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Locke on War and Taxes

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Locke saw the natural condition of humanity to be one of war. As Richard Cox pointed out, every assertion he made in chapter 2 of *The Second Treatise* about the state of nature being peaceful and law-abiding was contradicted and superceded in chapter 9 and 11.¹ Brough Macpherson thought the tension between the peaceful and warlike states of nature could be seen as a class war, harmony amongst the rational and industrious class and war against the idle and quarrelsome.² Macpherson's Locke was rather Eurocentric, and tends to ignore Locke's participation in the Royal Africa Company and in settlements in America. The function of war is to acquire slaves and land. Slaves are captives taken in a just war, and only Machiavelli was as indifferent as Locke to the distinction between just and unjust wars. Land as well as slaves can be acquired in a just war or a war that is somehow justified. "{T}he increase of lands and the right employing of them is the great art of government."³

Thomas Flanagan has argued, rightly in my opinion but contrary to Barbara Arneil and James Tully, that Locke's doctrine justifies the conquest of aboriginal lands in America.⁴

¹Richard H. Cox, *Locke on War and Peace* (Oxford: Clarendon, 1960).

² C.B. Macpherson, *The Political Theory of Possessive Individualism* (Oxford: Clarendon, 1964), 221-47.

³ Some editions of Locke's *Second Treatise* have "the increase of hands", not lands, "is the great art of government" because Locke argued that wealth comes from labour not land. See E. Andrew and L. Ward, 'A Note on Locke's "The Great Art of Government",' *Canadian Journal of Political Science* 42 (2009), 511-19; 521-23 for antithetical arguments in favour of lands or hands, the increase of which is the great art of government. The difficulty is compounded by the fact that in *The Second Treatise* labour is the source of virtually all wealth until vast accumulations of land made possible by the introduction of money "made Land scarce, and so of some Value" (2T45) but, in his economic tracts, Locke said that while money is barren, "land produces naturally something new, profitable and of value to mankind." (John Locke, *Locke on Money*, ed. Patrick Hyde Kelly [Oxford: Clarendon, 1991], 181, 256.

⁴ Barbara Arneil, *John Locke and America: The Defence of English Colonialism* (Oxford: Clarendon, 1996) argued that Locke opposed European conquest of the Americas on the basis of chapter 16 of the *Second Treatise* where Locke denies that the Norman conquest provided a warrant for the eminent domain of the crown with respect to property (where Locke inconsistently postulates a natural right of inheritance, whereas in chapter 6, he asserted a positive right of bequest) but ignores Locke's assertion (I.130-1) that Planters in the West Indies are entitled to wage war with family, friends, hired soldiers and slaves on Amerindians with all the fruits of just war. Locke scholarship would be much improved if Locke were not presented as a moral and political authority, as Arneil, Tully (*An approach to Political Philosophy: Locke in contexts*) and Flanagan (*First Nations, Second Thoughts*) tend to do.

However, my topic today is not the fruits of war in general but specifically the bloody wars attendant on the Bloodless Revolution, namely, the Nine Years War (1688-97) and the War of the Spanish Succession (1701-14), and the means Locke advocated to pay for them. All wars, with the exception of the Afghan and Iraq wars, have been paid for by higher taxes. The deficits run up during these wars precipitated a global credit crisis, which fortunately, for the principled Lockeians reluctant to pay taxes, has resulted in fiscal austerity measures eliminating social democracy in Europe and cutting back an economic and cultural role for the state in Canada. However, let us return to King William's and Queen Ann's Wars (as the Nine Years War and Spanish Succession were styled in the Americas) and Locke's taxation policy for these wars.

