

NBER WORKING PAPER SERIES

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Working Paper 17206
<http://www.nber.org/papers/w17206>

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
July 2011

This paper was written for Douglass North's 90th Birthday celebration. We would like to thank Doug, Daron Acemoglu, Stanley Engerman, Joel Mokyr and Barry Weingast for their comments and suggestions. We are grateful to Dan Bogart, Julian Hoppit and David Stasavage for providing us with their data and to María Angélica Bautista and Leslie Thiebert for their superb research assistance. The views expressed herein are those of the authors and do not necessarily reflect the views of the National Bureau of Economic Research.

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What Really Happened During the Glorious Revolution?
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NBER Working Paper No. 17206
July 2011
JEL No. D78,N13,N43

ABSTRACT

The English Glorious Revolution of 1688-89 is one of the most famous instances of ‘institutional’ change in world history which has fascinated scholars because of the role it may have played in creating an environment conducive to making England the first industrial nation. This claim was most forcefully advanced by North and Weingast yet the existing literature in history and economic history dismisses their arguments. In this paper we argue that North and Weingast were entirely correct in arguing that the Glorious Revolution represented a critical change in institutions. In addition, and contrary to the claims of many historians, most of the things they claimed happened, for example parliamentary sovereignty, did happen. However, we argue that they happened for reasons different from those put forward by North and Weingast. We show that rather than being an instance of a *de jure* ‘re-writing the rules’, as North and Weingast argued, the Glorious Revolution was actually an interlinked series of *de facto* institutional changes which came from a change in the balance of power and authority and was part of a broader reorientation in the political equilibrium of England. Moreover, it was significant for the economy not because it solved a problem of credible commitment, but for two other reasons. First, because the institutional changes it led to meant that party political ministries, rather than the king’s private advisors, now initiated policy. Second, because these ministries were dominated by Whigs with a specific program of economic modernization.

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I. Introduction

“In many vital matters the reign of William the Third marked a dividing line between ancient and modern ways,” observed the financial journalist W. A. Steel in the pages of Macmillan’s Magazine, in the late nineteenth century. It was in that reign, he noted, that the English “gave a parliamentary basis to the monarchy, established the power of the House of Commons, and originated the idea of a homogeneous cabinet and a responsible ministry, laying thus the foundations of our political liberty.” The English lay the foundations for future economic growth during that reign as well, one illustration of which was “the clear understanding and steady prudence of the men who established a system of banking which in its leading features has seen little essential change from that time to the present.”⁴ In the view of this confident late Victorian the Glorious Revolution had started the process that would make Britain into the first modern nation.

This account of the decisive and innovative nature of the Glorious Revolution has long been disputed by specialists in both political and economic history. Scholars across the ideological and methodological spectrum have chimed in with a single voice. The Revolution of 1688, they all claim, was an act of recovery and conservation rather than one of innovation. The purpose of the Revolution of 1688-89, argues J. R. Jones, “was restorative and conservationist.” The revolutionaries in England, he affirms, “did not aim, like the dominant revolutionaries in France a century later, at transforming government, the law, society, and changing the status of all individuals who composed the nation.” John Morrill proclaims that “the Sensible Revolution of 1688-89 was a conservative revolution.” 1688-89 “was a ‘glorious revolution’ – in the seventeenth century sense of that word,” concurs Jonathan Scott, “because at last it restored, and secured, after a century of troubles, what remained salvageable of the Elizabethan church and state.” Hugh Trevor-Roper notes

⁴ William Anderson Steel, “The Founders of the Bank of England,” Macmillan’s Magazine. 70: 417 (July 1894), 184.

that since the Revolution “was essentially defensive, the product of determined resistance to innovation, it too was necessarily conservative.”⁵ Harry Dickinson remarks that “the latest works on the Glorious Revolution agree that it was a conservative settlement.” “Most scholars have reached a consensus,” chimes in Kathleen Wilson, “that the Revolution was largely an episode in patrician politics, unrelentingly ‘conservative’ in ideological, political and social effect.”⁶

