

WILEY



The Political Economy of British Taxation, 1660-1815

Author(s): Patrick K. O'Brien

Reviewed work(s):

Source: *The Economic History Review*, New Series, Vol. 41, No. 1 (Feb., 1988), pp. 1-32

Published by: [Wiley](#) on behalf of the [Economic History Society](#)

Stable URL: <http://www.jstor.org/stable/2597330>

Accessed: 04/01/2013 01:48

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Wiley and *Economic History Society* are collaborating with JSTOR to digitize, preserve and extend access to *The Economic History Review*.

<http://www.jstor.org>

The political economy of British taxation, 1660–1815

By PATRICK K. O'BRIEN

From the Glorious Revolution to the French Revolution, Britain's taxation system operated to provide its navy and army with the indispensable monetary means required to combat the kingdom's foes and to maintain the military forces and the credit of the central government in conditions of readiness for the next war.¹ Of course any survey of fiscal activity provides only a sketch and not a rounded portrait of the role of a government, but that perspective does help to encapsulate its central preoccupation, namely the waging of armed conflict.² Indeed as Schumpeter observed: 'public finances are one of the best starting points for an investigation of society. The spirit of a people, its cultural level, its social structure, the deeds its policy may prepare—all this and more is written in its fiscal history'.³

Table 1 illustrates the overwhelming importance within the budget of foreign and defence policies. In times of international conflict the shares of public revenue directly appropriated for military purposes rose massively. During the intermissions of peace the proportion of taxes allocated to the navy and army fell, but interest payments on the national debt (which accumulated rapidly as a direct consequence of war) rose steadily to absorb between 40 and 50 per cent of government revenue.

I

From the Restoration onwards to Waterloo, taxes collected for central government increased steadily in direct response to demands for the funding of military expenditures. A long series of 'mercantilist wars', occupying nearly half of all the fiscal years from the reign of Charles II through to that of George IV, imposed ever increasing tax burdens on the incomes of British citizens and upon their economy. In real terms the burden rose nearly eighteen times over this long period. In relative terms (expressed as a share of the nation's income) the cost of central government to British taxpayers leapt forward as a result of wars fought in the reigns of William and Anne, stabilized for several generations, moved upward during the attempt to put

¹ I wish to express my thanks to J. C. D. Clark, N. F. R. Crafts, P. M. Dickson, P. Langford, C. Watson and E. A. Wrigley for helpful suggestions. I owe a special debt to P. A. Hunt for his research assistance and comments.

² The following abbreviations and conventions have been adopted to simplify footnotes and references. Parliamentary and other official papers are listed in order of publication. P.P.R.C.H.C. refers to Parliamentary Papers, Reports of the Committees of the House of Commons. Statesmen's names are included with their papers deposited at P.R.O. or B.L. The vast majority of contemporary book and pamphlet sources may be consulted in the Goldsmiths' Collection held at the University of London library.

³ Cited by Mann, *Sources of social power*, p. 273; Kennedy, 'Finance, geography', pp. 1–86.

Table 1. *The allocation of government expenditures, 1688–1815*

		<i>Military expenditures</i> %	<i>Civil government</i> %	<i>Interest payments</i> %
1689–1697	(war)	79	15	6
1698–1702	(peace)	67	9	24
1702–1713	(war)	72	9	19
1714–1739	(peace)	39	17	44
1740–1748	(war)	65	10	25
1750–1755	(peace)	41	15	44
1756–1763	(war)	70	8	22
1764–1775	(peace)	37	20	43
1776–1783	(war)	62	8	30
1784–1792	(peace)	31	13	56
1793–1815	(war)	61	9	30

Notes: War years are difficult to define from a fiscal point of view. When does a 'normal' or peace time fiscal regime recommence? I have simply taken the war years as those when the kingdom was formally at war with other powers and when allocations for military purposes were relatively high compared with preceding periods. The percentages calculated above refer to 'issues' from the Exchequer under these three headings alone.

Source: *Accounts of the public income and expenditure 1688–1869* (P.P. 1868–9, XXXV). Hereafter referred to as *Chisholm, Report*.

down the revolt of American colonists and peaked as a result of the protracted and expensive conflict with Revolutionary France and Napoleon from 1793 to 1815.

In formulating policies to fund these mercantilist wars, governments of the day confronted an initial and fundamental choice between loans and taxes. But without exception, and almost without demur, from the time of William III right through to the reversal of that strategy, by Pitt the Younger in 1799, Chancellors of the Exchequer opted to finance most of the incremental costs, imposed by augmented levels of military expenditure, by borrowing the money needed on the London capital market. After the nine years war, 1689–97, borrowing or the 'funding system' took on the task of providing money to sustain armies in the field and navies at sea.

For most of the period Britain was emerging as the hegemonic western power, its government did not possess a tax system that was elastic or reliable enough to finance abrupt transitions from peacetime to wartime expenditures.⁴ Loans and the funding system served to get round that difficulty; and the bulk of extra taxation raised in wartime came from raising the tax rate levied on land which moved up and down from a levy of 5 per cent to 20 per cent on a stereotyped value of real property.⁵ But although Chancellors before Pitt borrowed most of the money required to support the armed forces, they imposed taxes to meet interest payments on both short-term (unfunded) and above all on the perpetual (or funded) loans, floated for purposes of war. Government debts had to be regularly serviced; otherwise confidence in the credit of the state would have diminished and denuded its financial capacity

⁴ Sinclair, *History of the public revenue*; Fairman, *An account of the public funds*.

⁵ Ward, *English land tax*; Brooks, 'Public finance and political stability'; Sinclair, *History of the public revenue*.

Table 2. *Taxation and the tax base, 1660–1815*

Year (five year average, centered on)	Tax receipts at Exchequer ^a (£m)	Price deflator ^b	Tax receipts deflated ^c (£m)	Proxies for national income at current prices (£m) ^d	Share of national income appropriated as taxation ^e (%)
1665	1.65	98	1.60		
1670	1.39	95	1.46	40.88	3.4
1675	1.71	100	1.71		
1680	1.51	96	1.57	41.76	3.6
1685	1.39	93	1.49		
1690	2.05	100	3.05	45.73	6.7
1695	3.99	113	3.53		
1700	4.40	104	4.23	50.00	8.8
1705	5.22	93	5.61		
1710	5.13	109	4.71	55.70	9.2
1715	5.51	101	5.46		
1720	5.81	98	5.93	53.92	10.8
1725	5.70	103	5.53		
1730	6.04	96	6.29	56.53	10.7
1735	5.50	95	5.79		
1740	5.62	102	5.50	64.50	8.7
1745	6.33	95	6.66		
1750	7.33	103	7.12	69.80	10.5
1755	7.01	108	6.49		
1760	8.51	102	8.34	74.02	11.5
1765	9.80	116	8.44		
1770	9.70	119	8.15	92.67	10.5
1775	10.08	127	7.94		
1780	11.75	120	9.79	100.20	11.7
1785	13.74	131	10.49		
1790	16.09	137	11.74	130.41	12.3
1795	17.73	164	10.81		
1800	28.47	203	14.02	220.31	12.9
1805	44.60	204	21.86		
1810	58.25	243	23.97	320.52	18.2
1815	62.67	222	28.23		

Notes and sources: ^aTax receipts are receipts at the Exchequer and *not* the gross sums collected from taxpayers. The gap between gross and net can be calculated from 1788 to 1815 from comparisons of data contained in Chisholm, *Report*; P.R.O., States of navigation revenue and commerce, Customs, 17/10–30. The purpose of these latter reports was 'to present to government at one view the gross sum collected from the subject and the various deductions therefrom until net produce is paid into the Exchequer'. (P.R.O. Customs 17/11 for 1789). For this period the gap between gross and net was of the order of 10 per cent. For earlier periods the gap was probably of greater magnitude—see Chisholm, *Report*, appendix 1; and Binney, *British finance and administration*, appendix 5. The figures cited here refer to *net* flows into the Exchequer. They are five year averages centering on the year cited—except for 1815 which is a three year average. From 1690 to 1815 the figures have been taken from Chisholm, *Report*. From 1665 to 1685 the figures are from Chandaman, *English public revenue*, appendix 3. For 1686–8 I compared Chandaman's figures with an abstract of the revenue dated 20 March 1689 and presented to the House of Commons—see Chisholm, *Report*, appendix 11. The geographical coverage of tax receipts at the Exchequer is a source of difficulty. England and Wales entered into a Union with Scotland in 1707 and with Ireland in 1801. But until 1817 the British government was not concerned with tax collection in Ireland (Chisholm, *Report*, appendix 5.) The collection of taxes in Scotland remained problematical for all departments concerned with the king's revenue, throughout the period 1707–1815. For example, in 1801 the net revenue paid into the Exchequer by the Department of Excise was £10.2 million but only £663,300 (6.5 per cent) came from Scotland—*Accounts and Papers* (P.P. 1801–2, iv). The sums sent to London were smaller still because a share was retained north of the border to fund the agencies of central government in Scotland—P.R.O., States of navigation revenue and commerce, Customs 17/10–30 for 1788–1815. For the purposes of the arguments pursued in this paper geographical coverage can be set aside.

^bThis price deflator is constructed to represent long-term movements in British wholesale prices from 1660 to 1820—see O'Brien, 'Agriculture and the home market for English industry'. The weights used to combine agricultural with industrial prices were 0.7 for expenditures on agricultural produce and 0.3 for expenditures on industrial goods and services—see Crafts, *British economic growth*, p. 126.

^cThis is column 1 deflated and reflects movements in constant price values of taxation.

^dOur starting point was the national income estimate for England and Wales for 1700 compiled by Cole, 'Factors in demand', p. 64. Cole's estimate of £50 million was extrapolated forward on the basis of revised trend rates of growth for national product suggested by Crafts, *British economic growth*, p. 45. Crafts's suggested growth rate for 1700–60 was 0.69 per cent per annum. To estimate proxies for national income 1660–1700 I assumed an annual rate of growth of 0.5 per cent and reflated the extrapolated estimates in prices of 1700 to current prices using the index already cited.

^eThese percentages are plausible but sensitive to the data and assumptions behind the estimates for national income. But even if national income is extrapolated backwards at the high rate of 1 per cent a year, the share of national income appropriated as taxation rises only from 3.4 per cent to 3.9 per cent for 1670. Note the national income proxies exclude Scotland even after 1707. Similar estimates are suggested by Mathias, *Transformation*, pp. 118–9.

Table 3. *Taxes and the finance of war, 1689–1815*

<i>Years of war</i>	<i>Tax receipts as a percentage of the extra revenue raised to finance wars</i>
1689–1697	49
1702–1713	26
1739–1748	21
1756–1763	20
1775–1783	19
1793–1815	58

Notes: Revenue raised to finance war is defined here as the incremental taxes and the loans raised to defray the costs of military mobilization and demobilization contingent upon war. The calculations were based on the assumption that in the absence of war, pre-war levels of taxes paid into the Exchequer would have persisted over the war years. Thus all additional tax revenues collected during the years of conflict are deemed to be the contribution made by taxes towards the cost of war. The calculation for King William's war compares a wartime total revenue collected at the Exchequer of £51 million with my 'predicted' collection of £1.6 million a year. The latter figure represents government income from 1684–8 as revealed by Chandaman's data cited under table 2.

The precise dates of these wars were: May 1689 to Sept. 1697, May 1702 to March 1713, Oct. 1739 to Oct. 1748, May 1756 to Feb. 1763, June 1775 to Sept. 1783, Feb. 1793 to March 1802 and May 1803 to Nov. 1815.

Source: The data for these calculations were taken from Chisholm, *Report*. In appendix 13 Chisholm discusses the cost of war.

to mobilize military forces for the Hanoverian crown.⁶ In some discussions of the financial revolution this point is not stressed nearly enough. The capacity of the English government to levy taxes underpinned and was the prerequisite for Britain's 'funding system'.⁷ In turn this process of deferred taxation implied that most of the extra and ever-rising volume of taxation collected in interludes of peace from 1688 to 1815 was transferred to holders of the national debt (see table 1).

While funding alleviated the need for sharp and sudden rises in taxes (which no doubt made an expansionist foreign policy less unpopular with Parliament and the electorate), the real cost of taxation afflicting Britain's economy and society mounted decade by decade. That burden, as Mathias and I showed in an earlier paper, surpassed by a considerable margin the real and relative levels of taxation borne with such marked reluctance by the citizens of ancien régime France and was probably in excess of the taxes imposed on the population of other European powers, with the possible exception of Holland.⁸ The central authorities of a society which had undergone a revolution, occasioned initially by revolt against the taxes of a Stuart monarch, managed to appropriate significantly higher proportions of the nation's income than the 'despotisms' of continental Europe. Between the Restoration and the French Revolution that share multiplied fivefold

⁶ Rayment, *Income and expenditure*; Peel, *National debt*; Mortimer, *Elements of commerce*; Fairman, *An account of the public funds*.

⁷ Dickson, *Financial revolution*; Kennedy, *Rise and fall*, chs. 3–5.

⁸ Mathias and O'Brien, 'Taxation in England and France', pp. 601–21. In a private communication Peter Dickson suggested the burden may have been higher in Prussia and Austria.

without provoking political upheavals, except among those fiscally privileged colonials of North America.⁹

But from time to time what Pitt the Younger contemptuously referred to as 'clamour' occurred in the form of parliamentary and extra-parliamentary protests against certain innovations in tax policies, particularly initiatives which included excises. These events have captured the attention of historians of eighteenth-century politics.¹⁰ But looked at in the context of a long-term achievement that was truly remarkable by European standards, were they anything more than episodic? Do they warrant the title of crises? The British government's 'fiscal prowess' is, moreover, derogated by the percentages of the national income appropriated as taxes reported in table 2. This occurs because the base potentially available for taxation by the state was not (as that table suggests) the entire incomes and expenditures of all British citizens. In theory, and to some considerable degree in practice, wages and necessities consumed by 'the poor' were exempt from taxes, direct and indirect alike.¹¹ Furthermore, in northern and Celtic reaches of the country the tasks of assessing anything approximating to a full *legal* liability for taxes, imposed by Parliament on the recalcitrant producers and consumers of those regions proved to be beyond the capacities of the understaffed, underpaid and often incompetent local administrations set up in those distant parts of the kingdom. Forty-five years after the Act of Union a Lord Chancellor lamented that 'some method should be taken to make Scotland pay the taxes but could any ministry hit upon that method?'¹²

Tax evasion, corruption and frauds on the revenue were pervasive throughout Britain (and Ireland was not taxed from London until 1817). But no historian reading parliamentary and departmental enquiries concerned with the collection of customs and excise duties in Scotland and other regions distant from the metropolis could doubt that the ratio of sums collected to the legal liability for taxes varied considerably across the country.¹³ Both the exemption of the poor and the escape of the geographically remote from

⁹ Bullion, *George Grenville*; Becker, *Revolution, reform*; Thomas, *British politics*.