Taxation and Consent

Locke's doctrine of legitimate taxation is like Hobbes' wholesome pills for the sick, which when swallowed whole, have the virtue to cure but when chewed, are for the most part cast up again without effect. Thus John Dunn praised "Locke's great defence, in the *Two Treatises of Government*, of the right to be governed only with consent and to resist unjust power" and commended his vigorous insistence on the principle of no taxation without representation.⁵ However, Dunn indicated that Locke provided no instances of what he meant by express consent other than a landowner in a state of nature who voluntarily joins himself to a commonwealth and that Locke provided no clear answer to what constituted express or tacit consent "and it is a damaging lacuna in Locke's theory that there should be none."⁶ If those who live for a week in a country, or travel on its highways, can be said to have tacitly consented to obey the government (2T119), tacit consent is little different from compliance. If the antithesis of consent is coercion, then no government can be based on universal consent, since not only tyrannical governments force subjects to obey lawless edicts but also democratic governments force recalcitrant minorities to obey democratic legislation, and oligarchic governments force majorities to obey parliamentary rules when voters have a property qualification. Perhaps the clearest antithesis to consent is dissent in the form of armed resistance to government. But here Locke is slippery; if he elided individual consent with the consent of a majority of elected representatives, (2T88, 138, 140,142) he also elided an individual's right to armed resistance with that of a majority. "And where the Body of the People, or any single Man, is deprived of their Right, or is under the Exercise of a power without right, and have no Appeal on Earth, there they have an ability to Appeal to Heaven, whenever they judge the cause of sufficient moment." (2T168). One might think Locke distinguished between an individual right of armed resistance and the prudent exercise of that right --only when an individual has a substantial minority or a majority on side—(2T208). The individualist Locke maintained with respect to the decision to resist government with arms; "Of that I my self can only be the Judge in my own Conscience, as I will answer it at the great Day, to the Supream Judge of all Men" (2T21, also 2T168, 240, 241). The collectivist Locke vested power in the majority, whether that majority is comprised of all persons or limited to those with taxable estate (2T95-98, 242-43).

⁵John Dunn, *Locke* (Oxford: OUP, 1984), pp. 5, 52.

⁶John Dunn, "Consent in the Political Theory of John Locke," in *Political obligation in its historical context: Essays in political theory* (Cambridge: CUP, 1980), 40-41.

Thus, while praising Locke on taxation and consent in general terms, Dunn criticizes every detail of Locke's doctrine of taxation. Locke's "extraordinary elision between the consent of each property-owner and the consent of the majority" is unsatisfactory. If property right entails the right of each owner to withhold taxes unless he voluntarily gives a portion of his property to the state for protecting the remaining portion, no taxes could be legitimately levied by any government.⁷ Dunn concluded that if individual consent is essential for legitimate taxation, then "all taxes can only be specific gifts from particular subjects.... An air of massive bad faith hangs over this whole area of the argument." It was however precisely this idea of taxes as a voluntary gift that Pitt the elder derived from Locke and misled the Americans into rebellion.⁸

Consent and Representation

Although Locke appeared to think that taxes are a gift or a grant from proprietors, rather than a duty akin to the Christian tithe, he maintained (2T140) that "'tis fit everyone who enjoys his share of the Protection, should pay out of his Estate his proportion of the maintenance of it. But still it must be with his own Consent, *i.e.* the Consent of the Majority giving it either by themselves, or their Representatives chosen by them." Locke added (2T158) that "no part of the People" deserves parliamentary representation "but in proportion to the assistance, which it affords to the publick." John Simmons argued that Locke was here calling for the elimination of rotten boroughs, for geographical constituencies based on population and taxable wealth, and should be understood not as personal franchise requirements but as territorial requirements.⁹ John Dunn, although he was wrong in his contention that the poor do not pay taxes,¹⁰ provides a plausible rendering of Locke's position; "representation according to potential tax burden appears to be recommended."¹¹ Mark Knights has shown that Locke favored uniformity with respect to criteria for representation as he advocated in paragraphs 157 and 158 of *The Second Treatise*, and also interpreted Locke's annotations in his correspondence with his "college" (John Freke and Edward Clarke) to mean that the franchise be open to those who pay local rates and

⁷Ibid, 40-44. In C. B. Macpherson's view (*Possessive Individualism*, 252-55), the elision is comprehensible on the assumption that the class interests of the propertied outweigh individual differences with respect

⁸William Pitt (*The celebrated speech of a great commoner* [London, 1766], 6-7) cited Locke's view that taxes cannot be taken from individuals without their own consent and concluded that "taxes are a voluntary gift and grant of the commons alone." Pitt was celebrated with a statue on Wall Street and was frequently quoted by Americans, such as the influential writer, John Dickinson. Pitt meant that taxes were internal duties (excises) but thought external taxes, or customs were subject to the British parliament. Ben Franklin, John Adams, Thomas Jefferson and others agreed with Pitt on external versus internal taxes during the opposition to the Stamp Act but rebellious sentiments arose with the implementation of Pitt's distinction in the Townshend Acts of 1767..

⁹ A. John Simmons, *On the Edge of Anarchy: Locke, Consent and the Limits of Society* (Princeton: Princeton University Press, 1993), 95. Simmons does not explain why the criteria for territorial constituencies should be different from the qualifications of voters.

¹⁰ Dunn, "Consent", 45.