This notion that the Revolution of 1688 was conservative, that it did little to change either the political arrangements or the economic trajectory of England, is widely accepted by economic historians as well. Gregory Clark suggests that the fact that interest rates did not fall discontinuously after 1688 demonstrates that “secure private property rights existed in England at least as early as 1600.” In fact, he argues that the increase in taxation after 1688 meant that “The Glorious Revolution had an immediate negative effect” on economic growth and that none of the political events of the 17th century had any impact on total factor productivity.⁷ Others, such as Nathan Sussman and Yishay Yafeh, follow Clark in seeing the interest rate evidence as demonstrating that the Glorious Revolution had no impact on either financial development or the economy and Stephen Quinn has argued that government borrowing after 1688 even drove up interest rates thus

⁵ J. R. Jones, “The Revolution in Context,” in Jones ed., Liberty Secured? Britain before and after 1688, (Stanford: Stanford University Press, 1992.), 12; John Morrill, “The Sensible Revolution,” in Jonathan Israel ed., The Anglo-Dutch Moment. (New York: Cambridge University Press, 1991), 103; Jonathan Scott, Algernon Sidney and the Restoration Crisis, 1677-1683. (New York: Cambridge University Press, 1991), 27; Trevor-Roper, Counter-Reformation to Glorious Revolution. (Chicago: University of Chicago Press, 1992), 246.

⁶ Howard Nenner, “Introduction,” in Nenner ed. Politics and the Political Imagination in Later Stuart Britain. (Rochester, NY, 1997), 1; Dickinson, “The Eighteenth Century Debate on the ‘Glorious Revolution’,” History, 61 (1976), 29; Kathleen Wilson, “A Dissident Legacy; Eighteenth Century Popular Politics and the Glorious Revolution,” in J. R. Jones (ed) Liberty Secured? Britain before and after 1688. (Stanford: Stanford University Press, 1992), 299.

⁷ Gregory Clark, “Political Foundations of Modern Economic Growth: England, 1540-1800,” Journal of Interdisciplinary History. 26:4 (Spring, 1996) 565. Gregory Clark, A Farewell to Alms (Princeton: Princeton University Press, 2007), 149, 241-242.

discouraging private investment.⁸ The idea that the Glorious Revolution made government financial policy more credible has been dismissed by Anne Murphy who insists that “the financial promises of the post-Glorious Revolution government were no more credible than those of previous Stuart monarchs.”⁹ The latest interpretation of the British industrial revolution by Robert Allen is similarly dismissive of the role of 1688. Allen addresses the view that it was “the Glorious Revolution of 1688 that consolidated parliamentary ascendancy, limited royal prerogatives and secured private property ... supposedly ... [creating] a favorable climate for investment that made the Industrial Revolution possible.” But he concludes that this view has “some weaknesses.” Interest rates, he notes, did not fall immediately after 1688 suggesting that there was no real change in the financial environment, that property rights had long been secure and taxes rose which was bad for incentives. Allen also points out the lack of a mechanism leading from 1688 to the industrial revolution or as he puts it “it was a long stretch from the excise tax on beer ... to Watt’s invention of the separate condenser.”¹⁰

In the midst of this emerging consensus, this view that the Revolution of 1688 mattered little, Douglass North and Barry Weingast published their pathbreaking “Constitutions and Commitment” essay in the pages of the Journal of Economic History. In many ways North and Weingast were reviving the late nineteenth century interpretation espoused by Steel and many Whig radicals before him. North and Weingast, however, added a good deal. Whereas the older story insisted that there were fundamental changes, North and Weingast offer an account of why these changes took place

⁸ Nathan Sussman and Yishay Yafeh “Institutional Reforms, Financial Development and Sovereign Debt: Britain 1690-1790”, Journal of Economic History, 66:4, (December 2006), 906-935. Stephen Quinn “The Glorious Revolution's Effect on English Private Finance: A Microhistory, 1680-1705,” Journal of Economic History, 61:3 (September, 2001), 593-615

⁹ Anne L. Murphy The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble. (Cambridge: Cambridge University Press, 2009), 5.

