

Another Lesson from Rome: Taxation, Bureaucracy, and the Rich vs. Poor

Parallels in history are never perfect, nonetheless lessons can be learned. In *Mediaeval History: Europe from the Second to the Sixteenth Century* (1935), Carl Stephenson, a professor of history at Cornell University, provides a captivating account of Rome's decline in the late 3rd century as seen in monetary policy, taxation, and how the burden was felt by the elite compared to the lower and middle classes. For anyone paying attention to modern American politics, the parallels will likely stand out.

"Among the other troubles of the Roman state during the third century was that of a financial crisis. Numerous emperors, to secure temporary relief from bankruptcy, had debased the currency. The inevitable result was that good coins disappeared from circulation and that prices of all commodities rose to an unprecedented level. On attaining power, Diocletian [(Emperor from 284 A.D. to 305 A.D.)] tried to remedy the situation by two principal measures: the re-establishment of sound money and the limitation of amounts at which various articles could be sold. The latter measure, because it could not be enforced, was repealed by [Emperor] Constantine; but he continued Diocletian's monetary policy with noteworthy success. In addition to smaller pieces, he minted a gold *solidus* whose weight was one seventy-second of a Roman pound (*libra*), and a silver coin that, weighing the same, was worth about a fourteenth as much. For many centuries the standard currency of western Europe was to remain on this basis.

To restore the monetary system, however, was not to restore the prosperity of the state. Bureaucratic administration and

improved defense meant an increase in the cost of government, and there was no proportionate increase in wealth. Instead, the great majority of the people became progressively poorer; so that receipts from taxation constantly fell off. Although the leveling of the provinces made it possible to establish a uniform system of imposts throughout them, the burden was never equalized among the various classes. Men were divided into a series of ranks, the higher of which were normally exempt from ordinary taxes. The services which they rendered to the emperor were held to free them from the more ignoble charges; and although each privileged group had characteristic obligations, the latter were not oppressive. For example, members of the senatorial aristocracy, being theoretically liable for the expensive luxury of the consulship or praetorship at Rome, merely gave the emperor an occasional 'offering' of gold, which they could well afford. And they, like all the great holders of power and place, were immune from the customary tyranny of officials. It was principally the lower and middle classes who bore the crushing weight of the government."

Fascinating.

As Americans, we know our government has debased our currency over the decades, though the speed at which it is happening now seems to be increasing rapidly. Consider that since 2008, the national debt of the United States has increased by \$9 trillion, an effective doubling in eight years of what had previously taken centuries to accrue. The growth and costs of the administrative state are also noticeable as are the costs of maintaining a military that can cover the globe. Furthermore, the strife between the wealthy elite and the "rest of the country" are obvious, especially in the lead up to the 2016 election.

Where do we go from here? Is decline guaranteed? Not necessarily. That said, though, Rome was sacked by the barbarian king Alaric only a century after Emperor Diocletian

attempted reform.

—

Dear Readers,

Big Tech is suppressing our reach, refusing to let us advertise and squelching our ability to serve up a steady diet of truth and ideas. Help us fight back by [becoming a member](#) for just \$5 a month and then join the discussion on Parler [@CharlemagneInstitute](#)!

Image Credit:

HBO's Rome