INTRODUCTION

On may 13, 1607, twenty-seven-year-old Captain John Smith, leading the *Susan Constant*, the *Godspeed*, and the *Discovery,* made landfall in Jamestown, Virginia. The London Company, sponsors of the voyage, had been granted a charter by King James I of England to establish a colony in the part of America called Virginia. To foster its development, James exempted the company from all taxes for seven years on all goods, chattel, armor, munitions, and furniture exported from England to the colony. A second charter of 1609 exempted the company's employees and agents from all customs and taxes in Virginia for twenty-one years.

One hundred sixty-eight years later, the shots heard round the world at Lexington and Concord signaled the start of the American Revolution. The colonists had resisted more than a decade of impositions by Parliament—the Revenue (Sugar) Act of 1764, the Stamp Act of 1765, the Townshend Acts of 1767, and perhaps most famous of all, the Tea Act of 1773, which prompted the Boston Tea Party. From the founding to the Revolution, taxes were uppermost among the concerns of the colonists. Colonial politics were governed more by disputes over taxes and how they would be spent than all other matters, such as freedom of conscience, French threats on the frontier, and security of land titles.

This book is the story of taxation imposed from outside, and levied inside, on colonial Americans. It encompasses the kinds, amounts, and burdens of taxes, and the political fights over the right to levy and control their use. The term "colonial America" signifies the thirteen original colonies that formed the United States of America. Other designations include the American colonies, the English colonies of North America, British North America, the first British Empire, the plantations, and the provinces. Colonial America comprises the Dutch West India Company's settlement of New Netherland (1624–64) and the New Sweden Company's colony of New Sweden (1638–55) until both gave way to English rule. British colonies in Canada, the West Indies, and Florida are not included. Brief mention is made of the several counties in Maine that came under the jurisdiction of Massachusetts in 1652, Plymouth Colony until its absorption into Massachusetts in 1691, and New Haven before its annexation by Connecticut in 1664.

Scholars and historians have chronicled numerous aspects of taxation in colonial America, but none has written a comprehensive account of all thirteen colonies for the entire colonial era. A first wave of studies was written and published as doctoral dissertations between 1892 and 1915 by Columbia University, the Johns Hopkins University, and the American Economic Association. Numerous unpublished theses were completed between 1928 and 1953, drawing upon British and colonial archives housing public documents and private papers. Historians have published a large number of books and articles on specific taxes, such as the Navigation Acts, Negro slave duties, the Stamp Act, and royal quitrents, an older form of property tax, and the impact of wars with Indians and the French on colonial tax burdens. Taxation in colonial America was a relatively popular research topic until about 1980 but has since received only minor attention among historians.

This book covers British taxes imposed on the colonies and the various taxes enacted in the colonies. The list includes British import duties on American products, British taxes on trade between the colonies, royal taxes on colonial land, colonial duties on trade with other colonies, and a wide variety of internal taxes levied by colonial legislatures, vestries, counties, and towns—poll or head taxes, property taxes, "faculty" or income taxes, required labor contribution, license fees, retail excises, import duties, export duties, tonnage fees on shipping, religious taxes, and levies to support community projects and schools. Also mentioned are tax exemptions, for example, those granted the president, faculty, and students of Harvard College, tax preferences for goods imported in locally built ships, and premiums or bounties for the production of iron, hemp, flax, and silk, to name a few products.

The description and analysis of colonial taxation are divided into the three geographical clusters of the New England colonies of Massachusetts, Connecticut, Rhode Island, and New Hampshire, the middle colonies of New York, Delaware, New Jersey, and Pennsylvania, and the southern plantation colonies of Virginia, Maryland, North and South Carolina, and Georgia. These clusters reflect similar patterns of settlement, economic development, political institutions, monetary policies, and systems of taxation.

Taxation in colonial America neatly divides into five periods. The first is 1607 to 1688, from Jamestown to the overthrow of King James II by William and Mary of the Netherlands' House of Orange, known in England as the Glorious Revolution of 1688. These years were a period of rapid growth in the colonies and chronic turmoil in England. The second is 1688 to the end of Queen Anne's reign in 1714, a quarter century of unremitting European warfare with its colonial counterparts in King William's and Queen Anne's wars. The third is 1714 to 1739, a period of general peace, from the accession of George I of the German House of Hanover until the beginning of the War with Spain. During this "era of salutary neglect," the colonies

Dating Colonial Events

The task of dating colonial events prior to the uniform use of the modern Gregorian calendar (N.S. for new style) in 1752, which dates the beginning of each year on January 1, is complicated by the use of different calendars in Europe during the period in which the American colonies were founded. Until 1582, all of Europe used the calendar authorized by Roman emperor Julius Caesar in 46 B.C. The Julian calendar (O.S. for old style) started the year with the first day of spring, setting March 25 as its official "new year's day." March was treated as the first month of the year and February the twelfth, although the first twenty-four days of March were counted as part of the preceding year. Leap years added a day in February because it was then regarded as the twelfth month.

