



The nerves of state

Taxation and the financing
of the English state, 1558–1714

Michael J. Braddick

Frontispiece In 1621, Parliament ordered that Sir Francis Michell, a monopolist and associate of Sir Giles Mompesson, should be made to ride backwards on a horse through London. A similar punishment had been visited upon a purveyor by Star Chamber in 1605. This illustration, taken from a pamphlet of 1640, seems to recall such punishments, perhaps in anticipation of future actions against monopolists. This kind of shaming punishment ('riding') provides a point of contact between official and 'popular' rituals of justice. In these official cases, it was used against people suspected of self-interest and profiteering under cover of government activity. It was used unofficially to shame husbands beaten or cuckolded by their wives.

Source: M. Ingram, 'Ridings, rough music and mocking rhymes in early modern England', in B. Reay (ed.) *Popular culture in seventeenth-century England*, London, 1988, pp. 166–97 (p. 173). For hostility to Mompesson and others in 1621, see R. Lockyer, *The early Stuarts: a political history of England, 1603–42*, London, 1989, pp. 192–5. I am grateful to Helen Weinstein for drawing my attention to this woodcut and to Dr Martin Ingram for discussing its significance with me.

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Taxation and national finances in England, 1558–1714

Students of this period will come across taxation at many points and yet there is no brief introduction to its history or that of national finances as a whole. Another problem for those new to the subject arises from differences between historiographical traditions. Economic historians not only have different concerns from political or legal historians, but they use a different terminology in describing taxation. This book seeks to examine the politics of taxation in the broadest sense, in the villages, courts and parliament of England. These politics, however, changed according to the quantity of taxation being demanded and the way in which the burden fell. They also varied according to the authority by which it was being demanded and the means by which it was collected. None of these things was constant; indeed, there were significant changes in all these respects between 1558 and 1714. In order fully to understand the politics of taxation in this period, then, it is necessary to understand the broad outlines of the changing structure of public finance. Having done this it is possible to consider how political reactions to taxation were prompted by this transformation and also to begin to consider the ways in which this transformation was itself moulded by political opinion. Before attempting a general account of the history of taxation and its role in public finances, however, it is necessary to review the ways in which taxation has been examined and the terms that have been used in studies of this period.

Approaches to the history of finance and taxation

One common approach to the history of taxation is, of course, economic. However, this is only part of a broader concern with the history of finances, to which there are three components. The management of government finances entails balancing revenue and expenditure. This might mean maximising revenue, minimising expenditure or, most likely, applying pressure in both directions. In order to cover temporary imbalances governments borrow and this is the third important part of the economics of government finances. Because the economic activities of governments are usually on a large scale relative to the economies in which they are located, the way that they earn, spend and borrow has important implications for the economy at large. This period is well served by studies of this kind and most students need to become familiar with the terminology of economic historians. The overall structure of finances is considered in this chapter, and the following chapter is concerned with spending and borrowing. However, this study is mainly concerned with revenue raising, not finances as a whole, and among the various means of raising revenue it is particularly concerned with taxation. It is the terms used by economic historians of taxation that need to be introduced here.

The general concern of economic historians of taxation is to examine the burden of taxation and the way that it fell: on which items tax was payable and with what economic consequences. In seeking to examine the economics of revenue raising historians distinguish between direct and indirect taxation. Direct taxation is levied directly from taxpayers and usually falls on their wealth or income. A contemporary example would be income tax. Indirect taxation is levied on expenditure, for example VAT (Value Added Tax). In general, direct taxation is 'progressive' in that the amount of taxation paid by individuals is related to the amount of wealth or income that they have. Indirect taxation is sometimes 'regressive', however, because the amount paid by individuals is unrelated to the amount of wealth or income that they have. As a result the weight of taxation is relatively heavier for poorer taxpayers. This is the case when the tax is raised on items of consumption that everyone buys. For example, a purchase tax on bread raises a similar amount of money from everyone, no matter

how wealthy they are. By contrast, a tax on a luxury item falls only on those rich enough to purchase such items. One important concern of economic histories of taxation is the balance between direct and indirect taxation, and the kinds of commodities on which indirect taxation falls. In this way historians can appraise the extent to which the tax regime is regressive or progressive. From this kind of analysis a more general account of the economic effects of taxation can be developed.

The effects of the financial system might be considerable. Taxation might reduce demand for certain types of commodity by raising prices. On the other hand, government spending might increase demand for other commodities. For example, after 1649 the largest industrial concerns in the country were the state naval dockyards funded, ultimately, by taxation. Tax regimes can affect the distribution of wealth by taxing particular groups relatively heavily or lightly. This, too, can have implications for the pattern of demand in an economy. In this sense the effects of taxation are not purely 'fiscal', they affect the operation of the economy more generally. Some modern governments deliberately use taxation for these non-fiscal purposes, to redistribute wealth or to create different patterns of demand. As we will see, some contemporaries began to demand that these broader economic effects of taxation be taken more seriously or even that they be consciously manipulated. There are, clearly, important questions arising from the economic history of taxation. This is particularly the case in the early modern period, when tax levels were increasing at the same time that the English economy was thriving.

Political and constitutional historians of this period have also paid considerable attention to financial matters, but the terminology that they employ is rather different. Raising taxation involves disposing of the private wealth or income of an individual for some public purpose. It is, inevitably, a very sensitive political issue as a result. Political, legal and constitutional historians tend to be interested in this dimension of government finance and tend to categorise types of revenue in political as well as economic terms. The concern is as much with who has the power to grant, collect, audit and spend revenues as with whether they are indirect or direct taxes or how regressive they are. These questions are of particular interest in our period because not all revenues were taxes. Some derived instead from the personal property of the

monarch or the personal powers of the monarchy. Most accounts of the revenues of this period, therefore, employ this political and constitutional vocabulary and so we need to consider this terminology, too.

Most political histories of this period categorise revenues according to contemporary usage, that is as either ordinary or extra-ordinary. Ordinary revenues were the recurring revenues raised by the crown in order to cover the normal expenses of government. In addition, the government raised revenues for particular reasons beyond the ordinary, that is for extra-ordinary purposes. Of the ordinary revenues, a considerable part was supplied by the personal income due to the monarch from his or her own lands. These revenues are usually referred to as demesne revenues, and were clearly not taxes. In addition the crown could raise money from individuals by reason of some personal obligation. These obligations, for example to pay the king for the right to inherit a piece of land, are loosely termed feudal dues. They derive from a personal obligation to the monarch by an individual. Some economic historians regard these dues as forms of taxation, but to most political historians they are distinct because the relationship is personal and tenorial rather than public. On the whole they provided part of the ordinary revenue of the crown, although some such dues were raised for particular purposes, for example to pay for the marriage of the children of the monarch. Some duties were raised not from a particular personal, tenorial relationship but from a more generalised obligation to the monarch. These are referred to as prerogative revenues, because the authority by which they were raised was the personal prerogative of the monarch. Again some of these revenues appear to us to be very similar to taxes, but political historians distinguish them on the grounds of the authority by which they were collected. The best example of this is ship money which was raised in the 1630s in order to pay for the king's navy. Contribution was compulsory and followed ratings of an individual's wealth, but many contemporaries and many modern historians would hesitate to refer to it as a tax. In economic terms, of course, it is quite reasonable to refer to it as a form of direct taxation.

Direct taxation, to most political historians, refers to parliamentary taxation, and this was used, in theory at least, only for extra-ordinary purposes. Among direct taxes historians distin-

guish between assessed and quota taxes. In the case of the former the wealth of all taxpayers was assessed and a proportion of that amount demanded. Quota taxation, by contrast, set a target figure to be raised from particular localities without specifying the means by which this was to be achieved. The result was that taxpayers in different parts of the country might contribute towards quota taxation on different forms of wealth and in varying proportions. Confusingly, some authors use the term 'rate' in preference to quota taxation. Indirect taxation before 1640 consisted of the customs dues, raised by a mixture of parliamentary and prerogative authority. In the later seventeenth century there was a rapid expansion of indirect taxation on inland commodities, the excises. These were in any terminology taxes since they were granted by parliament.

These variations in terminology can be confusing to the lay person, but they also reflect differing priorities. To an economic historian the relationship between public finance and the national economy is of pre-eminent interest. In this the relative proportion of national wealth being commanded by the state, the sources of that revenue and the implications for demand and supply are the main concerns. All these things are political, in that they can cause argument, but the politics are different from those revealed by the terminology of the political, legal and constitutional histories. Here the principal concerns are with the relationship between the power of government and the property rights of the individual. In this context it is sometimes extremely significant that a particular exaction was a personal obligation to the monarch rather than a parliamentary tax. One concern of this book is to bring together these divergent preoccupations.

This does not exhaust the variety of contexts in which taxation is studied. Tax records are an important source for social historians interested in the distribution of wealth, for example. Recently, too, historians have tried to place resistance to taxation within the more general context of the social history of riot or rebellion. An important context for these issues of 'popular politics' is an overall sense of the structure and scale of public finances and of the political implications of the authority by which they were raised and audited. This book seeks to incorporate this dimension of the politics of taxation too.

The next section introduces this general context for the eco-

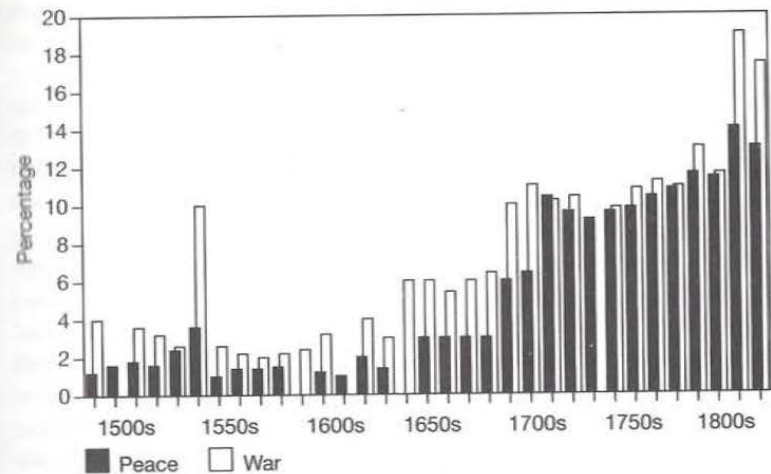
conomic, social and political effects of taxation by seeking to outline a history of finances that is sensitive to the interests of all these historians.