¹⁰ Robert C. Allen The British Industrial Revolution in Global Perspective. (Cambridge: Cambridge University Press, 2009), 5.

and they provided a new mechanism linking these changes to subsequent economic growth. They argued that “institutions played a necessary role in making possible economic growth and political freedom.”¹¹

In this essay we re-visit North and Weingast’s argument and the evidence supporting it. We argue that North and Weingast were correct in their belief that the Revolution of 1688 was a decisive turning point in the political and economic history of England (and later Britain)¹². However, we suggest that the causal account provided by North and Weingast is not substantiated by what actually happened in the wake of the Revolution. They characterized the Glorious Revolution as a change in the de jure institutions, alternatively ‘formal’ institutions, specifically emphasizing how this constrained the future actions of the king. In fact, the Revolution Settlement actually established very few new de jure rules or rights. Its only clear innovative characteristic – the exclusion of Catholics from the throne – appears to have very few long-term political or economic implications. Nevertheless, important institutional changes did take place. Rather than being de jure, the most significant of these were de facto, alternatively ‘informal’, in the sense that they emerged from in the context of a large change in the English political equilibrium which they greatly helped to consolidate and reinforce. This was important for the economy, but for different reasons than those proposed by North and Weingast.

¹¹ Douglass C. North and Barry R. Weingast, “Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England,” Journal of Economic History. 49: 4 (December 1989), 831

¹² We make no detailed attempt to defend this point here though we do suggest what we believe are some of the most significant elements of a convincing story: see also Daron Acemoglu and James A. Robinson Why Nations Fail (forthcoming New York: Crown, 2012).

II. North and Weingast's Argument

What then were the institutional innovations that in North and Weingast's view led to a transformation in England's political and economic fortunes? They start with the premise that the key impediment to economic success in the early modern period was that monarchies faced a commitment problem. Although it would have been advantageous for property rights to be secure monarchs could not commit themselves to respect property rights. This severely undermined people's incentives to invest. The inability to commit caused inefficiencies in a variety of contexts. For instance, the monarch often needed to borrow to finance wars, but could not because he could not commit to repay those that lent him money. This commitment problem could potentially have been solved in different ways. North and Weingast (1989, 804) note "A ruler can establish such commitment in two ways. One is by setting a precedent of "responsible behavior," appearing to be committed to a set of rules that he or she will consistently enforce. The second is by being constrained to obey a set of rules that do not permit leeway for violating commitments. We have very seldom observed the former ... The latter story is, however, the one we tell." For North and Weingast behavioral changes without institutional constraints are extremely unlikely to solve the commitment problem.

The view that North and Weingast develop is that the Glorious Revolution represented a change in institutions which "altered the incentives of government actors in a manner desired by the winner's of the Revolution" (804). By changing the 'rules of the game' that determined the costs and benefits of different actions by the king, the Glorious Revolution solved the problem of credibility because it was either not feasible or desirable for the king to renege on commitments after 1688. The Revolution of 1688 led to a "fundamental redesign of the fiscal and governmental institutions" which was mostly motivated by a desire to gain "control over the exercise of arbitrary and confiscatory power by the Crown" (804). The "Revolution settlement," they claim, "restructured the

society's political institutions." The Revolution, they imply, did not rely on a ruler "appearing to be committed to a set of rules that he or she will consistently enforce" (804) – i.e. virtuous behavior – but rather "constrained" the ruler "to obey a set of rules that do not permit leeway for violating commitments."

More specifically North and Weingast emphasize three "main features of the institutional revolution". The first is parliamentary supremacy and a "permanent role for Parliament" (816) and a situation where "the Crown no longer called or disbanded Parliament at its discretion alone." Second, Parliament gained central role in financial matters with the Crown kept on a short leash and Parliament gained "the never-before-held right to audit how the government had expended its funds." (816) Third, royal prerogative powers "were substantially curtailed and subordinated to the common law, and the prerogative courts (which allowed the Crown to enforce its proclamations) were abolished" (816). In addition the "independence of the judiciary from the Crown was assured" which judges no longer serving "at the king's pleasure" (816).

North and Weingast go on to emphasize that these new rules were self-enforcing because of a credible threat of removal of any Monarch who violated them. They point out that "the conditions which would "trigger" this threat were laid out in the Revolution Settlement, and shortly afterwards the Declaration of Rights" (816). They also note that at the same time 1688 did not create the opposite problem of parliamentary tyranny since "the institutional structure that evolved after 1688 did not provide incentives for Parliament to replace the Crown and itself engage in similarly "irresponsible" behavior." (804) In essence a balance of power emerged.