¹⁰ Plumb, *Walpole*, I, pp. 202, 218, 239-40; Kemp, *Francis Dashwood*, pp. 53-5; Langford, *Excise crisis*, pp. 2, 33; Dickinson, 'Sword of gold'; Lawson, *George Grenville*, pp. 147-9; Ehrman, *Younger Pitt* (1969), pp. 239-40, 250-6, 263, 265-7, 274-5, 277-80, 283-7, 294-5, 575, 608-10.

¹¹ On tax incidence in the eighteenth century see Kames, *Sketches*; McArthur, *Financial and political facts*; Seligman, *On the shifting and incidence*. Tax laws are summarized in *1st Report of the Commissioners for Inland Revenue* (P.P. 1857, IV); Blackader, *The rates and duties on excise*; Lowndes, *Book of rates and duties on customs*.

¹² Price, 'The Excise affair', p. 283; see also Dickinson, 'Sword of gold', pp. 12-25; Ward, 'Land tax in Scotland', pp. 288-308.

¹³ The subject of regional incidence requires careful statistical investigation but some absolute numbers speak for themselves. For example from 1707 Scotland's contribution to the land tax was far less than the amounts paid by any single county in England and in 1780 even that contribution was two and a half years in arrears; Chisholm, *Report*, pp. 840-5. In 1801 the excise revenue for England and Wales yielded £9.5 million and for Scotland £0.7 million; *Accounts and Papers* (P.P. 1801-2, IV). Industrial and commercial incomes directly assessed under the wartime income tax for 1806 were £32.3 million for England, £4.3 million for Wales, and £1.8 million for Scotland; *Accounts and Papers* (P.P. 1812-3, XII). For assessed taxes see P.R.O. Exchequer papers, Ex/181/24-44. In 1800 customs receipts for England and Wales were £6.1 million and for Scotland £0.6 million; *Accounts and Papers* (P.P. 1822, XI). See also 1st and 2nd *Reports of S.Cs. on Illicit Practices used to Defraud the Revenue and Report of S. C. on Public Expenditure of Great Britain Relative to the Collection of Taxes in Scotland* (P.P.R.C.H.C. XI, and P.P. 1810, II).

their share of taxation meant that the burden was effectively carried by something less than the entire income of the nation. If we assume that 40 per cent of Britain's national income avoided taxes by legal and illegal means alike, then the share of income appropriated by the central government from its *effective* tax base goes up from a high level for the age of 15 per cent *c.* 1700 to a modern ratio of 30 per cent by 1810.¹⁴

How a relatively small country governed by a state (recently categorized as part and parcel of Europe's ancien régime) and serviced by an 'incompetent' revenue administration managed to collect the extraordinary amounts of taxes required to sustain its expansionist stance in foreign policy requires deeper political, ideological and social explanations than the functionalist remarks offered in an earlier paper.¹⁵ There Mathias and I argued (in contrast to France) that the mode of taxation (indirect as opposed to direct) rendered the rapidly rising burden more acceptable to British compared to French taxpayers.¹⁶

Another and even more orthodox explanation, namely that economic growth provided successive British governments with the resources required to fight their wars, also needs to be rather severely qualified. The recently reconstructed estimates for the growth rates of total output suggest that the country's real national income may have increased by a factor of around three from 1670 to 1810.¹⁷ Over that same period tax receipts (also measured in constant prices) increased more than 16 times. As table 2 indicates the government expropriated and retained a rising proportion of national income in the form of taxes. This is not to deny, however, that economic development and the changing composition of national output were helpful for chancellors of the day in their often desperate search for taxes. Clearly in absolute terms more revenues could be obtained from a tax base that was widening and deepening over time, but if the British government had depended on 'long-term economic growth' to generate the taxes required to pay the bills for successive combats against France and her allies over the second Hundred Years War, then defeat would have been inevitable.

Some simple arithmetical manipulations of the data in table 2 will underline the point that economic growth was not the major factor behind the marked rise in tax revenue from 1660 to 1815. For example, had the British government, towards the end of the Seven Years War, managed to collect as taxes only the proportion of national income made available to Charles II, its tax receipts would have declined sharply to only 30 per cent of observed levels. Alternatively had that same administration collected the far higher share 'squeezed' out of the British economy by William III then its tax receipts would still have fallen to only 58 per cent of actual levels. At

¹⁴ Deane and Cole, *British economic growth*, p. 301 suggests a wage share of 44 per cent for 1801; Crafts, *British economic growth*, p. 80 suggests 50 per cent. Wage earners escaped direct taxes and most outlay taxes did not fall upon 'necessities'; see table 5.

¹⁵ Clark, *English society, 1688-1832*; Beckett, *Aristocracy in England, 1660-1914*.

¹⁶ Mathias and O'Brien, 'Taxation in England and France', pp. 633-40.

¹⁷ Crafts, *British economic growth*, p. 45, indicates a growth rate of just under one per cent a year for 1700 to 1800. May we guess that national product grew at say half that rate from 1670 to 1700 (see table 2)? These numbers could change, but not significantly, depending on assumptions used about growth rates of national income before 1700.

the height of the struggle with Napoleon these same counterfactual exercises suggest that tax revenues could have declined to only 19 per cent and 37 per cent of the actual amounts paid into the Exchequer, over the four year period 1808-12. Thus from 1660 to 1815 the capacity of the British state to expropriate ever-increasing amounts of tax revenue owed less to economic growth and far more to its successful political and administrative management of a widening but slowly expanding tax base.

Furthermore, over shorter spans of time, encompassing the actual years of conflict with other powers, economic growth made a negligible contribution to the fiscal effort required to prosecute successive wars. For example, the extra £542 million of taxes collected during the war with France from 1793 to 1815 can be divided between: new taxes or innovations to the tax base, £197m; revenue from raising rates of taxation, £298m; receipts from changes in the volume or values of commodities and services taxed before the outbreak of war, £47m. Over a lengthy war (which included a period of accelerated economic growth from 1793 to 1801) the central government obtained only £47 million, or less than 10 per cent of the additional taxes it required simply because through normal economic development *more* goods and services fell into the net for taxation.¹⁸ The presumption must be that this ratio would have been even lower during wars fought before the industrial revolution was under way.¹⁹

Economic growth should not be credited with providing anything other than modest proportions of the resources required to engage in mercantilist warfare from 1688 to 1815. The potential economic benefits from international trade and empire may well have encouraged eighteenth-century statesmen to take risks and to pursue bellicose foreign policies.²⁰ Perhaps also the contemplation of possible gains from trade and commerce persuaded British taxpayers of the period to shoulder levels of taxation that would have prompted their forebears to rebel.²¹ Of course they also believed that the defence of the Protestant succession, the containment of Dutch and then French pretensions to empire and the defeat of the French Revolution required considerable sacrifices for the Hanoverian crown.²² But (to return to the central hypothesis of this paper) flexible administration, complemented by an expedient tolerance of evasion and a prudent selection of the commodities and social groups 'picked upon' to bear the mounting exactions of the state are what made rising taxation tolerable and politically manageable from 1660 to 1815. After all, apart from revolt in the thirteen colonies the assessment and collection of taxes within the kingdom provoked only the

¹⁸ These figures are based on a tax by tax analysis of all major taxes. The contribution to the war made by any particular tax emanates from changes in the quantity or value assessed. Given information on quantities and average rates of tax applied in 1788-92, it is then an arithmetical exercise to separate quantity from rate effects; see O'Brien, thesis, pp. 386-8 and app. 2 for sources of tax data.

¹⁹ Ashton, *Economic fluctuations*; John, 'War and the English economy'.

²⁰ Kennedy, 'Finance, geography'; Ingram, *Commitment to empire*; McKay and Scott, *Rise of the great powers*.

²¹ Cain and Hopkins, 'Gentlemanly capitalism, I', pp. 501-22; Kennedy, 'Finance, geography'; Langford, *Modern British foreign policy*, pp. 13, 265, 239-43.

²² Kennedy, *Rise and fall*, chs. 3-6; Kennedy, 'Finance, geography'; Kennedy, *Strategy and diplomacy*, pp. 89-92.

mildest of political crises over the long eighteenth century.²³

Although such speculations are clearly interesting for historians to ponder, my purposes in this essay are not to account for the 'passive acceptance' displayed by taxpayers towards the exactions of their government but to provide some statistical basis for further investigations. Thus in section II an attempt will be made to explore the incidence of the *extra* taxation raised by successive British governments in pursuit of empire and security. Section III then offers reasons why the taxation policies pursued by ministers in command of the country's fiscal system took on the shape that they did and why their policies persisted unaltered, in their essential form, for more than a century.

II

Which social groups and sectors of the economy carried the weight of the taxation imposed by central government from 1660 to 1815? Was it agriculture, or commerce and industry, the 'monied' or the 'landed' interest or perhaps the 'working classes' that bore the brunt of the additional taxes imposed to fund Britain's rise to the status of a great power?²⁴

Although such questions are clearly central to our understanding of eighteenth-century politics and society they seem impossible to answer except impressionistically. Let us first paint in the background by considering the evolving structure of taxation from 1660 to 1815.

In table 4 the data have not been presented in the usual form of sums collected and paid into the Exchequer by the several departments concerned to collect taxes, but have been reclassified in ways which might reveal something about the contribution to the needs of government made by different social groups and sectors of the economy. Thus, customs duties are defined here to include the duties on imported products collected by the Excise department.²⁵ Excises and stamps encompass all taxes imposed on domestically produced goods and services, including salt and other minor taxes, legally under the jurisdiction of other public departments such as the Commissioners for Salt.²⁶ Excises were usually collected from firms producing or selling goods and services liable to internal duties.²⁷ Direct taxes levied on land and upon other immovable and visible items of private property were collected from legally defined lists of taxpayers. Although some of these

²³ Langford, *Excise crisis*, p. 151; Sedgwick, *History of Parliament*, pp. 300-2; Dickinson, *Walpole and the Whig supremacy*, pp. 80-101, 167-72.

²⁴ Contemporary debates were usually conducted in terms of these amorphous categories, particularly the 'landed' versus the 'monied' interest. Other classes or interests are only occasionally mentioned. Kennedy, *English taxation, passim*; Lawson, *George Grenville*, pp. 147-9; Osborne, 'Politics of resentment'; Cannon, *Whig ascendancy*, p. 65; Goldsmith, 'Mandeville'; Speck, *Stability and strife*, p. 156; Langford, *Excise crisis*, p. 18; Dickson, *Financial revolution*, pp. 29-33; Plumb, *Walpole*, pp. 158 and 247.

²⁵ Attempts were made on several occasions in the eighteenth century to associate the Excise department with the collection of duties levied on imports: see Turner, 'Excise scheme'; Brisco, *Economic policy of Walpole*, pp. 105-11; Price, 'Excise affair revisited', pp. 257-321. Pitt succeeded in the 1780s; *11th and 12th Reports of inquiry into customs and excise* (P.P. 1822, XI).

²⁶ *S.C. on Accounts*, 1791 (P.P.R.C.H.C., XI); *S.C. on Finance*, 1797 (P.P.R.C.H.C., XII); *S.C. on Foreign Trade* (P.P. 1821, VI); *1st Report Comms. for Inland Revenue* (P.P. 1857, IV); Hughes, *Studies in administration*.

²⁷ Hamilton, *Inquiry*.

Table 4. Sources of taxation, 1665 to 1815

5 year averages centering on	Excises and stamps levied on domestic productions and services		Customs duties levied on retained imports		Direct taxes levied on manifestations of wealth and income	
	£m	%	£m	%	£m	%
1665	0.3	23	0.4	31	0.6	46
1670	0.2	14	0.2	14	1.0	72
1675	0.5	31	0.5	31	0.6	38
1680	0.4	28	0.5	36	0.5	36
1685	0.4	36	0.6	55	0.1	9
1690	0.9	30	0.7	23	1.4	47
1695	0.8	27	0.8	27	1.4	47
1700	1.7	35	1.2	25	1.9	40
1705	1.8	34	1.5	28	2.0	38
1710	1.9	36	1.3	25	2.1	40
1715	2.4	44	1.5	28	1.5	28
1720	2.8	46	1.7	28	1.6	26
1725	3.1	53	1.6	27	1.2	20
1730	3.0	49	1.6	26	1.5	25
1735	3.2	55	1.6	28	1.0	17
1740	3.2	52	1.5	24	1.5	24
1745	3.1	48	1.3	20	2.1	32
1750	3.5	51	1.4	20	2.0	29
1755	3.8	54	1.7	24	1.5	21
1760	4.1	49	1.9	23	2.3	28
1765	5.5	55	2.2	22	2.3	23
1770	6.0	57	2.6	25	1.9	18
1775	6.3	58	2.6	24	1.9	18
1780	6.6	56	2.6	22	2.6	22
1785	7.8	57	3.3	24	2.7	20
1790	7.5	43	6.3	36	3.6	21
1795	8.9	44	7.2	36	4.0	20
1800	11.5	36	11.5	36	8.8	28
1805	19.4	41	16.4	35	11.2	24
1810	22.9	36	18.8	30	21.2	34

Notes and sources: See notes to table 2. Where possible the figures refer to *net* receipts available for expenditure by the central government, the definition employed by Chisholm, *Report*. They are five year averages rounded to the nearest £100,000. Minor branches of taxation (including post office, hawkers and peddlers, hackney coaches, alienation, first fruits and tenths, salaries and pensions etc.) have not been included.

