantial taxes of the years after Napoleon’s defeat, as discouraging free trade and encouraging Parliament to entertain military adventures. Parnell restated these conclusions in On Financial Reform, a slender but extremely effective volume published in 1830. This, we now know, expressed the collective views of a fiscally sophisticated group, Peel among them, who served on the Board of Trade or were close to its work. Although these insiders considered the consumption-based taxes then in force to be bad policy for both fiscal and humanitarian reasons, they did not criticise the existing tax system’s tendency to favour capital over human labour, as did the Chartists. Perhaps because these sophisticated critics played down the human cost of high taxes on necessities, the Chartists seem not to have noticed them.

Chartist leaders instead wove together several lines of thought that had emerged in labourite attacks on the replacement of workers with machinery and in the later public debate over the house and windows taxes. In doing so, they linked fiscal problems with the democratic deficit prolonged by the Reform Act, invariably arguing that a broader franchise would quickly lead to needed tax reform. Earlier workers’ movements had asked for limited tax relief. Desperate hand-loom weavers had blamed their loss of employment on the rapid spread of the steam-powered loom with which they could not compete because taxes on food made human labour more expensive than machinery. But they failed to explain how taxes on machinery would work. Radicals who spoke for repeal of the windows and house tax in the public debate on that topic in 1831–1833 naturally linked the machinery theme with a demand for a single direct tax on “property,” by which they meant property’s average yield, an obvious proxy for “income.” In

8 This neglect may be due in part to the fact that historians were once reluctant to explore links between fiscal policy and political change. See J. Brewer, The Sinews of Power: War, Money and the English State, 1688–1783 (London: Routledge, 2002), 23.
10 Sir H. Parnell, On Financial Reform (London: John Murray, 1830). Parnell had defended the Corn Laws during the years following Napoleon’s defeat, but his parliamentary career and his experience as a member of the Board of Trade, the office charged with monitoring corn prices as needed for the enforcement of the Corn Laws, had persuaded him and other Board of Trade members, including Peel, that the excise and customs regime harmed the private economy and could not sustain the Government’s revenue needs.
12 See R. Montgomery Martin, Taxation of the British Empire (London: E. Wilson, 1833), 278, below fn.26, and accompanying text.
1834, John Maxwell and John Fielden led a parliamentary select committee’s investigation into hand-loom weavers’ complaints, in which they paired the demand for eliminating taxes on subsistence items with that for a shortened work week. A substantial contingent among the Chartists repeated and enlarged this theme, preferring it to the mere repeal of the Corn Laws for which the ACLL sought Chartist support, and explaining in detail how a broad direct tax on property would treat labour and capital more even-handedly.

Radical newspapers close to Chartism or its precursors provide ample evidence of popular radical interest in tax-related arguments, demands, and proposals. Some at the forefront of popular radicalism before 1838 brought to Chartism a catalogue of reasons for regarding both a broad direct tax and the repeal of runaway consumption taxation as necessary goals. It cannot be said that all Chartists favoured income taxation; some opposed any economic agenda. But many sources show that tax issues galvanised both leaders and rank-and-file members of the Chartist movement, and when taxation was uppermost in the discussion, a substantial core of the movement’s spokespersons invariably championed income-sensitive taxation both before and after 1842, when the British income tax began its continuous existence.

Feargus O’Connor, for example, gradually synthesised machinery and property tax themes in the course of his career as a Chartist leader. His early interest in the re-distribution of tax burdens and his support in 1832 for the repeal of the window and house taxes can be seen as leading naturally in this direction. He agreed with the call for a “heavy property tax,” and the equalisation of the tax burdens on labour and competing capital. In his view, the magnanimous spirit of a more inclusive electorate would ensure this result. In 1842, he vehemently welcomed Peel’s reintroduction of the income tax, as if this had always been part of the Chartist agenda. This cordial endorsement of Peel’s surprising reform must have been palatable to O’Connor’s Chartist audience then, given his general sensitivity to their mood.

Like constitutions of the same era, the early British income tax was a skeletal legislative product that, once launched, had to reflect public expectations. Support for the 1842 revival grew steadily over two intervening decades of public debate among both insiders and outsiders, each with distinct ideas about the merits and with different ways of understanding the purpose and function of the new tax. Chartists commented repeatedly on both the fairness and what would now be called the neutrality of the income tax. The fact of their grassroots support, which probed

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13 See below, fnn.79–86 and accompanying text.
14 See G. Claeys, Citizens and Saints: Politics and Anti-Politics in Early British Socialism (Cambridge: CUP, 1989), 150–152 (Owen’s argument that fiscal reform did not serve socialist aims) and 208–260 (analysing the divergence of Chartism and Owenite socialism).
15 [Unsigned lead editorial], “Down with the Whigs!”, Poor Man’s Guardian, August 20, 1831 (calling for a single “heavy property tax” to replace all other taxes).
16 See below, fnn.95–99 and accompanying text. Not only were “property tax” and “income tax” used almost interchangeably during the interregnum between the Pitt and Peel income taxes, but radicals who favoured repeal of the window and house tax in the heightened tax reform debate of 1831–1832 clearly declared their goal to be that of replacing the confusing and duplicative consumption taxes of the post-Napoleonic era with a single direct tax, invariably, an “income tax” or a property tax measured by the (deemed) rental value of the taxpayer’s property, an obvious proxy for “income.” O’Connor’s desire to be identified with the most celebrated of these advocates is evidence that he considered the income tax to be a vital part of the radical cause at this early date.
17 Pitt’s first income tax act, the so-called “triple assessment”, was enacted in 1798. Parliament modified the income tax on four occasions, the last in 1806. Peel’s income tax law was essentially a reprint of the 1806 Act. 38 Geo. III, c. 13; 42 Geo. III, c. 42; 43 Geo. III, c. 122; 45 Geo. III, c. 15; and 46 Geo. III, c. 65.
for itself the virtues of the still novel tax base, enriches tax law history, but more importantly, idiosyncratic Chartist arguments left their mark on the character of the income tax as it came to be defended and refined.

By separate paths, middle and working class radicals and an elite governmental circle unknown to them came to accept the goals of the income tax during the 1830s. This article compares these groups’ quite different reasons for that shared position. The comparison reveals the Chartists’ and their predecessors’ distinctive view of the income tax as a permanent reform with both economic and social implications. The section entitled “How Chartism Accommodated Demands for Tax Reform” explains how Chartism accommodated financial reform elements within a predominantly political movement. “Other Supporters of a Return to Income Taxation” distinguishes the popular interest in the income tax from the parallel but discreet swing of opinion at high levels. “Socialist Tax Theory of the 1820s” shows that the radical working class version of tax reform went well beyond Ricardian socialist views on the protection of labour’s “natural wage.” “The Window and House Tax Debate” traces the Chartist pre-occupation with a “broad property tax” to earlier radical opposition to the window and the house taxes. “The Income Tax and the Machinery Question” explains how parliamentary advocates of the working poor first recast complaints about new industrial technology into a proposal for a more neutral tax treatment of capital and consumption. “Analysis of Chartists’ Tax Utterances” offers a detailed taxonomy of Chartist utterances that develop the themes of income tax equity and neutrality. “The Legacy of Chartist Tax Themes for Radical Successors” shows that some labourite radicals continued to view the income tax with enthusiasm after Chartism had begun to fade. The Conclusion assesses the contribution of Chartists and proto-Chartists to the popular acceptance of the income tax.

How Chartism accommodated demands for tax reform

After Napoleon’s defeat, political and economic differences divided the British population more sharply into “classes” than in any previous period. Land, capital, and labour were not mere theoretical constructs, they were vividly opposed competitors. In the century’s first decades, however, the working poor could not vote and had not found a voice. They modestly complained of economic hardships. Only later did they openly attribute these hardships to political injustice. Within a few years, the radical popular press aired complaints and possible solutions of all sorts. When in May 1838 the London Working Men’s Association promulgated the People’s Charter, a new political dimension emerged. Its Six Points included the removal of property qualifications for eligibility to vote in parliamentary elections and to serve in Parliament, the secret ballot, annual elections and constituencies of equal size. Similar documents had circulated in radical groups during the early 1830s. Unlike these, the Charter attracted an enormous

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18 Hilton, above fn.2, 124–126.
19 William Lovett, a cabinetmaker, who had founded the LWMA, and Francis Place, a tailor, were the Charter’s principal authors. Lovett became the leader of southern Chartists and rejected the “physical force” rhetoric of northern Chartists. Place, who had been a member of a Corresponding Society at an earlier time, was later a member of Parliament and not always sympathetic to Chartist initiatives. On other early versions of the Six Points, see D. Read and E. Glasgow, Feargus O’Connor: Irishman and Chartist (London: Edward Arnold, 1961), 66–70; E. Royle, Chartism, 3rd edn (London: Longman, 1996), 18–22.
following. With it as a rallying point, workers and their sympathisers elected representatives to a General or National Convention of the Industrious Classes, which met first in London and later in Birmingham, calling itself an “anti-parliament.” In July 1839, the Bull Ring riots revealed the volatility of the movement and gave Parliament an excuse for rejecting the Charter by an overwhelming vote. Movement leaders called for general strikes whose incomplete success was further dampened by a well-managed police response, which treated the masses gently and their leaders harshly. The following year, the National Charter Association organised the movement’s efforts to influence parliamentary and local elections. Chartists formed temporary alliances with the Tories and the ACLL. Their candidates won places in local government but were forced to compromise on parliamentary choices. The Tories’ return to power in 1841 aroused Chartist hopes of concrete legislative gains. Parliament rejected the Charter again. Further strikes and uprisings led to the arrest of thousands, including many Chartist leaders. The dwindling Chartist faithful took up a variety of causes, including education and land reform for the working poor, but by 1848, Chartism was no longer a mass movement and its largest remaining contingent soon afterward joined the Communist Party.20

During its short span, Chartism was an articulate and fractious confluence that stood apart from earlier labour movements in its explicit concern with political rights. Indeed, because the Charter itself was silent on pressing economic issues, some in the working class movement at first had little enthusiasm for it.21 But the Six Points represented common ground, not a test of orthodoxy. Despite its ostensibly political focus, the movement spawned a variety of non-political schemes as well: Robert Owen advocated an unlikely utopian retreat from capitalism, Feargus O’Connor backed educational and land reform that could be carried out privately, and the advocates of physical force believed the masses should be armed as a matter of principle. Convergence on political demands, to some extent a triumph of class-consciousness, was also a strained resort to general themes on which all could agree. Disagreement over tactics and rhetorical tone still disrupted attempts at unified action and led to what seemed a schism: Chartists of the North were more inclined to threaten “physical force” than their southern counterparts, who spoke instead of “moral force.”22

The educated orators and journalists who often stood at the forefront of the movement did not control its message. William Lovett, Henry Hetherington, Julian Harney, John Frost and many others who spoke both before large audiences and within less public councils of the movement, were working people with little or no formal education. Their views were often candid and unpredictable. The popular radical press, which achieved its highest levels of circulation during Chartism’s brief span, published innumerable reports of Chartist meetings at which men and sometimes women of the poorest classes showed unexpected rhetorical flair. But there was also

20 Royle, above fn.19, 46–58.
21 Hilton, above fn.2, 616.
22 The Chartist historian R.G. Gammage described the difference of opinion among Chartists concerning the proper use of violence as one of “physical force” or “moral force.” R.G. Gammage, History of the Chartist Movement 1837–1854 (London: Holyoake, 1854) passim. The trial of the publisher and editor of the Weekly True Sun in 1832 highlighted the choice between physical and moral force in these words. See fnn.80–84 below and accompanying text. George Eliot recreated the dilemma in Felix Holt the Radical (New York: Harper and Brothers, 1866), her recreation of the radical ferment of the 1840s.
a shared experience. It is not surprising that the universally hated tax system should become a lightning rod for their political frustration.