European powers shifted to the new Gregorian calendar at different times. The Julian calendar was based on a year of 365.25 days, whereas the astronomical calendar is actually 365.242199 days. Thus each year the seasons shifted by eleven minutes and fourteen seconds, or one-and-a-half days every two centuries. By 1545, the vernal equinox, which was used to determine the date of the movable feast of Easter, had shifted by ten days, making it difficult for pious Christians to observe Christmas and Easter within their proper seasons. On February 24, 1582, Pope Gregory XIII corrected this error with a papal bull which decreed that the date following the Feast of Saint Francis of Assisi, celebrated on Thursday, October 4, 1582, would be changed to Friday, October 15, 1582. The ten days of October 5–14 were suppressed. Gregory changed the official start of each year from March 25 to January 1 and declared that leap years would take place only in centennial years exactly divisible by four hundred, thus excluding 1700, 1800, and 1900 as leap years. This provision eliminated the differential of one-and-a-half days every two centuries.

The Protestant Reformation divided Europe's Christians into warring factions. Spain, Italy, France, Holland, and the Catholic provinces of Germany adopted the new calendar in 1582. Switzerland, Scandinavia, and Germany's Protestant districts did not complete the switch until 1701. Great Britain retained the Julian calendar until the mid-eighteenth century, by which time the discrepancy between the two had grown to eleven days. To end Great Britain's long duration as odd man out, Parliament passed the British Calendar Reform Act of March 1751, which declared the day following September 2, 1752, to be September 14 in Great Britain and its colonies, and the new calendar would thereafter begin on January 1.

To illustrate these differences, in the English calendar of the day, March 23, 1643, was March 23, 1644, according to the Swedish calendar and modern usage, and was April 2, 1643, according to Dutch usage. That date was often written in the English colonies as March 23, 1643/44, indicating that it was March 23 in the official English year 1643, but in fact March 23 in the year 1644 beginning January 1. From 1664 onward, distinctions among English, Dutch, and Swedish

Dating Colonial Events (continued)

dating were largely eliminated with the English conquest of New Netherland from the Dutch, who seized New Sweden nine years earlier. Before then, the same event recorded in British, Dutch, or Swedish documents would have different dates. Both the dates and days of the week in England differed from those of continental Europe, which explains how different dates can exist in different historical documents and histories. Cited dates in the text of this book reflect period colonial or British usage apart from those of New Netherland and New Sweden that refer to Dutch and Swedish accounts. Throughout the text I use the modern calendar for dates between January 1 and March 24, and on occasion the colonial style that signifies both usages.

Historians vary in their efforts to compensate for the suppressed days when trying to reconcile different sources. An event that occurred on May 27, 1652, might be cited as having occurred on that Julian date, rather than adjusting for the ten suppressed days and using the Gregorian date of June 7, 1652. A prominent illustration is the Battle of the Boyne. King William and Queen Mary of Orange, the new Protestant rulers of England in 1689, defeated the forces of the ousted Catholic king James II in Ireland in a battle that began on July 1, 1690. The battle is recalled each year in the celebrations of the Orange Order on July 12, with the difference due to the advance of eleven days with the change to the Gregorian calendar in 1752. The date of the battle is still recorded in historical accounts as July 1.

This discussion of calendars and dates draws from Louis Jordan, *John Hull, the Mint and the Economics of Massachusetts Coinage* (Hanover, NH, and London: University Press of New England for the Colonial Coin Collectors Club, 2002), xvii–xix, and Thomas L. Purvis, ed., *Colonial America to 1763,* Almanacs of American Life (New York: Facts on File, 1999), 286–87. Table 16.3 in Purvis, "Perpetual Calendars for Historical Dates under the Julian (O.S.) and Gregorian (N.S.) Systems," covers 1580 through 1799 inclusive (287–91).

were left to develop largely on their own without much direction or interference from Great Britain. The fourth is a period of chronic warfare that began in a war with Spain in 1740 and ended in 1763 with Britain's defeat of France in the French and Indian War. Britain's victory ended the threat to the colonies from France but left Britain with high taxes and a large public debt. The final period is the twelve years of turmoil and insurrection between 1763 and 1775 brought about by British efforts to tax the colonies that erupted into the American Revolution.

British politics, in particular the contest between the Crown and Parliament for power, the Navigation Acts and other trade rules that governed Britain's commercial ties with its colonies, and the evolution of constitutional government in the colonies each affected the level and

composition of colonial taxes. Each of the five parts of this book reviews these circumstances to set the context in which taxes were imposed or levied.[1]

Terminology

I HAVE TRIED to preserve the flavor of the colonial era by using the terms that the colonists themselves employed in their discussions of taxation and expenditure, and in their political efforts to take and secure control of the public purse from their imperial overlords. Many of these terms conflict with contemporary usage. A good example is the word "Negro." The colonists wrote and spoke of Negro slaves. Indeed, many of the colonies taxed the importation of Negro slaves, most notably South Carolina. Other colonies levied poll taxes on Negro slaves that were paid by their owners. The term "Negro" has fallen out of use and is regarded as pejorative in contemporary academic circles. It has been replaced by a succession of terms such as "black" or "African American."

To give another example, women did not vote for representatives to, or serve in, colonial assemblies. Nor did many women engage in business to any substantial degree. To use gender-neutral terms distorts the reality of male domination of economics and politics in the colonial era. Where women were important, for example, Queens Mary and Anne of England, the language in the text is gender specific.