The figures have been extracted and reconstituted from four sources:

(a) 1665–85 from Chandaman, *Public revenue*, appendix 3—see table 2.

(b) 1690–1785 from Chisholm, *Report*—see table 2.

(c) 1790–1809 from P.R.O., States of navigation revenue and commerce, Customs 17/30—see table 2.

(d) *Accounts and Papers* (P.P. 1814–1815, X and 1816, XI).

Inevitably differences in the definitions employed to classify revenue by different sources mean that the figures are not fully consistent over time. Chandaman and Chisholm used Exchequer records, which implies the data from 1665 to 1785 provide a fairly consistent run of *net* receipts at the Exchequer. The sources used for 1790 to 1815 refer to inflows and outflows of public money from the departments responsible for the collection of revenue. I reconstituted these data to make them as congruent as possible with the earlier figures by deducting discounts, repayments, drawbacks, management charges etc., in order to arrive at the sums *remitted* to the Exchequer. But the figures after 1785 are likely to be overstated as a record of sums made available to central government by the revenue departments.

The classification of taxes under the headings employed in table 4 involved further manipulation of the basic data. Before 1790 the administrative and analytical categories more or less coincided. This means that: direct taxes were collected from lists of taxpayers and such levies were legally imposed on wealth, manifestations of wealth and incomes; customs duties fell upon imports; excises and stamps on domestically produced goods and services. In the late 1780s, Pitt transferred a large part of the responsibility for the assessment and collection of duties on foreign spirits, tea, tobacco and wine from Customs to the Excise department. Under the Commutation Act of 1784 part of the direct taxes levied on windows was channelled through the books of the departments of Customs and Excise—*1st Commissioners on Excise* (P.P. 1833, XXI, pp. 4–6); *6th Commissioners on excise* (P.P. 1834, XXIV, p. 239); Dowell, *History of taxation*, IV, pp. 167–9; Binney *Finance and administration*, p. 69; Thompson *Commutation Act*; P.R.O. Pitt Papers, 30/8/292. The figures in table 4 have been reconstituted in order to produce consistent runs of data classified in terms of the *legal* incidence of parliamentary taxes. The data for the receipt of 'excises' levied upon imports from Library of Customs and Excise, Excise 3072 and 11894 and from *Accounts and Papers* (P.P. 1830, xxv).

direct taxes fell upon consumer durables (e.g. carriages and riding horses) they were regarded by contemporaries as functioning as proxies for taxes upon income and wealth.²⁸

In the reign of William and Mary taxes upon land and other immovable forms of property provided the central government with something like 47 per cent of its income. Despite extensions to include other sorts of visible wealth and badges of status—such as carriages, houses, male servants and riding horses—by the beginning of the wars against Revolutionary France, direct taxes yielded only 21 per cent of the state's income from taxation.²⁹ Throughout the period taxes fell mainly and increasingly upon expenditures on goods and services. They were indirect, that is to say, collected from businessmen and passed on (more or less in their entirety) to consumers in the form of higher prices.

A state's revenue reflects the kinds of commodities, services and real property available within its national borders for taxation. By the late seventeenth century, the British tax structure had developed well beyond the systems of more traditional societies with their limited range of levies falling mainly upon land and other immovable assets.³⁰ British taxation was dominated (as table 5 shows) by a wide range of indirect taxes imposed upon domestically purchased goods and services and upon imports. In broad contour this statistical map of the fiscal system would be little different a hundred years earlier. Throughout the period it lacked only an income tax to qualify for the accolade of 'modern'.³¹

Historians of this period usually become cognizant with problems posed by the incidence of taxation when they read contemporary debates in Parliament, pamphlets and the press.³² Acrimonious discussion about the harmful and inequitable effects of particular taxes often erupted at the time of their introduction or when the rates of contentious taxes were being raised by chancellors of the day.

But the precursors of Adam Smith realized, and writers of modern texts in economic theory are delighted to demonstrate, that the incidence or final resting place of a tax is logically indeterminate, except under rather strict and empirically unusable assumptions about the price elasticities of demand and supply for commodities and services singled out for taxation.³³ Alas, historians do not have access to the budgets of British households classified and tabulated to fall into well defined income brackets or social classes. And that kind of data is a prerequisite for ascertaining the proportion of their incomes allocated by families for the purchase of taxed goods and services.³⁴ For example it may be impossible to discover the quantities of sugar consumed by particular social groups.

²⁸ Sinclair, *History of the revenue*; Dowell, *History of taxation*, IV.

²⁹ *Ist Report Comms. of Inland Revenue* (P.P. 1857, IV); *S.C. on Land and Assessed Taxes* (P.P. 1821, III).

³⁰ Ardant, 'Financial policy'.

³¹ Hinrichs, *General theory*, pp. 83-94; Musgrave, *Fiscal systems*, pp. 125-64.

³² Lawson, *George Grenville*, pp. 147-9; Price, 'Excise affair'; Langford, *Excise crisis*, pp. 2, 33, and see note 10.

³³ Steuart, *An inquiry*, pp. 327-58; Smith, *Wealth of nations*, pp. 792, 800, 807, 816 and 821-32.

³⁴ Shirras and Rostas, *The burden*; Thurow, *Impact of taxes*; Nicholson, *Redistribution of income*.

Table 5. Major taxes for 1788–1792

<i>Taxes</i>	<i>Average annual yield 1788–1792 (£'000s)</i>	<i>Type of tax</i>	<i>Estimated rates ad valorem</i>
1. <i>Direct taxes</i>			
Land	2037	Direct	5% to 20%
Windows	769	Direct	—
Carriages	186	Direct	—
Houses	147	Direct	2.5% to 5%
Domestic servants	129	Direct	—
Riding horses	120	Direct	—
2. <i>Taxes on food</i>			
Tea	583	Customs	12.5%
Sugar	999	Customs	34% (muscavado)
Salt	425	Excise	70%
3. <i>Heat, light and fuel</i>			
Coal	651	Customs	21%
Candles	318	Excise	9%
4. <i>Construction materials</i>			
Bricks	109	Excise	8.5%
Glass	181	Excise	—
Timber	225	Customs	15%
Iron bars	133	Customs	—
5. <i>Clothing and footwear</i>			
Printed cloth	226	Excise	—
Imported linen	108	Customs	—
Indian cloth	195	Customs	13% (muslin)
Raw silk	224	Customs	13% (raw Bengal)
Hides and skins	257	Excise	—
6. <i>Cleaning materials</i>			
Soap	399	Excise	—
Starch	102	Excise	—
7. <i>Alcohol and tobacco</i>			
Beer	1968	Excise	20% (strong beer)
Malt	1838	Excise	16%
Hops	121	Excise	16%
Wine	739	Customs	27% (sherry)
Foreign spirits	990	Customs	60% (rum)
Domestic spirits	654	Excise	—
Tobacco	607	Customs	83%
8. <i>Commercial services</i>			
Newspapers	150	Stamp	55% (<i>Times</i>)
Bills of exchange	105	Stamp	—
Fire insurance	147	Stamp	—
Post horses	131	Farmed	—

Note: The taxes listed above include only taxes yielding £100,000 per annum and above for the exchequer during the five years, 1788–92. The range of taxes on the statute book was enormous but the taxes in table 5 provided about 90 per cent of total receipts.

Sources: P.R.O., States of navigation revenue and commerce (Customs 17/10–30); Library of Customs and Excise, Customs, 10910, Ex. 11863 and Ex. 11894; Direct taxes at P.R.O., Inland Revenue ledgers, IR 384, 385, 787 and IR 10/86–87; Accounts and Papers (P.P. passim).

Nevertheless, there seems to be a presumption in the historiography that indirect taxes on outlay were 'regressive' in their incidence. That is to say, such taxes tended to fall with 'disproportionate' severity on families lower down the income scale.³⁵ But regressive (a term with a precise meaning) is frequently used rather imprecisely by social historians.³⁶ Clearly the incidence and effects of any indirect tax depend on the commodity or service selected by the government, and elevating rates of taxation imposed upon wine, silks or fine linens had rather different consequences for the economy and social welfare from taxing coal, beer, salt and leather.³⁷

Judging from parliamentary debates and the pamphlet literature of the eighteenth century, contemporaries experienced few of the difficulties that worry economists and modern economic historians when they attempt to say something, however tentative, about relative burdens of taxation.³⁸ At that time widely held notions of distributive justice usually formed the basis of support for or opposition to particular taxes, and the tax structure as a whole rarely came under discussion.³⁹ Informed and politically important opinion concurred with the view that British citizens should contribute to the needs of the state in proportion to their incomes.⁴⁰

Pitt the Younger considered it 'justice to tax the wealthier in preference to the more indigent part of the community'.⁴¹ As a corollary to this general principle, parliamentary and public opinion held that the 'necessities of the poor' should be taxed moderately or preferably be exempt from taxation, but taxes on 'luxuries' received approbation.⁴² Definitions of 'superfluous' or 'essential' did not perturb contemporaries unduly because the essence of the distinction remained normative. Before the end of the century few investigations took place into the consumption patterns of various social classes, and those that did were only concerned with the budgets of the very poor.⁴³ Members of Parliament considered each tax in isolation, and simply assumed that the 'poor' needed to consume certain things ('necessities') and that if they chose to buy other highly taxed commodities like wine and printed cloth they did so voluntarily and accepted the consequences. Most commentators upon fiscal matters regarded taxes on salt, candles, beer, cider, soap, coal, starch, leather and malt as departures from the principle exempting necessities from taxation.⁴⁴ They accepted duties on male (but not female) servants, carriages, pleasure horses, larger houses, wine, spirits,

³⁵ This view can be traced back at least to Smith, *Wealth of nations*, pp. 823-7.

³⁶ On definition of 'progressive' and 'regressive', see Shehab, *Progressive taxation*.

³⁷ Hausman, 'Tax on London coal'.

³⁸ Mathias and O'Brien, 'Taxation in England and France'; 'Incidence of taxes and burden of proof'; McCloskey, 'Mismeasurement of the incidence'; Hartwell, 'Taxation in England'; McCloskey, 'Taxation in England: a comment'.

³⁹ Kennedy, *English taxation*; Hamilton, *Inquiry*; McArthur, *Financial and political facts*; Sinclair, *History of the revenue*; Seligman, *Shifting and incidence of taxation*.

⁴⁰ Kennedy, *English taxation*.

⁴¹ Cobbett, *Parliamentary history*, XXV, p. 552; P.R.O. Pitt Papers, 30/8/294.

⁴² Anon., *Considerations on sugar duty*; Smith, *Wealth of nations*, p. 846; Sinclair, *History of the revenue*, pp. 167-369; Cobbett, *Parliamentary history*, XXV, pp. 552, 787-8.

⁴³ But see Massie, *Calculations*; Davies, *Case of the labourers*; Eden, *State of the poor*.

⁴⁴ Kames, *Sketches*, p. 484; Smith, *Wealth of nations*, pp. 839-42; Dobbs, *Thoughts on present mode of taxation*, p. 4; Sinclair, *History of the revenue*, pp. 367 and 375; Cobbett, *Parliamentary history*, XXIV, p. 1029, and XXVIII, pp. 1192, 1201.

imported foodstuffs (such as sugar, dried fruit, nuts, citrus fruits and spices), glass, printed muslins, calicos, linens, tobacco, and all stamp duties on legal services as taxes on superfluities.⁴⁵ Politicians and commentators considered spirits particularly eligible for taxation because whisky and gin had such infelicitous effects upon the health and morals of the labouring classes.⁴⁶ Tea and sugar gave rise to contention as their status changed from 'luxuries' to 'decencies'.⁴⁷ Finally and because several major excises fell upon necessities and some customs revenue came from imported luxuries, indiscriminate (and often self-interested) opinion tended to condemn all excises as taxing necessities and approved of customs duties for falling upon foreign luxuries.⁴⁸

Where does eighteenth-century discussion and the paucity of statistical information leave historians who approach the past with more rigorously specified notions of distributive justice in mind? The answer must be in a rather dissatisfied and unsatisfactory condition. They can only admit that changes in incidence cannot be 'measured' with the certainties demanded by their colleagues in economics. But when they scrutinize the range of taxes levied on wealth, and on commodities and services consumed by the affluent, and then as they go on to read the small print pertaining to the precise methods defined in revenue statutes to apportion rates of taxation levied on commodities in mass consumption, they cannot fail to be impressed at how far the oft-proclaimed principle that the 'necessities of the poor' should be exempt or lightly taxed continued to dominate fiscal policy right down to the end of two extremely expensive wars against Revolutionary France.⁴⁹ During 22 years from 1793 to 1815 something like 63 per cent of the *extra* taxation required to combat France emanated from taxes falling (at least in the perceptions of the day) upon the incomes, and consumption patterns of the rich.⁵⁰ 'The war for the defence of property' seems to have been financed in large measure by taxes on those possessed of property.⁵¹ Furthermore, a considerable proportion (27 per cent) of the incremental tax bill collected during that war and levied on items of mass consumption fell upon those eligible and widely approved objects for taxation—alcohol and tobacco.⁵²

Turning next to consider long-term trends in the economic incidence of

⁴⁵ Whately, *Considerations on trade*, p. 6; Smith, *Wealth of nations*, pp. 836-7; Sinclair, *History of the revenue*, p. 379; Cobbett, *Parliamentary history*, XXV, pp. 558-62 and 812.

⁴⁶ Smith, *Wealth of nations*, p. 842; Hamilton, *Inquiry*, p. 35; Sinclair, *History of the revenue*, p. 367; S.C. on *Scottish Distilleries*, 1798 (P.P.R.C.H.C., XI).

⁴⁷ Cobbett, *Parliamentary history*, XXIV, pp. 1342-5; P.R.O. Pitt Papers, 30/8/294.

⁴⁸ Mortimer, *Elements of commerce*, p. 450; Kennedy, *English taxation*, pp. 29, 30, 37; Seligman, *Shifting and incidence*, p. 780.

⁴⁹ Summaries of the legislation can be found in: Sinclair, *History of the revenue*; Dowell, *History of taxation*; Nodin, *British duties*; Mascal, *A digest*; Pope, *A practical abridgement*.