These new institutions served to "limit economic intervention and allow private rights and markets to prevail in large segments of the economy" (808). They had many ramifications, for instance they "significantly raised the predictability of government" (819).

III. What Really Happened?

Did the Revolution Settlement of 1689 instantiate the institutional changes that North and Weingast have stipulated? Did the Revolution Settlement guarantee parliamentary supremacy, allow Parliament for the first time to audit governmental spending, establish the supremacy of the common law, offer a new credible threat of removal against the king for malfeasance, and significantly raise the predictability of government?

Consider first parliamentary supremacy. Contemporaries and subsequent commentators have all noted that from 1689 onwards parliament has met every year. “We were” by 1700, recalled the Whig Bishop of Salisbury Gilbert Burnet, “become already more than half a commonwealth; since the government was plainly in the House of Commons, who met since once a year, and as long as they thought fit.”¹³ Julian Hoppit notes that “the Glorious revolution marked a sea change in the meetings of parliament.”¹⁴ “After 1689 there were sessions every year without fail,” Mark Knights points out, “and each session lasted longer, averaging 112 days, almost double the Restoration figure.” And the post-revolutionary parliament had a much larger set of legislative achievements. The average parliamentary session between 1689 and 1714 passed over twice the number of statutes than had sessions before the accession of William and Mary.¹⁵

Profound as this change was, it is difficult to maintain, as North and Weingast have, that new institutions contained within the Revolution Settlement constrained the crown to call parliament more regularly let alone annually. The Declaration of Rights, that document so central to the Revolution Settlement, merely stipulated that “Parliaments ought to be held frequently and

¹³ Gilbert Burnet, History of his Own Time. (Edinburgh: Hamilton, Balfour and Neild, 1753), Vol. IV, 359.

¹⁴ Julian Hoppit, “Patterns of Parliamentary Legislation, 1660-1800,” The Historical Journal, Vol. 39, No. 1 (Mar., 1996), 113.

¹⁵ Mark Knights, Representation and Misrepresentation in Later Stuart Britain. (Oxford: Oxford University Press, 2005), 12.

suffered to sit.”¹⁶ Even this was no new development, as many contemporary commentators were well aware. In Edward III’s reign, for example, parliament had passed a statute that called for Parliament to “be holden every year, or oftener if need be.”¹⁷ At the time of the Revolution, one Whig recalled in the 1730s, it was not judged “necessary, to the security and preservation of the subjects’ liberty” to insist on annual parliaments, much less elections every year or three years.”¹⁸ In the Bill of Rights, concurred Archibald Hutcheson two decades earlier, “among that long catalogue of grievances which precede the said declaration, there is not the least mention made of want of frequent elections, but only that parliament ought to be free.”¹⁹

The Revolution Settlement was no more innovative with respect to financial accountability. The 1624 Subsidy Act had included a financial oversight clause that was triggered in 1625. The Long Parliament successfully implemented a variety of forms of financial oversight, establishing the Committee of Accounts in 1644. After the Restoration of the monarchy in 1660, Charles II was forced to accept a new commission of accounts in 1667 that was explicitly modeled on the 1644 commission. After 1688, the government chose – but was not required to – provide the House of Commons with an annual estimate of its expenditures, though the Commons did create a statutory commission of accounts in 1691.²⁰

¹⁶ Journal of the House of Commons, 7 February 1689, Vol. 10, 22.

¹⁷ Archibald Hutcheson, A Speech made in the House of Commons, on Tuesday the 24th of April 1716. (London: J. Baker and T. Warner, 1716), 3-4.

¹⁸ An Address to the Free-Holders of Great-Britain. (London: J. Roberts, 1734), 46.

¹⁹ Hutcheson, Speech, 1716, p. 7; Clayton Roberts, “The Constitutional Significance of the Financial Settlement of 1690,” Historical Journal. Vol. 20: 1 (1977), 69. Roberts argues that no acts passed by Parliament in 1689 guaranteed frequent parliaments: it was the need for money.

