

Taxes catch up even with 'Sovereign'! Fiscal Tales from reigns of QE-I to QE-II!

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FOR four days, from June 2nd to June 5th, all roads in Britain converged at just one destination - Windsor Castle, the home to the reigning Queen Elizabeth II. She was coronated in 1952 on the untimely demise of her father George VI, and the last Thursday marked not only the onset of the Jubilee celebrations but also her 69th anniversary of crowning. Intoxicated by the joy of the once-in-more-than-a-century celebration **a la**

Diamond Jubilee for Queen Victoria in 1897, thousands of Britons, defying the 'Law of Large Numbers' (someone will die in a bizarre accident!) lined up for thanking the horse-loving Queen for being 'in the saddle' for 70 long-years. She has been carrying the weight of the crown for longer than any of her predecessors in close to 1000 years! Wow! She joins the **creme de la creme** club as the third-longest reigning monarch of a sovereign state. Yelling huzzah!, the Britons celebrated the Platinum Jubilee with a pirouette!

And why not? Their Queen is also the Head of State for 14 other countries such as Canada, Australia, New Zealand and many Caribbean islands. She also holds record to her credit - appointed 14 British Prime Ministers (narrowly missed the 15th one!). And 13 US Presidents, except Lyndon Johnson, have softly brushed against her white gloves! Though the Labour Party MPs have always been harmfully nibbling at the root of the monarchy and a large number of younger-generations' Britons favour elected head of the state but she continues to be more than a 'cypher' with a handbag! She represents the rapidly-rarifying virtues of continuity and consensus in the British society. The twin qualities appear starkly glaring at a time when other British institutions have thuddingly been faltering! That is how at least 8 out of 10 support and adore the Queen Elizabeth-II (QE-II)!

Inquisitively, both Elizabeth's (Elizabeth-I reign lasted from 1559 to 1603) rose to the throne by accident - and both defied fissiparous forces of their times and endured with a clockwork! Though QE-1 survived for 44 years against QE-II's 70+ but the QE-I had laid the bricks for strong future monarchs, carting England into a flourishing period of arts, politics, guerrilla warfare and exploration. Both enviably practised the 'Doctrine of stiff upper lip' - keep opinion to oneself!

Interestingly, QE-I excessively and successfully used the charm of a 'Lady' to calm the frequent inflammations in the foreign policy domain and gifted stability to English politics and territorial security. Since her charade of gorgeousness worked well in balancing the dominant and rival powers of the prevailing time, she had decided not to marry unlike the QE-II and used to say,

"England would have one mistress and no master."

Undoubtedly, if one thumbs through the pages of history, many more alike-qualities may be discovered between the two! For instance, my mining activity serendipitously unearthed a long-running thread of taxes! Taxes go hand in hand with the wealthy! One of the historically-upheld inferences is - if you want to become wealthy, just avoid or even evade paying taxes **a la**

evasion or unduly appropriation of ITC by GST taxpayers and blatant avoidance of taxes by MNCs in the present times! However, if you personify the sovereign, you may extract concessions of exemption from legislature!

This is what the father of QE-II had done before his brain was nudged into eternal '**Nirvana**' - the last deep sleep!

Let's do some brain-scrubbing! If we leave out the years of scandals involving the monarchy, the QE-II did have many years of 'taxing' ***annus horribilis***

! To cover running costs like castle maintenance and royal travel, the monarchy received a sovereign grant of 86 million pounds last fiscal. The grant is a proportion of profits from the 'Crown Estate' which was valued at 15 bn pounds in 2021. This includes properties worth eight billion pounds in London. This is tax-free grant to the Queen. Besides the grants, the QE-II owns private wealth through two entities - the Duchy of Lancaster (set up in 1337) and the Duchy of Cornwall (formed in 1265). Both own ginormous tracts of land and generate profits to the tune of 40 mn pounds annually. The Treasury had extended tax exemption to such income also.

Then a mega inferno mortally damaged the Windsor Castle in November 1992. Its repair was estimated to cost a fortune to the Exchequer - about 90 mn pound. All these incidents provoked the ire of a good swathe of the then recession-scarred Britons who demanded that like other citizens, the Queen should also be taxed for her capital gains and other private income.