⁵⁰ This percentage is based on the following calculations: (a) a calculation of the total additional amount raised in taxes over the war years; see O'Brien, thesis, pp. 438-40; (b) a calculation of the incremental sum (tax by tax) raised from taxes which in the eyes of contemporaries fell upon the affluent groups in society (e.g. the income tax, duties on wine, taxes on riding horses, etc.); (a) is then expressed as a ratio of (b).

⁵¹ It also became apparent from a tax by tax analysis that the rate of tax levied on many commodities regarded by contemporaries as 'necessities' (soap, candles, coal, beer, leather, etc.) rose only slightly over the war years; see O'Brien, thesis, pp. 435-6.

⁵² Kennedy, *English taxation*; O'Brien, thesis, p. 386.

taxation, we may find the available macro data provide us with some notion of where in society and in the economy the burden was tending to fall. For example it is known that the sources of government income altered quite radically between the reigns of Charles II and George IV.⁵³ And the figures in table 4 reveal how the proportion contributed to receipts at the Exchequer by land and other direct taxes fell from 47 per cent in the 1690s to 21 per cent in the 1790s, but the ratio moved up sharply again to prominence after the imposition of an income tax in 1799. Customs duties levied upon retained imports also became relatively less important over time. Their yield fluctuated from more than a third in the period 1675-85 to less than a quarter a century later. Finally, an ever increasing share of the king's revenue emanated from excises and stamp duties, imposed upon locally produced goods and services; the proportionate contribution of this group of taxes rose markedly, from 36 per cent in 1685 to 56 per cent after the American War of Independence, only to fall back again when direct taxation increased again during the Napoleonic War. While the percentages in table 4 tell us something about the relative importance of different types of taxes and the significance for government of major branches of its administration, they unfortunately provide only ambiguous information on changes in the *burden* of taxation borne by different sectors of the economy. For example, the relative fall in the contribution of customs duties need not represent any change in tariff policy but may simply reflect the decline in the proportion of imports to national expenditure available for taxation.

The method used in this paper to *speculate* about possible long-term changes in incidence is simply to compare trends in receipts from the three main categories of taxation listed in table 4 (namely the direct taxes falling on personal wealth; customs duties imposed on retained imports; and excises and stamps levied upon domestic industry and services) with movements through time of the underlying and more or less distinct tax bases from which these major types of public income emanated. There will be no need to discuss the statistical data behind the indices cited in table 6 (which are calculated from the tax data and price deflators already referenced in tables 2 and 4) because they rest upon familiar secondary sources used to measure historical trends in agricultural output, retained imports and the consumption of industrial products over the seventeenth and eighteenth centuries.

The statistics available and presented here preclude any precise matching of the bases for taxation with particular sectors or social groups. For example, the indicator used to compare trends in the long-term value of taxable income derived from direct taxes (which were collected in large part from those classes who owned agricultural land, mineral wealth and real estate) is the movement in the value of agricultural output from 1670 to 1810. In no sense are the percentages cited in table 6 column 3 estimates of the share appropriated by central government from incomes accruing to Britain's property owners. The index for agricultural income includes, but is far wider than, rents from cultivable land and it excludes other forms of property income. Nevertheless the 'stylized numbers' set out in column three can be

⁵³ Beckett, 'Land tax'; Mathias, *Transformation of England*, pp. 116-29.

Table 6. *Tax receipts and the bases for taxation, 1660–1810*

1	2	3	4	5	6	7	8	9	
Year (circa)	Revenue from direct taxes in constant prices (£m)	Agricultural income in constant prices (£m)	(1/2) Customs revenue in constant prices (£m)	Net retained imports in constant prices (£m)	(4/5) Excise revenue in constant prices (£m)	Domestic consumption of industrial goods in constant prices (£m)	(7/8) %	(7/8) %	
1670	0.9		4–5	0.2	4.1	4	0.2	1–2	
1680	0.5		2–3	0.5	4.7	11	0.5	3–4	
1690	1.4		7–8	0.7	4.8	15	1.0	7–8	
1700	1.8	18.7	10	1.2	5.0	24	1.6	14.6	11
1710	2.0	19.2	10	1.1	4.6	24	1.8	14.4	13
1720	1.6	18.6	9	1.8	5.8	31	2.6	16.8	15
1730	1.5	18.4	8	1.7	6.8	25	2.9	18.1	16
1740	1.5	18.8	8	1.4	6.5	22	3.1	17.9	17
1750	1.9	20.3	9	1.4	7.0	20	3.5	19.5	18
1760	2.1	22.6	9	1.9	9.3	20	3.8	22.9	17
1770	1.4	25.2	6	2.2	11.9	18	5.8	25.7	23
1780	2.0	26.0	8	2.0	11.8	17	5.9	26.1	23
In current prices									
1785	1.9	26.3	7	3.3	19.2	17	6.4	30.7	21
1790	2.4	26.5	9	6.3	22.8	28	6.0	36.5	16
1795	2.3	32.8	7	7.1	29.6	24	5.4	39.9	14
1800	4.1	34.6*	12	11.5	37.0	31	7.1	44.7	16
1805	4.7	36.7*	13	16.4	45.8	36	10.5	51.8	20*
1810	7.8	38.9*	20	18.8	51.7	36	11.3	63.7	18*

Notes and sources: All figures are representative averages for the decade cited. Column 1 is the revenue from direct taxes reported under table 4 deflated by the index of agricultural prices reported under table 2. Column 2 is agricultural income for England and Wales from Cole, 'Factors in demand', p. 64. Cole's decennial estimates were deflated by O'Brien's agricultural price index cited under table 2 in order to produce a series for agricultural income at 1700 prices which could be compared with receipts from the land and other direct taxes also expressed in 1700 prices. The agricultural income estimates for 1805 and 1810 are extrapolations from Cole's figure for 1800 based upon the agricultural growth rate cited in Crafts, *British economic growth*, p. 42. Column 3: the percentages cited for 1670, 1680 and 1690 are ranges based on two assumptions about the growth of agricultural incomes: (a) that it remained constant from 1670 to 1700; (b) that it grew at the rate for 1700–80 suggested by the data in column 2. Column 4: customs revenue in constant price of 1700 from 1700–80 are the current price data cited under table 4 deflated by a cost of living index constructed by Gilboay, 'The cost of living'. The deflator for 1670–1700 is O'Brien's index cited under table 2. Column 5: the figures for 1700–80 are net imports in constant prices for England and Wales from Deane and Cole, *British economic growth*, pp. 48 and 318–9. The figures for 1670, 1680 and 1690 are based on a backward extrapolation from 1700 at a growth rate suggested by the figures of total imports minus re-exports cited by Davis, 'English foreign trade, 1660–1700', pp. 155–8. The current price data, 1785–1810 refer to G.B. and are from Davis, *The industrial revolution*, p. 86. Column 7 relates to excises on industrial goods only (it excludes stamps levied on services). O'Brien's index of industrial wholesale prices was used to deflate excises in current prices and is cited under tables 4 and 2. Column 8 has Cole's figures for home consumption of industrial output in England and Wales in prices of 1697–1704 cited in Cole, 'Factors in demand', p. 40. The figures for 1805 and 1810 are extrapolations based upon the rate of growth of industrial output for 1801–31 suggested by Crafts, *British economic growth*, p. 32. Column 9: The percentages suggested for 1670, 1680 and 1690 are bounds based on backward extrapolation from 1700 which assume: (a) that total domestic consumption of industrial goods remained constant from 1670 to 1700 and (b) that domestic consumption grew over those years at the rate suggested by Cole's data for 1700 to 1780, cited in column 8.

used to support some 'hypotheses' related to trends in the share of their incomes that owners of land and other types of real property transferred to the state in the form of direct taxes.

For example, the figures suggest: that their tax burdens rose abruptly during the reigns of William III and Anne but then stabilized, or more probably declined, from 1710 until Pitt's income tax began to bite in the early years of the nineteenth century. These figures, together with other evidence (namely that inequalities in the distribution of wealth and income increased over the eighteenth century and that agricultural rents rose more rapidly than the incomes of farmers and their labourers' wages) provide some statistical support for suggestions that the burden of taxation on the aristocracy declined during the eighteenth century.⁵⁴ Not until they confronted Napoleon did the upper classes once again undertake the kind of sacrifices for the defence of property that they had made under William III. But with the repeal of Pitt's income tax in 1816 the situation reverted to the status quo ante bellum.

Table 6 also indicates that the long-term burden of duties carried by imported foodstuffs, raw materials and manufactured goods rose sharply at the turn of the eighteenth century but declined thereafter. By 1795 that proportion, expressed as a ratio of the official value of recorded imports, had declined to 17 per cent. It rose again during the Revolutionary and Napoleonic Wars, to reach 36 per cent by 1810. Once again the indices employed here are less than ideal, but they point to a marked decline in incidence of taxes levied upon retained imports, and to a sharp reversal of that trend when Britain resumed its long war with Napoleonic France after the Peace of Amiens.

For excises (and stamps) levied on domestic consumption, trends in incidence all go the other way. Between 1690 and 1815 the real value of receipts from this group of taxes multiplied more than tenfold. By the end of the Napoleonic Wars the burden of excises embodied within the prices of goods (and services) produced and sold within the kingdom had just about doubled compared with the situation at the beginning of the eighteenth century and multiplied by a factor of around five compared with the 1680s. Moreover, because many of the rapidly growing sectors of industry, transportation, internal distribution and finance (such as cottons, woollens, metallurgy, pottery, wood products, canals and banking) escaped excises and stamps, the exactions of government fell with increasing severity upon a narrow range of commodities and services eligible and amenable for taxation.⁵⁵

Between 1660 and 1815 British citizens carried an ever-increasing load of taxes. The macro data may suggest some fairly clear movements. For example, the trends in incidence are away from direct taxes levied on land and other types of wealth and towards duties on domestically produced

⁵⁴ Williamson, *British capitalism*, pp. 52-73 and app. B; Allen, *English agrarian revolution* (forthcoming).

⁵⁵ See table 5; that range included, however, many minor taxes because table 5 refers only to taxes which yielded £100,000 a year and above. For example, within the £30,000 range are to be found stamp duties levied on an array of legal instruments, licences, certificates and receipts as well as excises on cider, vinegar, paper, patent medicines, etc.

goods and services. Furthermore, the Exchequer only benefited to a limited degree from the 'commercial revolution'—from the rise of shipping, shipbuilding and the servicing of international commerce by British banking, insurance and mercantile enterprise. From all the flourishing and visibly expanding activities of the City, Bristol, Liverpool, Glasgow and other ports, the state recouped (in the form of customs duties) only a fraction of the increasingly effective and expensive protection that British multinational enterprise received from the Royal Navy.

Prima facie in a direct sense the incomes and concerns of both the 'landed' and 'monied' interests (those gentlemanly capitalists) appear to have escaped lightly. Central government had taken advantage of changes in the structure of the economy to widen the tax base but basically it had shifted the relative burden of taxation onto domestic industry and services. Yet the shifts that show up (but dimly) in the data should not be represented as 'regressive'.⁵⁶ Of course the whole notion of tax incidence is elusive and it seems impossible to give statistically based answers to the question of which income and social groups carried the burden of funding Britain's rise to the status of a great power. Nevertheless, the 'rhetoric' of its governing elite suggests they favoured a system of taxation where taxes fell with most severity on those who could best afford to pay and who had the greatest stake in defending their property from external enemies. But 'illogically' and 'inconsistently' the aristocracy and gentry resisted both the revaluation of the land tax and the introduction of an income tax. On the other hand, governments of the day, even in wartime, did try with some success to exempt the incomes and necessities of the poor from the 'extortions' of government (although they had fewer qualms in departing from this principle when it came to imposing excises on beer and tariffs on tobacco). British taxation almost certainly became 'more progressive' or 'less regressive' when the threats of French invasion loomed large in the 1690s and again in the 1790s. For a century in between those two great wars the observed shift to excises levied on domestic production and services probably implies that the 'middling ranks' in British society paid for foreign and strategic policies from which they derived a disproportionately small share of the benefits.

From statistical records the thrust of eighteenth-century fiscal policy emerges clearly but explanations for the consistent line taken by successive administrations across some fifteen decades of British history now need to be unravelled.

III

Except incidentally and then mainly for apt quotations and telling detail, the attempt to comprehend policy by attending to the day-to-day political manoeuvres prompted by the imposition of particular taxes is not an illuminating way to understand the evolution of Britain's fiscal strategy. Yet

⁵⁶ Regressiveness can only be tested by inquiring into the shares of incomes appropriated as taxes (indirect as well as direct) from different income groups. Details of excise duties are in Nodin, *British duties*; Library of Customs and Excise, Excise Ledgers 11863 and 11356. For stamps see *S.C. on Receivers General* (P.P. 1821, III) and P.R.O., Inland Revenue Registers, vols 384, 385 (for direct taxes).

that kind of approach dominates modern secondary literature largely because most historians have been more concerned with political and constitutional processes than with policy itself. Their interests are often captivated by rather trivial changes in taxation, especially when such moves are associated with exciting parliamentary and extra-parliamentary battles representing exposés of vested interests or are deemed to threaten the stability of the constitution. Although it is not easy to reconstruct the context (political, economic and administrative) within which major decisions about fiscal policy were being made from 1660 to 1815, this has not prevented a generation of historians from passing judgements on the competence of statesmen, and indeed of entire administrations, in this most important area of state activity.