Historical terms that have fallen out of usage are defined or explained in the text or in footnotes where their meaning is unknown or unclear. Imposing modern twenty-first-century usage of terms on the colonial era in place of contemporary usage is potentially misleading if modern usage conveys meaning that differs from the historical use of seventeenth- and eighteenth-century language.

Money

THE DESCRIPTION and analysis of taxation in the colonies cannot proceed without a thorough treatment of the money of the day.[2] Taxes

[1] From 1607 until the Act of Union with Scotland in 1707 that created Great Britain, reference is generally made to England as the colonial power. From 1707 to the Revolution, Great Britain, or Britain, is used to denominate the colonial power. Despite the political union, numerous trade statistics were separately maintained between England and Scotland.

[2] An extremely valuable, comprehensive treatment of money in the American colonies appears in John J. McCusker, *Money and Exchange in Europe and America, 1600–1775: A Handbook* (Chapel Hill: University of North Carolina Press, 1978). McCusker describes the history of money, including coins and paper currency, in each of the colonies and the values of each colony's currency or currencies against sterling, the rate of exchange, on London. McCusker's data

are paid in some form of money, broadly defined. Until 1690, the colonies had little control over their monetary circumstances. The British government regulated the kinds and values of money that were used in the colonies. To give but one example, it banned the right to mint silver and gold coins in the colonies. Later, from 1704, it set maximum limits on the value of the coins of Spain, France, and other European countries that circulated in the colonies.

Nor were there substantial deposits of gold or silver that could be mined in British North America. Between 1652 and 1682 Massachusetts briefly minted coins known as pine tree shillings, and Maryland briefly experimented with minting coins, but neither was an important source of specie in the colonies.

Newly arriving immigrants brought some coins with them, but these quickly drained abroad to pay for imported goods that were not, or could not be, produced in the colonies. An early form of money that was used in trade with Indians was wampum, oblong shells fashioned from the inner whorls of cowries or tiny seashells found on the mud or just below the surface of water along the coast, which were ground and polished, drilled through the center to string them with fibers of hemp or tendons of wild beasts, and woven into belts, aprons, headpieces, and other decorative items. From time to time, colonial legislatures designated commodities as money and set their value for tax purposes and payment to public creditors. These included a wide variety of animal skins, corn, wheat, rye, barley, peas, dried fish, livestock, pork, beef, cheese, sugar, molasses, rum, cotton, wool, tallow, timber, tobacco, rice, indigo, naval stores, and other items. These legally defined commodities were called "current money" or "country pay," in contrast with specie or cash. The value of commodities was frequently adjusted to reflect market conditions. Premiums were often given for payment of taxes in coins.

The colonies placed different lawful values on foreign coins of Spain minted in Peru and Mexico, the most common circulating coins in the colonies, and those of France, Germany, Sweden, Portugal, and other European countries. A Spanish piece of eight, or dollar, was worth more in some colonies than in others, which often resulted in the flow of specie to the colonies that placed a higher value on the silver content of coins. The export of specie could have a debilitating effect on the colonies that experienced a loss of money with which to conduct trade and pay taxes. To correct this problem, Queen Anne issued a proclamation in 1704 that sought to regulate the value of coins in the colonies. Queen Anne's proclamation

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make it possible to compare the level of taxes paid in the separate colonies with each other, and with taxes paid in Britain, by equating the values of the different colonial currencies with each other and with sterling.

set an upper limit of foreign coins at one-third above their official rate in England. Colonial money valued at 33.33 percent above sterling, based on its silver content, was known as Proclamation Money or Lawful Money. The values of most, but not all, foreign coins were based on an assay of their silver and gold content undertaken by Sir Isaac Newton in 1702. The proclamation met with only limited success. To give but one example, New York evaded the proclamation by defining the lawful value of silver in terms of Lyon dollars, a Dutch coin, which was not included in Newton's assay.

The most important monetary development in the colonies, arising out of wartime necessity to pay returning soldiers in Massachusetts from a failed expedition against French forces in Canada, was the printing of paper money, the first quasi-official government money in the Western world. The paper currency issued in 1690 was called "bills of credit" to circumvent the English government's ban on the printing of money in the colonies. Within several decades, most of the colonies issued their own bills of credit denominated in pounds, shillings, and pence, defined in troy ounces of silver, with values that differed from each other and from the official value of sterling in Great Britain.

The colonies created several kinds of paper currency. One of the two most common was bills of credit that were backed with pledges of taxation or promises of taxation to guarantee their redemption, retirement, or "sinking," usually by burning the notes paid in taxes before members of the colonial legislatures. The other most common was known as loan office bills, a land bank that loaned paper money at interest on the basis of collateral in land, houses, silver plate, and even slaves in several of the southern colonies. Interest on loan office bills was sufficient to finance the lion's share of the cost of civil administration in several New England and middle colonies during the second quarter of the eighteenth century. Loan office bills established the precedent of low to no taxation for long periods in several colonies. It comes as no surprise, then, that political turmoil erupted when efforts to levy and raise taxes intensified with the outbreak of the French and Indian War in 1754 up to the Revolution.