¹¹ Ibid, 47.

parish relief.¹² *The Two Treatises of Government* do not specify the criteria for the franchise, as does Locke's *Fundamental Constitution of the Carolinas* where Locke indicates that representatives are to be limited to those with 500 acres freehold, and the franchise limited to those with 50 acres freehold.¹³ Locke scholars have not held the same criteria to hold for the metropole as for the provinces.¹⁴

John Simmons distinguished "Locke's own theory, as he presented it" and "the *best version* of that theory," with some improvements based on the spirit not the letter of Locke's own theory.¹⁵ In making that distinction, Simmons avoids the error of some scholars who improve and democratize Locke without being aware of doing so. Robert Faulkner claimed that Locke was the first liberal democrat on the basis of his interpretation of Locke's views on taxation and representation in *The Second Treatise of Government*. Faulkner wrote that "No taxation without representation, however, proves to be Locke's most moderate formulation" derived from 2T140, whereas 2T138, 139, 192, 193 require the consent of individual taxpayers.¹⁶ Faulkner did not consider that perhaps Locke referred to English parliamentary practice where members of the House of Lords gave their individual consent to tax bills and the House of Commons voiced the views of elected representatives. Indeed, Faulkner ignored the House of Lords both as a legislative body and as part of the supreme judicial body (Parliament); he cited 2T97 to support his view that Locke precluded bicameral legislatures.¹⁷ Faulkner's democratic Locke "moves to extend participation in the legislature beyond taxpayers, with a vague gesture to even the

¹² Mark Knights, "John Locke and Post-Revolutionary Politics: Electoral Reform and the Franchise," *Past & Present* 213 (2011), 63, 70-2, 79-80.

¹³ John Locke, *Fundamental Constitution of the Carolinas* (London, 1670), 16.

¹⁴ The greater abundance of land in the American provinces would be a better ground for different property qualifications in England and America than that alleged by egalitarian interpretations of Locke, such as that of Jeremy Waldron (*God, Locke and Equality*, 203-05), namely, that Locke was writing as secretary to Shaftesbury in the *Carolinas* but for himself and the world in the *Two Treatises*. Locke revised his constitution for the Carolinas until 1682, after he wrote the *Two Treatises* during the fabricated Papal Plot and Exclusion Crisis of 1679-81 when Locke was the abject minion of Shaftesbury.

¹⁵ A. John Simmons, *The Lockean Theory of Rights* (Princeton: Princeton University Press, 4, 331.

¹⁶ Robert Faulkner, "The First Liberal Democrat: Locke's Popular Government," *Review of Politics* 63 (2001), 23.

¹⁷ *Ibid.*, pp. 27, 36-37. 2T98 refers to "the publick Assembly" but does not indicate that Parliament should be unicameral, or follow the practice of the English Commonwealth, in abolishing the House of Lords. John Simmons [*Edge of Anarchy* p. 199] reasonably asserted that "Locke. . . was also concerned to affirm. . . the legitimacy of at least some existing states (including his own, postrevolutionary state." Locke stated (2T138) that property is free from arbitrary taxation "where the *Legislative* consists, wholly or in part, in Assemblies that are variable", as in the House of Commons, but does not preclude the House of Lords, the power of which was anything but curtailed by the Glorious Revolution.

poorest.”¹⁸ If Locke were indeed the first liberal democrat, it would be surprising that he referred to the rational basis of representation as a restoration of “the old and true” legislature (2T158), namely, a parliament comprised of Lords and Commons. Or Locke’s letter to his friend, Edward Clarke on 8 February 8 1689 with respect to the parliamentary convention ratifying William of Orange’s succession, that Glorious Revolution had the effect of “restoring our ancient government, the best possibly that ever was if taken and put together all of a peice in its original constitution”¹⁹ would have been odd in the first liberal democrat. The Glorious Revolution was, for Locke, more a conservative restoration of pre-Stuart England than a bold revolutionary venture in liberal democracy.

Richard Ashcraft and Jacqueline Stevens did not think Locke’s stipulation in 2T158 that “the right to be distinctly represented, which no part of the People however incorporated can pretend to, but in proportion to the assistance, which it affords to the publick” excludes those without an estate because they perform military and labour services to the public.²⁰ Locke’s silence on the suffrage, Ashcraft concluded, was probably due to the fact that Locke’s fellow Whigs were divided on the subject.²¹ Ashcraft, Stevens and Martin Hughes think that because the poor pay indirect taxes (customs and excise duties), Locke’s principle of no taxation without representation implies universal suffrage.²²

Taxes and War

Locke’s economic writings, first written at the behest of his patron, Lord Shaftesbury, during the Second Anglo-Dutch War (1665-67) but published at the behest of Baron Somers, the

¹⁸ Ibid, p. 28.