Social and labour historians have tended to treat the Six Points as Chartism’s only agenda, implicitly discounting this interest in tax reform. Chartist complaints about crushing indirect taxes were indeed sometimes vague, mere echoes of well-worn jibes against “tax-eaters” and “stock jobbers,” blasts against the “old corruption.” But there was more. The frequency and specificity of Chartist comments allows us to identify distinct reasons for tax reform, which Chartists elevated and the broader public ignored or played down. They plainly understood that both fairness and neutrality might favour direct taxation of all sources of income, at least when compared with the confused mass of excise and customs taxes that were in force during the formative years of the movement.

All this took place against the backdrop of Britain’s recent experiment with income taxation. The younger Pitt, perhaps influenced by Thomas Paine, had introduced it as a modified property tax, a temporary wartime measure, from which not only the poor but also many living above a subsistence level were exempt: incomes of less than £60 (£50 from 1806 onwards) were not taxed at all, and taxable incomes of £200 or less were subject to a lower rate of tax than those applicable to higher incomes. Neither then nor after 1842, when the tax was reintroduced with an exemption of £100, did the disenfranchised earn enough to be directly affected by this burden. Excise taxes and customs, on the other hand, were at notoriously high levels throughout the first half of the nineteenth century, often placing duplicative burdens on necessities such as beer, sugar, tea, corn or wheat, meal, and so forth. In 1816, the income tax was repealed, and in 1818 so was the property tax. Without these, indirect taxes mainly on subsistence items had to account for more than half the revenue of the state. For the next 27 years, according to estimates frequently cited during the period, the aggregate effective rate of these commodity taxes on working class...

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23 It is sometimes treated as of slight importance. Although E.P. Thompson devotes a chapter to radical criticism of the tax burden during the first half of the century, he sees no significant development of this theme from Cobbett’s broad indictment of the “old corruption” to the last stages of Chartism, and does not mention Chartist support for an income tax. E.P. Thompson, The Making of the English Working Class (New York: Vintage Books, 1966), 747–757. Thompson, above fn.1, 38, 320, does not include income taxation or indeed the very topic of taxation, although her narrative touches at least twice on Chartist encounters with tax issues. In his seminal essay “Rethinking Chartism”, Gareth Stedman Jones mentions the tax issue twice, but his argument that political goals vastly outweighed economic goals naturally focuses attention away from tax matters: Languages of Class: Studies in English Working Class History, 1832–1982 (Cambridge: CUP, 1983), 157–158, 161. On the other hand, Lucy Brown notices the “warm approval” that was Chartism’s “first reaction” to the Peel income tax: L. Brown, The Board of Trade and the Free-Trade Movement 1830–42 (Oxford: Clarendon Press, 1958), 146.

24 See Daunton, above fn.9, 51–52. By 1815 the “old corruption” was as much legend as reality; not all who spoke of it had the same evils in mind. Hazlitt, for example, called the “Worthies of the Civil List” who received lavish government pensions “heroes of the Income-tax”: W. Hazlitt, “What is the People?” in Political Essays, VII (London: William Hone, 1819), 263, quoted in Thompson (1966), above fn.23, 747.

incomes hovered between one-third and one-half.\textsuperscript{26} Estimates of the tax burden on the middle class are lower but still very high.\textsuperscript{27}

Tax reform, however, could only benefit the working poor if indirect taxes were reduced. In informal debate, to favour the income tax was always to favour the repeal or reduction of taxes considered punitive by the less affluent.\textsuperscript{28} “Retrenchment”, as tax reduction was called, might have been enough to succour the poor as well as the middle class. But those who shaped Chartist opinion never believed this. If popular radical complaint about taxation was often general, popular leaders consistently demanded a shift not only away from the diffuse and duplicative tax system of the post-war years, but also towards broad direct taxation. A few examples may make this point clear. Bronterre O’Brien in the \textit{Poor Man’s Guardian} repeatedly called for a general “property” tax.\textsuperscript{29} An anonymous pamphlet published in 1833 urged the “working men of Great Britain and Ireland” to demand an “equitable property tax” that was simply a graduated income tax.\textsuperscript{30} In Parliament, John Fielden and Thomas Attwood, among the Chartists’ friends, frequently spoke out for the imposition of a property tax,\textsuperscript{31} as on occasion did Joseph Hume.\textsuperscript{32} Parliamentary friends of the industrial working class, including Perronet Thompson, George Muntz, Fielden, and Attwood “helped to create a more favourable parliamentary climate” for a new income tax.\textsuperscript{33}

Other opponents of the indirect taxes, however, were not always in favour of a broad direct tax. The Philosophic Radicals, and those in general who accepted the Ricardian view of

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\item \textsuperscript{26} The estimates seem high, but they are consistent. Cobbett, “Address to the Journeymen and Labourers”, \textit{Political Register}, November 2, 1816, quoted in Thompson (1966), above fn.23, 748 (Cobbett attributes the statement to a Mr Preston, M.P., that the average labourer paid at the time more than half his wages in indirect taxes—at £10 a year out of average weekly wages of 7 s.); Montgomery Martin, above fn.12, 278 (40% of a lower middle class family’s income); J. Maxwell MP, \textit{Report from Select Committee on Hand-loom Weavers’ Petitions: With the Minutes of Evidence and Index: Ordered, by the House of Commons, to be Printed}, July 1, 1835, 293 (Martin gives a detailed estimate of the £11. 7s. 7d. that a labourer paid annually in excise taxes with wages of only £22. 10s.; Robert Lowery in B. Harrison and P. Hollis (eds), \textit{Robert Lowery: Radical and Chartist} (London: Europa, 1979), 101–103 (commodity tax burden on working man’s income); S. Sanders, \textit{Observations on Sir Robert Peel’s and Lord John Russell’s Theories of Taxation} (1850) (“33 per cent”) but see Parnell, above fn.10, 16 (the most heavily taxed commodities were “used by the labouring classes but to a limited amount”). Clapham describes Parnell’s estimate as “half pure error …. half a revelation of the mean standard” of working class incomes that could afford so little tea, sugar, coffee, dried fruits, etc.: J.H. Clapham, \textit{An Economic History of Modern Britain: The Early Railway Age 1820–1850} (Cambridge: CUP, 1939), 319.
\item \textsuperscript{27} Martin estimated the tax burden of a “citizen of London, having an income of £200 a year, and a wife, three children, and a servant-maid to support” at about 40%, but of this fraction one-fourth or 10% was estimated to be taxes passed on by shopkeepers and other providers. Montgomery Martin, above fn.12, 234.
\item \textsuperscript{28} Peel presented the income tax in his budget speech as merely supplementing existing taxes temporarily but his supporters and opponents alike expected taxes on consumption to recede, if the income tax became permanent.
\item \textsuperscript{29} [Unsigned lead editorial], “Down with the Whigs!”, \textit{Poor Man’s Guardian}, August 20, 1831 (calling for a single heavy property tax to replace all other taxes); [Unsigned article], “The Assessed Taxes—Conduct of the Middle Classes Respecting the Same, &c. &c.”, \textit{Poor Man’s Guardian}, April 6, 1833, 2–3 (criticising the middle classes for demanding the repeal only of the window and house taxes without also demanding the “transfer of all taxes on the necessaries of the poor to the luxuries and fortunes of the rich … and compel those to pay most for the protection of property who have most property to protect, as well as most means to protect it”).
\item \textsuperscript{30} R.D. Owen, \textit{British Taxes Dissected, Being a Plain Letter Addressed to the Working Men of Great at Britain and Ireland Explaining How Fifty Millions Are Yearly Raised; Who Pay these Fifty Millions; How They Ought to be Raised: and Who Ought to Pay them}, Goldsmiths’/Kress Library No.28038 (London: National Political Union, 1833).
\item \textsuperscript{31} 3 H. 49:226, July 12, 1839 (Fielden’s advocacy of an equitable property tax in discussion of Attwood’s motion to go into committee on the Chartist petition).
\item \textsuperscript{32} 3 H. 32:572, March 24, 1836.
\end{itemize}
agricultural rents, thought it possible to boost the economy by the reduction of indirect taxes alone; others with the interests of new capital in mind proposed at worst the reduction of commodity taxes and new taxes on property and passive income. By 1830 key fiscal experts and policy-makers in both political parties regarded the goals of free trade, social justice, and war preparedness as requiring a return to a substantial direct tax and they called specifically for an income tax. Peel, having once opposed it, was converted to its merits. Both the landed interest and the Philosophic Radicals movement remained opposed. The Whig governments that were expected to favour tax burden redistribution openly acknowledged their fear of a political backlash against the income tax. In 1842, after continued economic distress, increased organisation of the working class, a widespread and threatening movement for further electoral reform, and clarification of the goals of the free trade movement, Peel’s Tory Government stole the thunder of the radicals who favoured free trade and sometimes favoured tax reform, by combining these in a budget that brought back the income tax.

Other supporters of a return to income taxation

Support for the income tax among the better off and those with greater political sophistication was grounded in concerns other than those of the working poor. As has been mentioned, Parnell led, or at least spoke for, members of the Board of Trade and its staff who came to believe in broad financial reform as the key to reducing the public budget and avoiding further military adventures. By 1830, these guardians of the Corn Laws had begun to doubt their purpose and efficacy as a national security measure. They believed that the replacement of duplicative taxes with a broad income tax would strengthen the national economy. By 1833, in any case, a variety of parliamentary radicals had taken up the cause of the income tax. It seemed to them all that some existing taxes should be repealed, but there was no agreement on how the Government could be supported without the revenue of those taxes which elicited the strongest opposition—the taxes on necessaries, on agricultural equipment, on houses and windows, and the tithe that

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35 “With a certain amount of posturing, Peel emerged as the ministry’s strongest tax reformer [in 1830]. He kept saying how he wished to reach the ‘great capitalist’—Rothschild, Baring, his own father—and the landlords, especially Irish absentees. His desire for an income tax was less narrowly fiscal than Herries’—he hoped that it would reconcile class antagonisms and enable Parliament to commute taxes bearing on industry and ‘the comforts of the labouring poor’.” Hilton, above fn.2, 261. See also Jenkins, above fn.34, 209. On Peel’s earlier criticisms of the income tax, see F. Shehab, *Progressive Taxation* (Oxford: OUP, 1953), 83.

36 “I do not remember any tax that ever existed so unpopular as the Property-tax of 1816 [the last incarnation of Pitt’s income tax], the repeal of which was received with universal acclamation. Why, therefore, are we to suppose that it would be more popular now than it was then?” Lord Althorp, *Hansard* 3 H. 17:767–771, April 30, 1833.

37 Peel’s re-introduction of the income tax and later repeal of the Corn Laws were palliative to the extent that they gave radicals what they wanted. “By taxing upper middle-class incomes in 1842, by clamping down on financial speculation with the Bank Charter Act of 1844, and above all by removing the landlord’s corn monopoly in 1846, Peel effected the moral rehabilitation of the State, and thereby undermined Chartism more effectively than any mere repression could have done”: Hilton, above fn.2, 619.