British concerns over the issue of "excess" paper currency, which they deemed the cause of its depreciation and the source of losses to British merchants, led to multiple laws governing the issue and legal tender status of colonial currency in 1751 and 1764. These restrictions added to colonial resentment of the efforts of Great Britain to tax the colonies.

Other designations of official paper money, some with and some without legal tender status, included treasury tax anticipation notes, public orders, tobacco notes that represented private ownership of tobacco held in public warehouses in Virginia and Maryland, and indigo notes in South Carolina. Many merchants resorted to barter and two- or three-way book

credit to trade with farmers in rural areas. Private forms of paper money used in the colonies included bills of exchange, a form of checking account, drawn on British merchants to pay for imported goods and internal bills of exchange to pay colonial creditors, promissory notes issued by wealthy individuals, and a few small issues of private merchant money. Each form of money and its significance for taxation in the colonies are explained as it was invented, used, or adapted for payment in commercial or public transactions. A full treatment of the wide varieties of money used in the colonies is central to understanding the politics and reality of colonial taxation.

Accuracy and Comprehensiveness of Data

Historians are often frustrated by the limitations of dealing with the past, which often prevent the compilation of comprehensive series of data. This applies to the American colonies. Examples of lost or missing data include the customs records housed in the port of New London, Connecticut, which were destroyed when the town was burned to the ground by British forces under the command of Benedict Arnold during the Revolutionary War. War, weather, fire, and age have damaged or destroyed records in Virginia. A fire destroyed a large number of manuscripts in the New York State Library, which precludes a comprehensive accounting of the colony's public finances between 1758 and 1764, with only fragmentary records surviving for 1764. The accounts of New York quitrents, a form of property tax, between 1728 and 1779 are in documents that are closed to research due to severe burn damage. Comprehensive accounts of excises are available only for 1715–33. In North Carolina records were scattered around several locations, preventing a comprehensive compilation.[3] The full text of some laws enacted in the colonies cannot be found. Comprehensive audited accounts of receipts and expenditures are rare, especially in the early years of the colonial period. Better records exist in some colonies during the latter years of the colonial period. Even in the colonies that kept the best records—Massachusetts, for example—data are missing for a number of years.

Insofar as external taxes imposed on the colonies are concerned, British customs records often combined several colonies into one set of numbers, for example, tobacco from Virginia and Maryland, or combined receipts of taxes on several commodities into one category, making it difficult to estimate the taxes borne by the inhabitants in any given colony or the producers

[3] Disagreements between the inhabitants of rival regions over the location of the provincial legislature and related government offices led to rotation of meetings in Edenton, Bath, New Bern, and Wilmington between 1736 and 1746. Without a central capital, government documents were often lost, destroyed, or difficult to recover. A. Roger Ekirch, *"Poor Carolina": Politics and Society in Colonial North Carolina, 1729–1776* (Chapel Hill: University of North Carolina Press, 1981), 90.

of a specific product. Many records have been lost to fire, water damage, and years of neglect. The London Customs House fires of 1715 and 1814 destroyed numerous records. Records listing receipts from duties on British imports of colonial rice that were stored in the House of Commons were destroyed by a fire that burned down the old houses of Parliament in 1824.

Even detailed records on every commodity produced in each of the thirteen colonies would not give a full picture of the impact of taxes because smuggling and tax evasion, which by their nature are impossible to quantify, were widespread in Britain and the colonies. A voluminous correspondence between officials in the colonies and London deals with taxes and public expenditures, but numbers included in the documents cannot always be taken at face value. Royal governors often exaggerated and misrepresented local conditions to absolve themselves of blame in their failure to secure sufficient appropriations from colonial legislatures to meet the costs of provincial administration, deal with piracy, Indians, and smuggling, and carry out other responsibilities. Some governors were especially prone to be less than candid in their correspondence, especially if it was in their financial and political interest to side with the colonists in any dispute with London. Many governors acquired large estates in the colonies during their tenure, in effect becoming colonists themselves.

Data and their limitations are discussed in the course of describing and analyzing taxation in the thirteen American colonies for each of the five chronological periods previously described.

Public Accounts

Sources of information on the payment of provincial taxes include the records of collectors of property and poll taxes, specially designated receivers of import and export duties, collectors of excises, entries recorded in ledgers and journals, annual or other periodic statements of colonial treasurers, and audits of treasurers' accounts by committees of elected lower houses of the colonial legislatures that were recorded in their proceedings. The quality of accounting and reporting varied among the colonies, generally improving from the middle of the eighteenth century.

Knowledge of accounting practices in the colonies was reasonably widespread. Merchants often sent their sons to England or to reputable client merchants to learn business practices and bookkeeping. Others served as apprentices to merchants and learned bookkeeping while conducting daily business. Public schools in Massachusetts provided elementary instruction in bookkeeping by the late seventeenth century, and private teachers of bookkeeping advertised for students by the early eighteenth century. The first American book on bookkeeping, *The Secretary's Guide, or Young Man's Companion*, fifth edition, was published in Philadelphia by Andrew Bradford,

editor, in 1737. The segment on bookkeeping consumed fourteen pages of the 258-page book, which covered reading, writing, arithmetic, and bookkeeping. The book stressed the importance of double-entry bookkeeping to track profit in commercial transactions and the current business situation.[4]

The system of bookkeeping was the standard business accounting system of debits and credits. In private business in England and the colonies, a debit was equated with a charge and credit with a discharge. As a charge was something that is received, the rule became that debit is what is received (or to be received) and credit is what is paid (or to be paid). In the public accounts, debits represented the sums due to the treasurer that he collected from or was owed (receivables) by taxpayers, with credits the funds he transferred or owed (payables) to the legislature or the governor that had the authority to spend. The colonial treasurer served as intermediary between taxpayers and, in the colonies with land banks, borrowers of loan office bills and the spending authority.