¹⁹ *The Correspondence of John Locke*, ed. E. S. De Beer (Oxford, 1976), vol. 3, p. 545.

²⁰ Jacqueline Stevens, “The Reasonableness of John Locke’s Majority: Property Rights, Consent and Resistance in the *Second Treatise*,” *Political Theory* 24 (1996), 432. However, Locke did not emphasize, as did Hobbes and the Levelers, that military services must be voluntary. Nor did he hold that labour services are voluntary in the case of slaves in colonial America or, as Locke’s *Report to the Board of Trade* indicates, in the case of the unemployed able-bodied poor in England.

²¹ Richard Ashcraft, “The Radical Dimension of Locke’s Political Thought: A Dialogic Essay on Some Problems of Interpretation,” *History of Political Thought* 13 (1992), 759-68. Indeed, as Mark Knights (“John Locke and Post-Revolutionary Politics”, p. 63) writes, the “two proposals [*Some Observations* (1689) and *The Necessity of Parliaments* (1689)] both apparently from the Shaftesbury-Locke camp. . . advocated a universal borough franchise based on scot and lot taxation, and a raised county franchise.” Knights concludes (63) that Locke and his friends supported the uniform borough franchise but surmised from their silence that they opposed the raised county franchise that the Whig bill of 1679 proposed.

²² Martin Hughes, “Locke on Taxation and Suffrage,” *History of Political Thought* 11 (1990), pp. 423-42; Martin Hughes, “Locke, Taxation and Reform: A Reply to Wood,” *History of Political Thought* 13 (1992), pp. 691-702, pp. 691, 698; Richard Ashcraft concurs with Hughes’ view that universal taxpaying implies universal manhood suffrage in “The Radical Dimension of Locke’s Political Thought”, pp. 764-65; also Stevens, “The Reasonableness of John Locke’s Majority”, 433.

leader of the Whig Junto, during the Nine Years War (1688-97), insist that the entire tax burden falls on the landowners.²³ Since most of government revenue before and after the Glorious Revolution derived from customs and excise duties, which Locke did not deny, but wrongly asserted that merchants pass on customs and excise to landowners and labourers cannot pay taxes unless they pass them on in higher wages to the landowners. G. E. Aylmer wrote that Locke might well have wished to distinguish between direct taxation levied on individuals...and indirect levying of customs and excise duties, which was actually paid by merchants and wholesalers.”²⁴ Even if Locke had distinguished between direct (land and hearth) taxes and indirect (customs and excises), Locke was wrong both because customs and excises were not passed along to the landowners and because landlords frequently passed on their land taxes to their tenants, as Locke himself did.

We might understand Locke’s silly notion of voluntary taxes by contrasting the excise as coercive from the land tax as a negotiated settlement between landed gentlemen. The land tax might be more consensual than the excise for a number of reasons. The former is known by the person assessed; the latter is folded into the fluctuating price of commodities. The excise was first levied during the reign of Charles I and expanded during the English Commonwealth to fund parliamentary armies but became more onerous during the Restoration. The excise never became a major source of government revenue until the Restoration,²⁵ when it became the most routine and collectible of taxes, while simultaneously retaining its unpopular reputation as being born of standing armies and tyranny during the Commonwealth. Edward Hughes thought Locke’s distorted views on taxation derived from the fear of the connection between excise taxes and standing armies, a fear that was expressed throughout the eighteenth century.²⁶ In *A Letter from a Person of Quality, to his Friend in the Country* (1675), Locke and Shaftesbury wrote that a standing army was the means to raise illegal taxes and that the power of the peerage and a standing army “are like two Buckets, the proportion that one goes down, the other goes exactly up.”²⁷

In addition to the connection of excises to coercion, there is another sense in which the land tax could be said to be consensual. In Locke’s day, the land tax was rated by means of self-assessment and gentlemanly negotiations with fellow landowners. The professionalism of

²³ John Locke, *Locke on Money*, ed. Patrick Hyde Kelly (Oxford: Clarendon, 1991), 105, 272, 275, 554. *Locke on Money* includes *Some Considerations of the consequences of the lowering of interest, and raising the value of money* (1691), *Further Considerations concerning raising the value of money* (1695) and other writings.