National revenues, 1558–1714

The study of national finances in this period is fraught with difficulty. Aggregate figures for national revenues are not particularly trustworthy, especially down to 1640. National revenues were not accounted for in national balance sheets. Instead the historian must collate information from separate accounts for particular sources of revenue which may have been organised on different principles. For many sources of revenue there are no national accounts at all, or accounts only for particular periods. In some cases too, the amount paid to government was smaller than the sum raised, contractors of one kind or another having taken a profit between collection and account. The administrative machinery was, in total, formidably complex and interpreting the records that it has left often poses considerable technical difficulties. Even worse, some revenues raised for national purposes such as war were never accounted for with national government at all, but were raised and spent locally.

We know much more about the scale and composition of national government revenues, however, as a result of recent work by O'Brien and Hunt, drawing on the findings of a large number of specialised studies.¹ The difficulties with the data should caution us against placing too much weight on figures for revenues in particular years or for short periods of time. In general outline, however, the findings are unlikely to be fundamentally challenged. What O'Brien and Hunt have demonstrated is that there was a significant increase in the proportion of national wealth commanded by government in this period. In effect, the capacity of the government to tax was growing more quickly than the economy. We may assume that this phenomenon had important political implications and also that it is something that requires explanation. Given the prominence of tax resistance in most accounts of the political history of this period, it is certainly a striking fact.

Figure 1.1 gives an impression of the chronology of this development, distinguishing between revenues in peace- and war-



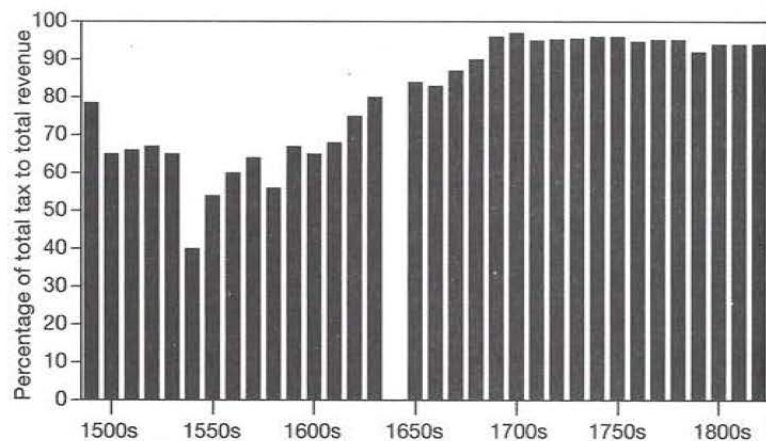
1.1 Total revenues as shares of conjectures of national income, 1485–1815

Source: P. K. O'Brien and P. A. Hunt, 'The rise of a fiscal state in England, 1485–1815', *Historical Research*, LXVI, 1993, p. 159.

time. In the 1640s the scale of war-time revenues increased dramatically and this increase was sustained until the 1680s. Peacetime revenues were also increasing, so that there was a long-term increase in the share of national wealth commanded by national government. In the 1690s further increases took government revenues to levels which were not exceeded for a further century. These increases are all the more striking because they followed centuries of rough stability. The reign of Henry VII saw the restoration of revenues to levels achieved in the mid fourteenth century, a peak which was considerably higher than levels of revenue achieved in the late thirteenth century.² Assuming that the nation was wealthier in 1500 than it had been in the mid fourteenth century, this fourteenth century peak represents an historic high in the proportion of national wealth that government was able to command. It was not exceeded for several centuries. The 1540s too, saw a large proportion of national wealth being spent by government, a proportion not exceeded until the 1690s. The 1640s and the 1690s therefore witnessed levels of extraction by government that were striking even in the context of this very

long period of history. In these economic terms the seventeenth century was clearly an important period in the history of government revenue raising.

The seventeenth century was also a period of considerable importance in the history of, specifically, taxation. In order to understand this point it is necessary to look a little more closely at the data. Figure 1.2 gives an initial impression of why this is, in that it seems to show that taxation came to provide a steadily increasing proportion of total government revenue in our period. We should be wary of overstating the case, of course, since the crown had depended on non-landed revenue for some time. Moreover, the 1540s were something of a special case, as we will see, and the small proportion of total revenue deriving from taxation in that decade has a short-term explanation. It seems clear that the landed income of the crown had not supported it for much of the medieval period. English monarchs were land-poor, although the position improved under Henry VII and then at the dissolution of the monasteries. On the whole, however the crown lands were not sufficient to support the government (for reasons considered in chapter 4) which was, as a result, dependent on taxation.



1.2 Share of total tax to total revenue by decade, 1485–1815

Source: P. K. O'Brien and P. A. Hunt, 'The rise of a fiscal state in England, 1485–1815', *Historical Research*, LXVI, 1993, p. 164.

If we adopt an economist's terminology then, we can say that as early as the 1490s taxation provided nearly 80 per cent of total revenue. The increase during our period to more than 90 per cent seems to be a matter of degree, not a change in kind. In the 1540s the proportion fell to 40 per cent, but this was due to the vast windfall of the dissolution which provided a volume of non-tax revenue which was unrepeatable. In subsequent years the proportion of revenue derived from taxation climbed again, reaching 80 per cent by the 1630s and mounting steadily to over 90 per cent by the 1680s and 1690s. In practice then, at no point in our period had the English crown lived off its land. In this respect the significance of taxation lies in its contribution to increases to total revenue. Measured in constant prices total revenue was constant from 1490 to 1640 and seems to have been of a similar magnitude since the peak of the mid fourteenth century. From 1650, however, and more particularly from 1690, the English state extracted much larger sums of money, and this extractive capacity grew faster than the economy. Total revenues, as a share of national income grew in the 1540s, the period from 1640 to 1680, and then from the 1690s onwards. In these latter decades taxation was of crucial significance and this might prompt us to ask what had changed in the tax system to enable this increased extractive efficiency.

The peak in total revenue levels achieved in the 1540s was a special case and was probably unrepeatable. Those of the 1640s and 1690s, however, depended on new tax and credit techniques which proved more durable. Innovations in these periods, driven by the need for heavy military expenditure, were of long-term significance for the development of the state. Moreover, the greater share of national wealth controlled and disposed of by the state was clearly of economic significance. It also involved a greater intervention by the state in everyday life, raising in sharper form questions about the limits of its power. On this account, then, of a state consistently dependent on taxation for its revenues, the history of taxation is of considerable political, social and economic significance.

If we introduce some of the concerns of political historians, however, we can unpick the data still further. Such an analysis reveals another important context for an understanding of taxation in this period. Table 1.1 breaks the data down in more detail

and it reveals some important changes in the nature of government revenues. Taking the period as a whole the most marked changes are in the decline of crown income and the rise of indirect taxation. In itself this suggests an erosion of the personal control of the monarch. The point becomes clearer the more closely we interrogate the material. Indirect taxation before 1640 consisted primarily of various kinds of customs duties and the revenues from monopolies (see chapters 3 and 4 for a description of these revenues). Much of this revenue was, effectively, controlled by the monarch and was raised as a matter of prerogative power. After 1660 all forms of indirect taxation were under parliamentary control. They were raised by parliamentary authority at rates and for periods set in parliament. Table 1.2 gives a similar sense of these changes in the complexion of direct taxes. Of these kinds of taxation sporadic levies and fines and purveyance were controlled by monarchical authority, as was most of the quota taxation in the period 1625–40. After 1640 all direct taxation was under parliamentary control.

Table 1.1 Composition of national revenues, 1558–1714

	Total (£000s)	Annual (£000s)	(a)	(b)	(c)	(d)	(e)
1558–1603	18,360	399.13	28.83	42.54	23.62	4.67	0.45
1604–1625	12,544	570.18	20.41	33.00	39.49	6.85	.26
1626–1640	11,996	799.73	12.24	34.34	44.60	8.72	0.10
1649–1659	18,919	1,719.91	3.16	55.22	29.38	12.24	0.00
1661–1685	41,066	1,642.64	5.41	33.59	56.66	4.33	0.02
1686–1688	5,925	1,975.00	6.97	11.80	80.10	0.96	0.17
1689–1714	119,607	4,600.27	1.98	39.98	56.91	1.09	0.04

Notes: (a) Crown income as percentage of total revenue
 (b) Direct taxation as percentage of total revenue
 (c) Indirect taxation as percentage of total revenue
 (d) Sales of assets as percentage of total revenue
 (e) Mint profits as percentage of total revenue

Source: European State Finance Database Project (ESFDB), obrien/engg001. Data are not complete. 1561, 1574 and 1654 are years of incomplete data. This serves to depress figures of total and annual revenues for the relevant periods. The years 1641–8 inclusive and 1660 have been excluded entirely. Otherwise presentation of data follows, as closely as possible, regnal dates. The reigns of William, Mary and Anne have been bracketed. Years in which the crown changed hands are assigned to the previous monarch.