Between 1940 and 1950, under the direction of William Summer Jenkins, the Library of Congress in association with the University of North Carolina photographed all of the extant materials that were accessible in the files and archives of the states. The collection, consisting of seventeen hundred microfilms, is known as the *Early State Records*. The documents include sporadic records of the colonial treasurers in Connecticut, Maryland, Massachusetts, New Hampshire, North Carolina, Pennsylvania (Penn's personal accounts), and South Carolina. The collection also includes the proceedings of the lower and upper houses of the thirteen original colonies recorded in respective journals, but these are not complete. Records of some of the proceedings are missing. Some are handwritten and very difficult to read, with more recent journals being printed. The treasurers' statements were reproduced in several, but not all, of the legislative journals in the colonies.

The quality of public accounts varied among the colonies. The chartered colonies of Massachusetts and Connecticut were quick to require statements from their colonial treasurers. Those of Massachusetts displayed outstanding taxes due from the towns, current receipts from direct and, where applicable, indirect taxes, and other revenues, balanced against approved payments. The first extant treasurer's account in Massachusetts dates from 1632, with annual statements from 1692 save a handful of missing years and some years in which the figures are incomplete. Between 1740 and 1753 the treasurer's annual account was complicated by the need to report receipts

[4]Peter L. McKickle, "Young Man's Companion of 1737: America's First Book on Accounting?" *Abacus* 26, no. 1 (1984): 34–51; W. T. Baxter, "Accounting in Colonial America," in A. C. Littleton and B. S. Yamey, eds., *Studies in the History of Accounting* (Homewood, IL: Richard D. Irwin, 1956), 272–87; and Osamu Kojima, *Accounting History* (Nara, Japan: A. N. Offset Company, 1995), 395–97. Original Japanese edition published in 1987 in Tokyo by Moriyama Book Store.

and outlays in several currencies. During 1740–42 the treasurer kept accounts in two currencies designated Massachusetts Old Tenor and Middle or New Tenor. During 1744–53 the accounts included a third currency of New New Tenor or Last Emission. From 1753 the accounts were kept solely in Lawful Money, which was set at Queen Anne's proclamation rate of £133.33 Massachusetts currency to £100 sterling. The treasurer's ledgers and journals are available from 1753, but they exclude receipts of and payments from indirect taxes of duties and excises.

The financial statements of Connecticut's treasurers for 1673–1712 are almost impossible to read and decipher. The records of Connecticut's colonial treasurers held in the Connecticut State Library are available only from 1743. Later statements, for example the account book of Treasurer Joseph Talcott for 1755–70, list tax receipts of the towns and approved payments, but the system of debits and credits is not as comprehensive as in Massachusetts.

Good records were generally kept in the proprietary colonies of Pennsylvania and Maryland since the Penns and Calverts personally profited from their ownership of land. Records in New Hampshire and Virginia are intermittent, available in detail for some years, sporadic or nonexistent in others. There are no extant comprehensive treasurer's records in New Jersey prior to 1776. In the colonies that relied on interest income as a principal source of revenue for many years, there was little need to establish systems of assessing, collecting, and recording taxes, especially direct taxes on property and income. The important information was contained in the financial records of the commissioners of loan offices. When taxes replaced interest as the principal source of public income, it was necessary to establish fiscal regimes to collect and track public funds. In those colonies, it was difficult to overcome taxpayer resistance after decades of minimal or no taxation, which resulted in the accumulation of arrears that often exceeded annual receipts. There are no extant treasurer's accounts in Rhode Island and the handwritten *Journal of the House of Deputies* does not include audited public accounts.

Under the best conditions, colonial treasurers transmitted periodic statements to members of audit committees of representative assemblies for their approval, or presented statements directly to all the elected members. The statement could cover less than a year, one year, more than a year whenever the accounting period was changed to reflect changes in tax laws, or many years to report on the status and collection of arrears. One kind of tax, the property tax, might be levied to run for a year from summer to summer, while an excise might run from fall to fall. Thus annual or other periodic accounts of revenue from different sources encompass different time periods. Regular end of calendar or fiscal year records of cash flow, of receipts and outlays, were not standard. Information in the accounts was often incomplete, riddled with arrears, and victimized by embezzlement. Tax laws

enacted in colonial legislatures stipulated amounts to be collected, but the levies rarely matched actual receipts of taxes. In some cases, the only extant data are the amount of taxes stipulated in law and recorded on the debit side of the treasurer's statement, without listing the actual amount of tax collected.