²⁴ G. Aylmer, “Locke no Leveller”, in Ian Gentles, John Morrill and Blair Warden eds., *Soldiers, Writers and Statesmen of the English Revolution* (Cambridge: CUP, 1998), 317.

²⁵ Michael Braddick, *The nerves of state: Taxation and the financing of the English state, 1558-1714* (Manchester: Manchester University Press, 1996), p.10 pointed out that, although the excise was introduced during the Commonwealth, direct taxes on land and personal property constituted the majority of government revenues, whereas indirect taxes (excise and customs) constituted most of government revenues during the Restoration and after the Glorious Revolution, reaching an apogee during the reign of James II.

²⁶ Edward Hughes, *Studies in Administration and Finance 1558-1825* (Manchester: Manchester University Press, 1934), 118-21.

²⁷ *A Letter from a Person of Quality, to his Friend in the Country* (London, 1675), 19, 29.

excise collectors, so admired by Charles Davenant,²⁸ was scorned by Locke,²⁹ who like many landowners, preferred the collection of land taxes by country gentlemen who were more likely to accept the oaths of self-assessment made by the landlord.³⁰ Richard Bonney contested Locke's view that landowners are the sole taxpayer with his suggestion that "the costs of the English land tax were fundamentally borne not by the landlords, but by farmers and their labourers...."³¹ W. R. Ward wrote: "Land stewards were openly recommended to shift the land tax on to tenants where possible, and in parts of the north at least this counsel was accepted."³² Indeed, when Locke's land tax was assessed, he wrote to his friend, and Member of Parliament, Edward Clarke, who offered inducements to Cornelius Lyde, commissioner for assessment of the land tax, to have the assessment lowered; Lyde complied³³ and subsequently Locke employed him as a steward to collect rents and taxes from Locke's tenants.³⁴ That is, the land tax was in a sense more voluntary than the excise but it is untrue that landlords bore the sole burden of land taxes, as it is that they bore the sole burden of customs and excises.

Now why should Locke have written the misleading statements that landlords bear the sole tax burden? David Hume wrote:

There is a prevailing opinion, that all taxes, however levy'd, fall upon the land at last. Such an opinion may be useful in *Britain*, by checking the landed gentlemen, in whose hands our legislature is lodg'd, and making them preserve great regard for trade and industry. But I must confess, that this principle, tho' first advanc'd by a celebrated writer, has so little appearance of reason, that, were it not for his authority, it had never been receiv'd by any body.³⁵

Hume's view suggests that we should look at Locke's claim by virtue of its utility, rather than its truth. Locke's *Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money* made clear that "the Landholder[']s]...Interest is chiefly to be taken care of, it being a settled unmoveable Concernment in the Commonwealth" and that "the Landowner, who is the person, that bearing the greatest burthens of the Kingdom, ought, I think, to have the greatest care taken of him, and enjoy as many Privileges, and as much Wealth, as the favour of the Law (with regard to the Publick-weal) confer on him."³⁶ However, Locke wished to

²⁸ Charles Davenant, *An Essay on the ways and means of supplying the war* (London, 1701).

²⁹ *Locke on Money*, p. 274.

³⁰ Braddick, *nerves of state*, 96-97; John Brewer, *Sinews of Power: War, money and the English state, 1688-1783* (London: Unwin Hyman, 1989), 147.

³¹ Richard Bonney, "Revenues," in *Economic Systems and State Finance*, R. Bonney ed., (Oxford, 1995), 482.

³² Ward, *English Land Tax*, 23.

³³ *Correspondence of John Locke*, vol. 4, pp. 653-54 refers to Lyde compliance with Locke's wishes; vol. 5, p. 454; vol. 6, pp. 20, 63-64, 497; vol. 7, p. 493 refer to favours (career promotions for himself and his son) Lyde expected from Locke and Clarke.

³⁴ *Ibid*, vol. 5, pp. 438, 441, 554, 571, 583-4, vol. 6, pp. 57, 172; vol. 6, p. 288; vol. 7, pp. 18-19, 121-22, 170 and vol. 8, p. 260 made clear that Locke's tenants paid a percentage of the land tax.

³⁵ David Hume, "Of Taxes," *Essays and treatises on several subjects* (Edinburgh, 1753), vol. 4, p. 105.

³⁶ *Locke on Money*, pp. 241, 280; see also, pp. 103, 177, 527, 561.

marry the landed and commercial interests since he held trade to be the foundation of riches³⁷ and hoped that “Men in England, who have Land, have money too.”³⁸ Hume’s view that Locke’s position was untrue but useful; he commended the importance of trade to the landed class dominant in parliament, and indirectly deprecated restraints on trade, such as customs and excise duties.