Table 1.2 Composition of direct taxation, 1560–1659

	(a)	(b)	(c)	(d)	(e)	(f)	Total (£000s)
1560–1602	25	21	23	14	6	11	192
1603–1625	18	30	26	11	6	9	193
1626–1640	11	38	22	14	8	7	276
1648–1653		10		90			1,431
1654–1659		2		98			563

Notes: (a) Lay subsidies as percentage of total direct taxation
 (b) Sporadic levies and fines as percentage of total direct taxation
 (c) Purveyance as percentage of total direct taxation
 (d) Quotas: fifteenth and tenth, assessments as percentage of total direct taxation
 (e) Clerical subsidies and fines as percentage of total direct taxation
 (f) Clerical fruits and tenths as percentage of total direct taxation

Source: Provisional and unpublished data kindly supplied by Professor P. K. O'Brien and Dr. T. Griffiths; dates follow as closely as possible regnal years. I am very grateful for permission to cite this material prior to publication.

Putting all this together, we can produce a rough picture of the proportion of government revenue that was publicly controlled. Table 1.3 divides both direct and indirect taxation between parliamentary and non-parliamentary kinds, and expresses this as a proportion of total revenue.³ The figures are by no means precise, but the general picture is clear (figure 1.3). About three-quarters of total revenue was controlled by the monarch before 1640, and this proportion was probably rising rather than falling. After 1660 all tax revenue was parliamentary and the degree of monarchical control over revenue was markedly reduced. Alongside the increasing effectiveness of national government in securing resources, then, there was a transformation in the authority behind these exactions. One concern of this book is to examine the relationship between these two phenomena.

Table 1.3 Approximate proportions of 'parliamentary' and 'non-parliamentary' revenues, 1560-1640

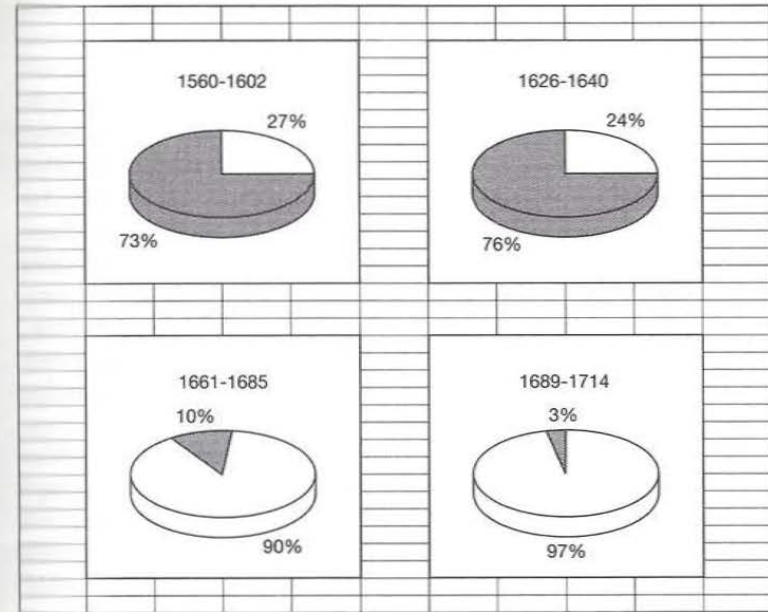
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1560-1602	27.00	6.00	1.00	10.70	13.30	16.38	25.62	27.08	72.92
1603-1625	19.00	9.00	0.00	17.84	22.16	9.28	22.72	27.12	72.88
1626-1640	11.00	7.00	0.00	20.52	25.48	3.96	32.04	24.48	75.52

- Notes: (a) Crown revenues as percentage of total revenue
 (b) Sales of assets as percentage of total revenue
 (c) Mint profits as percentage of total revenue
 (d) Parliamentary indirect taxation as percentage of total revenue
 (e) Non-parliamentary indirect taxation as percentage of total revenue
 (f) Parliamentary direct taxation as percentage of total revenue
 (g) Non-Parliamentary direct taxation as percentage of total revenue
 (h) Parliamentary revenue as percentage of total revenue
 (i) Non-parliamentary revenue as percentage of total revenue

Source: See table 1.2; dates follow as closely as possible regnal years. The basis for these calculations is explained in note 3, chapter 1.

The rise of the tax state

One way of understanding this second change is in terms coined by the economist and historian Joseph Schumpeter.⁴ Schumpeter argued that the early modern period saw the emergence of the modern state and that an important part of this process was the transformation of the basis of state finances. In the medieval period politics were dominated by lord-vassal relations and revenues had derived from a variety of particular rights and privileges which rulers held personally. These he referred to as 'demesne revenues'. The term refers not simply to the lands of the monarch, but to all revenues arising from a personal right belonging to the monarch. In the early modern period pressure for spending increased considerably. Partly, he argued, this was due to the extravagance of rulers and their courts, and to financial mismanagement. However, the principal pressure, he argued, came from the costs of waging war. In the face of these escalating expenditures older sources of revenue proved inadequate. As a result they were at first supplemented, and ultimately replaced, by taxation and credit. This development he summarised as the replacement of the demesne state by the tax state. Taxes were granted by representative institutions and required the creation



1.3 Relative importance of parliamentary and non-parliamentary revenues, 1560-1714

Sources: 1560-1602, 1626-1640: see table 1.3.
 1661-1685, 1689-1714: see table 1.1 (parliamentary = columns (b) and (c); non-parliamentary = columns (a), (d) and (e)).

of bureaucratic apparatuses to collect and audit these moneys. Although Schumpeter was primarily concerned with the economic and social consequences of this transformation, his account is also, centrally, political. Demesne does not refer simply to crown lands but to dues raised by the personal authority of the prince - these dues may resemble taxes but they are demesne revenues in a political sense. By extension, then, the transformation of finances changed the nature of the authority of the state too. This model offers a way of describing the second transformation described in the previous section, that relating to the political authority by which revenues were raised.

This essentially political distinction offers another way of understanding the importance of taxation in this period. Not all

taxes included in the totals for the period before 1640 were regarded as such by contemporaries. They may have been, in economic terms, taxes but they were raised instead as rights to revenue associated with the monarch personally. The best example, as we have seen, is ship money. In a sense it was a concealed or prerogative tax, an exaction that was *effectively* but not *explicitly* a tax. There are other examples of such concealed or prerogative taxes in the period 1558–1640. Purveyance, wardship, forest fines, monopolies, and perhaps even forced loans and benevolences, could all be described in these terms because none of them were raised as taxes in Schumpeter's sense. Instead they represented dues arising to the monarch as a personal prerogative – they were income associated with the demesne, broadly conceived, rather than taxation.

This may seem, from an economic point of view a rather artificial and arcane distinction, and many contemporaries seem to have thought so too. However, such distinctions were and are politically significant. Prerogative revenues caused considerable political debate in the earlier part of the period, and were all abolished or replaced by tax revenues in 1660. As we have seen, however, if they are removed from O'Brien and Hunt's tax category before 1640, the difference between the contribution to tax revenues before and after the civil war is more marked. Moreover, customs occupied an ambiguous position before 1640. The authority for collection of some duties was parliament, but for others was the royal prerogative. What the customs actually yielded was governed by the book of rates, which determined the levels of the duties on particular commodities. It was the crown which controlled the issue of books of rates and, therefore, the yield of the customs. There is an argument, therefore, for regarding the customs as non-tax revenues in political terms, before 1640, and as tax revenues thereafter (see chapter 3). This would further emphasise the difference in the composition of total revenues between the earlier and later parts of the period.

The quantitative data reveal, clearly, that this was a state that depended on what, in economist's terms, we must consider to be taxes. However, the political reality was rather different. One indication of this is provided by the terms in which contemporaries discussed the revenues. In the Tudor period 'the revenue of the Crown was treated almost exactly like that of a large estate,

and in this connection the term – "the manor of England" – was sometimes used to describe the property and income of the sovereign'. The analogy is plain in the case of the crown lands, but it applied also to the 'feudal revenue', the customs and the revenue generated by the various functions of government. 'Just as the lord of a manor, instead of collecting certain dues himself, might let these at a fixed rent, so many branches of the Crown revenue were "farmed out".' The receipts from these sources, much of the ordinary revenue, were 'reducible to a rental'.⁵ This is the language of estates rather than the state. The key to Elizabethan and early Stuart finance was the management of the ordinary revenue, hopefully with the effect of generating an accumulating surplus. Extra-ordinary expenditure would then be met from this surplus and supplementary grants, but all the revenue was controlled by the monarch. Even parliamentary grants, made with a specific purpose in mind, were not policed by parliament. Only for the subsidies of 1624 did parliament seek to ensure that the money was used for the stated purpose, and the necessary formal procedures of scrutiny which would allow parliament to do this on a regular basis were a product of the 1660s. A striking example of this discretion is in the disposal of the proceeds of tonnage and poundage: in 1625 £150,000 was raised, of which only £22,000 was paid to the navy.⁶

In this political sense the revenues before 1640s were inflated by additions to the demesne income, by claims to rights arising from the demesne that were effectively taxes but which were not granted as such. Hurstfield made the point rather pungently:

[ship money, monopolies, exploitation of the forest laws, distraint of knighthood and other revenues] were the bastard revenues, neither medieval nor modern, neither legal nor illegal, unjustifiable in theory and indispensable in practice. Whatever might be said in their defence, they constituted an affront to the commonsense and the interests of the propertied classes. But the crown had no choice. Blocked in its efforts to tap effectively by direct or indirect taxation the national income from land and trade, it was driven to search for an income by applying and distorting its constitutional rights, where opportunity served.⁷

After 1640 they disappeared. Wardship, monopolies, purveyance, ship money, forest fines, distraint for knighthood, benevolences

and forced loans were all political casualties of the long parliament. After 1641 customs were fully controlled by parliament, and can clearly be transferred to the tax side. During the 1640s and 1650s parliament had few alternatives to taxation. It had no demesne rights, but it could raise money through the sale of seized assets, and this explains the remaining gap between tax revenue and total revenue. After 1660 the demesne rights of the monarch in these respects were replaced by parliamentary taxation: demesne revenue was unequivocally marginal. In the terms used by Schumpeter then, in the period 1558–1640, the English state was effectively funded by taxation, but did not have the political arrangements to match. No such ambiguity or disjunction can be detected in the restoration period, and the politics of taxation were different.