Ad hominem judgements based on contemporary comments are, however, an unsatisfactory way of evaluating the competence or actions taken by eighteenth-century ministers regarding taxation. Even the most sensitive study of politics is not enough to appreciate the administrative and economic constraints on the initiatives taken and *not taken* by successive Chancellors of the Exchequer from 1660 to 1815.⁵⁷ The 'strategy' pursued over this period is reasonably clear and when we attempt to explain the trends in incidence already exposed in section II, we shall uncover most of the major problems that chancellors of the day faced in trying to provide the taxes required to fund Britain's foreign policy. What this section will be concerned to argue is that the government's room for manoeuvre was strictly circumscribed. As usual, structure was more significant than mere events.⁵⁸

For political reasons very little extra money was or could be raised in the form of direct taxes before Pitt managed to introduce an income tax in the charged circumstances of national danger from 1797-9. Some rather well-known social and administrative obstacles to their collection rendered customs duties a less and less productive source of income. Thus by default excises and stamps provided successive administrations down to the early nineteenth century with the only effective instruments for extracting extra revenue from the nation's slowly evolving tax base. This implies that all Chancellors, from Godolphin to Vansittart, confronted a central problem which can be best defined as a persistent and sometimes desperate search for commodities and services produced within the kingdom, upon which feasible, acceptable and productive duties could be imposed. The government's options will be considered by looking first at direct taxes, then at customs duties, before explaining its manifest preference for excises despite the strong political opposition aroused by that most 'detestable' form of taxation.

Eighteenth-century fiscal policy might be depicted as a holding operation against the introduction of an income tax—or, what was in effect the same thing, a reform of the land tax. There is no need to review the long history of parliamentary attempts to tax incomes according to some equitable criteria of ability to pay. As a result of a series of well documented experiments

⁵⁷ Sinclair, *History of the public revenue*, published in 1802-4, is in this respect superior to modern treatments of the subject.

⁵⁸ Braudel, 'La longue durée'.

during the Interregnum and Restoration, wealth rather than income emerged as the only practicable index of capacity to bear taxes.⁵⁹ But regular revaluations of the current values of property subject to direct taxes proved to be impracticable and at the end of the seventeenth century Parliament fixed tax quotas for each and every locality according to the amounts contributed to the 'aid' granted to William III in 1692. That aid was based (in theory at least) upon the annual value (rack rent) of land and of other types of property—capitalized at six per cent of a declared income stream.⁶⁰

Over time individual, local and regional liability for the direct tax levied on property became stereotyped at historical and often anachronistic values. To a large extent productive assets other than land and houses escaped proper assessment while the nominal values of real estate (assessed to tax) bore an increasingly unreal relationship to current market values for land, houses and other forms of property.⁶¹ Although strong and telling criticism both inside and outside Parliament of the land tax (as it came to be more or less correctly labelled) occurred throughout the period, the tax was never reformed into a more efficient and equitable instrument for raising revenue. Widespread political support and sagacious arguments for the status quo seemed so compelling that for more than a century governments left the basic format of the tax well alone and simply moved the rate up in time of war and down again when demands for military spending abated.⁶²

Moreover, during King William's War, from 1688-97, the land tax (pushed to limits where 'pips squeaked') provided the king with 40 per cent of the extra cash required to thwart the designs of Louis XIV.⁶³ Thereafter members of Parliament seemed determined that undesirable extortions on that scale could only be sanctioned on an annual basis and that direct taxes of any kind would be assessed and collected by a wholly amateur administration under the firm control of country gentlemen.⁶⁴ Thus, and its supporters never tired of making the point, when compared to customs and excise duties the land tax presupposed no royal bureaucracy, provided few opportunities for patronage and was cheap to collect.⁶⁵ Of course those social groups who escaped lightly, such as merchants and manufacturers, also opposed reform but so too did landowners from the north and west of the kingdom, whose estates were said to be grossly undervalued compared to estates located in the home counties.⁶⁶ Arguments expressed by some of the

⁵⁹ Chandaman, *English public revenue*, pp. 140-1, 149, 189-95; Ward, *English land tax*, pp. 2-3; Kennedy, *English taxation*, pp. 38-44; Dowell, *History of taxation*, III, p. 19.

⁶⁰ Brand, *Inequality of the land tax*; Dowell, *History of taxation*, III; Ward, *English land tax*; Beckett, 'Land tax or excise'.

⁶¹ Ginter, 'Problems with the land tax'; Wilson, 'Land tax problems'; Turner and Mills, *Land and property*.

⁶² Chisholm, *Report*, p. 419; Steuart, *Inquiry*, pp. 561-2; Smith, *Wealth of nations*, pp. 780, 801; Brand, *Inequality of the land tax*, pp. 7-9; Mortimer, *Elements of commerce*, p. 439.

⁶³ Ward, *English land tax*; Brooks, 'Public finance and political stability'; Horwitz, *Parliament, policy and politics*; Goldsmith, 'Mandeville'; Beckett, 'Land tax or excise'.

⁶⁴ *S.C. on Land and Assessed Taxes* (P.P. 1821, III), pp. 7-10, 19, 34, 170-7; Morgan, *History of parliamentary taxation*, p. 306; Binney, *Finance and administration*, pp. 58-9.

⁶⁵ Commissioners on Public Accounts (*H. of C. Journals*, XXXVIII, 1782).

⁶⁶ Wilson, 'Land tax problem'; Ward, *English land tax*; Shehab, *Progressive taxation*; Smith, *Wealth of nations*; Steuart, *Inquiry*; Sinclair, *History of the public revenue*.

ablest economists of the period held that to tax rents, interest or profits would hinder capital accumulation upon which employment and prosperity depended.⁶⁷

Finally, ministers, members of Parliament and the propertied classes comforted themselves with the argument that governments of the day could obtain the revenue they needed and also serve the principles of equity they publicly adhered to by extending and making greater use of a group of taxes assessed upon the visible expenditures of the rich (including their houses, windows, carriages, pleasure horses and male servants).⁶⁸ It was widely believed that such items of conspicuous consumption and marks of status provided governments with fairly accurate indications of personal wealth and income. They could be taxed on progressive scales, were not easy to evade but might with propriety, even with virtue, be avoided by adopting more frugal styles of living.⁶⁹

During the war with Revolutionary France, 1793-1802, Pitt extended these 'substitutes' for a properly designed tax upon incomes or wealth to include dogs, hair powder and armorial bearings.⁷⁰ And in 1799 in an initial attempt to shift a greater proportion of the cost of the war onto current taxation, Pitt used the recorded and known liabilities of taxpayers for assessed taxes as a way of converting direct taxes upon specified items of conspicuous consumption into a tax upon persons.⁷¹ Thus under the Aid and Contribution Act of 1798 the 'wealthy', assessed to taxes in respect of their carriages, servants and horses became liable to multiples of the sums they had paid over the previous tax year. So, an assessment of £25 rose by a factor of three and a personal assessment of £50 and above by a factor of five.⁷² In effect the Aid and Contribution Act was an attempt by a powerful prime minister in the circumstances of the greatest danger to national security since the 1690s to placate opposition in Parliament and the country to a full blown income tax.⁷³ When that Act realized less than half of the £7 m Pitt had predicted, the case for a reform of direct taxation became irresistible.⁷⁴

Indeed the history of the introduction and implementation of Britain's first income tax from 1799-1816 provides the strongest possible evidence for

⁶⁷ Steuart, *Inquiry*, p. 518; Kames, *Sketches*, p. 467; Young, *Political arithmetic*, pp. 7-8; Brand, *Inequality of the land tax*, pp. 39, 41, 45-6; Mortimer, *Elements of commerce*, p. 444.

⁶⁸ Sinclair, *History of the public revenue*, app. 1; Steuart, *Inquiry*, p. 519; *S.C. on Land and Assessed Taxes* (P.P. 1821, III); *1st Report of the Commissioners for Inland Revenue* (P.P. 1857, IV), apps. 61 and 68; Kennedy, *English taxation*, pp. 129-30.

⁶⁹ Young, *Political arithmetic*, p. 214; Kames, *Sketches*, p. 469; Kennedy, *English taxation*, pp. 75, 128, 130; Seligman, *Shifting and incidence*, pp. 20-4; Shehab, *Progressive taxation*, pp. 29-32, 43-4.

⁷⁰ P.R.O. Pitt Papers, 30/8/273; Cobbett, *Parliamentary history*, XXXII, pp. 994-8; *1st Report of the Commissioners for Inland Revenue* (P.P. 1857, IV) apps. 68 and 70; Dowell, *History of taxation*, III, pp. 218-9.

⁷¹ P.R.O. Pitt Papers, 30/8/279, 280, 283; B.L. Add. Ms. 38354, Liverpool Papers; Auckland, *Substance of a speech*, p. 30.

⁷² Dowell, *History of taxation*, III, pp. 221-3; Shehab, *Progressive taxation*, p. 43; O'Brien, 'British incomes'.

⁷³ Cobbett, *Parliamentary history*, XXXIII, pp. 1043-74, 1100-14, 1112-5, 1120, 1147, 1149, 1139, 1152, 1191, 1286; B.L. Add. Ms. 37877, Windham Papers; Holland, *Memoirs*, pp. 96-7; Buckingham, *Memoirs*, p. 387.

⁷⁴ P.R.O. Pitt Papers, 30/8/279; Lauderdale, *A letter*; Adams, *A plan for raising taxes*; Beeke, *Observations on the income tax*; Auckland, *Substance of a speech*; Buckingham, *Memoirs*.

the proposition being argued here, namely that before that time chancellors probably confronted insurmountable opposition to the reform of direct taxes, and found it expedient to do little more than tinker with taxes assessed on the conspicuous but visible expenditures of the rich.⁷⁵

Nothing occurred in the eighteenth century to alter the entrenched opposition of the propertied classes to direct taxation of their incomes until the coincidence of serious political and financial crises from 1796-9 enabled Pitt to persuade Parliament and the tax-paying public that a big share of the extra revenue required to combat the dangers from Revolutionary France had to be raised within the year and from taxes on income and wealth.

Details of the historical background surrounding Pitt's radical departure from Britain's traditional strategy of funding wars by borrowing are fully documented in the Parliamentary Papers and debates of the House of Commons.⁷⁶ Here a mere summary of major events which preceded the introduction of an income tax serves to make the point that this repugnant tax only entered the statute book in highly exceptional circumstances.⁷⁷ First in point of chronology came the introduction by Pitt in 1786 of a Sinking Fund designed to repay the national debt from tax revenues.⁷⁸ Measured in nominal terms government debt had doubled during the American War of Independence and widespread anxieties about its continued accumulation reflected not only deep concerns about the long-term burden of taxation required to service the debt but also grave doubts about the continued stability and standing of public securities on the London capital market—if and when government borrowing in the circumstances of a major war became necessary once again.⁷⁹ Whether Britain's internationally renowned funding system would continue to provide its government with the monetary means required to prosecute war was the precise question that seriously preoccupied the Prime Minister, his financial advisers and the Bank of England as the costly war with Revolutionary France moved towards its fourth year.⁸⁰ In the closing months of 1796 peace negotiations failed, and amid mounting fears of invasion the country realized that war would be prolonged. In February 1797, 1000 French troops landed at Fishguard. For the first time during a century of warfare, Parliament authorized the Bank of England to suspend the convertibility of paper currency into gold; a step which removed the traditional constraint on credit creation by central government for purposes of funding military spending.⁸¹ In April 1797 came naval mutinies off the Nore and at Spithead. By January 1798 after five years of war the

⁷⁵ Osborne, 'Politics of resentment'; Thomas, *Lord North*, pp. 103-4, 152.

⁷⁶ Cobbett, *Parliamentary history*, XXXIII; *Senator*, vols. 16-19; *Report of the Lords Committee on Order in Council of 26th February 1797* (P.P. 1810, III); P.R.O. Pitt Papers, 30/8/276; Grellier, *Terms of loans*; Fairman, *Public funds*.

⁷⁷ P.R.O. Pitt Papers, 30/8/178, 273 and 279; Cobbett, *Parliamentary history*, XXXIII and XXXIV; Auckland, *Substance of a speech*.

⁷⁸ P.R.O. Pitt Papers, 30/8/275; Hamilton, *Inquiry*; Hargreaves, *National debt*; Cone, 'Richard Price'.

⁷⁹ P.R.O. Pitt Papers 30/8/275; Sinclair, *History of the public revenue*, pp. 486-7 and 496-9; Chisholm, *Report*, pp. 711-2 (P.P. 1857, XXXIII); Fairman, *Account of public funds*; Hargreaves, *National debt*; Binney, *British finance and administration*.

⁸⁰ Grellier, *Terms of the loans*; Cobbett, *Parliamentary history*, XXXII, XXXIII; Bank of England Manuscripts, Minutes of the Committee to the Treasury, 1795-7.

⁸¹ *S.C. on Restriction of Cash Payments* (P.P. 1826, III).

nominal capital of the national debt had nearly doubled to reach £407 million and there seemed to be no end in sight to its further accumulation or to the continued fall in the price of public securities on the London capital market.⁸² When Pitt persuaded Parliament to allow the government to raise a far higher proportion of the funds required for war within the year the possible abuse and eventual collapse of public credit appeared to many observers to be a real possibility.⁸³ Even then the greatest chancellor of the age, whose recommendations on matters of fiscal and financial policy were rarely questioned by Parliament, hesitated to introduce a full-blown income tax. Only after his manifest failure to increase tax revenue through further tinkering with the assessed taxes did Pitt design and implement a proper income tax.⁸⁴ The legislation that emerged provided taxpayers with numerous possibilities for evasion.⁸⁵ Furthermore, the tax continued throughout its brief life to be assessed and collected by the same amateur and indulgent tax administration traditionally responsible for direct taxes levied on land, housing and other items of conspicuous consumption.⁸⁶ But over time loopholes in the law and the administration of the first income tax were tightened up and from 1808-16 it made massive contributions to the war effort.⁸⁷

A close study of the political and financial circumstances surrounding the introduction of Pitt's income tax in 1799, of the lax administration of the law—even in wartime, of the promptness and determination with which Parliamentary and public opinion moved for its repeal immediately after the Peace of Amiens in 1802 and, more famously, after Waterloo, together provide a persuasive testimony to the existence of powerful and sustained political resistance to direct taxation between foreign threats to the Protestant succession in the 1690s and the imminent possibility of another French invasion, just one hundred years later.⁸⁸ Only the armies of Revolutionary France and the probable collapse of public credit prompted the political classes to accept a policy which translated into law their oft-proclaimed principle that Englishmen should contribute to the needs of the state in accordance with their abilities to pay.