²⁰ This paragraph relies on: Paul Seaward, “Parliament and the Idea of Accountability in Early Modern Britain,” in Maija Jansson ed., Realities of Representation: State-building in early modern Europe and European America. (Basingstoke: Palgrave Macmillan, 2007), 45-62; J. A. Downie, “The Commission of Public Accounts and the formation of the Country Party,” English Historical Review. Vol. XCI: 358 (January 1976), 33-51; Clifford B. Anderson, “Ministerial Responsibility in the 1620s,” Journal of Modern History. Vol. 34: 4 (December 1962), 381-389.

There was also no new legislation enjoining the supremacy of the common law at the Revolution. Again the Declaration of Rights did proclaim that “the commission for creating the late court of Commissioners for Ecclesiastical Causes, and all other commissions and courts of like nature, are illegal and pernicious.”²¹ But this was merely a restatement of old law. Parliamentary legislation in 1641 had eliminated the Courts of Star Chamber and High Commission, forbidding the future creation of prerogative courts.²² The Revolution Settlement, in the view of its more fervent defenders, had not created new legislative constraints upon the crown. What had changed, was Parliament’s ability to enforce already existing laws. The English had long held many “ancient liberties,” recalled Colley Cibber who had taken up arms in 1688, but they did not have “a real being, before the Revolution.”²³

Naturally James II’s dramatic political demise in the Winter of 1688-89 did provide a warning to future monarchs. But for English kings this was a refresher course, not a new lesson. James II’s father, Charles I, had not only lost his throne, but his head on 30 January 1649 for his alleged malfeasance in office. James II’s brother, Charles II, had faced innumerable rebellions, and a real threat of civil war in 1678-1681. And, of course, English political upheavals in the fifteenth century, so lovingly described in William Shakespeare’s history plays, surely did not teach kings they were invincible. James II’s deposition was indeed a stern warning. But it was hardly a new warning.

Far from making government more predictable, the Revolution of 1688 instantiated one of the most intensely polarized and unstable period in English and then British history. The Revolution gave birth to the rage of party. “Whig and Tory are as of old implacable,” commented

²¹ Journal of the House of Commons

²² Angus McInnes, “When was the English Revolution?,” History. 67: 221 (October 1982), 381-383. McInnes’s article emphasizes the minimal effect of much legislation passed between 1640-1660. He insists that the later Stuart kings were able to evade the legal restrictions that remained, but he does not deny that the prerogative courts were outlawed.

²³ Colley Cibber, An Apology for the Life of Colley Cibber. (London: R. and J. Dodsley, 1756). Fourth Edition. Vol. I, 50.

the poet and diplomat Matthew Prior in the 1690s.²⁴ “The heats and animosities grow everyday higher in England,” William Blathwayt wrote to his fellow Whig George Stepney: “parties very much animated against one another.”²⁵ The British were “a nation so divided into parties,” wrote the politically enigmatic former paymaster of the Queen’s forces James Brydges in 1714, “that no one is allowed any good quality by the opposite side.”²⁶ Party divisions cut deeply into British society. Party politics was not a game played only by a rarified metropolitan elite. “If an Englishman considers the great ferment into which our political world is thrown at present, and how intensely it is heated in all its parts,” the Whig journalist and future secretary of state Joseph Addison suggested in 1711, “he cannot suppose it will cool again in less than three hundred years.”²⁷ Robert Molesworth thought that the party divisions accentuated after the Revolution would “last as long amongst us as those of Guelf and Gibelline did in Italy.”²⁸ “A man is no sooner in England, he cannot set his foot over the border,” agreed Daniel Defoe in his Review, “but he falls a party-making, a dividing, a caballing.”²⁹ “The people of England, unhappily divided in their notions and in their politics,” chimed in the Church of England cleric Arthur Ashley Sykes, “that all and every step approved by one side is for that very reason disapproved by the other.”³⁰ “The general division

²⁴ Matthew Prior (London) to earl of Manchester, 13 November 1699, Beinecke, OSB MSS fc 37/2/67.

²⁵ William Blathwayt (Breda) to George Stepney, 21 July 1701, Beinecke OSB MSS 2/Box 2/Folder 32; William Blathwayt (Dieren) to George Stepney, 26 August 1701, Beinecke, OSB MSS 2/ Box 2/Folder 33.