During 1701–12 in New Hampshire, for example, the colonial treasurer and receiver-general, Sam Penhallow, listed as a debit the approved tax on polls and estates but not actual receipts of the tax, although he listed actual receipts of duties and excises. He also listed bills of credit as a debit when these became a source of public finance. His itemization of credits consisted of a list of approved payments to the colony's creditors and the balance remaining due the colony. Nowhere in this period is there a comparison of approved levies, total taxes collected, and outstanding arrears, or the cumulative debt of the colony expressed in its outstanding bills of credit in circulation.

Data on quitrents in Virginia are extant for 1690, 1695, 1700–1722, and 1750–65, but lacking in other years; data on the two-shilling export duty per hogshead of tobacco are extant for 1702–12 and 1750–65, and sporadic for other years. Data on quitrents in South Carolina are extant for 1729–74 but only for 1735–48 in North Carolina, with occasional figures for other years. Data on poll and property taxes in North Carolina are available for 1748–69. Figures on tax revenue in Georgia are extant from the beginning of royal administration in 1754.

Numerous persons were responsible for collecting revenue. Sheriffs and town or county collectors were tasked with assessing and collecting provincial property and poll taxes. Excises were often farmed out to the highest bidder or assigned to county collectors of excises. Other persons were designated collectors of port duties. Licenses were sold to retailers of liquor and other goods. Vestries were empowered to collect church taxes and justices of the peace to levy taxes for local purposes. Receipts of each source of revenue were to be delivered to the appropriate authorities, usually colonial treasurers or loan office commissioners. Collectors were permitted compensation with a fixed fee or percentage commission of gross collections, delivering only net revenues that remained to the central authority. Allowances were granted for insolvencies. Pennsylvania maintained separate collectors of direct taxes in each of the nine counties, separate collectors of excises in the nine counties, a separate collector of duties and tonnage, and separate commissioners of the loan offices in the nine counties. Monies were delivered to the colonial treasurer, who paid creditors from his proceeds. In the annual audited accounts of Pennsylvania printed in the legislature record, omissions from individual counties were common. Extrapolation is required to fill in missing data.

Some accounts are virtually impossible to decipher. Apart from stains and other damage to surviving records, revenues from specific sources were often earmarked for certain categories of expenditure. For example, the

proceeds of direct taxes might be used to redeem bills of credit that were issued to finance participation in military conflicts, with the proceeds of duties and excises used to pay salaries and other incidental costs of civil administration. At times treasurers might transfer funds from one account to another to meet expenditures, crediting one and debiting the other, but these transfers are difficult to follow and reconcile with later statements. Arrears of taxation plagued every colony, with annual accounts reporting arrears as far back as twenty years in some colonies.

Money was transferred back and forth between loan officers and treasurers, which makes it difficult to tell which source of revenue was used to redeem bills of credit or meet the expenses of civil administration. Bills of credit received in mortgage payments, interest, or taxes were often reloaned or spent, rather than burned.

Some sources of revenue were under the control of the local assembly while others accrued directly to royal or proprietary governors. For example, an export duty on tobacco and quitrents were under the control of governors in Virginia and Maryland, some of which might be spent locally or remitted to the Crown or Lord Baltimore in Britain. Direct taxes on polls and property, excises, and import duties were generally under the control of locally elected assemblies. Rarely, if ever, were receipts and expenditures of the two different sources of authority combined in a comprehensive accounting of total revenue in these two colonies.

Another complicating factor in deciphering colonial accounts was the practice in some colonies of permitting colonial treasurers to intermingle public and private funds, lending public funds to private parties when the funds were not required for immediate payment. In such cases, the treasurers were allowed to keep the interest from these loans as part of their compensation. This created a problem when pressing need for expenditure could not be met from funds on hand in the Treasury. There was a spectacular case in Virginia known as "the Robinson affair," in which the colonial treasurer loaned or embezzled over £100,000 Virginia currency to his close colleagues and friends. It took several decades to recover the funds from his estate, with the clearing of his debt achieved through a favorable accounting quirk after the Revolution broke out. An independent auditing of the accounts in the year preceding Robinson's death resulting in public disclosure of the missing funds noted that approval of the accounts he had presented the previous few years revealed no deficits. This case indicates that legislative approval of a colonial treasurer's statement does not ensure its accuracy.

Records of county, town, and religious taxes levied and paid are generally located in the towns and vestries, not in a central repository. Dispersal of records makes it extremely difficult to compile a comprehensive tally of local taxes. Scholarly investigations of local taxes in colonial America have

invariably been based on a sample, rather than an examination of the full set, of records.

Problems in the public accounts that hamper the compilation of comprehensive data on taxes that were levied and collected in each colony are discussed in the respective chapters. In many of the tables throughout the book I have presented the numbers in pounds, shillings, pence, and farthings, rather than rounding to the nearest pound. The colonists were obsessed with every last farthing in revenue and expenditure. To present the figures down to farthings, quarters of a pence, helps convey their concern.

I report provincial revenue figures in local provincial currencies, for example, Massachusetts pounds, Virginia pounds, Proclamation or Lawful Money, and so forth, except when revenues were collected and stated in sterling. I specify in the text whether revenues are stated in provincial currency or sterling. I provide tables that display the values of the different colonial currencies and British sterling with each other to compare tax levels and burdens among the colonies and between the colonies and Britain.