Perhaps a more crucial consideration is that customs and excise constituted over 90% of James II’s revenue, and he was able to suppress the Monmouth Rebellion without asking for parliamentary appropriations.³⁹ Locke knew that country gentlemen, such as himself were reluctant to pay the land tax, and by postulating that all customs and excises were ultimately passed onto them, they might be less reluctant to pay direct taxes. Certainly, the landed interest in parliament would have a stronger inducement to scrutinize carefully all government revenues and expenditures if they were paying the land tax than if revenues derived from customs and excise duties that everyone paid. Charles Davenant, writing between the publication of Locke’s *Considerations* and *Further Considerations*, was a strong advocate of the excise tax as a more effective way than the land tax of supplying wars and also less onerous to the poor than capitation taxes and hearth taxes, also asserted that all taxes ultimately are born by landowners. Davenant shrewdly mentioned a political reason for the myth that landowners shoulder the tax burden: “They say, Land-Taxes, Polls and Customs, lye so heavy upon the Men of Interest and Figure in the Nation, that by such kind of Impositions, the Gentlemen of *England* will never enable a King to rule without a Parliament.”⁴⁰

Taxation was of paramount importance during wartime. Locke began writing his economic tracts during the Second Anglo-Dutch War and published them during the Nine Years War. During the former, Samuel Pepys wrote that “the true reason why the country gentlemen are for a land-tax and against a general excise is, because they are fearful that if the latter be granted they shall never get it down again; whereas the land tax will be so much, and when the war ceases, there will be no ground got by the Court to keep it up.”⁴¹

Locke was extremely worried that the French might win the Nine Years War and restore the Catholics Stuarts to the throne of England. Locke distinguished between the dissolution of society, brought about by foreign conquest, and the dissolution of government, brought about by Stuart usurpations of parliamentary supremacy (2T211). The conqueror (Louis XIV, not William of Orange) would not only replace a consensual society with coercion but also undermine the property titles that were the reason for the social contract. In 1695, Locke wrote Sir William Trumbull, Commissioner of the Treasury and part of the first Whig Junto, that if “the Kingdom will not be able to supply the Kings necessitys for the carrying on of the War: the consequences thereof are too visible as well as dreadful to be mentioned.”⁴² Whether or not as a result of

³⁷ Ibid, 104, 192, 212, 287.

³⁸ Ibid, 295.

³⁹ C. D. Chandaman, *The English Public Revenue 1660-1688* (Oxford: Clarendon, 1975), 20, 37-39, 76.

⁴⁰ Davenant, *An Essay on the ways and means of supplying the war*, 145

⁴¹ *The Diary of Samuel Pepys: Transcribed by Rev. Mynors Bright* (London: G. Bell, 1904), vol. 6, p. 48.

⁴² *Locke on Money*, p. 365.

Locke's urging, the only times the English landed classes paid a substantial minority of government revenues was when their property was threatened during the Nine Years War (1688-97), the War of Spanish succession (1701-14) and the Napoleonic Wars (1798-1815) when Pitt the Younger introduced the income tax.⁴³

If the land tax constituted a substantial minority of government revenues during the Nine Years War, it was a much more unreliable source of government revenue.⁴⁴ The Bank of England, to which Locke was an initial subscriber, was founded on the pledged taxes of customs and excises.⁴⁵ Locke as an investor favored the excise, as a political theorist, favored the land tax; he followed Peter King's advice that the best investments were "either by the Excise or Customes" and prudently invested in the certain returns of the excise taxes (the Bank of England, the wine tallies, the malt lotteries).⁴⁶

Conclusion

I have argued that the reason for Locke's "noble lie" was to restore parliamentary supremacy over the purse, which had been undermined by Charles II's and James II's reliance on customs and excise as habitual staple sources of government revenue, and to prevent a restoration of Stuart rule. As previously stated, Locke must have known he was misleading his readers in declaring the landlords the sole taxpayers because he was Registrar of the Excise during Shaftesbury's chancellorship, when he first wrote his economic works, and because his close friend and financial advisor, Edward Clarke, was Commissioner of the Excise and must have known about the source of government revenues. However, textual evidence will now be introduced to support my supposition. Locke did not provide reasons why landowners are the sole taxpayers besides his view that merchants will not accept taxes (but pass them on as higher prices to consumers), labourers cannot accept taxes (because they are living at subsistence and must pass on taxes as higher wages) and thus landlords must bear the tax load.⁴⁷ Locke's merchant who buys a bottle of wine does not pay the duty on it (as does the landlord) but passes it on in higher prices of whatever commodity he sells, and the labourer who buys a bottle of beer (for refreshment or because water was unsafe to drink) passes on the excise tax to landlords (but not to merchants) in higher wages was a figment of Locke's ideological imagination.⁴⁸ The

⁴³ Patrick O'Brien, "The Political Economy of British Taxation," *Economic History Review*, 41 (1988), 9.

