

# To what extent does a fiscal-military analysis reveal the challenges Britain faced during the American War of Independence?

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## Background

- John Brewer introduced the concept of the fiscal-military state in his 1989 work *The Sinews of Power: War, Money and the English State 1688-1783*. Drawing on P. G. M Dickson's scholarship on British public finance and Charles Tilly's 'bellicist' model of state formation, Brewer goes on to argue how, between the Glorious Revolution to the end of the American War of Independence, Britain was able to shoulder ever more ponderous burdens of war with a radical increase in taxation and the use of public deficit finance (a national debt) on a heretofore unprecedented scale. Alongside these developments grew a sizeable bureaucracy dedicated to administering the fiscal and military matters of the state, the upshot being that the state became the largest single actor in the economy.

## What Is The Fiscal Military State?

- Brewer organises the fiscal-military state around the necessity to raise the wherewithal for war, whereby the state allocates much of its revenue to the naval and military departments or on interest payments on money borrowed for waging war. The term broadly captures any state where:
  - Warfare serves as a locomotive for administrative development, contributing to the growth of the extractive apparatus of the state.
  - There is a high incidence of taxation.
  - The state employs public deficit financing for warfare.
  - There is a high degree of bureaucratic centralisation to service debt.
  - The state undergoes bureaucratic rationalisation, usually along Weberian lines.
  - The government allocates a high proportion of its revenue to military-related matters.
  - The state itself is, in some capacity, engaged in a war.
  - The state relies on agents outside the government to procure goods and services.

## Methodology

- I relied heavily on a mixture of primary and secondary material during my research.
- Of particular help was a document on the public income and expenditure between 1688-1869 (*The Chisholm Report*), providing me with data on the spending on military, navy, and ordnance services throughout the war.
- William Cobbet's *Parliamentary History of England* compiled records of parliamentary proceedings, allowing me to understand better the internal struggles the British government faced during the war.
- A document reporting the illicit practices used to defraud government revenue highlighted the revenue problems the British state faced throughout the war, with smuggling regularly occurring during the American War.
- I also drew on newspaper articles throughout the period in order to get a better grasp of the public's reaction to the effects of the war. Specifically, newspapers illustrated how the public was wary of the growing national debt.
- In terms of secondary literature, I am greatly indebted to the work of Roger Morriss and David Syrett, both of whom provided me with detailed accounts of the bureaucratic inefficiencies that plagued the British state.

## Findings

Figure 1: Total Expenditure Allocated to Army, Navy, and Ordnances Services

Year	Total Expenditure (£)	Total Spending on Military, Navy, and Ordnance Services (£)	Percentage of Total Expenditure on Military, Navy, and Ordnance Services (%)
1775	10,364,780 6s 6d	3,879,264 13s	37.43
1776	14,044,667 2s 8d	7,541,048 1s 1d	53.69
1777	15,259,033 9s 7d	8,780,748 18s 8d	57.54
1778	17,939,800 12s 9d	10,983,456 3s 1d	61.22
1779	19,714,484	12,456,711 10s 9d	63.19
1780	22,605,250 16s 7d	14,868,152 3s	65.77
1781	25,810,412 9s 9d	17,063,022 6s 6d	66.11
1782	29,233,764 16s 5d	20,125,163 19d 5d	68.84
1783	23,509,713 11s 7d	13,667,041 1s 7d	58.13

- The American War Stretched the British Fiscal-Military State
  - **Effects on National Debt and Credit Streams:** Between 1775 and 1783, the British fiscal-military state showed signs of wear. It felt the strain of an ever-growing national debt as creditor confidence in the state's ability to repay its outstanding debt fell, making it difficult for the government to secure the low-interest loans it needed in order to finance its war abroad.
  - **Capturing Revenue:** The British fiscal-military state also faced the difficulty of both recapturing lost revenue and sourcing new and dependable revenue streams, compelling it to cast an increasingly expansive net in pursuit of greater financial inflows.
  - **Bureaucratic Malaise:** The state repeatedly found itself encumbered by a bureaucracy unfamiliar with the logistical requirements for fighting a war some five thousand kilometres away from the British Isles.
  - **Long-Term Effects of the American War:** While the American War did not per se bring about the collapse of the British fiscal-military state, it did bring attention to the extraordinary costs of maintaining it. The fiscal-military state itself collapsed because few were willing to defray its upkeep, replacing it with a more hands-off, laissez-faire approach to governance.

## Further Research

- A fruitful next step would be to provide the domestic face of the British fiscal-military state in greater detail, charting the American War's effects on the state's social apparatus and what implications this had for the average Englishman. Doing so would serve two purposes: first, providing a more granular analysis of the effects of the American War on British society; second, it would illustrate the extent to which fiscal-military institutions penetrated British society.
- I could also explore the American War's impact on Scotland and Ireland, providing a more holistic picture of the war's implications for the British Isles.