38 See above fn.9–10 and accompanying text.

supported the Church of England. George Poulett Scrope, the brother of James Poulett Thompson, Board of Trade member, updated Parnell’s analysis in his *Principles of Political Economy* of 1833.40 Poulett Scrope specifically discussed the house tax in the light of principles that closely echoed Parnell’s and gave notice to the elite of a continuing campaign by some, if not all, Whigs for a direct tax based on income and the repeal of other taxes. In the same year Pablo Pebrer’s *Taxation, Revenue, Expenditure, Power, Statistic, and Debt of the Whole British Empire*41 called for a more careful refinement of existing taxation, arguing that simplification by a move to broad direct taxation was the only alternative to a fiscal breakdown. The “clamour” (as both Lord Althorp, his secretary John Drummond, and Martineau described it42) for repeal of the house tax was grounded in the universal recognition that this ostensibly means-based tax did anything but apportion tax burdens according to ability to pay. During the same years, apparently unaware of the debate among the elite, working class views in favour of income taxation began to develop, not along the same lines but along very different ones.

Meanwhile, with considerably less apparent influence than the Board of Trade circle, John Maxwell, John Fielden, Thomas Attwood, George Frederic Muntz, William Sharman Crawford and other benevolent mill owners in Parliament, seemed persuaded that the income tax would chiefly have humane consequences for the working poor.43

Peel seems to have straddled the two groups in his view that an income tax could serve both systemic and social goals.44 His interest in the income tax had ripened while he was Wellington’s Home Secretary and was involved with the Board of Trade. No doubt his attraction to financial reform seemed to him to be consistent with higher political ambitions. He spoke in its favour as a cabinet member, famously arguing that it should reach the “great capitalists” Rothschild, Baring, and his own father.45 Yet he expressed doubts among intimates before reviving the income tax as prime minister. He discussed the merits in detail with his Chancellor, Henry Goulbourn, who had recently opposed “such a radical chance in tax policy.”46 His final decision was a surprise to many.

The common reason given by Peel’s circle, Poulett Scrope, and proponents of heavier reliance on the house tax for favouring repeal of the Corn Laws and other burdens on consumption was “retrenchment” or budget cutting. Without the profusion of narrowly targeted taxes, it would be more difficult for Parliament to undertake new military projects or to extend the “old corruption” of pensions and ecclesiastical livings. Only some of these argued that tax reform would be good for industry or kinder to the poor.

43 See below fnn.64–69 and accompanying text.
44 Jenkins, above fn.34, 291, fn.9 (memorandum from Goulburn to Peel, advocating an income tax on social as well as financial reform grounds).
45 Jenkins, above fn.34.
46 Jenkins, above fn.34, 291–296. Goulbourn later changed his mind. See fn.39 and accompanying text.
Socialist tax theory of the 1820s

Before Chartism emerged, earlier radicals of diverse political factions had formulated a different case for direct taxation that would reach all forms of income, including the yield of capital. The history of socialist thought includes several such thinkers, who found analytical reasons for linking the preservation of labour’s economic rights with adjustments in tax design. Studies of the early socialist literature have given prominence to two whose views on taxation resemble those of later popular radicals with whom Chartist income tax proponents had ties.

The socialist theorists drew inspiration in part from the hand-loom weavers’ already venerable demands for a tax “on machinery.” As early as 1811, and regularly during the 1820s, with sympathetic support from some mill owners, these impoverished labourers had called for such a tax to balance the burden of taxes they paid on consumption items purchased with their wages. In 1835 Leeds stuff weavers made the theoretical basis for this explicit:

“Theyir labour has been taken from them by the power-loom; their bread is taxed, their malt is taxed, their sugar, their tea, their soap, and almost every other thing they use or consume, is taxed. But the power-loom is not taxed”.

The hand-loom weavers had no monopoly on the “machinery question.” Thomas Carlyle, David Ricardo, Robert Owen and many others discussed the threat of the new mechanical substrate to the welfare and even to the civilisation of the country. Ricardo had postulated that the

“natural price of labor is that price which is necessary to enable the labourers, one with another, to subsist and to perpetuate their race, without either increase or diminution.”

Yet Ricardo himself acknowledged that markets routinely dishonour labour’s natural value, because the “market price of labour” was “the price which is really paid for it, from the natural operation of the proportion of the supply to the demand.” Capital was not taxed directly, but Ricardo theorised that the Corn Laws made it possible for the landed interest to extract economic rents from the profits of capital to the general detriment of economic growth. Ricardo’s labourite readers drew a different conclusion: if labour, the source of all value, had a natural price, neither society nor the non-interference of government institutions should subvert that price. Labour

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47 Between the repeal of the Napoleonic-Era income tax and the Tories’ defeat in December 1832, a substantial handful of pamphlets argued for the reinstitution of income taxation. Shehab, above fn.35, 72 and fn.1; but see Hilton, above fn.11, 262 (Shehab’s “list of (mainly anonymous) publications is meagre”).
48 Destruction of power-loom and other demonstrations occurred in 1812, 1817, 1819, and 1826. Thompson (1966), above fn.23, 278–279.
50 See below fn.81–87 and accompanying text.
51 Thompson (1966), above fn.23, 303–304; Bythell, above fn.49, 175, citing the Manchester Mercury, June 3, 1823. “[H]igh wages, short hours, a tax on machinery and renewed access to land enforced by a democratic government was generally the most that was specifically advocated against the tyranny of the millocrat.” Stedman Jones, “Rethinking Chartism”, above fn.23, 169. The Yorkshire woollen weavers suggested a tax on power-loom in 1835, according to Poulett Scrope: G. Poulett Scrope, M.P, Political economy versus the handloom weavers (Bradford: 1835), 5–6.
52 Leeds Times, April 25, 1835.
53 Carlyle, above fn.4.
was even more oppressed by the manner in which it was forced to share its product with land and capital, its two less industrious counterparts.55

In the 1820s, proto-socialist pamphleteers shaped these Ricardian ideas to their purposes. Piercy Ravenstone, a pseudonymous writer with sympathy for the industrial poor, proclaimed that this anomaly was an aberration of natural law. Political economists supposed that taxes on items of consumption were borne ultimately by employers, because labour could not survive on less than a post-tax subsistence wage. He countered:

“If property had felt that the charge fell ultimately on itself, it would never have allowed it to come circuitously, augmented by all the expense of collection, and swelled in amount by all the profits of all the different tradesmen through whose hands it passed; it would have preferred direct taxation as attended with least expense.”56

Only the governmental practice of borrowing more than could be promptly repaid from the national product, he reasoned, permitted property owners to profit at the expense of labour’s natural price.57 Eliminating the national debt would therefore ensure that the full burden of any taxes imposed would be borne by “property.” If

“the worst crimes [public debt] can achieve is [sic] the transfer of property from one set of useless men to another equally useless, … [i]t becomes an object of abhorrence for what was before the subject of praise.” 58

In a similar vein, Thomas Hodgskin’s pamphlet Labour Defended Against the Claims of Capital59 based a radical critique of capital on Ricardian premises. Relying on the economist’s observation that capital is “simply stored-up labor”, Hodgskin argued that the capitalist, though perhaps entitled to equal treatment, could not be entitled to appropriate all new value created by labour save for the subsistence wage paid to the worker.60 Hodgskin was not moved by Ricardo’s plea for the plight of capital under the depredations of rent:

“I am quite certain, that the Corn Laws, execrable as they are in principle, and mischievous as they are to the whole community, do not impose anything like so heavy a tax on the labourer as capital [does].”61

Although Hodgskin recommended no clear remedy for this “tax”, he firmly associated the critique of poverty wages with the demand that government reverse this distortion of the natural wage rate.62

58 Ravenstone, above fn.56.
60 Hodgskin, above fn.59.
61 Hodgskin, above fn.59.
62 William Thompson, another “scientific socialist” who drew on Hodgskin’s work, was like Feargus O’Connor, a native of County Cork. His arguments on preserving the natural product of labour for the worker may have influenced [2013] BTR, No.2 © 2013 Thomson Reuters (Professional) UK Limited and Contributors
The hand-loom weavers had, as we have seen, partly anticipated these views. Whether conscious of the parallel or not, hand-loom weavers introduced a related theme into popular criticism of the property “system” and the effects of the existing fiscal policy. This far-fetched tax reform demand had an obvious affinity with Ricardo’s labourite critics’ view of property rights. The power-loom was nothing more than labour itself, though embodied in capital stock. Reified labour contributed to the productive process just as newly spent labour did. Since both capital and labour generated new wealth, either both contributions should be taxed or neither should.

The abstract socialism of Hodgskin and Thompson may have influenced Bronterre O’Brien in his editorials on property and taxation for the *Poor Man’s Guardian*. Their Ricardian foundation, however, did not appeal to leaders of the radical press or of Chartism. What employers, as it were, “paid” their machines in lieu of wages faced no comparable taxes, although the machines took the place of workers. If consumption taxes burdened wages, how could a tax burden the comparable cost of machinery? Under a modern income tax, the cost of a machine used in a profit-oriented activity would be paid for with already taxed capital, often the profits of earlier periods of the same business activity. This cost would gradually be amortised as the machine was exhausted in the production of profits. None who entertained the idea of a tax on machinery discussed how such a tax would work sufficiently to comment on these ramifications; perhaps they did not grasp the puzzle of the comparison. It was nevertheless apparent to them that profits used to purchase equipment had not been taxed as wages were taxed, and that the inequality in tax burdens on these two kinds of input subsidised replacing human effort with machinery. None of the proponents of a tax on machinery pursued the idea far enough to realise that such a tax could not easily be passed on to consumers, not as easily as the high price of food could be passed on to the employers of subsistence wage earners. Some radicals eventually came to believe that a tax on machinery would be passed on.

**The window and house tax debate**

The popular radical press first showed interest in the return of the income tax during the public debate on the merits of the window and house taxes, immediately after the Reform Act’s passage and after the formation of Grey’s Government. Broadly speaking, the house tax was compared to the repealed property tax, since the value of houses more closely corresponded to income than did the bases of other primarily consumption-based taxes. The Government, though expected to

O’Connor. W. Thompson, *An inquiry into the principles of the distribution of wealth most conducive to human happiness: applied to the newly proposed system of voluntary equality of wealth* (London: Longman, Hurst, Rees, Orme, Brown and Green, 1824); W. Thompson, *Labor Rewarded. The claims of labor and capital conciliated: or, how to secure to labor, the whole products of its exertions ... By one of the Idle Classes* (London: Hunt and Clarke, 1827).


64 “I have thought that taxing machinery would remedy the distress of the hand-loom weaver, but I think different now. If machinery was taxed without restricting its hours of running, they would put additional hours upon the poor man’s labor, and make him pay all the taxes laid upon the machinery. I should not like to be taxed unless its hours of running were restricted.” John Hutton, a weaver as witness before Handloom Weavers Commission of Inquiry (Northern District, Leeds), *Northern Star*, Vol. and Ser.1, No.38, August 4, 1938, 8.
seek broad tax reform, eventually chose to keep the window tax, despite its patently inequitable application, to the disappointment of an emerging coalition of middle class and working class activists.