²⁶ James Brydges to Nicholas Philpott, 29 September 1714, HEH, ST 57/11, 10.

²⁷ Spectator, 26 June 1711, No. 101, Vol. II, 11; Spectator, 9 July 1711, No. 112, Vol. II, 167; Spectator, 25 July 1711, No. 126, Vol. II, 250. All quotations from the 1758 Tonson edition.

²⁸ Robert Molesworth, The Principles of a Real Whig. (London: J. Williams, 1775), 6. This is a reprint of a 1711 work.

²⁹ Daniel Defoe, Review, 25 December 1707, Vol. IV, no. 136, 541.

³⁰ Arthur Ashley Sykes, The Suspension of the Triennial Bill. (London: James Knapton, 1716), 22.

of the British nation is into Whigs and Tories,” concluded Addison, “there being very few, if any, who stand neuters in the dispute, without ranging themselves under one of these denominations.”³¹

These party conflicts were not the staid, or ritualized contests, of twenty-first century industrial democracies. “It is most certain that no nation under heaven is so unhappy by means of our intestine quarrels and divisions,” asserted one English pamphleteer reflecting on a plethora of comment by European observers, “we hate one another, and are ready to cut one another’s throats.”³² This was no hyperbole; no rhetorical flourish. George Smalridge, the Tory Bishop of Bristol, thought there was “no other way of deciding the present quarrel between the parties” than by “a Civil War.”³³ In fact, far from making government more stable and predictable, the Revolution ushered in an age of remarkable instability. There were aborted rebellions in 1692, 1694, 1696, 1704, 1708 and 1722, and an all-out civil war in 1715. Even when elections generated relatively peaceful ministerial changes the financial markets took a beating. When the Tories took office in 1710, for example, Whig financiers refused to offer loans to the new government, setting off an international financial crisis.³⁴ The result was that foreign governments and domestic investors alike learned to be wary of radical policy shifts after each and every British election. The effect of party strife was not predictability but its opposite. “Our inconsistency in the pursuit of schemes,” concluded Joseph Addison, “has as bad an influence on our domestic as on our foreign affairs.”³⁵

While North and Weingast were right to insist on a radical change in English political behavior after 1688 – contemporaries echo their views that something profound had indeed

³¹ The Free-Holder, 24 February 1716, No. 19, p. 107; The Free-Holder, 25 June 1716, No. 54, 379.

³² An Epistle to a Whig Member of Parliament. (London: J. Roberts, 1716), 7.

³³ George Smalridge Bishop of Bristol to Sir Roger Mostyn, 8 October 1715, Leicestershire Record Office, DG7/Box 4950/Bundle 24.

³⁴ David Stasavage, Public Debt and the Birth of the Democratic State. (Cambridge: Cambridge University Press, 2003), 124.

³⁵ Joseph Addison, The Free-Holder, 15 March 1716, No. 25, 179.

changed – the mechanisms they have highlighted cannot have been the cause. Nothing in the Declaration of Rights, or in the Revolution Settlement of 1689, specified that parliament meet every year, created a new method for parliament to audit royal spending, provided new guarantees for the supremacy of common law courts, or provided new credible threats of removal against miscreant rulers. Nor did the Settlement instantiate more stable or predictable governments. The causes of England’s revolutionary transformation must be sought elsewhere.

IV. Evidence of Change

While North and Weingast may incorrectly specify the mechanisms generating England’s remarkable economic and political transformation in the late seventeenth century, they are right to believe that something changed. Upon reviewing a range of economic statistics from the seventeenth century, Sir Robert Walpole’s economic advisor John Crookshanks concluded that after the Revolution “the trade and interest of England had more security and encouragement than in all the preceding reigns.” There was, he said, “a Masterly Genius presiding for the advantage of England.”³⁶ The most obvious and most easily documented changes are in the political and legislative arena. We have already mentioned one very significant change, after 1688 parliament met every year. Figure 1 illustrates the significance of this by plotting the number of days per year between 1660 and 1715. Though early on after the Restoration Charles II did summon parliament and parliament sat frequently at very contentious times like the exclusion crisis of the late 1670s the picture shows a distinct structural change after 1688. Figure 2, using data compiled by Julian Hoppit shows another very significant innovation after 1688, the volume of legislation that parliament produced accelerated rapidly. This legislation dealt with many things that were important for the

