

Name:

Date:

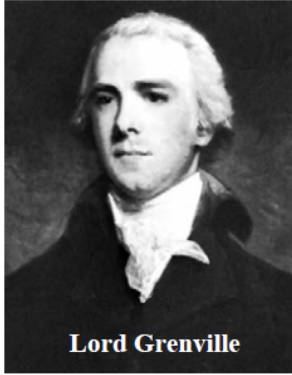
Great Britain's Evolving Tax Policies

Sir Robert Walpole, leader of the Whigs in the House of Commons, became chief minister to Kings George I and George II, a position he occupied until 1742. In this role, and during his service as First Lord of the Treasury and Chancellor of the Exchequer, Walpole became the primary architect of imperial colonial policy between 1714 and 1742. Relieved of the burden of global war with France, Walpole deferred to the wisdom of his personal motto, "Let sleeping dogs lie," when dealing with the North American colonies. He accepted the status quo, instituted few new policies, and scaled back the degree of official interference in colonial affairs, an approach that came to be known as "**salutary neglect.**" Walpole decided that forceful imperial rule only stood to interfere with his preference for a merchant-dominated empire based on trade.



Walpole's benign hand and deference to merchants fostered an already prominent trend toward legislative autonomy in the colonies. Prior to 1689, royal authorities and authoritarian elites wielded the upper hand in colonial politics. In the 18th century, as colonial societies grew and became more diversified, colonial politics tended to become more representative and slightly more democratic. The ideological influence of the Glorious Revolution complemented these demographic changes. Drawing on the example of the English Whigs, leaders of the American representative assemblies established the same committees that existed in the House of Commons. Foremost among the powers coveted by colonial legislatures was the authority to levy taxes. Control of taxation, in turn, served as a wedge to procure greater constitutional equity relative to a royal or proprietary governor. The connection was simple: Assemblies voted for taxes that paid the governor's salary, an important bargaining chip in negotiations over the control of patronage and the budget. Sovereignty over taxation and revenue also served to stymie the implementation of unpopular imperial edicts. Royal bureaucrats and absentee proprietors roiled at such insolence, but legislative autonomy became a fact of political life in the colonies. Of course, royal governors continued to exert their influence through control of patronage and land grants, but political authority gradually reverted to parochial leaders who controlled the assemblies. These assemblymen, in turn, marshaled local support to resist governors or royal bureaucrats.

In British politics, Walpole secured support for the Crown's policies through assiduous dispensations of patronage, pensions, and gifts. This strategy had a discernible impact on the royal customs bureaucracy in the colonies. The patronage system tended to fill colonial posts with mediocre officials concerned with their own enrichment rather than the integrity of imperial trade policies. Such men were more susceptible to bribes and less likely to challenge the will of local elites. Walpole's opponents in Parliament criticized the strategy he employed, claiming that it encouraged corruption and enervated the principles of constitutional monarchy established during the Glorious Revolution.



The Seven Years (French & Indian) War left the British government deeply in debt. Since much of that debt had been incurred while protecting the American colonies, Prime Minister George Grenville believed that the colonies should begin to carry a greater share of the empire's tax burden. Under Grenville's leadership, Parliament passed the Sugar and Stamp Acts. Previous mercantile restrictions such as the Navigation Acts had always technically been "regulatory" taxes, meaning that their primary goal was to channel commerce through Great Britain. However, the new tax laws passed under Grenville, were blatant examples of "revenue" taxes, which were primarily designed to raise money for the Crown. Colonists, long used to lax enforcement of tax laws, were suddenly saddled with a new kind of tax. At the same time, the colonial assemblies began to deride their lack of actual representation in Parliament. The slogan "No taxation without representation," became a rallying cry throughout the colonies. In this way, a growing division emerged between the political philosophies of the colonists, and those of Englishmen at home. While, at the time, Great Britain was the most democratic and progressive country in the world, many in the colonies began to reject the British concept of "virtual representation." This was the idea that all parliamentarians represented the interests of the entire British Empire rather than those specific geographic districts such as the colonies. Thus the colonists, while not initially challenging Parliament's right to govern the colonies, were able to reject these new taxes for both political and economic reasons.

Questions

- 1. Describe Walpole's policy of "salutary neglect."**
- 2. How might this policy be beneficial for both Great Britain and its colonies?**
- 3. On what grounds did Walpole's opponents criticize this policy?**
- 4. How did British economic policies under Lord Grenville change in the wake of the Seven Years War?**
- 5. On what economic grounds did the colonists resist new taxes such as the Sugar and Stamp Acts?**
- 6. On what political grounds did the colonists resist these taxes?**