On April 30, 1833, Sir John Key had introduced a motion for repeal of the window and house taxes, which had

“exercised a most destructive influence upon trade, and absorbed a large portion of the disposable income of the industrious classes, which, if taxation had been fairly and equally imposed, would have been employed in obtaining those necessaries and comforts, to which as the main prop and support of the state, they were so well entitled.”

Several spoke against the proposal, but most important and sweeping were the remarks of John Charles Spencer (later Lord Althorp), who as Chancellor of the Exchequer most clearly spoke for the Government:

“Members ought to consider what the alternative is, and whether it is one which, in their prudence and discretion, they think it advisable to adopt. I do not think it would be prudent to have a very small Property tax. If the system is to be adopted at all, it ought to be adopted as a system, and on a scale to allow of extinguishing several minor taxes. It would be desirable, in the situation in which this country is placed, never to raise less than 10,000,000 l. or 12,000,000 l. by a Property-tax, to be imposed as a substitute for other taxes. … Now, Sir, what is this tax which at the present moment is so extremely popular? … I do not remember any tax that ever existed so unpopular as the Property-tax of 1816, the repeal of which was received with universal acclamation. Why, therefore, are we to suppose that it would be more popular now than it was then?”

These parliamentary events might at an earlier time have attracted little attention from a public inured to the incoherence of British tax policy. So soon after the defeat of Wellington’s Tory Government and Grey’s formation of a Whig Government, however, expectations of a more equitable tax policy were unusually pronounced.

The small and financially struggling *Weekly True Sun* in March and April 1833 attacked the Government’s earlier rejection of George Robinson’s motion of the “commutation” of the assessed taxes on windows and houses into a property tax of the kind familiar from the Napoleonic war years, namely, a proportional income tax. Dangerously, an editorial of May 5 called on readers to refuse to pay the assessed taxes in order to bring down the Whig Government or force it to adopt the desired tax reform:

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65 *Hansard* 3 H. 17:767–771, April 30, 1833.
66 Althorp had also played a central part in the passage of the Reform Act, and after Reform, as opponent of the Ten Hours Bill, with which Fielden was later very closely identified. See J.F. Rees, *A Short Fiscal and Financial History of England 1815–1918* (London: Methuen & Co, 1921), 79–80 (Althorp’s quandary over how to replace several taxes that his Whig Government had repealed contributed to Peel’s success after Althorp lost a vote of confidence).
68 [Untitled editorial], *Weekly True Sun*, May 5, 1833, 5, cols 2–3.
“The House refuses … relief to the country from the severe and unequal pressure of the House and Window Tax; it refuses to substitute in the place of these and other burdens, equally iniquitous and insupportable, a ‘good bold Property tax!’ … the People … must refuse to pay what they can only pay at the expense of their common ruin … and resist the tax-gatherer!”

A “special information” commenced the prosecution of the Sun’s principals, the first use of the seditious libel law by a reformed Parliament to suppress adverse political comment. The trial was to a “special jury”, one selected in advance by the Solicitor-General, and the addresses of the jury members make it clear that they were gentlemen of property, unlikely to be sympathetic to a “mean and wretched publication” (as the Times described the Sun), whose purpose was to promote the interests of “industry” at the expense of “property.” On February 6, 1834, the Sun editors and publisher, John Bell, James Grant and John Ager were tried, convicted and sentenced to prison for seditious libel. It was this prosecution that attracted Feargus O’Connor’s attention, while he still held his seat in Parliament as member for Cork, and he took part in a Poor Man’s Guardian dinner in support of Grant. There O’Connor may have had a last close encounter with Bronterre O’Brien, with whom he later broke in his struggle for leadership of the Chartists.

The appearance of Thomas Noon Talfourd as Bell’s defence counsel suggests a connection between the Sun affair and later Chartist leaders. In 1840, then Sergeant Talfourd undertook the prosecution of the Chartist leaders John Vincent and John Frost at Monmouth assizes but declared after hearing the evidence for the defendants that he regretted doing so, and he condemned the harsh and unfair treatment of Chartists in this and other prosecutions. His views must have been known well enough for O’Connor to write to him about prison conditions at York, where he himself was now sentenced to 18 months for seditious libel. Talfourd, then an MP, successfully pressed in Parliament for more humane treatment of O’Connor and the other Chartist convicts.

Radicals representing trade also understood the window and house tax controversy as being related to the need for broad tax reform. George Poulett Scrope, in his Principles of Political Economy of 1833, updated Parnell’s analysis criticising the house tax in terms that closely echoed Parnell and gave notice to the elite of a continuing campaign by some, if not all, Whigs for a direct tax based on income and the repeal of other taxes. In the same year Pablo Pebrer’s Taxation, Revenue, Expenditure, Power, Statistic, and Debt of the Whole British Empire called
for a more careful refinement of existing taxation, arguing that simplification by a move to broad
direct taxation was the only alternative to a fiscal breakdown. And there was of course the
seditionous libel trial of the Weekly True Sun. By 1833, the “clamour” (as both Lord Althorp, his
secretary John Drummond, and Harriet Martineau described it) for repeal of the house tax had
reached a crescendo.

Martineau’s Illustrations of Taxation74 then appeared, addressing a wide, middle class audience
on the subject. The 1834 preface to the culminating installment of Illustrations of Taxation, a
sequel to her previous series Illustrations of Political Economy,75 stated its thesis in general terms:

“In treating of some of our methods of Taxation, it has been my object to show that they
are unjust, odious and unprofitable, to a degree which could never be experienced under a
system of simple, direct taxation. Believing that such a system must be finally and generally
adopted, I have endeavoured to do the little in my power towards preparing and stimulating
the public mind to make the demand.”76

Martineau’s vehemence concerning the choice between current “methods of Taxation” and
the hoped-for “system of simple, direct taxation” matches that of her fables’ characters as they
apply theory to their own affairs. When she turned her hand to tax issues, the wide-ranging public
debate had already posed the question, which if any of the existing taxes should be thrown out
and how should the government be supported without the revenue of those taxes that elicited
the strongest opposition—the taxes on necessaries, on agricultural equipment, on houses and
windows, and the tithe that supported the Church of England. Martineau’s The Park and the
Paddock, suggesting a compromise with Althorp’s views on the income tax and the window tax,
presented an argument similar to Poulett Scrope’s, though more concrete and with a novel and
more detailed analysis in terms of tax incidence. Given the enormous circulation of her tales and
her penetration of popular audiences that even radical popular newspapers did not reach, the
publication of her argument was an ecumenical event in the debate.

The climax of the fable is its fervent conclusion that the house tax is both more consistent
with Adam Smith’s canons of taxation and would provide deserved relief to the poor:

“… None of the direct taxes [fall on the poor]; yet they are so few, that the poorer classes
pay five times as much [under the combined direct and indirect taxes of the day] as the
classes above them. … [A]n equitable taxation leaves all parties in the same relative position
in which it found them. We know (or might know) that the poorer classes are made, by
indirect taxation, to pay five times as much as others; and yet, as soon as there is a tax to
take off, we leave the excise untouched, and relieve the upper classes of the very heaviest
which bears particularly on them, and this the very fairest [of the taxes discussed].”77

Although middle class personae take the responsible roles in analysing the existing tax structure,
it is Maynard, a manservant of the manor, who first introduces the topic of taxes, making the

76 H. Martineau, The Scholars of Arnside (London: Charles Fox, 1834), iii.
77 Martineau, above fn.74, “The Park and the Paddock—A Tale”, 119. Richard Cranston, the heir to the manor of the
town of A __, is speaking to his sister Fanny.
Ricardian observation to two shopkeepers that lack of provision for frequent revaluation of property made the house tax inequitable, in part by permitting the owners of houses assessed at low values to collect higher rents as a result of changed circumstances in the housing market. Martineau had intended her economic and fiscal fables for trades people and artisans, who must in her judgement have been receptive to the case for a broad direct tax. Her analysis of tax incidence in *The Park and the Paddock* is also remarkable for its sophistication. But her completed argument is also notable for recognising the burden of taxation on the poor without mention of the non-neutrality of taxes on consumption.

The income tax and the machinery question

Although Ricardian socialists seem not to have influenced Chartism, the movement had close ties with two participants in a central episode in the hand-loom weavers’ saga. The hearings of the parliamentary Select Committee on Hand-Loom Weavers’ Petitions in 1834 gave Richard Oastler, John Fielden and Robert Montgomery Martin, a technical expert on British taxation, a common platform. Oastler was then a prominent advocate of reduced working hours and would become a prominent Chartist. Fielden later helped launch the northern Chartist movement when he was a keynote speaker at the Kersal Moor gathering in 1838.

Witnesses before the committee variously argued that the law discriminated against labour. “Capital, I can make out to be nothing else but an accumulation of the products of labour,” a Manchester silk-weaver testified, echoing Ricardo. Oastler gave evidence that the weavers knew “capital and property are protected and their labour is left to chance.”

Martin supplied a theoretical basis for these complaints. He had just published *Taxation in the British Empire*, a fat tome that combined apocalyptic rhetoric with conspicuously detailed analysis of British budgets and tax burdens. In a lengthy introduction, he maintains with some heat that unreformed taxation could herald “Armageddon”. In France and Poland, the people had become

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78 Martineau, above fn.77, 19–23.
80 See M. Berg, *The Machinery Question* (1980), 232–246 (discussion of the hearings of the Select Committee on Handloom Weavers). Professor Berg, however, does not single out R. Montgomery Martin’s testimony or other comments on the taxation of machinery as having a relationship with income taxation. See above fnn.64–69 and accompanying text.
81 The Select Committee on Handloom Weavers has been the object of frequent historical examination. See, e.g., Bythell, above fn.49. John Maxwell, a Paisley manufacturer, and John Fielden, a Todmorden textile mill owner, both parliamentary radicals, were responsible for the creation of the committee. Its goal was both to air working class grievances and to launch a minimum wage bill, at least for weavers but possibly for a wider segment of the working poor, to be supervised by the Board of Trade.
82 *Select Committee on Hand-loom Weavers’ Petitions*, 1834 (4901), 381; *Select Committee on Hand-loom Weavers’ Petitions*, 1835 (2686) [Irish Universities photographic reprint], 188. Cf. Richard Oastler’s Testimony in Behalf of the Poor Hand Loom Weavers, *Poor Man’s Guardian*, July 20, 1834, 6, col.2.
83 Martin wrote books and pamphlets on the East India Company as well. R. Montgomery Martin, *Taxation of the British Empire* (London: Effingham Wilson, 1833) was his only work on fiscal matters. The book’s detailed information about the operation of the British tax system and its revenues suggests that Martin had access to current government records on which other contemporary writers about taxation did not draw. It is possible that Maxwell and Fielden supported Martin’s work on the book both financially and by opening doors for him as a researcher.
“monsters, whose ferocious appetites (like the tiger after once tasting man’s blood) for human slaughter increased by what they fed upon, and whose fiendish career had no bounds, while reason slept and passion ruled.”

An elevated national debt and the tax burden it imposed on the British people could lead to similar revolution and anarchy, if the rich do not join the middle classes “in alleviating the burthens which now press on the most industrious and valuable portion of our society,” i.e. the working poor. The rest of the book, with apparently complete access to parliamentary and administrative records, shows how regressive the excise and customs taxes were and estimates that indirect taxes took roughly half the wages of subsistence workers. Martin’s expertise might have seemed irrelevant to the plight of the hand-loom weavers. The elect committee’s agenda, however, placed it squarely within the scope of the committee’s concerns.