I have occasionally found differences in the numbers printed or written in primary sources with those published by other scholars, as well as differences between my calculations and those of other scholars who relied on the same primary sources. I have tried to explain and/or reconcile these differences in each case. Sometimes the differences are small, at other times substantial.

The Incidence and the Burden of Taxation

In addition to tabulating the taxes imposed by Britain or levied by the colonists' representatives, this book seeks to estimate and comment on several other measures of the impact of taxation on the colonists. A first is per capita taxes, the average tax paid by residents in each colony in the years for which data are available. In the southern plantation colonies, per capita taxes are generally estimated for white settlers, who paid taxes on themselves and their slaves. It can be said that the labor income of slaves was heavily taxed, but that income belonged to slave owners who paid the tax, not the slaves. An important point of comparison throughout the book is average taxes paid in the colonies with those in Great Britain. The much heavier taxes levied in Britain, which prompted the British government to impose a series of taxes on the colonies to relieve some of the burden on British taxpayers, was a principal factor in bringing about the Revolution.

Another measure is the distribution of the tax burden in each colony. This is much more difficult to determine given the limited information on the distribution of wealth, income, and patterns of consumption subject to taxation. Even though the overall level of taxation in the colonies was extremely light, winners of elections to the lower houses in the colonies

frequently sought to shift taxes from themselves to the losers. Colonial history is replete with conflict between landowners and traders, town and country residents, coastal and up- or backcountry dwellers, leading families and their factions, and other divisions. That the overwhelming majority of the colonists resented paying even low taxes is evident from reports and laws dealing with noncompliance, arrears, and even the occasional violent rebellion. The distribution of the tax burden was often a hot political issue, but even those who bore the brunt of taxation were lightly taxed.

There is a point of collection for all taxes. On property that point is from the owners of land and such other real property as structures, animals, farm equipment, and so forth. On polls, that is, on each taxable individual defined in law, it is from each head of household, who pays tax on himself, his wife, his children sixteen years of age and older, indentured servants, and slaves. On income and trade it is those who receive income from wages and profits, who maintain inventory, or other measurable economic activity. On trade it is from the duty paid by importers and exporters on the volume of imports and exports. On consumption it is from the sellers of liquor and other goods. On tonnage, a charge based on the size of a vessel, it is from the master or owner of a ship. On capital it is from the recipient of interest received on a bond, mortgage, or loan. Some, but not all, economists call this the incidence of a tax—who pays it. In this definition, the point of collection is the incidence of the tax.

The impact of each tax, the loss in income or wealth represented by the amount of tax, is not necessarily fully borne by those who pay at the point of collection. The burden of a tax must take into account the losses of economic activity associated with the tax, whether it is imposed on property, labor, trading, or consumption.

A few examples may help clarify the distinction between the incidence and burden of a tax. Take British import duties, for example. Duty on imported colonial tobacco is paid by merchants at the point of collection in British ports. The price of tobacco in Britain includes the purchase price of leaf in the colonies, the cost of shipping, insurance, unloading in British ports, import duty, distribution to retailers, a markup for the cost of capital employed in the business, a margin for profit, and the final cost of retailing the product. The duty, along with the other costs of production and distribution, is embedded in the price consumers pay for the privilege of smoking. It appears from this chain of activity that the duty on tobacco is passed from importers to consumers in the price the latter pay to smoke it.

The foregoing overlooks the possibility that demand for tobacco would increase from a lower price if no tax were imposed on its importation. Increased demand for tobacco could mean higher prices paid to colonial planters, thereby raising their income. Increased demand for tobacco would increase

the demand for shipping, insurance, storage, and employment in getting it to market. By raising the price of the product, the tax depresses income at every stage of its production, transportation, distribution, and consumption. This means that the tax is partly borne by shippers, sailors, importers, distributors, retailers, and planters in the form of lost income, apart from that borne by consumers. There is no systematic way to estimate the precise proportions of the burden, but it bears noting that it cannot be solely attributed to planters, importers, or consumers.

British trade regulations, known as the Navigation Acts, required all colonial tobacco to be shipped directly to Britain. Colonial tobacco consumed in continental Europe first had to be shipped to Britain, although most of the duty was rebated on reexportation. This restriction on marketing may have also reduced the potential income of colonial planters. However, planters enjoyed Royal Navy protection, which reduced insurance premiums on shipping, a global marketing network provided by British merchants, and access to British capital and credit. These benefits partly, perhaps wholly, offset any potential losses from trade restrictions. In the case of indigo, Parliament provided bounties to encourage its production and sale in Britain. The growth of output and its rising importance in South Carolina's economy suggest that bounties, a subsidy, were beneficial to producers.

A similar line of reasoning can be applied to each of the different taxes levied in the colonies. Take duties and excises imposed on liquor. Duties and excises are passed through to the final price paid by consumers. Higher prices due to the taxes reduce demand to some degree, which means less need for shipping, internal transportation, and retail outlets, reducing employment and income in those sectors. In the case of liquor, anecdotal evidence and statistics reveal an apparently insatiable thirst for beer, rum, wine, brandy, and other hard drinks, which suggests that consumers bore the brunt of the tax, even though it was collected from importers and retailers. Another consideration is that some of the liquor was purchased by sailors, foreign merchants, and other visitors in the principal port towns. There is no way to know the share of rum that was drunk by the inhabitants of, rather than visitors to, New York City. We can say that some portion of the tax on rum was exported.