⁴⁴ Beckett, "Land Tax of Excise", 294; Dowell, *History of Taxation*, vol. 3, 82; D. W. Jones, *War and Economy in the age of William III and Marlborough* (Oxford: Blackwell, 1988), 70.

⁴⁵ Henry Roseveare, *The Financial Revolution 1660-1760* (London, 1991), 36.

⁴⁶ *Correspondence of John Locke*, vol. 7, 149, 161, 174, 624, 705; vol. 8, 103, 161, 180, 186, 198-99, 267, 272.

⁴⁷ *Locke on Money*, pp. 275, 278, 559.

⁴⁸ Locke, in his economic tracts, has a crude class division of landlords, merchants, and labourers. Neal and Ellen Meiskins Wood amended this triad to landlords, tenant farmers and labourers to fit their portrait of Locke as an agrarian capitalist. Richard Ashcraft, "Radical Dimension of Locke's Political Thought", 713 pointed out that the Woods' triad is not the same as Locke's triad of landlords, merchants and labourers; "Moreover, Locke is able to find room in his society for 'workmen who are engaged in our manufactures', 'the thriving tradesman', as well as artisans and handicraftsmen." However, manufacturers, thriving tradesmen, and artisans do

reason Locke's premise was incorrect can be derived from Gregory King's estimates of national income in 1688 where 367, 000 tradesmen and artisans earned four to five times as much as the 313, 000 cottagers and paupers living on a cruel subsistence, 794, 000 in building trades earning three times bare subsistence, with seamen, miners, labourers, soldiers and out-servants faring less well but considerably better than the paupers and vagrants.⁴⁹ In short, the income of labourers is not so inelastic—a bare subsistence—that they cannot pay taxes as Locke alleged.

William Kennedy asserted that the seventeenth century was unique in taxing the poor and in producing “new and strange theories, some of which were put forward by important men, and one of which—the doctrine that the poor man does not pay taxes on necessities but shifts them in higher wages—came to have important practical influence, in the eighteenth century.... As Locke states it, the argument contains a piece of mere faulty logic, but its essence is that the labourer lives on the margin of subsistence and so cannot bear taxation and remains independent.”⁵⁰ Paul Langford correctly asserted: “Locke was much quoted for his view that all taxes of whatever kind fall on land, which bore the strain of ultimately even of customs and excise duties”, the landowners, who knew well the difference between a 1s. and a 4s. land tax” were unconvinced “by the demonstrably absurd reasoning about the effects of indirect taxation.”⁵¹

not fit into Locke's schema of merchants who will not pay taxes and labourers who cannot pay taxes.

⁴⁹ King's figures are taken from Jones, *War and Economy*, pp.74-75. Locke's *Report to the Board of Trade*, which Patrick Kelly indicated was too Draconian for his fellow Board members (*Locke on Money*, 104), advocated change in the Poor Laws by cutting down the subsistence level of the unemployed poor and forcing them to labour on this bare minimum. That is, the inelasticity of labourer's subsistence asserted in *Considerations* was disavowed in Locke's *Report*. A pamphlet contemporary with Locke's economic writings also asserted that the preservation of “the Nobility and Gentry” is “the greatest concern and Interest of the Nation” because “they bear all the Taxes and publick burthens”, despised the English Commonwealth for raising the wages of the “Wool-Workmen, (who liked much better to Rob, and plunder for half-a-crown a day, then toile at a melancholy work for sixpence a day)”. In order not “to weaken the Gentry”, wool workers “must live out of their labours at subsistence.” *Reasons for a Limited Exportation of Wool* (London, 1677), pp. 5, 8, 15. If workers lived at subsistence, as Locke and the anonymous pamphleteer thought, subsistence wages were highly elastic, indeed the product of a struggle of employers for higher profits and employees for higher wages..

⁵⁰ Kennedy, *English Taxation*, pp. 56, 61, 80-81.