[John Maxwell, Chair]: “Supposing the Legislature were to revise the present system of taxation, would you think it fair to levy a tax upon realized property and not at the same time to levy an equal or some amount of taxation on incomes derived from professions, trades and other sources?

[Martin]: The levy of such would be inseparably connected. To give an illustration of the present unequal system of taxation: we tax the hand-loom weaver very highly, but the machine or the capital which sets the machine in operation, is almost untaxed; therefore if you tax the hand-loom weaver who throws the shuttle, you should tax the capital which competes with him, or the properties derived from such competition.

Martin had been called as an expert advocate of the income tax, as Maxwell’s question clearly assumes. “Realized property” meant disinvested capital, a key component of the income tax base. Maxwell’s and Martin’s colloquy thus links the idea of taxing power-looms, or machinery in general as some had proposed, with spreading the tax burden to incomes from all sources, instead of taxing only consumption and hence primarily wages.

The committee’s hearings were not well attended, and Parliament did not take up its recommendation of a minimum wage for weavers, though John Fielden, a Todmorden textile manufacturer and member of the committee, pressed for its consideration. Fielden’s Bill was introduced several times over the next 10 years and voted down. A Royal Commission was appointed, with Nassau Senior as chairman, and after a tour of the stricken districts was dismissive of the goal of maintaining workers’ wage levels:

“It is the business of legislation to remove all checks upon the accumulation of capital, and so improve the demand for labour; but with the supply thereof it has nothing to do.”

The Manchester Times advised the weavers that their quest for public help was

84 Montgomery Martin, above fn.12, vi.
85 Montgomery Martin, above fn.12, v, xx–xxi.
“absolute folly … founded in utter ignorance of the circumstances which regulate the wages of labour which it is impossible for Parliament to control.”

Maxwell and Fielden’s efforts, however, could not have surprised their fellow parliamentary radicals or indeed their opponents. Martin’s tax proposals echoed Key’s failed effort to re-introduce the property tax in 1832 and heralded similar efforts by parliamentary friends of the Chartists. After 1832, Fielden and Thomas Attwood repeatedly called for the imposition of a property tax. Joseph Hume, a prominent parliamentary radical, also supported the reintroduction of the income tax at times, although he was “the leading radical critic of the income tax,” when Peel made it a reality. Both Hume and Fielden were later principal speakers at Chartist gatherings, and at Kersal Moor Fielden advised his audience to support an income tax.

**Analysis of Chartists’ tax utterances**

Given the clearer differentiation of classes during the post Napoleonic period, public responses to the prospect of renewing the income tax strongly reflected realities of the stock exchange, marketplace and factory floor. Although what those in government said and did cannot therefore be portrayed as determined by what segments of the public wanted, it is important to single out what the emergent democratic forces demanded of those in power, even if these forces could not vote for them. There is at least some evidence that Peel had these popular views in mind in 1842.

The Chartists used and extended several lines of thought that had emerged in earlier popular radical initiatives. These were not mere borrowings. Tax-related themes had been linked with the movement’s political goals from the emergence of Chartist themes in the early 1830s. Although an inconstant theorist in other respects, Feargus O’Connor constantly argued for broad tax reform, both as a speaker and as publisher of the *Northern Star*, Chartism’s most successful journal and

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89 *Manchester Times*, December 16, 1837, cited in Briggs, above fn.1, 8–9, 32.
90 Fielden voted with Cobden and Hume against Peel’s income tax. 3 H. 63:1048–54, May 31, 1842. Hume’s opposition may have been a protest against applying the same tax rates to incomes from capital and landed property as from trades and professions, which he had argued to be unjust in the debate preceding the vote. 3 H. 62:1257, April 29, 1842. Fielden may have agreed with him, especially, since Matthias Attwood, brother of his closer ally Thomas Attwood, had taken a similar stand. 3 H. 61:1156, March 23, 1842. Different rates for rents and profits was a long-held article of faith among Ricardian parliamentary radicals.
91 See above, fn.90.
92 3 H. 49:226, 12 July 1939 (Fielden’s advocacy of an equitable property tax in discussion of Attwood’s motion to go into committee on the Chartist petition). Attwood, the chairman of the Birmingham Political Union (BPU), and Fielden, radical manufacturer and heir apparent to Cobbett, as MP for Oldham, were to have presented the Chartist Petition to Parliament on May 7, 1839, at the head of a huge march. Fielden had chaired the first Kersal Moor meeting, and Hume chaired a joint meeting of the Chartists and middle-class radicals in Leeds in 1841. The links between Fielden and Attwood and the Chartists were not always secure; those between Hume and the Chartists were precarious after the Reform Act, because Hume’s support for the Act seemed treacherous to the property-less workers whom the Act excluded from the franchise.
93 3 H. 32:572, March 24, 1836. Whitson Fetter, above fn.33. But on Hume’s subsequent opposition to the income tax, see Daunton, above fn.9, 84. Hume was a leading figure in Anti-Corn Law League attempts to co-opt the Chartists in 1841. Brown, above fn.5, 358; Pickering and Tyrrell, above fn.5, 251. And in 1851, Hume chaired the Select Committee on the Income and Property Tax that played a role in assuring the continuation of the tax over Liberal hesitation.
the most widely circulated provincial newspaper in the country.\footnote{Read and Glasgow, above fn.19, 66–81; F. O’Connor, Oxford Dictionary of National Biography (2004–2011) (entry by James Epstein).} Having urged Chartists to back the Tories in the 1841 election,\footnote{Northern Star, May 29–June 26, 1841.} he applauded Peel’s first budget in the Northern Star, linking essentially political Chartist goals with fiscal reform.\footnote{O’Connor was not the only prominent Chartist to defend the income tax very soon after its revival. Joseph Linney, a frequent speaker at Chartist meetings, gave a vehement rebuttal of the ACLL attack on the income tax in Manchester on April 1, 1842, three weeks after Peel had reintroduced it on March 11, 1842. “Miserable Attempt of the anti-Corn Law League to Oppose the Income Tax in Manchester”, Northern Star, April 9, 1842, 5, col.6. The Chartists had clearly expected something of interest in Peel’s budget. See “The Peel Accouchement”, Northern Star, February 12, 1982, 4, col.2 (expressing scorn for mere repeal of the Corn Laws as one of Peel’s options and insisting instead on the rights demanded in the Charter).} He urged his readers to

“[n]egative every proposition against the income-tax, at once and unmistakeably … [and] follow it immediately with a resolution for the entire Charter as the only just basis on which to rest the power of taxing the country.”\footnote{F. O’Connor, “Sir Robert Peel’s Budget”, Northern Star, March 19, 1842; F. O’Connor, “The Peel Budget”, Northern Star, March 26, 1842; F. O’Connor, “Peel’s Income Tax”, Northern Star, April 2, 1842 (“Negative every proposition against the Income Tax, at once and unmistakeably; leaving by the largeness of the majority no room for cavil. And follow it immediately with a resolution for the entire Charter as the only just basis on which to rest the power of taxing the country”).}

Opponents of the revived tax regarded Chartist support as having been a significant influence on the Government’s action. The pamphlet Tory Taxes mockingly described it as “possibly sufficient to discharge the debts due to the Chartists for their invaluable support at the late elections”.\footnote{Tory Taxes, Goldsmiths Library No.32902 (London: Ridgway, Piccadilly, 1842), 1.}

In fact, O’Connor like other popular radicals had long advocated replacing the excise and customs with a broad direct tax on income.\footnote{Between the repeal of Pitt’s income tax and Peel’s reintroduction of a very similar income tax, “property tax” and “income tax” were used almost interchangeably by proponents of tax reform. Pitt’s income tax was always officially called a “Property Tax”, although Pitt designed and presented it as a tax on income from property and from human effort of all sorts. See, e.g. Anonymous, A Property Tax: The Only Effectual Remedy For the Present Embarrassment of the Country (Birmingham: [no publisher indicated], 1832) (Sold by W. & T. Radclyffe, and James Drake, New-Street, Birmingham, and by Longman, Rees, and Co, London); Hope-Jones, above fn.25. Numerous pamphlets favouring the re-introduction of a property tax, the last having been repealed in 1816, plainly have an income tax in mind. This was only natural because Pitt’s “triple assessment” was a modification of the property tax and yet soon came to be called an “income tax.” See Shehab, above fn.35, 73, fn.1 (citing these pamphlets. Boyd Hilton has questioned the significance of this flurry of pro-income-tax writings: Hilton, above fn.11, 302).} When the printer and editors of the Weekly True Sun were imprisoned in 1834 for urging tax boycotts to create pressure for a “property tax”, as the income tax was then sometimes called, O’Connor had, as MP for Cork, introduced a bill to free them and helped organise a protest meeting of London radical leaders.\footnote{“Prosecution of the Press”, Poor Man’s Guardian, March 15, 1834, 3, col.2 (article on dinner for True Sun defendant Reeve). Thompson, above fn.1, 39–40.} In 1835, standing for Cobbett’s vacant seat at Oldham, O’Connor made “an equitable adjustment of the National Debt” one of his main legislative goals.\footnote{Manchester & Salford Advertiser, June 27, July 4, 1835, 11; Manchester Guardian, June 27, July 1, 1835, 4, 8, 11, quoted in Read and Glasgow, above fn.19, 45. The “equitable adjustment” O’Connor sought echoes Peel’s Tamworth Manifesto, which called for fiscal reform based on “the just and impartial consideration of what is due to all interests”,
June 27, 1838, he put the spreading of tax burdens first among the legislative goals of Chartism. “When we get a House of Commons”, he declared, we will

“take care that all taxation shall be reduced, and that it shall fall as lightly as possible upon the aristocracy of the country … When men tax others they are bountiful.”

In editorials and speeches, O’Connor regularly mentioned tax burdens as a chief reason why the Charter was needed and usually suggested that the tax burden must be spread from “industry” (labour) to property or replaced entirely by an income/property tax. In this regard, his tax views were like Fielden’s, who spoke at Kersal Moor and elsewhere during the first months of Chartism’s rise, and made a point of advocating a “property tax” on each occasion.

Gentlemen Chartists like O’Connor and Bronterre O’Brien, and sympathisers like Fielden, John Clutton Salt, another manufacturer, and William Sharman Crawford, former MP for Dundalk, may have first introduced fiscal reform into Chartist discussions, but the rank and file took up the theme and, in many instances, developed it in different terms. Chartism, though fairly cohesive, notoriously had no clear national leaders; its regional leaders often stood for peculiar local versions of the larger movement’s goals; and followers who read and attended meetings cannot be assumed to have agreed with or even to have understood all the banners they followed. It has been said of Chartists, as of the broader spectrum of political forces during this turbulent period, that their “‘interests’ were usually too many and too divided to exercise much influence”. To measure the extent of their influence, however, one must first clearly identify what they said.

What follows is a survey of Chartists’ and Chartist antecedents’ tax-related utterances. Most appeared in either the Poor Man’s Guardian (July 1831–December 1835) or the Northern Star (November 1837–April 1852). These newspapers contain a broader and deeper sampling of popular radical views than any of their rivals, many of which had short runs and had more exclusively editorial content. While it is not possible to know whether the Poor Man’s Guardian’s and Northern Star’s non-editorial content constitutes a fair sample of the views of their ordinary readers, both newspapers obviously strove to include diverse opinions expressed in the words of non-professional speakers and writers. Importantly, both regularly included what appear to except that the Manifesto limits these interests to “agricultural, manufacturing, commercial”: R. Blake, The Conservative Party from Peel to Churchill 42 (Fontana/Collins, 1979).