The lack of systematic, reliable data precludes a comprehensive tabulation of total taxes paid to British or colonial tax collectors. Even more difficult is apportioning the burden of each tax, be it direct property, poll, income, and capital taxes or indirect duties, excises, and tonnage. In general, the most difficult taxes on which to assign burdens are British import duties on colonial products. The most straightforward are direct taxes imposed on wealth and income. In between are internal trade taxes. I comment on the likely burden of some specific taxes in attempting to estimate the share borne by the colonists.

The level of taxes in the colonies varied with the need for revenue. Periods of warfare with the French and Spanish and their Indian allies in the seventeenth and eighteenth centuries required substantially more money than during extended periods of peacetime. Often new taxes were added to the existing mix to pay the additional costs of defense. The amounts and composition of taxes in the colonies are correlated with periods of war and peace.

In addition to taxes that were levied to finance public expenditures, the colonists were also subject to a wide range of fees and charges for specific services. Examples include legal proceedings, securing land titles, conveying property, loading and unloading ships, marriage and divorce, and so forth. Religious dues or levies were of a similar nature, except when imposed on those who were not voluntary members of a congregation or who wished to follow a different religious path from that authorized by the legislature. These services provide private benefits to those who pay the stipulated fees. Fees stand in marked contrast to taxes, which support public purposes that provide benefits to most or all of a population, for example, having a militia to defend the colony against Indian uprisings or invasion, constructing roads and bridges, paying salaries of government officials, purchasing supplies, or providing stipends for representatives during sessions of the legislature. Fees paid to public officials for private benefits to cover the cost of the services rendered are comparable to payments to merchants for goods or services for private consumption. Including fees in the computation of taxes as some historians have done overstates the level of taxation. Of course, fees could be excessive and the colonists did what they could to minimize these charges. It is true that officials depended more on fees than taxes for their livelihood in the colonies than is the case in the modern era, in which fees rarely cover the full cost of private benefits and services that the government provides to individuals. One reason is that the scope of government was much more limited in the colonial era, reflecting the preferences of the colonists.

Population

A BRIEF NOTE on population is in order. In 2006 Cambridge University Press published a millennial edition of *Historical Statistics of the United States: Earliest Times to the Present.* Volume 5, Part E, "Governance and International Relations," includes a chapter on colonial statistics, edited and with an introduction by John J. McCusker.[5] The Cambridge edition is

[5] John J. McCusker, ed., *Historical Statistics of the United States: Earliest Times to the Present,* vol. 5, Part E, "Governance and International Relations" (Cambridge: Cambridge University Press, 2006), S-627–72.

a revised, updated edition of an earlier statistical abstract supplement published by the U.S. Bureau of the Census with the cooperation of the Social Science Research in 1960, *Historical Statistics of the United States: Colonial Times to 1957*.[6] Population figures for the colonial period in the 2006 edition appear in table Eg1-69, titled "Population, by Race and by Colony or Locality: 1610–1780."[7] Beginning with the year 1610 and ending in 1780, the table lists the total, white, and Negro decennial population in each of the thirteen colonies.

Three appendices at the end of this book present the annual total, white, and Negro population in each colony from the first reported decade of its founding through 1780. The years in between the decennial estimates are based on linear interpolations, which assumes an increase of one-tenth each year during each decade. Annual numbers were derived to estimate annual per capita taxes. Any difference in tax burdens for a specific year stemming from the choice of population figures from a different scholarly or historical source for that year will not materially alter the trends in these calculations.

No single book can cover the entire colonial experience. I am indebted to the authors of the thousands of articles and books that have been written about the thirteen American colonies, which have addressed a wide variety of topics. They include exploration and discovery, natural history and historical geography, land and boundaries, expansion, native Indian life, immigration, commerce and the economy, diet and health, religion and churches, county and town, prominent personalities, education, arts and letters, society, science and technology, philosophy, politics, war, law, architecture, holidays, popular life and recreation, crime and violence, slavery, intergroup relations, and the role of women. These topics help to inform the circumstances within which issues of taxation were framed, debated, enacted, assessed, collected, repealed, amended, evaded, or resisted. Where pertinent, aspects of these experiences have been incorporated into the treatment of taxation in colonial America.

[6] [U.S. Bureau of the Census], *Historical Statistics of the United States: Colonial Times to 1957* (Washington, DC: GPO, 1960). An updated edition was issued in 1975.

[7] The table appears on pages S-651–55. Documentation for the table appears on S-654–55. Sources of original data include reports of the colonial officials to the Lords Commissioners of Trade and Plantations, which were based on a census, militia lists, and tax lists. One of the leading sources that presents figures of population for twenty-eight specific years between 1625 and 1775 in some or all of the colonies is Evarts Boutell Greene and Virginia D. Harrington, *American Population before the Federal Census of 1790* (New York: Columbia University Press, 1932), 3–7. A broad variety of statistics on population to 1763, including distributions by age and sex, along with statistics and discussion on numerous other topics appears in Thomas L. Purvis, ed., *Colonial America to 1763,* Almanacs of American Life (New York: Facts on File, 1999), 128–67.