³⁶ John Crookshanks (Twickenham) to Robert Walpole, 17 August 1724, Cambridge University Library, CH (H) Correspondence 1161.

economy. For example, soon after the Glorious Revolution the first Calico Act (1701) was passed to protect the English textile industries. Other important legislation had the consequence of allowing large reorganizations of property rights which greatly facilitated not just the rational use of farm land via enclosures but also sped up the construction of infrastructure, particularly the spread of canals and turnpike roads. Figure 3 using data put together by Dan Bogart illustrates that the increase in transportation legislation after 1688 did not just result in spilt ink. It also resulted in a rapid expansion of the transportation network.³⁷

After the Revolution Parliament, for the first time, became a primarily legislative body. This gave a very different dynamic to policymaking. One way of seeing this is the escalation of petitioning after 1688. Figure 4, based on information compiled from the Journal of the House of Commons, shows part of this. This figure records petitions received by the House per year and within all petitions identifies how many of them had some political economy content. We count a petition as having had political economic content if it concerned anything relating to the economic well being of the country, including petitions from any professional groups (brewers, weavers) merchant petitions, petitions over land and transportation - building a harbor or road, and into the 18th century, payment of army arrears. Many petitions focused on the economy, for example, attacks on monopolies took place via intense petitioning campaigns and parliament was responsive to these

³⁷On the volume of legislation see Julian Hoppitt “Patterns of Parliamentary Legislation, 1660-1800,” *The Historical Journal*, 39: 1 (Mar., 1996), pp. 109-131; On transportation see See Dan Bogart “Did the Glorious Revolution Contribute to the Transport Revolution? Evidence from Investment in Roads and Rivers,” Forthcoming *Economic History Review*; for evidence on the reorganization of property rights see Dan Bogart and Gary Richardson “Property Rights and Parliament in Industrializing Britain”, Forthcoming in *Journal of Law & Economics*, see also Rick Szostak *The Role of Transportation in the Industrial Revolution* (Montreal, 1991) for this argument.

campaigns.³⁸ The Figure shows vividly the take-off in petitioning after 1688 reflecting the new locus of authority and decision-making in British politics.

Critics of the thesis that the Glorious Revolution was an important change have focused on the two areas which North and Weingast themselves emphasized. The first is the stability of property rights and the second the interest rate evidence. We largely agree that 1688 did not change the security of property rights. The earl of Nottingham, no Jacobite, pointed out that “the liberties and property of the subject were as little infringed in the reign of King James as is in any other since the conquest except only in matters of religion” and in the arena of secular property little had changed since 1688.³⁹ But the fact that property rights were secure did not mean that economic policy was such as to promote economic growth. With respect to the interest rate evidence we believe that North and Weingast were themselves mistaken in pointing to falling interest rates as a key implication of their view. They deduced this hypothesis from the idea that default risk would reduce the supply of loans at any given interest rate, thus tending to increase the equilibrium interest rate relative to a situation with lower risk of default. However, the financial world of Charles II and James II was not one characterized by a competitive market where the interest rate changed to equilibrate the supply and demand for loans. Copious evidence in fact suggests that credit was rationed to the Stuart kings, since there was indeed a severe risk that they would default. With credit rationing the interest rate does not move to clear the market for loans. In financial terms what 1688

³⁸ On the role of petitions in the attack on the Royal Africa Company William Pettigrew “Free to Enslave: Politics and the Escalation of Britain’s Transatlantic Slave Trade, 1688–1714,” William and Mary Quarterly, 3d Series, Volume LXIV, Number 1, (January 2007); for a more general statement of the importance of petitioning and parliamentary sovereignty for economic policy see William Pettigrew “Some Under-appreciated Connections between Constitutional Change and National Economic Growth in England, 1660 – 1720,”; the responsiveness of the state is argued in Lee Davidson, Tim Hitchcock, Tim Keirn and Robert B. Shoemaker “Introduction: The Reactive State: English Governance and Society, 1689-1750,” in Lee Davidson et. al. eds Stilling the Grumbling Hive, (New York, 1992).