⁵¹ Paul Langford, *the Excise Crisis: Society and Politics in the age of Walpole* (Oxford, 1975), 159. An example is William Pultney, Earl of Bath and later first minister, three times cited Locke's view that all taxes terminate on land (*The Case of the Revival of Salt Duty, Fully Stated and Considered* (London, 1732), pp. 48-50, 58) in opposing Robert Walpole's attempt to lower the land tax to a shilling on the pound but reviving the excise on salt, but inconsistently claimed that the salt tax hurt the poor (pp. 38, 54). Walpole's long and successful career was based on a steady lowering of the land tax and his frequent statements to the effect that the landed gentry were unfairly bearing the burden of taxation.

Conclusion

My argument has been that Locke's "noble lie" about landlords bearing the sole tax burden was an attempt to get the landed interest, which dominated English parliaments, to scrutinize government revenues and expenditures and to prevent routine passage of customs and excise appropriations that had enabled James II to expand the royal prerogative and suppress the Monmouth Rebellion without consulting parliament. The land tax, which the gentry were reluctant to pay, would give them an inducement for careful inspection and control of government revenues. Locke's view that landowners bear the sole burden of taxation also gave the Lords and gentry an enhanced motive to oversee government expenditures and debt.

Although Locke's economic writings were begun during the Second Anglo-Dutch War (when Shaftesbury declared Holland to be the Carthage that must be destroyed)⁵² they were first published after the Glorious Revolution at the behest of Baron Somers. Since wars raise taxes, Locke's economic writings serve to fund revenues to supply the bloody wars in Ireland and the continent attendant on "the Bloodless Revolution." Locke's apparent advocacy of supplying the war through land taxes was not successful in obtaining requisite revenues for the Nine Years War (1688-97). The war was paid for partly by the practice of clipping coins, which maintained domestic currency and enabled troop supplies,⁵³ a practice to which Locke was strongly opposed, and by customs, excise and land taxes.

Locke's economic writings support interpretations of the *Second Treatise* that Locke favored a property qualification for the franchise to maintain the balance of taxable property and representation, rather than universal suffrage. Locke's view that representation should be accorded in proportion to the assistance persons render to the public (2T158) could possibly be extended to the military or labour service provided by those without taxable estate but it is unlikely that Locke intended these services to be equivalent to supplying government revenues through taxes. Locke's discussion of representation in *the Second Treatise* is mainly linked to his theory of property right and consent to taxation.

Locke's theory that property right entails individual consent to taxation is the converse of the obligatory character of the Christian tithe, and may encourage the view that tax avoidance is a

⁵² Shaftesbury, Anthony Ashley Cooper, Earl of, *Delenda est Carthago, or the Lord Chancellor Shaftesbury's speeches in Parliament about the second war with the Dutch in 1672, and 1673* (London, 1712). Shaftesbury, at that time, denied that Charles II was in the pay of Louis XIV and also denied that the Papists, not the Dutch, were the true enemy, a position he totally reversed when he fell from office.

⁵³ Jones, *War and Economy*, pp. 228, 247-48. Joyce Appleby, "Locke, Liberalism and the Natural Law of Money," in J. O. Appleby, *Liberalism and Republicanism in the Historical Imagination* (Cambridge, Mass, 1992), pp. 58-89 pointed out a consistent ideological bias accounting for his erroneous views that interest rates cannot be lowered by governments and that coin must circulate at its bullion value—not at a rate set by the mint—; namely, that Locke did not any government to control commercial practices. We might add that Locke's theoretical preference for land taxes also evinced a desire to keep government agents from imposing themselves between the agreements of country gentleman in the rating of the land tax.

venial sin at worst.⁵⁴ Locke's doctrine of consent of the governed may be slippery, his view of the connection between taxation and representation may be inconsistent, but its very slipperiness and inconsistency allowed eighteenth-century thinkers in Britain and America to argue both for universal manhood suffrage and for a restricted franchise based on property qualifications.

⁵⁴For a convincing account of the seriousness of the problem of tax avoidance, see Ronen Palan, Richard Murphy and Christian Chavagneux, *Tax Havens: How Globalization Really Works* (Ithaca, NY, 2010), especially pp. 63-67 where it is shown how hundreds of billions are lost to the American treasury by offshore accounts. Richard Wilkinson and Kate Pickett, *The Spirit Level: Why more egalitarian societies always do better* (London, 2009) describe the effect of taxation policies in the English-speaking world in comparison with more egalitarian pre-tax regimes, such as Japan, or more egalitarian tax policies, such as in the Scandinavian countries, and conclude that if one wants to live the American dream, one had better move to Japan or Scandinavia.