103 Manchester & Salford Advertiser, Northern Star, Manchester Times, September 1939; Read and Glasgow, above fn.19, 73.
104 e.g. Northern Star, June 23, 1838, 3, col.6 (“The Factory System”); Northern Star, February 24, 1838, 6, col.3 (“Fergus O’Connor Esq. in Bolton”); February 10, 1838, 4, col.4 (“Feargus O’Connor and Daniel O’Connell, M.P.”) by O’Connor) (asking of what consequence repeal of “all the Exciseable Taxes” would be to the working poor “in your present degraded, outlawed condition”); Northern Star, April 21, 1838, 6, col.1 (“Radical Meeting at Dewsbury”)(O’Connor speech rejecting temporary reduction of taxes in favour of “establishing of society on such a footing that the comforts of the poor man might advance in the same proportion as the luxuries of the rich”).
105 “[L]et the commons enact a property tax and repeal the corn Laws, and they might remove the taxes which press so heavily upon the working man altogether.” Manchester Demonstration at Kersal Moor, Northern Star, September 29, 1938, 6, col.2 (Fielden’s keynote speech); Radical Meeting at Todmorden in Support of the Petition, Northern Star, October 6, 1838, 6, col.2 (Fielden speech).
106 Dinner at Stalybridge in Crawford’s Honor, Northern Star, January 13, 1838, 6, col.2.
108 Hilton, above fn.11, 306.
be transcriptions of meetings at which both orators and members of the public commented in
words that reflect differences of educational background. Reports on selected parliamentary
debates were another regular feature of both newspapers. The majority of these reports for both
papers were tax-related, both before and after the income tax was reinstated. At the outset it must be said that some prominent Chartists expressly rejected tax reform as a
legitimate or useful goal. William Lovett, the leader of the London Chartists, accepted Robert
Owen’s conclusion that tax reform would do nothing to remedy the ills government had inflicted
on industrial workers:

"Fellow countrymen, when we contend for an equality of political rights, it is not in order
to lop off an unjust tax or useless pension, or to get a transfer of wealth, power, or influence
for a party; but to be able to probe our social evils to their source, and to apply effective
remedies to prevent, instead of unjust laws to punish."^{109}

Others echoed this sentiment.^{111} These voices are certainly of great importance for this survey.
On the other hand, as the survey itself will show, many in the movement rejected Lovett’s and
Owen’s counsel, devoting vigorous effort to linking tax and political goals.

What Chartists and other popular radicals said on tax issues can usefully be divided into four
categories: 1. broad indictments of the heavy tax burden; 2. more focused demands for a fair
distribution of the costs of government; 3. specific proposals for tax reform; and 4. criticisms of
existing taxation as less neutral than a tax on property or income would be. The last category
includes articulate proposals for the institution of a tax on equipment or capital or for
re-introduction of the property or income tax. That popular criticism of tax alternatives should
have linked 1. and 2. may be taken for granted. The relationship between 2. and 3. may also
seem likely enough, but Chartists and other working class radicals might well have rejected the
ideas of middle class partisans and financial experts, as they largely did reject the “educational”
efforts of the Anti-Corn Law League, were it not for the persuasive power of these ideas.

The first category—broad indictments of the heavy tax burden—includes comments that are
often so broad as to suggest no hope of remedy or tax reform preference. Popular radical thought
had long coupled the goal of political reform with that of unspecified tax relief.^{112} Sidney Smith’s
jeremiad against “Taxes upon every article which enters into the mouth or covers the back or is
placed under the foot”, which appeared in the Edinburgh Review in 1820, was often echoed.^{113}
But complaints about the extremity of workers’ lives under the heavy tax burden could support

\(^{109}\) In the years before the re-introduction of the income tax, the Northern Star provided full
coverage of parliamentary
debates concerning the 1842 income tax and efforts to make it permanent. Northern Star, N.S.
vol. and ser. 5, No.228,
March 26, 1842, 6 (debate concerning Peel’s budget reintroducing the income tax); N.S. vol.
and ser. 8, No.380,
February 22, 1845, 6 (debate on making the income tax permanent); N.S. vol. and ser. 8 No.383,
March 15, 1845, 8
(same); N.S., vol.
and ser. 11, March 11, 1848, 3 (Peel defends purposes of the income tax).

\(^{110}\) W. Lovett, Life and Struggles in his Pursuit of Bread, Knowledge, and Freedom (1920)
(from a collective speech
of the drafters of the Charter), 97.

\(^{111}\) Claey, above fn.14,150–152 (Owenites rejected the taxation argument because it assumed “the market operated
consistently and favourably when undue governmental interference did not occur”).

\(^{112}\) Thompson (1966), above fn.23, 18.

diverse political standards. The Poor Man’s Guardian and the Northern Star provide numerous examples.\textsuperscript{114}

Only slightly more specific than mere tax bashing was the hatred shared by the middle and working classes for the Civil List. In the decades after the Napoleonic wars, successive governments were unwilling, or if willing, unable, to limit the government’s sizeable obligation to pay big pensions to military retirees and other notables, or to reduce spending on the Church. This “old corruption” became proverbial. In an address to the working class, William Cobbett wrote:

“As to the cause of our present miseries, it is the enormous amount of the taxes, which the government compels us to pay for the support of its army, its placemen, its pensioners, &c. and for the payment of the interest of its debt.”\textsuperscript{115}

These pensioners and holders of government obligations Cobbett famously called “tax eaters”. The world of government intervention was of course far smaller than we can imagine for any major industrial state, so that transfer payments were much more conspicuous. Years later, a Chartist placard still referred to the enemy as “corruptionists”, without further explanation; the allusion was plainly well understood.\textsuperscript{116}

The notorious “tax on bread” was an object of protest by the Poor Man’s Guardian as a symbol of all other commodity taxes that crushed the poor.\textsuperscript{117} Taxed bread was actually the upshot of a domestic price support system, called the assize of bread,\textsuperscript{118} which protected small commercial interests. But the Anti-Corn Law League made “the people’s bread” its mantra, and some Chartists, as we have seen, joined the fight against the Corn Laws.\textsuperscript{119} As a consequence, Chartist complaints about taxes on commodities were ambiguous: some clearly accepted, while others were sceptical of, the strategy of the ACLL.\textsuperscript{120}

Although Chartism formally began with the London Working Men’s Association’s (LWMA) approval of a draft parliamentary People’s Charter on May 8, 1838, many who became Chartists had been active for years in causes related to the goals of the Charter. In the Petition Adopted

\textsuperscript{114} Poor Man’s Guardian, No.101, May 11, 1833, 1, col.2; No.113, August 3, 1833, 1, col.2; No.136, January 11, 1834, 2, col.2; No.157, June 7, 1831, 2 col.2; No.195, February 28, 1835, 3, col.2; Northern Star, vol. and ser. 1 No.9, 13 January 1838, 6, col.2; vol. and ser. 1, No.35, July 14, 1838, 6, col. 2; vol. and ser. 1, No.46, September 29, 1838, 8, col.3.
\textsuperscript{115} W. Cobbett, To the Journeymen and Labourers of England, Wales, Scotland, and Ireland, on the Cause of Their Present Miseries (November 2, 1816).
\textsuperscript{117} A cartoon in the Poor Man’s Guardian showed a loaf of bread schematically reduced to less than half its size by taxes on necessities: Poor Man’s Guardian, March 15, 1832, 4.
\textsuperscript{118} Hilton, above fn.11, 26–28.
\textsuperscript{119} See J.F.C. Harrison, “Chartism in Leicester” in Briggs, above fn.1, 99–146, especially 137.
\textsuperscript{120} “[I]f the freemen have not the hearts of slaves, they will [illegible] the ungenerous act [repealing the Corn Laws], and not desert their fellow workmen, but unite with them and demand Universal Suffrage.” “Corn Laws v. Taxation”, Northern Star, vol. and ser. 3, No.147, September 5, 1840, 7, col.5. “Just think of Dr. Greig of Leeds, and Plint, and Dr. Smiles, talking about the blessings of free trade, and the inhumanity, unchristianity, barbarity, and insanity of taxing food: the blunderbusses! They don’t say a word of taxing the labor that buys the food … Never stir an inch from your Charter!” F. O’Connor, “The Dungeon Mirror”, Northern Star, vol. and ser. 3, No.139, July 11, 1840, 7, col.6.
at the Crown and Anchor Meeting of the LWMA, on February 28, 1837, one of the principal grounds of protest was:

“That all those who are excluded from [a proper] share of political power are not justly included within the operation of the laws; to them the laws are only despotic enactments, and the legislative assembly from whom they emanate can only be considered parties to an unholy compact, devising plans and schemes for taxing and subjecting the many.”

The LWMA repeated a protest that went back to the corresponding societies of the previous century and that soon became a Chartist theme. In an account of a public meeting of radicals in Halifax, on January 22, 1838, Robert Sutcliffe and several more speakers condemned the English aristocracy, “by which so much taxation had been inflicted upon them.” As one put it, “Taxation without representation was no better than robbing a man on the highway.” An open letter from John Frost to William Lovett, Secretary of the General Convention of the Industrious Classes, sarcastically noted the transfer of wealth from the working class to the privileged:

“The average wages are, as I understand, from 6/- to 7/- a week; let it be 8/-; out of this about four shillings goes in taxes. The learned and pious secretary of state [Lord John Russell] recieves [sic] about £6,000 a-year, besides perquisites, for filling, no not filling, Mr. Lovett, for doing the work, and dirty work it is, of the office. His Lordship quarters himself on six hundred of these poor weavers; here are six hundred of these poor men paying half their wages in taxes; deprived of the common necessaries of life to enable his lordship to live in luxury! Oh, beautiful system, the envy and admiration of the world! Opportunists and friends of the working poor alike drew a close connection between this manifestation of tax policy gone wrong and the need for a rather different specific tax reform.”

Before considering the other two categories of radical anti-tax comment, it is useful to note that the middle and working classes, however, experienced the burden of taxation differently. It was often asserted that taxes on food and other necessities reduced the wages of workers to such a low level that employers were required to restore them to a subsistence level, so that the burden was passed on, at least in part, to employers. Thus, middle class complaints about the sheer size of the tax burden may not have been intended, or understood by the working class, as identifying common ground for political action.

The second category of pre-Chartist and Chartist tax utterances—demands for a fairer distribution of the tax burden—was a departure from earlier complaints about the burden of taxation. An important early statement is that of the Kettering Radical Association, whose detailed pamphlet on the points of the Charter gave equal standing to the demand that “the working-classes … be exempted from all beyond their just proportion of the burdens of the State” and castigated

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121 Petition Agreed to at the “Crown and Anchor” Meeting, February 28, 1837. Appendix A.
“the unfairness with which our legislators have shifted fiscal imposts from their own shoulders to those of the unrepresented, and therefore defenceless, part of the community.”

John Frost, in the letter to William Lovett quoted above, provided a figurative account of the disproportionate distribution of tax burdens between the wealthy few and the poor:

“It would be a good plan, Mr. Lovett, were [Lord John Russell] and his colleagues to collect their own salaries, and to collect them as tithes were formerly collected, in kind. How pleasing it would be to see ‘this scion of the noble house of Bedford’, accompanied by Cupid, going round the houses in Stroud, with sacks on their shoulders, taking the breakfast from one poor weaver and the dinner from another; going into shops and helping themselves to tea, and sugar, and soap &c. &c., and coming out with their sacks and pockets filled with these good things.”