The politics of taxation, 1558–1714

There are two important changes in public revenue in this period, then, in quantitative and political terms. Both the scale and the composition of total revenue changed dramatically, and taxation was central to both these processes. These changes had important political, legal, social and economic ramifications. By 1714 public revenue depended on taxation raised by parliamentary consent. It amounted to a larger proportion of national income, and involved the agencies of government in unprecedented intervention in social and economic life. Debate about many 'taxes' of the early seventeenth century centred on their legal or constitutional propriety, and economic arguments were restricted largely to assertions about the burden of taxation on the poor. In the later seventeenth and early eighteenth centuries debate about the economic effects of taxation was more broadly-based and concerned with the development of trade, the protection of domestic agriculture and manufactures. The tax state was not simply bigger in the sense that it controlled a greater proportion of national wealth either. It employed larger numbers of people recognisable as tax collectors. Tax collection became, in a sense, a more visible activity. In the earlier period inland taxation was raised almost exclusively by local officeholders – magistrates and constables. After 1640 it was increasingly the case that professional revenue agents appeared in the localities. This created hostilities, but also

widened the social basis of participation in the activities of the state, offering new means of making a living. By the same token this added to the reservoir of crown patronage. In the 1690s a remarkable expansion of the basis of government borrowing was enabled by secure tax revenues and this borrowing broadened the range of participation in the activities of the state. The creation of a state explicitly based on taxation and credit obviously had political consequences, and these form one of the major concerns of this book.

This period saw the creation of a state based, unambiguously, on taxation. At the same time the tax state was also a more greedy state, commanding a greater share of national wealth. These related phenomena had a variety of legal, social, economic and political implications, and as a result references to taxation in the histories of the sixteenth and seventeenth centuries are frequent in a variety of contexts. In seeking to give a general account of the changing role of taxation in this period this book assumes a broad chronological distinction. The large increases in the revenue totals were a product first of the 1640s and then of the 1690s. The political status of taxation was transformed in the 1640s, when by necessity revenues came under the control of parliament, and this transformation was not undone at the restoration. Thus, the 1640s are a key moment in both processes. Before that date revenues were expanded, but not more quickly than the economy grew, and much of the expansion came through extended exploitation of prerogative powers. The crown raised a number of prerogative or concealed taxes. After the 1640s finances were public, based on taxation and represented an increasing proportion of national wealth.

Taxation as a political issue appears throughout histories of this period. One way of explaining this is by saying that stress within the system of national government finance, which seems mainly attributable to escalating military costs (see chapter 2), led to other political problems. In this sense, the experience of early modern England resembles that described Schumpeter's model. Down to 1640 the ordinary revenues of the monarch were proving less and less sufficient. Parliamentary taxation was resorted to in ways that may have represented a new constitutional principle. In the long run, however, it did not provide an easy way of filling the gap between expenditure and income. This forced Elizabeth

and the early Stuarts to test the limits of the prerogative by raising a variety of concealed or prerogative taxes. Unfortunately these strategies had a high political cost. An attempt was made at a systematic solution to this revenue problem in 1610, in the negotiations for a Great Contract between parliament and the crown. The Great Contract was to have replaced many concealed and prerogative taxes with a regular parliamentary supply. In short it would have shifted the basis of finances away from the demesne and towards taxation proper. What parliament was prepared to offer did not hold out the prospect of increasing the scale of public revenue, however, and the negotiations failed. Instead a more decisive moment came in 1641–2, and the changes to public finance made in those years were confirmed in 1660. Between 1558 and 1640, then, we can see particular political problems arising from the failure to resolve the balance between demesne and tax revenues. In 1660 we are in a different financial world, in which demesne revenues are marginal and the customs are unequivocally tax revenues akin to the excises. The financial basis of the monarchy was provided by forms of taxation that survived until the late eighteenth century. This new tax system had its own political problems, however. For example, the capacity to tax predated the creation of secure arrangements for borrowing. As a result individual financiers were able to secure considerable political influence and this was a source of concern to many contemporaries. The increasing incidence of taxation made it a political issue, as did the development of more professional agencies of collection. The final phase of the story begins in the 1690s, when revenue levels again increased dramatically. In this case the most remarkable innovations lay in the way in which the government borrowed rather than in the way that it raised taxation. This transformation of borrowing raised new economic, political and social questions.

This is not, therefore, a book about the timelessness of resistance to taxation. It is quite specific to a period in which the scale of taxation increased markedly after centuries of rough stability, and in which there were significant changes in the nature of taxation and its contribution to revenues as a whole. It saw the emergence of a state funded by taxation which, after 1694, secured a permanent national debt. Within the context of this transformation the political, legal, constitutional, social and economic

ramifications of taxation are of central importance. The book seeks to offer a brief introduction to these issues. However, it is more explicitly concerned with a single theme in this complex story – why this outcome? Why was it that by 1714 the taxes on which government depended were the excise, customs and the land tax? What were the political, administrative and economic advantages that they possessed? Although, as we have seen, there were changes in the legal and constitutional issues raised by taxation there was considerable continuity in the reluctance of taxpayers to pay (if there was some prospect of not doing so) and in the administrative repertoire of the government in seeking to overcome this.

It is not possible to give a full account of these issues, not least because our knowledge of many aspects of this history is very partial. This is intended only as an overview, an essay in the old-fashioned sense, seeking to outline the general issues and to suggest the answers that are currently available. Clearly, behind this transformation lay increasing demands for expenditure. Chapter 2 provides further context by sketching out what these demands were and by considering the demands of the government as borrower. Chapters 3, 4 and 5 examine the sources of revenue available to national government to meet the demands for spending and for security for creditors. In each case there are a number of political, legal and economic issues which we need to explore. We will need to outline the authority by which these revenues were raised, how they were administered and who did the assessment and collection. A sense of how much was raised and who was most affected is also, of course, important. Chapters 6, 7 and 8 explore reactions to taxation thematically. This discussion is not intended to be comprehensive. Illustrations of general points are drawn from the experience of a variety of exactions but examples could be multiplied for any of the exactions mentioned in chapters 3–5. It is left to the reader to test the usefulness of the general thematic treatment for any particular tax. Chapter 9 offers a summary of the argument, a chronological review and an attempt to appraise the success of the English state in harnessing economic, administrative and political resources in this period.

Notes

1 P. K. O'Brien and P. A. Hunt, 'The rise of a fiscal state in England, 1485-1815', *Historical Research*, LXVI, 1993, pp. 129-76.

2 *Ibid.*, pp. 148-50.

3 These estimates are very approximate and the term 'publicly controlled' is ambiguous. The figures are based on unpublished and provisional findings of P. K. O'Brien and T. Griffiths. Before 1640 non-parliamentary revenue consisted of crown revenues, sales of assets and mint profits as well as portions of direct and indirect taxation. Direct taxation is here broken down according to the figures in table 1.2: columns (a) and (d) for 1560-1602 and column (a) only for 1626-40 (because the quota taxation of Charles' reign was mainly ship money). Indirect taxation is more approximate. The only indirect taxation controlled by parliament before 1640 was tonnage and poundage. In 1625 this was worth £150,000, that is 44.6 per cent of all indirect taxation (A. Thrush, 'Naval finance and the origins and development of ship money', in M. C. Fissel (ed.), *War and government in Britain, 1598-1650*, Manchester, 1991, pp. 133-62, p. 140; European State Finance Data Base (ESFDB) \Obrien\engg001. The ESFDB is accessible on the world wide web at <http://indigo.stile.le.ac.uk/ubon/STILE/esfdb.html>). This is assumed to be constant for the two periods covered here. This assumption is doubtless wrong. Under Elizabeth the importance of impositions and monopolies was less marked and tonnage and poundage consequently more important. The inverse is true of the period 1626-40 when the reality of parliamentary control over tonnage and poundage was extremely questionable (see pp. 52-3). Figure 1.3 shows a slight trend towards crown control. In reality this was probably much more marked. I am very grateful for permission to cite this unpublished material.

4 J. A. Schumpeter, 'The crisis of the tax state', *International Economic Papers*, IV, 1954, pp. 5-38.

5 W. R. Scott, *The constitution and finance of English, Scottish and Irish joint-stock companies to 1720*, 3 vols., Cambridge, 1910-12, III, p. 487.

6 A. Thrush, 'Naval finance and the origins and development of ship money', in M. C. Fissel (ed.), *War and government in Britain, 1598-1650*, Manchester, 1991, pp. 133-62; pp. 140-1.

7 J. Hurstfield, 'The profits of fiscal feudalism, 1541-1602', *Economic History Review*, 2nd series, VIII, 1955, pp. 53-61, p. 53.

Spending and borrowing, 1558-1714

In seeking to understand what lay behind the transformation described in the previous chapter there are two questions that we need to consider. Firstly, why did governments need more money and, secondly, what were the constraints on their action that forced them to adopt the specific measures that they did? We are primarily concerned here with the second of these questions and will examine the administrative and political pressures which meant that demand for revenue was met through taxation and borrowing. Nonetheless, as a preliminary to this it is important to consider sources of the demand for increased expenditure. We must also consider borrowing, because governments could not survive without spending in advance of their income. The demands of this part of the financial system also had a substantial effect on the development of the revenues.