Eighteenth-century chancellors did not face anything like the same political opposition when they raised or imposed customs duties. Yet the Exchequer

⁸² *Accounts of the debt*, 1857 (P.P. 1857, XXXII); *1st Report of the Commissioners for Inland Revenue*, 1857 (P.P. 1857, IV); *S.C. on Financial State of the Nation, 1797* (Cobbett, *Parliamentary history*, XXXIII).

⁸³ P.R.O. Pitt Papers 30/8/273; B.L. Add. Ms. 37877, Liverpool Papers. The pamphlet literature in the Goldsmiths' Collection, University of London, provides a rich source for this debate.

⁸⁴ B.L. Add. Ms. 38354, Liverpool Papers; P.R.O. Pitt Papers 30/8/273, 279, 280, 282 and 283; Cobbett, *Parliamentary history*, XXXIII, pp. 1100, 1104, 1139, 1152, 1191 and 1286, and XXXIV, pp. 22, 34, 81, 84, 90-1, 97, 134 and 144; Dowell, *History of taxation*; Shehab, *Progressive taxation*, p. 43.

⁸⁵ Cobbett, *Parliamentary history*, XXXIV, pp. 89, 137; *Parliamentary register*, XI, pp. 646-71; Newberry, *Observations*.

⁸⁶ Bell, *Three essays*; Anon., *Observations*.

⁸⁷ Cobbett, *Parliamentary debates*, VII, pp. 218-25, 263-9, 410-1; P.R.O. Pitt Papers, 30/8/279 and 282; B.L. Add. Ms. 31229, Vansittart Papers; P.R.O. Inland Revenue minutes of the Property Department at the Board of Taxes; Heslop, *Observations on the duty on property*; Hope-Jones, *Income tax*, pp. 111-20.

⁸⁸ *H. of C. Journals*, LVII, pp. 250-1, 273, 276, 286, 290-7; Cobbett, *Parliamentary history*, XXXVI, pp. 446-7; Hope-Jones, *Income tax*, pp. 111-20; Shehab, *Progressive taxation*, pp. 60-9.

still failed to take advantage of the marked rise in the volume of foreign trade and transnational services between 1660 and 1792. The ratio of customs receipts to retained imports did not increase until the wars with Revolutionary France were well under way (see table 6).

In dealing with trends in the incidence of taxes imposed upon international commerce, historians must be aware of structural factors which over time narrowed the base available for taxes levied upon foreign produce consumed within the kingdom. For example, while retained imports rose more rapidly than the rate of increase in revenue from customs, until the late 1780s imports grew only as fast as national expenditure as a whole. Furthermore, the composition and origin of imports changed in ways that adversely affected the 'interests' of the revenue and frustrated the Chancellor's search for customs duties. Between 1700 and 1801 manufactured goods as a share of total retained imports declined from 28 per cent to 5 per cent, the share of raw materials rose from 45 per cent to 56 per cent, and of foodstuffs from 27 per cent to 39 per cent.⁸⁹ British tariff policies discriminated against the import of foreign manufactured goods but favoured industrial raw materials and imports which could not be produced at home.⁹⁰ In accordance with the policy of exempting the 'necessities' of the poor, basic foodstuffs (grain, butter, meat, cheese) received preference over such luxuries as coffee, tea, sugar, rum, tobacco, wines and spirits.⁹¹ As the country became urbanized and industrialized, foreign food of a 'non-luxurious' variety became a growing component of imported foodstuffs, while shifts also occurred across categories, as the habit of drinking tea and eating sugar spread down the social scales.⁹² Finally, rising percentages of the nation's imports of food and raw materials emanated from within the British Empire, including Ireland, and were admitted duty free or taxed at far lower rates than competing imports from our European neighbours.⁹³

Britain's tariffs were never mere devices for raising revenue. In their range and legal complexity they reflected a penumbra of objectives related to the nation's stance towards foreign, friendly and imperial countries within an evolving international economy. Details of the country's mercantilist, imperial and foreign policies (set out in statutes administered by the Commissioners for Customs) can be found in standard texts and also in manuals of legislation published at the time.⁹⁴ As far as the Exchequer was concerned, navigation

⁸⁹ Crafts, *British economic growth*, pp. 141-7; Davis, *The industrial revolution*; idem, 'English foreign trade, 1660-1700'.

⁹⁰ Library of Customs and Excise, Customs, General Orders 1726-1806, 28082; 'Report on customs duties submitted by W. Irving to Lord Grenville in 1806', 10901; P.R.O. State of navigation revenue and commerce of Great Britain, 1788-1816, Customs 17/10-30; *Accounts of duties 1830* (P.P. 1830, XXV); *Report on the customs tariff of the United Kingdom 1800-97* (P.P. 1898, LXXXV).

⁹¹ Library of Customs and Excise, Customs, 'Report to Lord Grenville', 10901; Nodin, *British duties on customs and excise*; *Report on the Customs Tariff of the United Kingdom, 1800-97* (P.P. 1898, LXXXV).

⁹² P.R.O. Pitt Papers, 30/8/294; *Report on the customs tariff of the United Kingdom, 1800-97* (P.P. 1898, LXXXV); McArthur, *Financial and political facts*; Thomas, 'Food supply in the U.K.', pp. 137-50.

⁹³ P.R.O. State of navigation revenue and commerce of Great Britain, 1788-1808, Customs 17/10-30; Schumpeter, *English overseas trade statistics*; Davis, *The industrial revolution*; Thomas and McCloskey, 'Overseas trade and empire, 1700-1860', pp. 90-2.

⁹⁴ Mortimer, *Elements of commerce*; Beer, *Old colonial system*; Harper, *English navigation laws*; Davis, *Rise of English shipping*; Williams, *British commercial policy*.

acts, codes for the regulation of imperial commerce and bilateral treaties with friendly powers represented real constraints on the possibility of raising more revenue in the form of duties on retained imports.⁹⁵ Moreover, policies designed to foster exports, shipping, shipbuilding and the availability of seamen for the Royal Navy effectively precluded the taxation of exports and the carrying trade.⁹⁶ Before 1722 exports had borne a tax of five per cent ad valorem. Thereafter, and with the conspicuous exceptions of certain minerals (coal, tin and lead), they not only remained untaxed but for several commodities (including grain and linens) enjoyed bounties or subsidies when sold abroad.⁹⁷ Customs duties upon colonial produce re-exported to Europe were 'drawnback' or repaid, which not only encouraged merchants engaged in imperial trade to sell outside the home market but also provided opportunities for smugglers to collect drawbacks and run tea, spirits, and tobacco back onto the mainland as contraband.⁹⁸

Although central government funded a substantial part of the costs and alleviated much of the risk associated with the expansion of multinational enterprise, the possibilities for recouping such costs through duties levied upon Britain's expanding commerce diminished through time as trade, shipping and international finance became more and more embedded in the web of regulations of the mercantilist system so eloquently disparaged by Adam Smith.⁹⁹ Furthermore, as successive chancellors discovered, any attempt to alter that system for revenue (or indeed for most other purposes) ran into determined and well-organized parliamentary opposition from political lobbies in the shape of the West India interest, the City of London members of Parliament on the payroll of the East India Company and other trading corporations, who used all the influence they commanded to divert the Chancellor's attention away from foreign commerce.¹⁰⁰ At the same time, the determined attempt to pass some fraction of the ever-mounting burden of imperial defence onto colonists in the 'new world' ended in ignominious failure.¹⁰¹

Perhaps at the head of the list of factors which rendered customs dues a less and less fruitful source of taxation for central government should be the successful conspiracy to defraud the revenue by highly organized 'firms' of smugglers who traded in contraband and redistributed it within the kingdom. Their illicit enterprise reduced the value of imports that came into the net

⁹⁵ Rose, *Brief examination*; Ehrman, *British government and commercial negotiations*; Harlow, *Founding of second British empire*, I, pp. 565, 569, 592-9.

⁹⁶ Kames, *Sketches*; Davis, *Rise of British shipping*; idem, 'The rise of protection'; Harper, *English navigation laws*.

⁹⁷ State of navigation revenue and commerce of Great Britain, 1788-1808, Customs 17/10-30; Library of Customs and Excise, Report to Lord Grenville: Customs 10901; Pope, *A practical abridgement*.

⁹⁸ P.R.O. Pitt Papers, 30/8/294; *S.C.s Illicit Practices to Defraud the Revenue*, 1784 and 1785 (P.P.R.C.H.C., XI); *Accounts and Papers* (P.P. 1830, XXV); Nash, 'Tobacco trades'.

⁹⁹ Smith, *Wealth of nations*, pp. 398-626.

¹⁰⁰ Pressure group activity can be followed through: P.R.O. Minutes of the Board of Trade, B.T.5; as special pleading in the form of pamphlets (Goldsmith's Collection, University of London library); in petitions to Parliament, in *H. of C. Journals*; and in statesmen's papers, e.g. P.R.O. Pitt Papers 30/8/292; in recent histories, e.g. Thomas, *House of Commons*; Langford, *Excise crisis*; Thomas, *British politics and the stamp crisis*; Langford, *Modern British foreign policy*.

¹⁰¹ Thomas, *British politics and the stamp crisis*; Becker, *Revolution, reform*.

for taxation (by perhaps up to 25 per cent in some decades of the eighteenth century) and acted as a very serious constraint on the power of the state to push up *ad valorem* rates of taxation on imports.¹⁰² Long before Pitt had the good sense to reduce duties on tea in 1787, Walpole, Pelham, and North had also realized that raising customs duties, which simply encouraged smuggling, could be counter-productive.¹⁰³ Indeed, throughout the period no Chancellor could have been other than deeply aware that the enforcement of customs legislation upon a society where almost everyone, high and low, connived at the sale and purchase of smuggled goods was problematical. Thus when they imposed or augmented tariffs their calculations involved them not merely in estimating the probable response of consumers to prices augmented by higher duties but also in considering the added incentives their policies afforded to smuggle and to buy contraband.

Apart from the widespread proclivity among all ranks of society to evade taxes, revenue from customs duties also depended upon the competence and integrity of the officials responsible for their assessment and collection. Inefficiency and dishonesty certainly created possibilities for fraud.¹⁰⁴ Yet only a proportion (and perhaps a minor proportion) of the volume of retained imports which escaped duties should be blamed upon the poor quality of the customs service. Throughout the period (except perhaps for a few years in the 1780s when Pitt drastically reduced duties on tea) smuggling continued to be as well organized as and probably more profitable than most legitimate branches of British trade.¹⁰⁵ Of course the penalties prescribed by law for defrauding the king's revenue were harsh, but the risks and rewards also varied commensurately, commodity by commodity.¹⁰⁶ Smugglers and their accomplices, who managed well-established networks for the distribution of contraband inland, looked for commodities light in weight and highly taxed such as tea, tobacco, and silks; but also wine and spirits which obviously gave them rather more problems to handle.¹⁰⁷ In the 1780s Commons Committees contrasted the relative powers, incentives and organizational skills of the 'firms' operating on sea and land for the sale of contraband with His Majesty's Customs Service. In this contest the impression conveyed is that private enterprise (the smugglers) had surely gained the upper hand over an undermanned, poorly equipped, badly paid, incompetently staffed and disorganized customs administration.¹⁰⁸ Despite Pitt's reforms of the

¹⁰² Contemporary estimates of revenue losses have been debated by: Cole, 'Trends in eighteenth century smuggling', pp. 397-405; Mui, 'Trends in eighteenth century smuggling reconsidered'; Cole, 'The arithmetic'; Ramsay, 'The smuggler's trade'. Estimates for the 1780s are in *S.C. Illicit Practices to Defraud the Revenue*, 1783 (P.P.R.C.H.C.); P.R.O. Pitt Papers, 30/8/283, 284.

¹⁰³ P.R.O. Pitt Papers 30/8/295; Hamilton, *Inquiry*, pp. 51-67; Dowell, *History of taxation*, IV, pp. 241, 254; Mui, 'Trends in eighteenth-century smuggling reconsidered'; Langford, *Excise crisis*, p. 27; Plumb, *Walpole*, pp. 23-37; Wilkes, *Political career of Henry Pelham*, pp. 124-32.

¹⁰⁴ P.R.O. Pitt Papers, 30/8/274; Hamilton, *Inquiry*; Atton and Holland, *King's customs*; Smith, *Something to declare*.

¹⁰⁵ P.R.O. Pitt Papers, 30/8/283, 294, 297, and 298; *S.C. on Illicit Practices to Defraud the Revenue*, 1783 (P.P.R.C.H.C., XI); Leftwich, 'Later history and administration', pp. 195-7.

¹⁰⁶ Library Customs and Excise, Customs, 10148. Regulations and minutes 1799-1826; Hamilton, *Inquiry*, p. 51; Leftwich, 'Later history and administration', p. 195.

¹⁰⁷ *S.C. on Illicit Practices to Defraud the Revenue*, 1783 (P.P.R.C.H.C., XI); P.R.O. Pitt Papers, 30/8/253, 294, 295 and 298; Cole, 'Trends in eighteenth-century smuggling', p. 408.

1780s, such as the Hovering and Manifest Acts and his renowned transfer to the Excise Department of responsibility for the management of duties levied on wine, tobacco, and tea, there is no evidence that the government managed to raise the share of taxable imports falling into the net for government revenue, until the Royal Navy at sea and the militia on land came to the aid of the Customs Service during the long wars with France from 1793 to 1815.¹⁰⁹

Given the strength of opposition to reforms of the land tax (and what comes to the same thing, to the introduction of an income tax) together with the very real structural administrative and policy constraints on the use of tariffs as instruments for raising revenue, Chancellors of the day turned to the only other form of taxation available to them. Thus, excises (including stamp duties on commercial, legal, and financial services) became far and away the most important source of taxation available to successive administrations preoccupied with the task of funding military expenditure and a national debt which accumulated from next to nothing in the reign of Charles II to a nominal capital of £823 million at the accession of George IV.¹¹⁰ In this perspective, and treated as serious debates about taxation policy, the famous parliamentary and extra-parliamentary battles about excises begin to emerge as mere 'shadow boxing'.¹¹¹ From 1688 down to the introduction of the first income tax in 1799 excises became more widespread, onerous and effectively collected because excise duties alone proved capable of paying for imperial expansion and funding Britain's 'blue water' defence strategy.¹¹²

Central government considered excises to be a particularly productive and eligible form of taxation, despite the antipathy they aroused on the grounds of liberty and equity.¹¹³ They could be steadily extended to bring into the net an ever-widening range of goods and services consumed by British families, as their real incomes rose in the long transition to industrial society (see table 5).