In a long report of a Chartist rally in Manchester on August 22, 1840, the Northern Star records that eight different speakers mentioned the weight of the tax burden on the poor, and John Deegan, the last to speak, urged his listeners “to endeavour to convince every person opposed to [the Whigs and Tories] that the happiness and prosperity of the whole country depended upon an equitable distribution of wealth,” namely that workers must be allowed “to enjoy all the wealth they themselves produced.” As we have seen, Feargus O’Connor repeatedly touched on this theme.

Chartist and other working class commentators were not alone in demanding a fairer distribution of the tax burden. Middle class radicals regarded Chartist diatribes against the inequality of tax burdens as simply stating a fact. Sir Henry Parnell had described the excise taxes of 1830 as unfairly burdening the poor. No one contradicted Sir John Key when, in proposing the repeal of the house and window taxes to his parliamentary colleagues, he described these and other indirect taxes as having

“absorbed a large portion of the disposable income of the industrious classes, which, if taxation had been fairly and equally imposed, would have been employed in obtaining those necessaries and comforts, to which as the main prop and support of the state, they were so well entitled.”

Richard, in Harriet Martineau’s The Park and the Paddock, declared, “We know (or might know) that the poorer classes are made, by indirect taxation, to pay five times as much as others.”

The third category of Chartist tax utterances—specific tax reform proposals—is crucial for an evaluation of the Chartists’ depth of interest in tax fairness and neutrality. Radicals who spoke for repeal of the window and house tax in the heightened tax reform debate of 1831–1833

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125 The Just Claims of the Working Classes (pamphlet of the Kettering Radical Association dated May 10, 1839), reprinted in Thompson, above fn.1, 94–114, especially 107.
127 Account of Chartist Rally in Manchester to welcome Peter McDouall and John Collins on their Release from Gaol, Northern Star, August 22, 1840, reprinted in Thompson, above fn.116, 139–174, especially 173.
128 Above fnn.15–16, 95–105 and accompanying text.
129 Parnell, above fn.10, 14–16.
130 HC Deb April 30, 1833 Vol.17 cc758–835.
131 Martineau, above fn.76, 118.
naturally coupled this with a demand that the confusing and duplicative consumption taxes of the post-Napoleonic era be replaced by a single direct tax, always a property tax measured by the (deemed) rental value of the taxpayer’s property, an obvious proxy for “income.” The editorial for which the editor and publisher of the *Weekly True Sun* were imprisoned conspicuously demanded a “bold property tax”. Again, O’Connor’s welcoming editorial of 1842 leaves his own attitude towards the income tax in no doubt. His pre-Chartist interest in the re-distribution of tax burdens and his support in 1832 for the repeal of the window and house taxes can be seen as leading naturally in this direction. O’Connor’s interest in, and efforts on behalf of, the *Weekly True Sun* defendants in 1832 is direct evidence that he considered the income tax to be a vital part of the radical cause at this early date. His declared support for the most celebrated of these property-tax advocates placed him at the core of the movement that was to greet Peel’s income tax as a culminating event.

*The Poor Man’s Guardian*, edited by Bronterre O’Brien, was another early advocate of a broad “property tax”. In front-page editorials of 1831 and 1833, it advocated repeal of the window and house tax and specifically criticised middle class critics of the window and house tax for not also championing the creation (or re-introduction) of a “heavy” property tax. Although these editorials at best represent popular radical opinion before it converged to favour political over economic reform, British radicals never signalled a loss of fervour for this approach to tax justice. The Kettering Radical Association manifesto makes a similar observation by contrasting the repeal of the property tax 20 years before with the continuation of taxes on tea, coffee, sugar and soap, “articles essential to the comfort of the poor”. The gist of Chartist polemic against the tax burden was of course that something should be done about it and done by an electorate that included the industrious classes.

The fourth category of Chartist comments on taxation—criticisms of the non-neutrality of current taxation and proposals for greater neutrality—can be divided into two subcategories. Of these, the less complex comments appear to echo the hand-loom weavers’ idea that machines should be taxed to balance the burden of consumption taxes on labour. For a broader audience of workers, however, machinery was not the enemy or a rival. R. Montgomery Martin had perhaps been the first to suggest that an income tax could achieve both neutrality and equity by burdening equipment and labour alike:

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132 See above fn.22, 76–78 and accompanying text.
133 Not only were “property tax” and “income tax” used almost interchangeably during the interregnum between the Pitt and Peel income taxes, but radicals who favoured repeal of the window and house tax in heightened tax reform debate of 1831–1832 clearly declared their goal to be that of replacing the confusing and duplicative consumption taxes of the post-Napoleonic era with a single direct tax, invariably, an “income tax” or a property tax measured by the (deemed) rental value of the taxpayer’s property, an obvious proxy for “income.” O’Connor’s effort to identify himself with the most celebrated of these advocates is evidence that he considered the income tax a vital part of the radical cause at this early date.
134 See above fn.16.
135 *The Poor Man’s Guardian* later argued that tax reform alone would not achieve the goals of the politicised working class.
136 Thompson, above fn.1, 93–113.
137 See above fn.48–52 and accompanying text.
“[I]f you tax the hand-loom weaver who throws the shuttle, you should tax the capital which competes with him, or the properties derived from such competition.”

Many of the foremost Chartists including Oastler, O’Brien, O’Connor, and McDouall, as well as other Chartist allies like Fielden, Salt, Crawford, and Doubleday also spoke of the need to tax capital and labour alike as the implicit rationale for broad direct taxation. Anonymous members of the movement echoed these ideas. O’Connor had proclaimed: “When we get a House of Commons” we will “take care that all taxation shall be reduced, and that it shall fall as lightly as possible upon the aristocracy of the country … When men tax others they are bountiful”.

By this he, and his hearers, may only have understood that a light-handed, broader taxation would be more equitable, but the comment that taxation might also be reduced suggests a more structural view of the change such a broad tax base might achieve. In dialogue with himself, a speaker at a Chartist meeting in July 1841 distinguished punitive from neutral reasons for taxing non-human capital: “Some persons would say—would you tax machinery? No, he would not, but in proportion as machinery superseded manual labour …” Or as an anonymous Northern Star contributor observed:

“Higher wages are ever met by more than a commensurate increase in … taxation [which] may amount to a complete prohibition of the taxed article.”

The time had passed for the disparate burdens of taxes on labour and on machinery to suggest protectionism for labour. Chartists promised that the political reforms they sought would lead directly to the bettering of all workers’ circumstances, including those of workers whose jobs machinery did not threaten but indeed made possible.

The other subcategory of neutrality-related comments includes observations based on the shifting of tax burdens from property to labour. From the premise that nominal tax incidence obscured the reality of tax burdens, Chartist thinkers reached conclusions about the desirability of a broad direct tax.

“[W]ho pays the tax! The owner of the property, or the man whose labour brings it from darkness to light—from unproductive lumber to manufactured use! The labourer not only pays the direct tax indirectly, but he also pays the enormous [sic] profit of … the direct tax-payer …”

138 See above fn.64 and accompanying text.
139 Richard Oastler’s Testimony in Behalf of the Poor Hand Loom Weavers, Poor Man’s Guardian, July 20, 1834, 6, col.2; Feargus O’Connor, “The Factory System”, Northern Star, June 23, 1838, 3, col.6; “Fergus O’Connor Esq. in Bolton”, Northern Star, February 24, 1838, 6, col.3; Northern Star, vol. and ser. 1, No.46, September 29, 1838, 6, col.2 (Fielden at Kersal Moor).
140 Northern Star, Vol. and ser. 1, No.18, March 17, 1838, 4, col.2 (burden of capital on labor and capital of employer); Vol. and ser. 2, No.88, July 20, 1839, col.1; Vol. and ser. 4, No.187, June 12, 1841 (Peel will be compelled to impose a broad direct tax on that new power the steam engine); vol. and ser. 1, No.46, September 29, 1838, 8, col.3 (John Clutton Salt at Sheffield mass meeting); vol. and ser. 1, No.9, January 13, 1838, 6, col.2.
141 Read and Glasgow, above fn.19, 73 (quoting reports in the Manchester & Salford Adverstiser, Northern Star, and Manchester Times of September 1839).
143 Unsigned article, Northern Star, vol. and ser. 1, No.18, March 17, 1838, 4, col.1.
144 “The Charter Suffrage versus the Parliamentary H-O-U-S-E”, Northern Star, vol. and ser. 4, No.171, February 20, 1841, 3. The context of the speaker’s remarks may be of interest. He describes how the Reform Act superficially
Similarly, the Lancashire Chartist R.J. Richardson argued that

“the great [tax] burden of the war fell directly upon the shoulders of the landlords and the
farmers, and indirectly upon the consumers.”

He went on to link this point about tax incidence with an assessment of the current causes of
political conflict among land, capital, and labour, understood at the time to be the chief factors
of production.

“The great secret is, the landlords have the power, legislatively and militarily, to protect
themselves, and the present outcry against landlords and Corn Laws is raised by another
and a more desperate band of leaguers, speculating capitalists, who seek to monopolise
[sic] the commerce of the world at the expense of the manufacturing operative.”

The legacy of Chartist tax themes for radical successors

Chartists’ insistence on the survival of the income tax after Peel’s departure from office was
muted. Although fond of the slogan “no taxation without representation”, the dwindling movement
seemed to lose its fiscal agenda. Later events, however, show how the public discussion changed
when Chartism had had its say.

Whether the income tax of 1842 should be continued was genuinely in question when Lord
John Russell succeeded Peel as prime minister in 1846. Russell’s Government pressed for and
obtained an extension, but in 1851 the income tax briefly expired amid continuing uncertainty.
Joseph Hume, the long-serving leader of the parliamentary radicals whose support for the income
tax had always been irresolute, moved for a one-year extension and pressed for a parliamentary
select committee to study reform options. The committee made no recommendations and Russell’s
Government fell for unrelated reasons. Disraeli, as Chancellor of the incoming Tory Government,
offered Parliament a revised income tax that exaggerated differences in its impact on various
income groups. This occasioned the Government’s immediate fall. Ending the uncertainty,
Gladstone’s first budget as Chancellor of the liberal Derby Government retained the income tax
in a more neutral form. The goals of neutrality and fairness had figured boldly in the reform
debate and its resolution.

Hume’s 1851 select committee had entertained trenchantly opposed expert views on whether
income from different sources should be taxed at different rates. Witnesses included, first, several

made taxation and representation “coextensive.” In his words: “They say … property is represented, and property
only is taxed.” In response to this, he makes his objection based on tax incidence.

7, 1840, 7. See also “Letter to the Editor of the Northern Star”, Northern Star, vol. and ser. 4, No.196, August 14,
1841, 7.

146 Richardson, above fn.145. Not referring to tax neutrality or shifting tax incidence, but obviously continuing the
same theme, Thomas Doubleday, a Newcastle manufacturer, political and financial historian, and sometime Chartist,
summed up the politics of the income tax as follows:

“Well, if the people kick, as kick they will, can the Whigs lay on an income tax? Will the cotton lords and all
the traders and shopkeepers, who have been just refused the repeal of the Corn Laws, will they submit to our
income-tax or property tax? Not they, faith!”