Expenditure

Expenditure has received much less systematic attention from historians than has revenue, and there is no definitive account which would command the agreement of all historians. For example, many historians would disagree as to whether the principal cause of financial pressure was financial mismanagement, royal extravagance or the pressure of war. The main concern of this section is therefore to appraise the relative importance of civil and military spending in creating financial pressures on government. There is a further question, however, since accounts of increases

Taxing the people: the limits of the possible in England, 1558–1714

The politics of taxation

The last three chapters have considered the kinds of grievance excited by taxation, both in public debate and in the eyes of taxpayers. These ranged from the equitability of the principles of a particular tax to the fairness of the actual burden within a village; from the constitutional propriety of the tax as a whole to the legal liability of a particular form of wealth in a village or a ship's hold; and from the legal powers of the crown to the powers vested in particular officers to search for and seize property. All these grievances could form a cloak for simple tightfistedness, but equally they could be genuinely held convictions. We have been less systematic, so far, about the practical measures available to express such grievances.

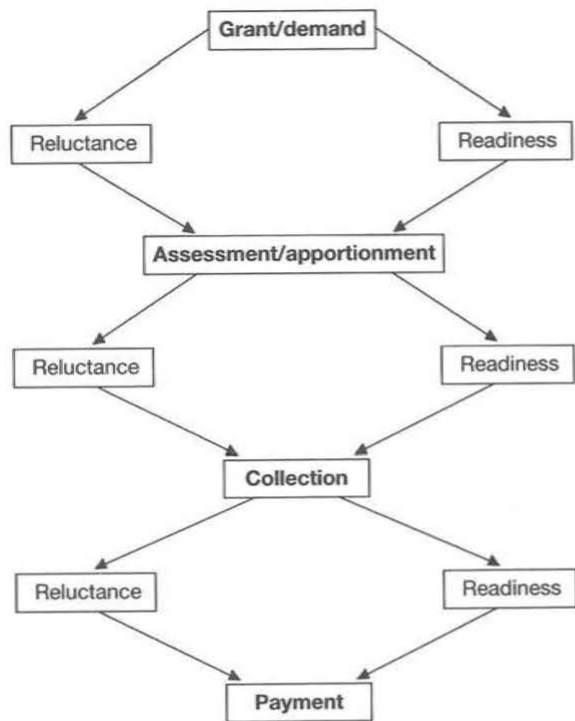
Most exactions were open to challenge at three stages before money was received by the government: the initial claim or (in the case of parliamentary taxes) grant; division of the burden or the assessment of liability; and at the point of collection. Successful negotiation or mediation at the first two stages reduced the likelihood of confrontation at the third stage. However, confrontation at this final stage would result in non-payment, at least initially.

The results of non-payment could be very varied. It might result in mediation, for example, through composition. On the other hand, tax collectors might distrain goods, selling them in order to cover the tax demand. Alternatively there might be violent attacks on the collector, either by individuals or groups. Of these responses mediation was most likely where the officer had

some room for manoeuvre. This flexibility might result from the fact that he could offer some concession on the amount collected, or because he was a neighbour who could, perhaps, offer a non-tax concession. Violence was most likely where these circumstances did not pertain. Distraint could result in a legal case, if the payer was intent on further resistance. He could accuse the collector of trespass, assault or abuse of his powers, for example. Distraint might also lead to violence, if seizure was resisted. Violence – riot or assault in response to a demand for taxation, or in response to distraint – could also result in legal hearings. Prosecutions for assault could be brought by either side. Collectors who had distrained goods were sometimes prosecuted for trespass. The chances of violence were most restricted where mediation and legal channels were thought to be available, and this was most likely where the magistracy was involved in collection or mediation. Mediation had obvious advantages, therefore, but central government had to measure these advantages against the potential effect on yield: too much room for manoeuvre at this level might produce unacceptable levels of avoidance and evasion.

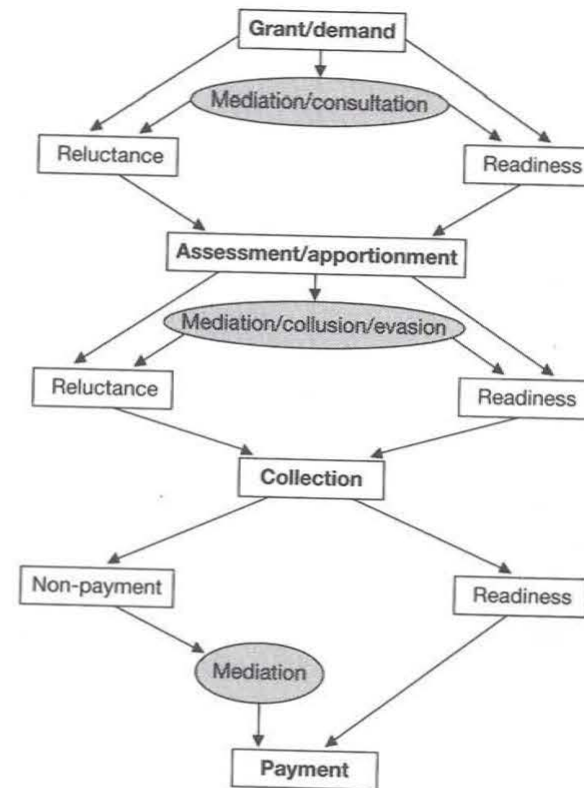
Figure 9.1 represents the four stages of tax collection graphically. Every tax had to 'pass through' these four stages: there was an initial *demand or grant*; the burden of taxation was *apportioned*, or the rate was assessed; and the sums arrived at had to be *collected* before *payment* arrived at the exchequer. In principle each stage could be passed through very readily, resulting in the receipt of a high proportion of the hoped-for yield, rapid receipt and easy cooperation at all levels. This was the route which governments aspired to. Equally, however, the tax could meet reluctance at each stage, resulting in a political cost to government, the necessity of force or coercion, delayed and possibly partial payment. Obviously, governments were willing to accept this if necessary, but readiness was preferable.

In practice, of course, the choice was not as stark as this. Readiness could be secured by mediation, consultation and collusion at each stage. But, equally, this could fail and the passage of the tax demand to the next stage might still be marked by reluctance (figure 9.2). Mediation in order to secure ready compliance might, of course, result in loss of yield. To this extent there is a balance to be struck between political cost and yield.



9.1 A schematic view of tax resistance I

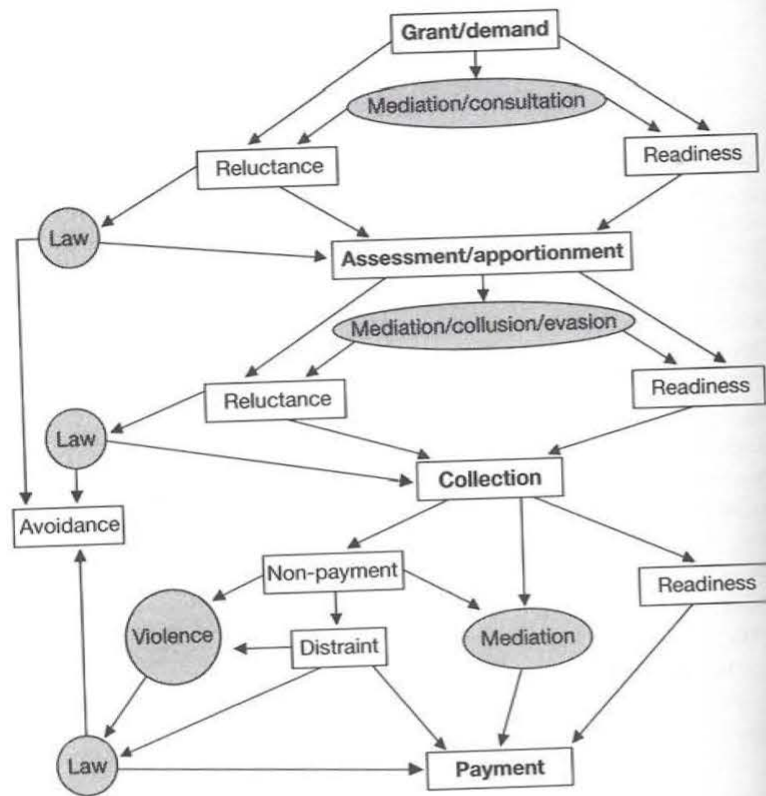
If mediation failed, reluctance might lead to legal obstruction of the grant, assessment or collection of the tax, or physical resistance to the collection (figure 9.3). Successful legal resistance would result, ultimately, in avoidance of the burden. This represented a serious financial cost therefore. Resistance of any kind carried a political cost which had to be measured against the value of any particular revenue. At the point of collection, resistance took the form of an initial refusal to pay. This could result in further mediation, distraint of goods or violence. Distraint could be successful in securing payment, but might lead to violence, or to legal obstruction in the form of charges of assault or trespass against the collector. Violent resistance to the collection was likely



9.2 A schematic view of tax resistance II

to lead to legal hearings. This resort to law might lead either to payment or to avoidance of the burden.

All taxes, then, needed to pass through the four stages represented by the black boxes. Any tax passing through a stage represented by a 'shaded round' risked loss of yield. It also reflected an increase in the political cost of the exaction. Any 'shaded oval' indicates a degree of reluctance to pay and, if there is no discipline over yield, presented the possibility of financial loss. For example, at the level of assessment or collection this might mean collusion in tax evasion in order to secure consent. In general, any exaction whose passage from grant to collection can be imagined to have



9.3 A schematic view of tax resistance III

been predominantly towards the left hand side of the diagram required enforcement. As such it was vulnerable to delay and loss of yield. More than this, however, enforcement required cooperation in the absence of a bureaucracy. Early modern states were successful in their aims more often by co-opting pre-existing elites than by creating elites of their own in order to by-pass vested local interests. In general co-option was preferable therefore, and an exaction depending on enforcement was relatively less reliable.