Buckling under the soaring adverse public opinion, QE-II asked the then Prime Minister, Mr John Major, to announce in the Parliament that the Queen would voluntarily pay tax on her income from private investments and would also partly pay for maintenance of some members of the monarchy. Though such a decision was widely welcomed and lauded but what stirred another beehive of controversies was the leak from the 'Paradise Papers', exposing the Queen's investments in two tax havens of Bermuda and Cayman Islands. ***Yuck,***

both are Dependencies of Britain! The London media turned yellow and buffeted on various facets of her a little over USD 13 mn investments into offshore tax-sheltered funds! Anti-monarchists accused her of making money through dubious means but the issue was later settled by the professionals who used to make decisions relating to the investment portfolios!

This brings me to her namesake from the same clan - QE-1, who ascended to the throne in 1559 after the death of Queen Mary in 1558. It was an era of acute religious strife and financial crises because of frequent naval clashes with more powerful Spain ruled by Philip II - popular for his manly countenance! She inherited a debt of 227000 pound. Being a frugal spender, she kept her borrowings to the minimum. When she died in 1603, she left a debt of only 3.5 lakh pound over a period of 44 years - a wonderful example of artful housekeeping by her! However, England faced serious threat from France and later even from one-time friend Spain which used to maintain most ferocious and also breathtakingly large naval fleets. For few years,

being a deft spin doctor in politics and diplomacy, she managed to calm rival powers by tempting them to potential matrimonial alliance!

But, when the Spaniards mau-maued the territorial integrity of England, she was forced to recruit more soldiers in her army albeit she did not have enough resources to pay them salaries. So, she tactfully joined hands with professional privateers who helped her army trigger a chaos among the Spanish naval fleets and also destroyed half of the armada! A case of 'singeing the beard of the king of Spain'!

In other words, QE-I was a highly reluctant ruler so far as imposition of fresh taxes was concerned. In fact, she was so scared of rebellion by the clergy and the natives that she did not favour hiking even the existing taxes. She also had the lurking fear of alienating her support-base! However, when the war with Spain in 1585 pushed her back to the brink of borrowing again, she felt compelled to seek shelter under extra-parliamentary method of mobilising resources - popularly called 'Benevolence Tax'

! The kings and the Queens used to send letters and messages to the rich and the wealthy to voluntarily contribute to fight wars! Though experts dubbed such 'informal taxes' as extortion but QE-1 had left it to the wealthy to self-assess one's wealth and contribute a fixed percentage of the same for effective protection from hostile foreign forces! What further roiled her finances were a series of poor harvests in the 1590s which walloped the entire economy. During her reign, the food prices shot up about 75% and the wages to agricultural labour had drastically declined. The conditions of the poor were so pathetic and soul-wrenching that the famed Shakespeare described the same in his '***A Midsummer Night's Dream***'!

Looking at the reigns of QE-II and QE-I, both were indeed similar in many manners including their missing inclinations towards taxes. QE-I was not inclined to impose new taxes or even go after the 'Benevolence Tax' enforcement with an iron hand! Similarly, QE-II was very reluctant to pay taxes on her personal income as well as estate till the time she could gauge the boiling sentiments of the common Britons who wanted their monarchy to pay taxes like them. Although QE-II has been paying taxes since 1993, an erratically erupting controversy involves the tax-breaks she continues to enjoy even today

. The British monarchy needs to realise that the taxpayers among the younger generations believe more into the realms of equality and parity in treatment and, they are dourly opposed to the idea of extending tax subsidy to the royals any longer!

They do not mind singing karaoke but are equally quick-footed to give a big E! Holy Treasury! Taxes are like poison ivy (climbing plants!) and they do catch up even with the 'sovereign' of the yesteryears in today's liberal democracy! Sombre message for the 'Queen Understanders'! Achingly true! Anyway, it is celebratory & revelling time! Time to grab pepperoni roll and visit royal barista! And let the Britons uncork the wine bottles from over 700 vineyards - a bustling industry in the recent times in UK! ***Mwahahaha!***