3, No.127, April 18, 1840, 8 (remarks of Thomas Doubleday).
technical experts from the Commission and staff of the Inland Revenue and then a number of prominent political and public figures, who favoured changes in the design of the income tax. The former stressed that the design of the income tax under both Pitt and Peel was intended to ensure broad compliance and evenhandedness. When asked to describe the legislative evolution of the tax under Pitt and Peel, Charles Pressly, a Commissioner of the Board of Inland Revenue, explained that Pitt’s original income tax (the “triple assessment” of 1798) had been amended in 1799 to ensure that it would not be a tax exclusively on “expenditure,” which would have made it a tax on newly funded consumption alone.\footnote{\textit{[T]hat Act [of 1798] was found inoperative from its being a tax upon expenditure and not upon income; that was the reason assigned at that time, and from its not being paid by persons who were not chargeable to the assessed taxes.” Parliamentary Papers, \textit{Select Committee on Income and Property Tax (1851–1852)}, 3 (testimony of Charles Pressly, Esq., June 19, 1851). See Benjamin Sayre, \textit{Observations, &c., Upon The Act for Taxing Income, In Which the Principles and Provisions of the Act are Fully Considered, With a View to Facilitate its Execution, Both With Respect to the Persons Chargeable, and the Officers Chosen to Carry It into Effect} (London: Bunney & Gold, 1799), 2–3: “It must be in general recollection, that the criterion taken last year, as the means of ascertaining income, was Expenditure, as established by means of certain articles of general establishment only, and was even then admitted to be in many respects imperfect; but that was the only criterion that could, conformable to any mode of taxation before practiced, be resorted to as affording a probably means of ascertaining the amount of Income of individuals by affording a relative view of their Expenditure. It was fallacious inasmuch as it included some and wholly excluded others; inasmuch as it included some in different proportions to their respective means; and as from the nature of the criterion it did not embrace a large portion of the property of the community enjoyed by political bodies or persons not objects of those assessments which constituted the basis of that contribution. It was also fallacious, inasmuch as, from regard to antecedent prejudices, it failed to enforce its principle, by compelling a disclosure of Income; it left each individual to interpret the rules, and to estimate his income, without control, according to his private bias; it involved the honest and loyal, while the dishonest or disaffected escaped under their own interpretation.”}} Other minor officials with practical knowledge of the enforcement of Peel’s income tax repeated the same point with varied illustrations. No committee member questioned the direct implication that the income tax must cover income that is not consumed.

Later in the hearings, however, eminent witnesses including Charles Babbage, Henry Warburton and John Stuart Mill urged that the tax should purposefully depart from neutral treatment of selected types of income. In its then current form, the tax law prescribed that gross income from houses and buildings be taxed (reported on Schedule A), whereas only net income from professional activity, securities holdings, and all other activities including labour (Schedules B, C, D, and E) was taxed. This burdened landowners in contrast with all other income-earning classes, who were allowed to deduct the costs of earning their income. The differentiation, however, echoed the Ricardian view that economic rents from scarce land depressed profits from other capital by raising the living costs of workers and forcing employers to pay higher wages. The Philosophic Radicals, following Ricardo, would therefore think that higher taxes on these rents moved the economy in the right direction, just as earlier working class radicals had thought taxes “on machinery” or capital would equalise the market’s preference for and compensation of labour. The same capitalist radicals might be sympathetic to Warburton’s argument that the income tax should reach only “realized property” (namely, whether there should be a tax on income from passive investments) or Mill’s proposal that it should exempt “savings” (income from any source that is not consumed).\footnote{Above fn.147, 320 (testimony of J.S. Mill, June 23, 1852).} Later, G.H. Farr argued that the income tax should be...
replaced with an endowment tax on the capitalised value of an individual’s ability to earn income. This would also have violated neutrality by ignoring expenses or the timing of income. Hume favoured Farr’s scheme of capitalisation but could not persuade the committee of its merits. The committee made no recommendations to Parliament. As Chancellor of the Conservative Government that replaced Russell’s Whigs in 1851, Disraeli proposed keeping the income tax but with even more pointedly differentiated rates among the types of income reported on different schedules. The budget, and so the Government, failed because of these tax proposals.

Gladstone’s successful first budget for the Liberal Government of Lord Aberdeen revised the income tax by removing rate differentiation. In an elaborate budget speech, he emphasised that the industrial/commercial interests and the landed interest should be treated equally because they paid most of the tax. Now it was neutrality between competing winners in the economy that was uppermost. Holders of government bonds also escaped a higher rate on their bond income, again on grounds of nondiscrimination. The annual exemption for low incomes was reduced from £150 to £100, even though Gladstone had previously commented privately that this would create pressure for a broadened franchise. The inclusion of gross income on Schedule A and only net income on Schedule D, however, continued a form of differentiation. The upshot was that a more level playing field had become the main focus of tax policy, and given the failure of Disraeli’s budget and Derby’s Government, this aspect of the income tax had come to dominate most others.

The fate of the income tax after Peel turned on a struggle over neutrality among factors of production. It may be said that the mere shift from consumption to income taxation had set this struggle off, by highlighting the disguised non-neutrality of the pre-1842 customs and excise taxes. But Chartist support for the income tax had also been grounded in the greater neutrality of a tax on income rather than consumption. The revisionist debate of the early 1850s took their goal, now accomplished, for granted. Even those who favoured different tax rates for other factors of production never considered reinstating the burdens formerly felt by labour and other personal services. The Chartists and their precursors had therefore contributed to changing the debate and were the first to make the theme of income-source neutrality a basic one for the evolution of the income tax.

Meanwhile, a second series of events that reveal something about the income-tax legacy of Chartism occurred far from the corridors of power. By 1848 the Chartist contingent associated with G.J. Harney, O’Connor’s successor as editor of the *Northern Star*, certainly still supported income taxation. When Karl Marx founded the *Neue Rheinische Zeitung* in June 1848, Harney’s *Northern Star* greeted the new journal with approval, and Harney himself wrote on Chartism for Marx’s publication. Marx and Engels had a London foothold in the Deutscher Bildungsverein für Arbeiter (German Workers’ Educational Society), later to become the Communistischer Bildungsverein für Arbeiter (Communist Workers’ Educational Society). Eventually Marx and

Engels managed to publish the Communist Manifesto “at the expense and in the office of the” Communist Worker’s Educational Society.\textsuperscript{152}

At the time, Marx’s hold on the allegiance of the Chartists and Communists was tentative at best. This may explain why the Manifesto prominently lists “a strongly progressive tax” as the second demand of the Communist League. (A progressive tax must necessarily be based on income or one of its proxies.) Just two years earlier, Marx had scorned Hermann Wagener’s advocacy of an income tax as conducive to the goals of (Christian) socialism in Germany.\textsuperscript{153} Instead, he had argued that the rejection of the income tax by the bourgeoisie was a revolutionary act. The Manifesto announces Marx’s apparent change of heart without comment. The obvious explanation is that the income tax was a high priority for some part of Marx’s London audience. Given Harney’s association with O’Connor, and O’Connor’s outspoken support for Peel’s income tax, it may have occurred to Marx that acknowledgment of this Chartist tenet would enlist Chartist support for his candidacy for prominence in the League.

\textbf{Conclusion}

During the years after Napoleon’s defeat, political insiders and the British public strenuously debated the merits of reinstating the income tax, a temporary wartime measure. This time the discussion centered on the merits of replacing the plethora of taxes on consumption with a broad means-based tax. Although there was opposition, experts and amateurs alike found reasons for favouring some such reform with indefinite duration.

An influential group of fiscal experts and technocrats favoured a tax overhaul in order to curb public spending and promote free trade. They also noted that such a change would provide deserved relief for the working poor. Trades people favoured it primarily on grounds of equity, because the landed interest were notoriously undertaxed, while they faced heavy taxes on both business inputs and necessities. During a brief but intense debate in the early 1830s, middle class voices criticised the window tax, and at least some favoured a fairer version of the existing house tax, while the radical press that spoke to and for the working poor strenuously rejected both.

Building on the views of earlier radicals with whom they had affinities, Chartists took up already widespread complaints against the crushing and inequitable consumption taxes that burdened the poor, making this one of the principal evils for which the political goals of the Charter would provide a cure. Some Chartists, it is true, went no further, preferring not to alloy economic with political goals, or rejecting the efficacy of tax reform as a remedy for their problems. A more vociferous part of the movement, however, routinely cited tax reform as the principal outcome for which the right to vote was instrumental. They not only complained of the sheer weight of taxes on workers, but also demanded a fairer distribution of tax burdens, and in many settings, and at different levels of sophistication within the movement, championed a property tax that would function as an income tax. Earlier labourite radicals who helped form the framework within which Chartism debated a broader range of issues linked the impact of


machinery on workers’ welfare with the differential tax treatment of labour and machinery. Although they did not straightforwardly identify the need for a tax on business capital as the primary reason for taxing both consumption and capitalist profits, an inevitable feature of a tax on all income, the link between the non-taxation of machinery and the need for a broad direct tax was a recurring theme. Chartists hailed the re-introduction of the income tax in 1842 and were apparently still devoted to it in 1848, when the movement began to lose its distinct character. Although the tax agenda of Chartism never eclipsed its purely political goals, it helped to define the movement and to explain the purposes of political struggle to the movement’s disenfranchised members. It may be, as Boyd Hilton has said, that Peel’s income tax undermined the Chartists’ professed political initiative by reorienting the relationship of the government to the people, but if so, this was a kind of victory for Chartism: broad tax design has a constitutional role, and a major design shift that realigns the rights of social classes is fundamental constitutional change in this sense.

154 A “riot” in London on March 6, 1848 has sometimes been supposed to have been a Chartist protest against the income tax. See Royle, above fn.19, 42–43 (describing the anti-income-tax demonstration as “middle class”, taken over by the Chartists perhaps with other objectives); Thompson, above fn.1, 320. The most extensive account is given by Gammage, who says only that Chartists took over a protest meeting in Trafalgar Square against the income tax, naming G.W.M. Reynolds, a republican journalist as the organiser of the original protest: Gammage, above fn.22. The meeting was probably a protest against Lord John Russell’s proposal—later abandoned under pressure perhaps of protests like this—to increase the income tax rate from 7 d. to 12 d. for two years and to continue the income tax for another three years at the old rate of 7 d. Stephen Dowell, A History of Taxation and Taxes in England (London: Longman, Green & Co, 1884), Vol.2, 332. At the time incomes of less than £150 a year were tax-exempt. The poor, including even the better-off poor of London, would not have been affected by the proposed increase. Among the events of 1848, this demonstration, which turned violent, stands out and, given the recent revolutions in Germany and quelled rebellion in France, must have seemed to the authorities to threaten similar dangers to the public order in Britain. Why does Gammage record it as a Chartist event? If Chartists or their sympathisers were involved, however, there is no reason to suppose that they represented Chartist opposition to the income tax. Lucy Brown has referred to O’Connor’s favourable 1842 income tax editorials in the Northern Star as an “initial” positive reaction by the Chartists to Peel’s measure: Brown, above fn.23. Brown may have had this confusing 1848 riot in mind as suggesting later Chartist opposition. There is no evidence, however, that the Chartists ever changed course on the issue.

155 Hilton, above fn.11.

Income tax; Legal history