The variety of possible responses is striking. Mediation might

entail bribery, corruption or political favours. On the other hand, it might consist of informal but legitimate arbitration by tax commissioners or farmers. Distrain might lead directly to payment, or to legal hearing regarding liability or equitability. This in itself might become part of a broader process of conciliation or negotiation. We can compare responses to a number of taxes to illustrate the degree of open resistance, on one hand, and yield, on the other. For example, the forced loan was negotiable at the point of contact with individual taxpayers, the privy council having empowered deputy lieutenants in the late 1580s to divide the burden of an individual between several local people. On the other hand, the legality of the whole proceeding in 1626 was regarded as questionable by some and the prospects of using this strategy repeatedly were not good. The political cost in these circumstances was high in relation to yield. The excise on meat was not questionable in this way, since it was granted by parliament, and the payer often had no means of negotiation at the point of collection. The result was sometimes violence. The duty on beer, by contrast, was open to negotiation between farmer or minor official and brewer, and violence is not really associated with the excise on beer.

Returning to figure 9.1, we could read reluctance as a counter-pressure to the demand for taxation, a rival interest pressing upwards against the downward pressure of tax demands. The level of tax demands was obviously variable and so too was this counter-pressure. This is clearly the case with the early Tudor subsidies, which secured a remarkable degree of cooperation both in the assessment of national wealth and in the taxation of a proportion of it.¹ It may be possible to make a similar, though less striking, case for the later seventeenth century, too. It is less clear cut, because the taxes of the later seventeenth century were much less vulnerable to legal challenge than those of the early seventeenth century. The greater success of the later period may simply have been the result of the lack of promising means of avoidance. Similarly, the financial loss consequent on mediation of direct taxation, given the discipline of quotas, was significantly reduced. Financial success is not a clear indication of a level of consent beyond acquiescence. Nonetheless, it does seem that the increased downward pressure resulting from military expendi-

ture did not elicit an equal and opposite reaction. Put another way, the early modern state may have been mobilising consent more effectively, not just securing resources through political and administrative reform.

Such an argument is clearly flirting with what is often termed 'whiggery', that is, a sense of the inevitability (and even desirability) of particular historical developments. It is worth emphasising, therefore, that there is no suggestion of inevitability in all this. To take another comparison, ship money experienced hostility at the top, resulting in a legal challenge to the whole exercise. Here the government risked a catastrophic loss of yield. At the level of assessment, there were numerous disputes over the sheriffs' quotas and at the point of collection many constables faced an uncomfortable time (with much consequent foot-dragging). By comparison the land tax was a huge success. There was no legal challenge, mediation was possible through the gentry commissions but the quota ensured that this did not result in loss of yield. Collection became routinised in many areas with the adoption of customary rates. Clearly, as a direct tax drawing predominantly on the landed wealth of the population, this was a substantial improvement. We do not mean thereby that ship money was an inevitable failure, however. Ship money in its turn was an improvement on the subsidy which, although not really vulnerable to legal challenge or prone to violence, was mediated in such a way as to produce a catastrophic loss of yield. Reluctant taxpayers were unlikely to pursue legal resistance to a rating, in part at least, because their rating was likely to have been a vast underestimate of their wealth. This, obviously, was something to avoid revealing in court. The complaint was usually about the relative burden, not the total burden: the degree to which their wealth was under-valued was not as vast as that of their neighbours. It has been argued this evasion made the yield of the subsidy so disappointing as to make the calling a parliament unattractive. Calling a parliament entailed some political discomfort and the money that parliament was able to offer did not compensate the crown for this trouble.² This book has been concerned to show why the land tax was a successful solution to the problems faced by national government, not to assess whether it was the only solution.

A successful tax was one that could be negotiated through

these hoops with minimum friction. Broad agreement on excise, customs and land tax had emerged by 1714, but each still required mediation – in parliament over rates and liabilities, in the commissions and between minor officers and taxpayers. These taxes had clear advantages over the congeries of prerogative rights and exactions of the early period, but this does not imply that the shape of the final system was predetermined. The evolution of the system was contingent and uncertain, with numerous failed experiments and apparent setbacks. Within this complex set of relationships, however, what is striking is how rarely individuals confronted a choice that threatened to rob the whole polity of legitimacy – there were almost always avenues of appeal and mediation. Similarly, individuals rarely confronted a choice of whether to pay or not to pay. However, they fairly frequently had the opportunity to pay less or differently, or to lobby in order to achieve those things. Despite the great demands for taxation, which impinged on social structure, economic production and political structures in unprecedented ways, England saw no tax rebellion between 1558 and 1714. Instead it saw piecemeal evolution, as various strategies tested the political and administrative limits of government in order to meet escalating military costs.

Elizabethan and early Stuart taxes were subject to legal challenge and/or mediation with a high financial cost. By comparison with England after 1640 parliamentary grants were infrequent and there were serious problems with many sources of revenue. The subsidy was widely evaded with the collusion of the commissions, and the fifteenth and tenth was of declining real value and increasing unpopularity. Parts of the customs were subject to legal challenge and, of course, to the perennial problem of evasion. The inland taxes in general were collected by officeholders who experienced the counter-pressure of reluctant neighbours. The revenue was composed of a bewildering variety of particular rights and exactions justified with reference to particular items of expenditure, whose yield and burden was unpredictable and even capricious. Many of these were the subject of legal question at the highest point, and this made the revenue rather risky. It also brought with it some political cost.

Looking at the financial system in 1714 we are struck by the paradox noted by Brewer: the bureaucracy usually associated with absolutist regimes was actually more developed in the

British constitutional monarchy.³ Parliamentary consultation seems to have removed the possibility of legal challenge and to have legitimated the activities of the bureaucracy. The customs were mediated and negotiated at the top, the excise likewise. Both were to a degree professionalised at the bottom, the excise more noticeably so. There were political changes – notably a considerable increase in the sums which parliament was willing to grant – but also important administrative changes which circumvented the bureaucratic weaknesses of the state. The revitalisation of quota taxation enormously increased the effectiveness of direct taxation, while the acceptance of professional tax collection in localities contributed to the great success of indirect taxation. These innovations both had roots in the mid seventeenth century. Problems could still emerge, however, as in the mid-1660s when apparent division in parliament about the future of the hearth tax may have legitimated resistance to it in the localities.

National government sought to sustain its interest by cajoling, threatening and negotiating at the three stages of taxation outlined above. The reluctant taxpayer, likewise, was pushing back. Rarely, however, was there a direct clash – there was plenty of ‘give’ in the system and flexibility in administration. There was a notable long-term success for the tax raising interest, however, in that much greater sums than before were raised at an acceptable political cost. There was also a much reduced chance of legal challenge and a reduced possibility of financial loss through mediation. The English state had successfully made use of the enabling aspects of its economic and social environment. Clearly the extractive capacity of national government was considerably increased, and this success appears to have been relative, too – it seems to have been superior to other European states operating under similar conditions.

Harnessing resources: the growth of the tax state

It should now be clear how the system of taxation and borrowing that had emerged by 1714 represented a negotiation between the fiscal needs of national government, its limited bureaucratic power and the political limits within which it was exercised. It was not, perhaps, the only solution possible, but we can see why it was a successful one. We can now consider how effective this

regime was at harnessing the available resources, looking first at national wealth, and then at political resources.

National wealth

In addressing the extent to which the early modern English state was successful in tapping material resources we are handicapped by the paucity of data and the dearth of research available on the impact of taxation. We cannot, therefore, chart the success of government in tapping new sources of wealth in any great detail. There is, however, sufficient evidence to judge ‘success’ by two criteria – by comparison with the experience of the English state over a longer period of time and by comparison with contemporary European states. The latter comparison is relevant in other contexts, too. For example, the evolution of the English finances in this period was driven to a significant degree by the rising cost of military survival and successful competition in the European states system. Moreover, all European states faced similar problems of securing information, locating and taxing resources. The administrative repertoire of these states was similar, and a comparison can be instructive as to the best strategies for overcoming these difficulties.

There can be little doubt that government revenue grew more quickly than the economy in our period, that a greater proportion of national wealth was controlled and disposed of by national government. This is clearly suggested by figure 1.1. Raw figures for total revenue comparisons make startling reading and must compensate for deflation by population growth, inflation and increased national wealth. Between 1590 and 1603 ordinary revenue topped £300,000 per annum, supplemented by about £2,568,888 in extra-ordinary revenues. This total of about £450,000–£500,000 per annum would not have cut much ice a hundred years later: between 1688 and 1702 the annual revenue was about £4 million per annum (£58.7 million in total) and long-term borrowing supplemented this considerably.⁴

For a proper comparison these figures would have to be further deflated to take account of differences in the ‘costs of collection’: the total cost of government probably did not increase as dramatically as did revenues received by central government. The difference between the cost of collection at the beginning and end of our period may have been spectacular. For example, monopolies

and excises can be regarded as equivalent in some respects, since some monopolies can be regarded as the equivalent of indirect taxes. Many commodities subject to monopoly grants were later taxed by means of an excise. The proportion of the total yield retained by government in the two cases was very different, however. As we saw above, the monopolies of the 1630s produced £100,000 for the government at a cost of £750,000 to the consumer. The costs of collection for the excises were nothing like this high. In other areas of the revenue this was likely to have been less striking – such as in direct taxation and the customs. The declining gap represented smaller profits for intermediaries and there is likely to have been a political dividend here: we have noted on a number of occasions the hostility that was elicited by the use of private interests in seeking out taxable resources. This hostility is reflected in the woodcut representing the ritual shaming of a monopolist (frontispiece). The punishment places him in the same category as adulterers as a threat to communal values. The narrowing of the gap between cost to the economy and revenues received by central government probably reduced the political costs of collection.