Excises (and *mutatis mutandis* this applies to taxes directly assessed on the ownership of houses, carriages and riding horses owned by the better off) fell, by and large, upon commodities and services for which consumer demand was apparently price inelastic and/or income elastic. Price inelastic

¹⁰⁸ S.C. on *Illicit Practices to Defraud the Revenue, 1783-1785* (P.P.R.C.H.C., XI), pp. 228-31 and 284-5; Rive, 'Short history of tobacco smuggling'; Leftwich, 'Later history and administration', pp. 196-7; Hoon, *Organisation of the English customs*, pp. 180-1, 219.

¹⁰⁹ P.R.O. Pitt Papers, 30/8/283, 290, 294; Rose, *Brief examination*, pp. 5-6; *Report on customs tariff, 1800-97* (P.P. 1898, LXXXV); Library of Customs and Excise, Regulations and minutes 1799-1826, Customs 10148, Trading Correspondence, Excise 48/26-70; Atton and Holland, *King's customs*, p. 182.

¹¹⁰ *Accounts of the debt* (P.P. 1857, XXXIII), pp. 199-209.

¹¹¹ Plumb, *Walpole*, II, pp. 202, 218, 239-40; Kemp, *Francis Dashwood*; Sedgwick, *History of Parliament*; Dickinson, *Walpole and Whig supremacy*; Langford, *Excise crisis*; Price, 'Excise affair revisited'.

¹¹² The origins and ramifications of blue-water policy are analysed by Baugh, 'Towards a blue-water defense policy'; see also Kennedy, 'Finance, geography' and idem, *Rise and fall*.

¹¹³ P.R.O. Pitt Papers, 30/8/290; Cobbett, *Parliamentary history*, XXV, pp. 541-6, 795-811, XXVI, pp. 116-8, XXVIII, pp. 231-3, 248-50, 277, 654-5; Cobbett, *Parliamentary debates*, VII, pp. 255-8, 523-5; Sinclair, *History of the public revenue*, II, p. 306; Turner, 'Excise scheme of 1733', pp. 35-9; Plumb, *Walpole*; Langford, *Excise crisis*; Lawson, *George Grenville*, pp. 147-9.

implies that the negative reactions of domestic consumers to the rising prices of commodities, augmented by taxation, would not be strong enough to reduce the quantity subject to tax by an amount which actually left the Exchequer worse off than it was before the tax rate went up. By a process of trial and error Chancellors of the day had selected for taxation a group of commodities widely consumed (which might be called 'decencies') and for which cheaper substitutes could not be easily found (e.g. beer, candles, coal, soap, leather, glass, and bricks). In addition, better-off families who purchased dutiable commodities such as printed textiles, English spirits, paper, newspapers, legal and commercial services were not particularly inclined to reduce consumption when indirect taxes levied on these products and services increased.¹¹⁴ Income elastic implies that the long term trend in demand for the commodities in question rose at a faster rate than the increase in incomes. Thus families experiencing higher standards of living over the period 1688 to 1815 probably spent rising proportions of their incomes on the many commodities and services subjected to excise and stamp duties.

Despite the famous battles over excises and the antipathy of radicals to that particular form of taxation, excise legislation was, it seems, framed in order to minimize incidence on the poor.¹¹⁵ For example, excluding beer and Scottish spirits, neither basic foodstuffs (apart from salt) nor plain clothing were subjected to excises.¹¹⁶ Furthermore, burdens could be calibrated so that the more expensive varieties of a taxed commodity paid higher rates of taxation. This occurred in the cases, for example, of printed and plain cloth, strong compared with table beer, wax as against tallow candles, and soft and hard soap.¹¹⁷

Manufacturing industry, particularly the new and most rapidly growing sectors at the core of the industrial revolution (cotton, wool, pottery, iron and metallurgy, canals) together with household furnishings, clothing and footwear escaped excises.¹¹⁸ Several industries that carried internal duties (including glass, printed cloth, paper and soap) were to a considerable extent compensated by prohibitive tariffs on importable substitutes.¹¹⁹ By securing home and imperial markets against foreign competition, eighteenth-century governments headed off more organized pressures from industrialists opposed to their taxation policies. In this respect excises were being collected at the expense of customs duties.¹²⁰

¹¹⁴ Nodin, *British duties*; Sinclair, *History of the public revenue*; Library of Customs and Excise, Ledger of yields of duties and rates of tax, Excise 11863, 11864; *Accounts and Papers, 1830* (P.P. 1830, XXV).

¹¹⁵ McArthur, *Financial and political facts*; Kennedy, *English taxation*.

¹¹⁶ Cobbett, *Parliamentary history*, XXXI, pp. 36, 454, 1318; Cobbett, *Parliamentary debates*, II, pp. 962, 1016, 1021 and XXIII, pp. 600, 783-90, 930-2; McArthur, *Financial and political facts*, p. 76; Bernard, *Salt duties*, pp. 8-10, 22, 108; McCulloch, *Dictionary of commerce*, pp. 10, 13, 777.

¹¹⁷ P.R.O. Pitt Papers, 30/8/301; Library of Customs and Excise, Ledger of yields of duties and rates of tax, Excise 11894; Blackader, *Rates and duties of excise*; McCulloch, *Dictionary of commerce*, pp. 10, 13, 75, 777, 1079; Dowell, *History of taxation*, IV, p. 309.

¹¹⁸ P.R.O. Pitt Papers, 30/8/301; Cobbett, *Parliamentary debates*, VI, p. 949 and VII, pp. 76-8; Kames, *Sketches*, pp. 470, 477; Dobbs, *Thoughts*, pp. 3-4; Anon., *Considerations* (1785); Anon., *Manufacturers, improper subjects for taxation*; Kennedy, *English taxation*, pp. 111, 113, 120-1.

¹¹⁹ *Report on the Customs tariff, 1800-97* (P.P. 1898, LXXXV); Rees, 'British commercial policy'.

¹²⁰ P.R.O. Pitt Papers, 30/8/222 and 301; B.L. Add. Ms. 38252, Liverpool Papers; Dowell, *History of taxation*; Bowden, 'The influence of manufacturers'; petitions from the manufacturing interest can be read in *H. of C. Journals* and P.R.O. Board of Trade in letters series B.T.1. and Minutes B.T.5.

Finally, and in marked contrast to the direct taxes and customs duties, excises were administered by one of the most professional and efficient bureaucracies available to any government in Europe. Over the eighteenth century, and indeed well into the following century, the Commissioners for Excise headed a model department of state which anticipated most of the best features of the Victorian civil service.¹²¹ To gain entry candidates had to be of specified ages, education and marital status.¹²² Once on the job they received training and promotion on merit.¹²³ Treasury patronage played a much smaller role in personnel selection and promotion than it did in other departments of state.¹²⁴ Excisemen came from the educated lower middle strata of society and received good salaries, a secure position, bonuses and pensions.¹²⁵

In the Excise the Hanoverian state possessed an organization with its own distinctive morale and where inattention to duty, mistakes and culpable dishonesty could be called to account. It seems to have been the favourite department of Walpole, Pelham, North and Pitt, who in their various ways evinced serious concern with the effective assessment and collection of the king's revenue and who may therefore be regarded as professional administrators. In turn 'Excise or liberty' represented the rallying cry of radicals determined to oppose the growing power of the Crown at home and its expansionist foreign policies abroad which had afflicted free-born Englishmen with burdens of taxation unthinkable to their ancestors.¹²⁶

Yet this clamorous opposition failed to emasculate the foreign policies pursued by their governments from 1688 to 1815 by frustrating Chancellors in their search for taxes—which were indeed the 'sinews of war'. Most of the extra tax revenue required by the state took the form of excises. As Charles II so perspicaciously observed, excises represented the 'best and easiest tax'.¹²⁷ From Godolphin to Pitt the Younger, excises constituted the very foundation stone of the kingdom's fiscal, defence, and foreign policies.

St. Antony's College, Oxford

¹²¹ Hamilton, *Inquiry*; Nodin, *British duties*; Owens, *Plain papers relating to the excise*; Hughes, *Studies in administration*; Binney, *British finance and administration*; Roseveare, *Treasury*; Smith, *Something to declare*.

¹²² Customs and Excise Library, Excise, Admissions and terminations of service, Excise 26316; General Orders of the Board 1687-1823; Owens, *Plain papers*, p. 111.

¹²³ P.R.O. Pitt Papers, 30/8/317; Library of Customs and Excise, Resolutions and verbal orders of the Board 1766-1849, Excise 27019; Instructions for country excise, 1778, and General orders of the Board 1687-1823, Excise 11356 and 3083; *Accounts and Papers 1819* (P.P. 1819-20, IV); *Accounts and Papers, 1822* (P.P. 1822, XI); *Accounts and Papers, 1823* (P.P. 1823, XII); *20th Report of Inquiry into the Excise, 1836* (P.P. 1836, XXVI); Owens, *Plain papers*, pp. 9-10.

¹²⁴ P.R.O. Pitt Papers, 30/8/317; Library of Customs and Excise, Expectants, appointments and reinstruction, 1790-1822, Excise 8088-93.

¹²⁵ Library of Customs and Excise, General Orders of the Board, 1687-1823, Excise 3083; *Report of Commis. of Enquiry into Customs and Excise* (P.P. 1822, XI).

¹²⁶ Smith, *Something to declare*; Lawson, *George Grenville*, pp. 147-9; Smith, *Lord North*.

¹²⁷ Roseveare, *The Treasury*, p. 39.

Footnote references

Official publications

- Reports of the Commissioners appointed to Examine Taxes and State the Public Accounts of the Kingdom 1780-82* (House of Commons Journal, XXXVIII, 1782).
- 1st, 2nd and 3rd Reports from Select Committees Appointed to Enquire into Illicit Practices used to Defraud the Revenue 1783-85* (Reports from Committees of the House of Commons, XI).
- Report from the Select Committee on Accounts and Other Papers Relating to the Public Income and Expenditure, 1791* (P.P.R.C.H.C., XI).
- 4th Report from the Select Committee on Finance and on the Customs Department in 1797* (P.P.R.C.H.C., XII).
- S.C. on the Financial State of the Nation, 1797 (Cobbett, *Parliamentary History*, XXXIII).
- Report of the Lords Committee of Secrecy to Enquire into the Causes which Produced the Order in Council of 20th February, 1797* (P.P. 1810, III).
- Three Reports from the Committee of Secrecy on the Outstanding Demands on the Bank of England on the Restriction of Cash Payments, 1797* (P.P. 1826, III).
- Report from the Committee of Secrecy on Whether it May be Expedient to Continue the Restriction Respecting Payments in Cash by the Bank, 1797* (P.P. 1826, III).
- 1st Report from the Committee Appointed to Examine Matters Contained in Several Papers Relative to Distilleries in Scotland, 1798* (P.P.R.C.H.C., XI).
- Accounts and Papers* (P.P. 1801-2, IV; P.P. 1812-3, XII; P.P. 1814-5, X; P.P. 1816, XI; P.P. 1819, IV; P.P. 1822, XI; P.P. 1823, XII; P.P. 1830, XXV).
- 6th Report from Select Committee Appointed to Examine the Public Expenditure of Great Britain Relative to the Collection of Taxes in Scotland* (P.P. 1810, II).
- 1st Report of the Select Committee Appointed to Consider the Means of Improving and Maintaining the Foreign Trade of the Country* (P.P. 1821, VI).
- Reports from the Select Committees Appointed to Consider the Duties and Allowances of Receivers General of the Land and Assessed Taxes and of the Allowances of Distributors of Stamps in Great Britain* (P.P. 1821, III).
- 11th and 12th Reports of the Commissioners of Enquiry into the Customs and Excise* (P.P. 1822, XI).
- 1st Report of Commissioners of Inquiry into the Excise (tea permits and surveys)* (P.P. 1833, XXI).
- 2nd and 6th Reports of Commissioners of Inquiry into the Excise (wine permits and surveys, tobacco and foreign spirits)* (P.P. 1834, XXIV).
- 20th Report of Commissioners of Inquiry into the Excise: Excise Establishment* (P.P. 1836, XXVI).
- Accounts of the national debt* (P.P. 1857, XXXIII).
- 1st Report of the Commissioners for Inland Revenue* (P.P. 1857, IV).
- Accounts of public income and expenditure 1688-1869* (P.P. 1868-9, XXXV), referred to as Chisholm, Report.
- Report on the customs tariff of the United Kingdom 1800-97* (P.P. 1898, LXXXV).

Secondary sources

- Adams, F., *A plan for raising taxes* (1798).
- Allen, R. C., *The English agrarian revolution* (forthcoming).
- Anon., *Considerations against a duty on sugar* (1764).
- Anon., *Considerations for the advantages of an improved system of finance* (1785).
- Anon., *Manufacturers, improper subjects for taxation* (1785).
- Anon., *Observations on the act for taxing income* (1799).
- Ardant, G., 'Financial policy and economic infrastructure of modern states and nations' in Tilly, C., ed., *The formation of national states in western Europe* (Princeton, 1975) pp. 164-220.
- Ashton, T. S., *Economic fluctuations in England, 1700-1800* (Oxford, 1959).
- Atton H. and Holland, H. H. *The King's Customs, history of the service* (1908).
- Auckland, Lord, *Substance of a speech* (1799).
- Baugh, D. A., 'Towards a blue-water defense policy in seventeenth century England: its political and social significance' (unpublished paper submitted to Davis Center seminar, Princeton 1983).
- Becker, R. A., *Revolution, reform and the politics of American taxation* (Baton Rouge, 1978).
- Beckett, J. V., *The aristocracy in England 1660-1914* (Oxford, 1986).
- Beckett, J. V., 'Land tax or excise: the levying of taxation in seventeenth- and eighteenth-century England' *English Historical Review*, C (1985), pp. 285-308.
- Beeke, H., *Observations on the produce of the income tax* (1799).
- Beer, G. L., *The old colonial system 1660-1754* (New York, 1912).
- Bell, B., *Three essays on the taxation of income* (1799).
- Bernard, T., *The case of the salt duties* (1817).
- Binney, J. E. D., *British finance and administration 1774-92* (Oxford, 1958).
- Blackader, J., *The rates and duties on excise* (Library of Customs and Excise, various editions to 1810).