For our purposes though, we are not concerned with the total cost of government but with the revenue received. Thus, we need do no more than note that the difference between the two qualifies statements regarding the changing 'impact of government'. The impact of government must have been more noticeable in the later seventeenth century, however. Again a simple example will suffice. As we saw in chapter 2, between 1688 and 1710 the navy was crewed by between about 40,000 and 50,000 men, and William's army in the low countries reached 100,000. In 1700 the second largest city in England was Norwich, with a population of 30,000, followed by Bristol, 21,000 and Newcastle 16,000. Indeed, only seven cities had a population of 10,000 or more; leaving aside London, their combined population was lower than the number of men in arms.⁵

Much of the pressure to increase revenues derived from the demands of military mobilisation, as we have seen. The last twenty-five years covered by this study were dominated by military spending, either in war-time or as hangover from the massive campaigns then undertaken. The mobilisation of resources in this period was spectacular by both criteria set out above. Figure

1.1 reveals a second historic high in war spending which increased considerably beyond the plateau achieved in the period 1640–80. This peak was not surpassed until the Napoleonic wars. This mobilisation was impressive not just historically, however, but also by comparison with other contemporary European states. The forward commitment of both troops and the navy by the British represented a level of commitment surpassed only by France, a country of 19 million souls compared to the 5.2 million supporting the British effort. British spending was comfortably second and far heavier per capita than anywhere except the United Provinces (table 9.1).

Table 9.1 War efforts of England and other European powers (various years)

	Spending (£)		Troops paid for	Navy size (no. of ships)	
	Total (million)	Per head			
England and Wales	8.1	(1.56)	1696–7	75,000	173 (1688)
	10.2	(1.96)	1709–10	170,000	323 (1697) 247 (1714)
Dutch Republic	4.75	(2.16)	1688	72,714 (1688)	180 (1698)
	6.90	(3.08)	1695	119,014 (1708)	
Austria	2.90	(0.63)	1695	63,800 (1687)	135,000 (1705–11)
	3.78	(0.82)	1704	103,000 (1690)	
				116,000 (1695)	
France	13.79	(0.73)	1698	444,000 (1691–3)	231 (1700)
	15.00	(0.79)	1711	250,000 (1705)	192 (1704) 164 (1710)
Russia				195,000–210,000 (1700s)	49 (1725)
Sweden	0.51	(0.34)	1630s	45,000 (1630s)	46 (1697)
	1.19	(0.79)	1677	63,000 (1675)	
			100,000 (1705)		

Source: D. W. Jones, *War and economy in the age of William III and Marlborough*, Oxford, 1988, table 2.1, p. 29.

British tax burdens remained heavier than those in France throughout the eighteenth century, rising more quickly in the period down to 1812.⁶ The problems this posed were economic and not to do with raising or transferring these vast sums. The instruments of taxing and borrowing had improved to the extent that economic activity in general was threatened by the distortion of demand. The English government did not buy supplies at home and then ship them abroad, preferring to transfer funds abroad and where supplies were purchased locally. In effect there was a vast transfer of demand to foreign markets.⁷ In this chronological and comparative perspective, then, the tax instruments created in the civil war and the credit instruments created in the 1660s and 1690s were hugely successful in mobilising material resources. This clearly had extremely important political consequences, and it remained a historic and comparative high through the rest of the eighteenth century, too.

The evidence for aggregate revenues suggests very considerable success by our two criteria. What is less clear is how close the government had come to an ideal distribution of this demand through the economy – whether the targets of taxation were well-chosen, and how accurately they were hit. Here we could quickly review the potential sources of taxation as they developed. During our period the value of land rose and this is reflected in rising rents and prices. At the same time the changing patterns of landholding turned an increasing proportion of the population towards non-agricultural production. Trading wealth increased as overseas trade expanded and diversified, and the volume of internal trade also increased. Associated with all these changes was an increase in the range and availability of financial services – insurance, banking and investment. In all these areas there were expanded incomes and a wider range of potentially taxable wealth. There was also a marked expansion and diversification in patterns of consumption. Governments could, therefore, tap these diverse forms of wealth directly through taxes on consumption.

Table 9.2 *The distribution of wealth in late seventeenth-century England*

<i>Group 1 Above £150 per annum</i>
Temporal lords
Baronets
Spiritual lords
Knights
Esquires
Greater merchants
Gentlemen
Persons in office, greater
Lesser merchants
Manufacturing trade
Persons in the law
<i>Group 2 £150–£30 per annum</i>
Persons in office, lesser
Freeholders, greater
Naval officers
Clergymen, greater
Military officers
Persons in sciences and liberal arts
Freeholders, lesser
Clergymen, lesser
Shopkeepers and tradesmen
Farmers
Artisans and handicrafts
<i>Group 3 Below £30 per annum</i>
Building trade
Common seamen
Miners
Labouring people and outservants
Common soldiers
Cottagers and paupers
Vagrants

Source: D. W. Jones, *War and economy in the age of William III and Marlborough*, Oxford, 1988, table 3.3, pp. 74–5.

It is difficult to gauge where the incidence of taxation really falls.⁸ In our period this general problem is exacerbated by the paucity of the data, and there has been little research on this issue. The best recent account of these issues is Jones' estimate of the incidence of taxation in the period 1688–1714. He takes Gregory King's account of the distribution of wealth in 1688 and divides the population into three groups: a low income group earning less than £30 per annum; a middle income group of £30–150 per annum; and a high income group earning more than £150 per annum (table 9.2). Groups two and three will have contributed the bulk of direct taxes. They are also likely to have been the groups liable to customs duties since the imported goods on which customs fell were, on the whole, relatively expensive. People in group one would not have had sufficient margin above subsistence to be able to afford most of these goods. This low income group was, however, liable to excise taxation on beer and spirits. Towards the end of our period, then, this was a relatively progressive profile of taxation, although it was to become less so as the proportional contribution of excise to total revenues increased.⁹ Indeed, it has been suggested that the increasing use of excise taxation made the English system as regressive as that of France.¹⁰ This preponderance of excise taxation lay in the future, however, and the land tax remained the most productive tax in our period. As a proportion of the available wealth that it was trying to tax, however, the excise was probably already more effective (table 9.3): taxation may have been relatively heavier for the poor than the rich.

It is almost certain that the relatively rich who did not depend on land were lightly taxed. Excises were regressive and direct taxation difficult to achieve except on lands and there was consistent complaint to this effect. These kinds of liquid wealth were harnessed not so much by taxation as by borrowing: 'The middle income group did escape relatively lightly and much of what the wealthiest office and business groups contributed in loans really represented what the government was unable to raise from them as taxes.'¹¹ From this, of course, they profited and this exacerbated the complaint that they were not bearing their share of the cost of government. Nonetheless, the success of government borrowing in tapping otherwise difficult to reach forms of wealth was considerable: in the period 1707–9 there were about 10,000 public

creditors in England, and on the eve of the South Sea Bubble this number may have reached 40,000.¹² The whole subject of the incidence of taxation is fraught with difficulties and we cannot accept uncritically hostile contemporary testimony. Nonetheless, Jones' account seems plausible. Moreover, persistent attempts to shift the burden of direct taxation away from the land and to find forms of indirect taxation that would hit these other seams provide corroboration of his general conclusions.

Table 9.3 Tax receipts and the bases for taxation, 1670–1720

	(a)	(b)	(c)
1670	4–5	4	1–2
1680	2–3	11	3–4
1690	7–8	15	7–8
1700	10	24	11
1710	10	24	13
1720	9	31	15

Notes: (a) Revenue from direct taxation as percentage of agricultural income

(b) Revenue from customs as percentage of value of retained imports

(c) Excise revenue as percentage of domestic consumption of industrial goods

Source: P. K. O'Brien, 'The political economy of British taxation, 1660–1815', *Economic History Review*, 2nd series, XLI, 1988, pp. 1–32; p. 15.

The record of the English state in harnessing material resources improved dramatically in the 1640s and then in the 1690s. By the end of our period this performance was not only good by historical standards but by comparison with other European states. The success of tapping the variety of forms of wealth was impressive given the lack of administrative resources and the consequent lack of information available to government. In the end, though, some forms of wealth were tapped by borrowing rather than taxing, and this created potential political problems.

Participation

So much for material resources. How effectively did this regime

harness social and political resources? In our chronology we noted how many of the prerogative taxes were subject to legal question. Clearly the absence of such dispute after 1660 was a significant advantage of that tax regime. This should not be taken as a whiggish point, however, because to some extent the unpopularity of these taxes was jurisdictional, matters of legal or administrative detail. In the case of ship money rating was left to the responsibility of the sheriff and was a fraught issue. It was, perhaps, no less a fraught issue in the case of quota taxation granted by parliament, but here the advantages of the commission could be considerable. Likewise the difficulties of securing purveyance agreements in Norfolk were partly to do with the desire for quarter sessions control, and a suspicion of outsiders. This was an issue in the excise administration, too. By the late seventeenth century there was considerable pressure from local elites to staff the lower reaches of the revenue departments, and part of the process of professionalisation was to pressurise patrons such as Baron Ashburnham to prefer men who would hold office effectively.¹³ In the early seventeenth century members of parliament responding to hostility to purveyance and ship money were not necessarily representing a constitutional position, but could be highlighting frictions arising from matters of administration.

Secondly, as we saw in chapter 7, some of the arguments that have been taken to be 'constitutional' in fact revolved around points of considerable legal nicety and tended to assume a degree of constitutional agreement. There was an extent to which, of course, 'they would say that wouldn't they?', and using the same language does not necessarily entail agreement. Similarly, however, there is a sense in which the early Stuart period saw a system of particular rights tested and elaborated to a point of bewildering sophistication, those rights being tested, proven and applied to solve difficulties in particular parts of the revenue system. In this system, too, local rates and national ones blurred into one another. For example, national armies were partly financed from local rates such as coat and conduct money. This, of course, adds to the difficulties of quantifying a total burden of taxation. This intricate system collapsed in 1642, however, and was replaced by one which was, in some respects, much simpler. The heat produced by legal, administrative and political frictions in raising purveyance, wardship, ship money, forest fines and distraint of

knighthood was not matched by their replacement – half the excise of liquors – in the 1660s.

To an extent, then, the late seventeenth century revenue system seems to have drawn on 'political' resources more effectively than that of the early Stuarts. We can examine this by briefly looking at the local administration of land and window taxes, the excise and the customs in the early eighteenth century. It has been suggested that the processes of selection for posts in the land tax administration confirmed 'the structure of prestige and status in the local community' rather than building up 'any framework of a paid provincial civil service'.¹⁴ In this sense, the tax drew not only on fiscal but also on social resources within the locality. It seems that the excise did, more so after 1690 than earlier, as patrons such as Ashburnham sought to colonise the administration through their clients. In the case of the customs, of course, the very cosiness of the relationship between officials and merchants in the localities was a cause of concern. This was a more successful recipe than the 'privatisations' of government represented by informers, farmers and their agents, hunters after concealed lands and so forth. The public role of officials was becoming more differentiated, however, as we have seen in the case of Ashburnham: patronage was not exercised without a sense of responsibility for the needs of the state. This provides something of a contrast with the patronage system of the early Stuart period. One way of expressing this contrast is by saying that there was a more differentiated sense of public and private interest. This has also been discerned in the changing ethos of the administration of the ordnance office, the office responsible for procuring military supplies.¹⁵ The English state was peculiar in not employing tax farmers in the later seventeenth century. Instead, it was dependent on local elites for the assessment and collection of direct taxation and was notable for the (by contemporary standards) highly professionalised and bureaucratised administration of the excise in particular.

The tax regime was, then, harnessing social resources effectively. In this the role of the local elites was crucial. Their hostility to the prerogative taxes of the early seventeenth century was often about liberties rather than liberty, that is, they were defending specific legal rights and privileges as much as they were property in general. The success of the later seventeenth century taxes was partly the result of the fact that the tax administration was

colonised, to an extent, by their descendants. Revenue places were distinct from the expanding range of local offices, but not necessarily different in kind. In the early seventeenth century English villages had constables and churchwardens. A century later there was a broader range of officials, among them revenue officials. These offices offered other opportunities for local people to secure local status and prestige.¹⁶ There was another way in which the tax regime drew on broader resources, and that was in the dramatic expansion of the sources of public credit. The national debt rapidly drew large numbers of people into investment, as we have seen. So broad, in fact, was its base, that it had political implications. The debt was seen as a guarantor of the revolution settlement because it gave so many people a vested interest in the existing regime.

There were other material benefits offered by the expanding revenue system, of course. Collectors of the land tax could use tax money for personal ends before they remitted them to the exchequer. Indeed, in the eighteenth century, receivers set up as bankers and bankers sought receiverships.¹⁷ In September 1695 the treasury lords complained to receivers in Norfolk that arrears of £17,000 were 'principally occasioned by the extraordinary advantages you insist upon and receive by the return of the moneys'. Similar complaints were not uncommon.¹⁸ By the eighteenth century 'the land tax was ... a locally domesticated tax whose workings were adapted as much to the needs of merchants, gentlemen and the populace in the provinces as to the requirements of the Treasury Board in London'. The heyday of the excise really lies beyond our period, but it too offered opportunities for some. In 1690 there 1,211 full-time excisemen, in 1708 2,247 and by 1716 2,778. The 'overall impression is that officers came from yeomen's and tradesman's backgrounds, although excisemen's ranks were also swelled by the shabby genteel'. In all revenue departments by 1716 there were 5,947 full-time employees.¹⁹ Those in the excise service had the prospect of a decent salary and opportunities for advancement. Thus, once this system of administration alongside the magistracy gained a foothold in the localities the positive advantages became manifest: hence the colonisation of the system by the clients of Ashburnham. In a weaker sense, earlier regimes had tried to encourage this. For example, the crown showed some interest in persuading the mag-

istracy to farm the excise in the 1660s, or at least securing farmers who were acceptable to the local governors. This had also been, though, to some extent, in tension with the desire to maximise profit.²⁰

The role of the magistracy raises once again the rather nebulous issue of legitimacy. Hostility to prerogative taxes in the 1630s was not necessarily 'about' legitimacy, or constitutional principle. However, one reason whig historians may have thought so was because contemporaries feared it could be. The late seventeenth century tax regime had high legitimacy in that respect. Tax flows and officeholding tied the revenue administration to the existing social and political order, and after 1689 it quickly became obvious to many people that the national debt relied upon a particular dynastic settlement. Another part of this jigsaw was, undoubtedly, the role of parliament. At the minimal level, parliamentary control of taxation (and borrowing after 1688) removed the possibility that matters of administration or legal detail could receive rhetorical inflation to the status of matters of constitutional propriety. There was also a more positive commitment to the principle of parliamentary grant: manifest for example in the hostility to benevolences. A minimal claim is that, although hostility to impositions did not necessarily entail a statement about parliamentary rule, parliamentary grants of import duties removed the possibility of that kind of objection. Assessment and collection by the magistracy locally was the safest guarantee of political peace locally, grant by parliament was, perhaps, the national corollary of that. The increasing willingness of parliament to grant taxation was associated with increasing powers to supervise the disposal of funds and to audit the accounts. These powers, of 'audit and appropriation', were necessary to increase the security offered by government borrowing. These powers of audit and appropriation may have helped to make parliaments less suspicious of the purposes to which grants might be put. A significant cause of reluctance on the part of early Stuart parliaments to make grants of taxation was the fear that they were 'pouring water into a leaking cistern', that is, paying for royal extravagance and mismanagement rather than for publicly useful ends.

An appropriate metaphor for all these changes is evolution. This is not meant in the 'whig' sense of progress but in the neutral

sense of mutation to fill an ecological niche created by a large number of variables. The early modern English state had evolved very successfully in the period 1558–1714. This evolution occurred in the hostile environment of the European states system and in response to domestic imperatives which were not solely financial. This is not necessarily progress, or development to a higher state of being, nor is the final shape of the mutation predetermined. It is, however, change in response to a constantly changing social, political, economic and military environment. This environment made some forms of mutation more successful than others. If this study has sought to demonstrate one thing it is the potential of the study of taxation as a means of exploring this process.

Notes

- 1 R. S. Schofield, 'Taxation and the political limits of the Tudor state', in C. Cross, D. Loades and J. J. Scarisbrick (eds.), *Law and government under the Tudors. Essays presented to Sir Geoffrey Elton ...*, Cambridge, 1988, pp. 227–55.
- 2 C. Russell, 'Parliament and the king's finances' in C. Russell (ed.), *Origins of the English civil war*, London, 1973, pp. 91–116.
- 3 J. Brewer, *The sinews of power. War, money and the English state 1688–1783*, London, 1989, chapter 5.
- 4 W. R. Scott, *The constitution and finance of English, Scottish and Irish joint-stock companies to 1720*, 3 vols., Cambridge, 1910–12, III, pp. 507–8; C. G. A. Clay, *Economic expansion and social change. England 1500–1700*, 2 vols., Cambridge, 1984, II, 261, 268.
- 5 Above, tables 2.3, 2.4, pp. 31, 33. For urban population figures see E. A. Wrigley, 'Urban growth and agricultural change: England and the continent in the early modern period', reprinted in his *People, cities and wealth. The transformation of traditional society*, Oxford, 1987, pp. 157–93, table 7.1.
- 6 P. Mathias and P. K. O'Brien, 'Taxation in Britain and France, 1715–1810: a comparison of the social and economic incidence of taxes collected for the central governments', *Journal of European Economic History*, V, 1976, pp. 601–50, pp. 604–5. See also the subsequent debate in VII, 1978, pp. 209–13.
- 7 D. W. Jones, *War and economy in the age of William III and Marlborough*, Oxford, 1988, chapter 2.
- 8 See, for example, the debate in *Journal of European Economic History*, VII, 1978, pp. 209–13.

- 9 Jones, *War and economy*, pp. 67–8.
- 10 Mathias and O'Brien, 'Taxation in Britain and France', pp. 611–33.
- 11 Jones, *War and economy*, p. 68.
- 12 P. G. M. Dickson, *The financial revolution in England: a study in the development of public credit 1688–1756*, London, 1967, pp. 262, 273.
- 13 C. Brooks, 'Interest, patronage and professionalism: John, 1st Baron Ashburnham, Hastings and the revenue services', *Southern History*, IX, 1987, pp. 51–70.
- 14 C. Brooks, 'Public finance and political stability: the administration of the land tax, 1688–1720', *Historical Journal*, XVII, 1974, pp. 28–300; p. 287.
- 15 Peck, *Court, patronage and corruption*; Brooks, 'Interest, patronage and professionalism'. For the ordnance office see, H. C. Tomlinson, *Guns and government. The ordnance office under the later Stuarts*, London, 1979.
- 16 Brooks, 'Public finance and political stability'. J. Kent, 'The centre and the localities: state formation and parish government in England, circa 1640–1740', *Historical Journal*, XXXVIII, 1995, pp. 363–404, provides a context for this.
- 17 L. S. Pressnell, 'Public monies and the development of English banking', *Economic History Review*, 2nd series, V, 1952–3, pp. 378–97; pp. 382, 390. For the use of tax money for private purposes earlier, see M. J. Braddick, *Parliamentary taxation in seventeenth-century England. Local administration and response*, Royal Historical Society Studies in History, 70, Woodbridge, 1994, pp. 34, 162–3, 206–7; C. D. Chandaman, *The English public revenue 1660–1688*, Oxford, 1975, p. 182.
- 18 W. A. Shaw (ed.), *Calendar of treasury books*, X, pt III, London, 1935, p. 1208. See also, for example, *ibid.*, XIV, London, 1934, p. 177.
- 19 J. Brewer, 'The English State and fiscal appropriation, 1688–1789', *Politics and Society*, XVI, 1988, pp. 335–85; pp. 349, 156; *Sinews*, p. 66.
- 20 Braddick, *Parliamentary taxation*, pp. 207–20.