- Bowden, W., 'The influence of manufacturers on some of the early policies of William Pitt', *American Historical Review*, XXIX (1923-4), pp. 655-74.
- Brand, J. E., *Alteration of the constitution of the House of Commons and the inequality of the land tax* (1793).
- Braudel, F., 'La longue durée', *Annales E.S.C.* (1958) XII, pp. 725-53.
- Brisco, N. A., *The economic policy of Robert Walpole* (New York, 1907).
- Brooks, C., 'Public finance and political stability; the administration of the land tax', *Historical Journal*, XVII (1974), pp. 281-300.
- Buckingham, Duke of, *Memoirs of the courts and cabinets of George III*, 3 vols (1853-5).
- Bullion, J. L., *A great and necessary measure; George Grenville and the genesis of the Stamp Act, 1763-1765* (1983).
- Cain, P. J., and Hopkins, A. G., 'Gentlemanly capitalism and British expansion overseas, I. The old colonial system 1688-1850', *Economic History Review*, 2nd ser., XXXIX, 1986, pp. 501-25.
- Cannon, J. A., ed., *The Whig ascendancy* (1981).
- Chandaman, C. D., *English public revenue 1660-88* (Oxford, 1975).
- Clark, J. C. D., *English society 1688-1832* (Cambridge, 1985).
- Cobbett, W., *Parliamentary debates* vols I-XXII (1803/04-1812).
- Cobbett, W., *Parliamentary history, 1066-1803*, vols. XXX-XXXVI (1793-1803).
- Cole, W. A., 'Trends in eighteenth century smuggling'; *Econ. Hist. Rev.*, 2nd ser., X (1958), pp. 395-410.
- Cole, W. A., 'The arithmetic of eighteenth century smuggling' *Econ. Hist. Rev.*, 2nd. ser., XXVIII (1975), pp. 44-9.
- Cole, W. A., 'Factors in demand, 1700-1800' in Floud, R. and McCloskey, D., eds., *The economic history of Britain since 1700*, I (Cambridge, 1981), pp. 36-65.
- Cone, C. B., 'Richard Price and Pitt's sinking fund of 1786'; *Econ. Hist. Rev.*, 2nd ser., IV, (1951-2), pp. 243-51.
- Crafts, N. F. R., *British economic growth during the industrial revolution* (Oxford, 1985).
- Cross, A. L., *Eighteenth century documents* (1928).
- Davies, D., *The case of the labourers in husbandry* (1795).
- Davis, R., 'English foreign trade, 1660-1700', *Econ. Hist. Rev.*, 2nd ser. VI (1954), pp. 150-66.
- Davis, R., *The rise of the English shipping industry* (1962).
- Davis, R., 'The rise of protection in England, 1688-1786', *Econ. Hist. Rev.*, 2nd ser., XIX (1966), pp. 306-17.
- Davis, R., *The industrial revolution and British overseas trade* (Leicester, 1979).
- Deane, P., and Cole, W. A., *British economic growth 1688-1959* (Cambridge, 1962).
- Dickinson, H. T., *Walpole and the Whig supremacy* (1973).
- Dickinson, W. C., 'The sword of gold: Sydney Godolphin and war finance 1702-10', *Albion*; 6 (1974), pp. 12-25.
- Dickson, P. M. G., *The financial revolution in England: a study in the development of public credit, 1688-1756* (1967).
- Dobbs, F., *Thoughts on the present mode of taxation in Great Britain* (1784).
- Dowell, S., *A history of taxation and taxes in England*, 4 vols. (1888, reprinted 1965).
- Eden, F. M., *The state of the poor* (1797).
- Ehrman, J., *The British government and commercial negotiations with Europe, 1783-93* (Cambridge, 1962).
- Ehrman, J., *The younger Pitt: the years of acclaim* (1969).
- Ehrman, J., *The younger Pitt: the reluctant transition* (1983).
- Fairman, W., *An account of the public funds* (1816).
- Gilboy, E., 'The cost of living and real wages in eighteenth century England', *Review of Economic Statistics* XVIII (1936), pp. 134-42.
- Ginter, E., 'A wealth of problems with the land tax', *Econ. Hist. Rev.*, 2nd ser., XXXV (1982), pp. 416-21.
- Goldsmith, M. M., 'Mandeville and the spirit of capitalism', *Journal of British Studies*, XVII (1977), pp. 63-81.
- Grellier, J. J., *The terms of all the loans* (1812).
- Hamilton, A., *An inquiry into the principles of taxation* (1791).
- Hargreaves, E. L., *The national debt* (1930).
- Harlow, V. T., *The founding of the second British empire*, 2 vols. (1952 and 1964).
- Harper, L. A., *The English navigation laws: a study in social engineering in the eighteenth century* (New York, 1939).
- Hartwell, R. M., 'Taxation in England during the industrial revolution', *Cato Journal*, I (1987), pp. 129-53.
- Hausman, W. J., 'The tax on London coal: aspects of fiscal policy and economic development in the eighteenth century', *Eighteenth Century Life*, IX (1985), pp. 21-34.
- Heslop, L., *Observations on the duty on property* (1805).

- Hinrichs, H., *A general theory of tax structure change during economic development* (Cambridge, Mass., 1966).
- Holland, Lord, *Memoirs of the Whig party*, 2 vols (1852-3).
- Hoon, E., *The organisation of the English customs system, 1696-1786* (New York, 1938).
- Hope-Jones, A., *Income tax in the Napoleonic wars* (Cambridge, 1939).
- Horwitz, H., *Parliament, policy and politics in the reign of William III* (Manchester, 1977).
- Hughes, E., *Studies in administration and finance, 1558-1925* (Manchester, 1934).
- Ingram, A., *Commitment to empire* (Oxford, 1981).
- John, A. H., 'War and the English economy, 1700-63', *Econ. Hist. Rev.*, 2nd ser., VII (1954-5), pp. 329-44.
- Kames, Lord H., *Sketches of the history of man* (1774).
- Kemp, B., *Sir Francis Dashwood: an eighteenth century independent* (1967).
- Kennedy, P. M., 'Finance, geography, and the winning of wars, 1660-1815', unpublished paper, Yale 1983.
- Kennedy, P. M., *The rise and fall of British naval mastery* (1983).
- Kennedy, P. M., *Strategy and diplomacy, 1870-1945* (1984).
- Kennedy, W., *English taxation 1640-1799; an essay on policy and opinion* (1913).
- Langford, P., *The excise crisis: society and politics in the age of Walpole* (Oxford, 1975).
- Langford, P., *Modern British foreign policy: 1688-1815* (1976).
- Lauderdale, J. M., *A letter on the present measures* (1798).
- Lawson, P., *George Grenville, a political life* (Oxford, 1984).
- Leftwich, B. R., 'The later history and administration of the customs revenue in England 1671-1814', *Transactions of the Royal Historical Society*, 4th ser., XIII (1930), pp. 187-203.
- Lowndes, G., *Books of rates and duties on customs* (Library of Customs and Excise, various editions to 1803).
- Mann, M., *The sources of social power* (Cambridge, 1986).
- McArthur, J., *Financial and political facts of the eighteenth century* (1801).
- McCloskey, D., 'A mismeasure of the incidence of taxation in England and France, 1715-1810', *Journal of European Economic History*, 7 (1978), pp. 209-10.
- McCloskey, D., 'Taxation in England and France during the industrial revolution; a comment', *Cato Journal*, 1 (1981), pp. 155-9.
- McCulloch, J. R., *A dictionary of commerce* (1839).
- McKay, D. and Scott, H. T., *The rise of the great powers* (1983).
- Mascal, E. J., *A digest of the duties on customs and excise* (various edns. 1799-1814).
- Massie, J., *Calculation on the present taxes* (1756).
- Mathias, P., and O'Brien, P. K., 'Taxation in England and France 1715-1810', *J. Eur. Econ. Hist.*, 5 (1976), pp. 601-50.
- Mathias, P., and O'Brien, P. K., 'The incidence of taxes and the burden of proof', *J. Eur. Econ. Hist.*, 7 (1978), pp. 211-3.
- Mathias, P., *The transformation of England* (1979).
- Morgan, S., *History of parliamentary taxation* (1911).
- Mortimer, T., *The elements of commerce, politics and finance* (1801).
- Mui, H. and L., 'Trends in eighteenth-century smuggling reconsidered', *Econ. Hist. Rev.*, 2nd ser., XXVIII (1975), pp. 28-43.
- Musgrave, R., *Fiscal systems* (New Haven, 1969).
- Nash, R., 'The English and Scottish tobacco trades in the seventeenth and eighteenth centuries: legal and illegal trade', *Econ. Hist. Rev.*, 2nd ser. XXXV (1982), pp. 354-72.
- Newberry, F., *Observations on the Income Act* (1801).
- Nicholson, J. L., *Redistribution of income in the U.K.* (Cambridge, 1965).
- Nodin, J., *The British duties on customs and excise* (1792).
- O'Brien, P. K., 'British incomes and property in the early nineteenth century', *Econ. Hist. Rev.*, 2nd ser. XII (1959), pp. 255-67.
- O'Brien, P. K., 'Government revenue, 1793-1815. A study in fiscal and financial policy in the wars against France' (unpublished Oxford D. Phil thesis, 1967).
- O'Brien, P. K., 'Agriculture and the home market for English industry, 1660-1820', *Eng. Hist. Rev.*, C (1985), pp. 773-9.
- Osborne, J. W., 'The politics of resentment: political, economic and social interaction in eighteenth-century England', *Eighteenth century life*, VIII (1983), pp. 49-64.
- Owens, J., *Plain papers relative to the excise* (1879).
- Parliamentary Register, The Parliamentary Register, or history of the proceedings of the House of Commons* XI (1797).
- Peel, R., *The national debt productive of bankruptcy* (1787).
- Plumb, J. H., *Sir Robert Walpole*, 2 vols. (1956, 1960).
- Pope, C. A., *A practical abridgement of customs and excise laws* (1812).

- Price, J., 'The excise affair revisited: the administrative and colonial dimensions of a parliamentary crisis', in Baxter, S. R., ed., *England's rise to greatness 1660-1763* (Berkeley, 1983), pp. 257-321.
- Ramsay, G. D., 'The smuggler's trade', *Trans. Roy. Hist. Soc.*, 5th ser. II, (1972), pp. 131-58.
- Rayment, R., *The income and expenditure of Great Britain of the last seven years* (1791).
- Rees, J. F., 'The phases of British commercial policy in the eighteenth century', *Economica*, 14 (1925), pp. 130-50.
- Rive, A., 'A short history of tobacco smuggling', *Economic History*, I, (1929), pp. 554-69.
- Rose, G., *A brief examination of revenue, commerce and navigation of Great Britain since the peace of 1783* (1806).
- Roseveare, H., *The Treasury* (1969).
- Schumpeter, E. B., *English overseas trade statistics, 1697-1810* (Oxford, 1960).
- Sedgwick, R., ed., *History of Parliament: the House of Commons, 1715-54* (1970).
- Seligman, E. R. A., *On the shifting and incidence of taxation* (New York, 1932).
- Senator, *The Senator, or Clarendon's Parliamentary Chronicle, containing a weekly register recording... the proceedings and debates of the Houses of Lords and Commons*, Vols I-XXVIII (1790-1801).
- Shehab, F., *Progressive taxation* (Oxford, 1953).
- Shirras, G. F., and Rostas, L., *The burden of British taxation* (Cambridge, 1942).
- Sinclair, J., *A history of the public revenue of the British empire*, vols. 1-3 (1802-4).
- Smith, A., *The wealth of nations* (Cannan edition, New York, 1937).
- Smith, C. D., *The early career of Lord North the Prime Minister* (1979).
- Smith, G., *Something to declare: 1000 years of customs and excise* (1980).
- Speck, W. A., *Stability and strife: England 1714-60* (1977).
- Steuart, J., *An inquiry into the principles of political economy* (1767).
- Thomas, B., 'Food supply in the U.K. during the industrial revolution', in Mokyr, J., ed., *The economics of the industrial revolution* (1985), pp. 137-50.
- Thomas, P. D. G., *The House of Commons: the eighteenth century* (Oxford, 1971).
- Thomas, P. D. G., *British politics and the stamp crisis: the first phase of the American revolution* (Oxford, 1975).
- Thomas, P. D. G., *Lord North* (1976).
- Thomas, R. P., and McCloskey, D., 'Overseas trade and empire 1700-1860', in Floud, R. and McCloskey, D., eds., *The economic history of Britain since 1700, I. 1700-1860* (Cambridge, 1981), pp. 87-102.
- Thompson, J., *The Commutation Act candidly considered* (1786).
- Thurrow, J. L., *The impact of taxes on the American economy* (Cambridge, Mass., 1971).
- Turner, E. R., 'The excise scheme of 1733', *Eng. Hist. Rev.*, XLII (1927), pp. 34-57.
- Turner, M. and Mills, D., eds., *Land and property: the English land tax, 1692-1832* (Gloucester, 1986).
- Ward, W. R., *The English land tax in the eighteenth century* (Oxford, 1953).
- Ward, W. R., 'The land tax in Scotland, 1707-98', *Bulletin of the John Rylands Library* (1954), pp. 288-308.
- Whately, T., *Considerations on trade and finance* (1769).
- Wilkes, J. W., *A Whig in power: the political career of Henry Pelham* (Evanston, Illinois, 1964).
- Williams, J. B., *British commercial policy and trade expansion, 1750-1850* (Oxford, 1972).
- Williamson, J. G., *Did British capitalism breed inequality?* (1985).
- Wilson, G. J., 'The land tax problem', *Econ. Hist. Rev.*, 2nd ser., XXXV (1982), pp. 422-6.
- Young, A., *Political arithmetic* (1774).