³⁹Earl of Nottingham, “Jacobitism,” ca. 1715, Leicestershire Record Office, DG7/Box 4960/ P.P. 149.

did was to relax this rationing of credit, but such relaxation should not show up in terms of lower interest rates but rather greater quantities of loans. That this was indeed the case is illustrated by Figure 5. That figure shows that while the Stuart kings were able to issue little debt, the monarchy after 1688 was able to borrow extensively. We believe therefore that the interest rate evidence is a red herring. A final telling piece of evidence that things changed after 1688 is represented in Figure 6 which shows government tax receipts per-capita between 1490 and 1815. This figure shows the rapid expansion of the English/British state after the Glorious Revolution. The idea that the revolution was “conservative” or “restorative” cannot be reconciled with this evidence of such a structural change in fiscal policy and the size of the state, as of course it cannot be reconciled with the structural shift in the meeting of Parliament and the outpouring of new legislation.

V. Why Things Changed

Why did these changes happen? Why did English men and women turn to Parliament as a source of redress so much more frequently after 1688? Why did Parliament legislate with so much more frequency after 1688? Why did Parliament sit twice as long on average after 1688?

The answer, we suggest, was not that the English parliamentary classes agreed to “some credible restrictions on the state’s ability to manipulate economic rules to the advantage of itself and its constituents.” The English did not in the wake of the Revolution agree to “limit economic intervention” (North and Weingast, 808). Instead, the changes after 1688 were caused by two inter-related factors. Most fundamentally, the Glorious Revolution did lead to a significant shift in power and authority to Parliament. This change set in motion a set of de facto institutional changes with very important consequences. These included Parliamentary sovereignty and changed the locus of decision-making with respect to both economic and foreign policy. Nevertheless, these changes in

themselves would not have amounted to what they did without the rise of the Whig party and the fact that it, and not the Tory party, dominated the newly empowered Parliament.

To understand what went on and what didn't go on during and after the Revolution of 1688 it is crucial to put it in the context of the entire way the political equilibrium was changing in England during this period. After two decades of remarkable economic growth in the later seventeenth century, England was becoming a more dynamic, more urban, and more commercial society. The Venetian Resident Alberti reported in the 1670s "That the City of London has never had so much trade as now." "We have increased more in trade" since 1665, noted John Houghton in his new economically-oriented periodical, "than it is possible any nation has done in like space." This impression of substantial late seventeenth-century English economic growth was confirmed by more statistically-minded contemporaries as well as later scholars.⁴⁰

⁴⁰ This is substantiated in Ch. 3 of Steven Pincus, The First Modern Revolution. (New Haven: Yale University Press, 2009); Daron Acemoglu, Simon Johnson and James A. Robinson "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth", American Economic Review, 95:3 (June 2005): 546-79. D. C. Coleman, Economy of England, 92, 135, 200-201; Douglass C. North and Robert Paul Thomas The Rise of the Western World: A New Economic History. (Cambridge: Cambridge University Press, 1973), 109, 113, 118; Jan de Vries, The Economy of Europe in an Age of Crisis. (Cambridge: Cambridge University Press, 1976), 17, 244-254; E. A. Wrigley, Poverty, Progress and Population. (Cambridge: Cambridge University Press, 2004), 44-67; Clay, Economic Expansion, 1: 3. From the 1630s England's population remained steady at around 5 million people. Francois Crouzet, A History of the European Economy. (Charlottesville: University Press of Virginia, 2001), 74; Alberti to Doge and Senate, 29 March 1675, CSPV, 380; Alberti to Doge and Senate, 23 November 1674, CSPV, 313-314; John Houghton, A Collection of Letters, 27 April 1682, 49; John Houghton, England's Great Happiness, 1677, 20; Abstract of a Representation of the General State of Trade, 23 December 1697, HEH, EL 9874, 1; Report of the Board of Trade, 23 December 1697, BL, Sloane 2902, f. 171v; W. E. Minchinton has claimed that "the Restoration was the economic exit from medievalism and the period 1660-1688 a period of commercial expansion": W. E. Minchinton ed., The Growth of Overseas Trade in the Seventeenth and Eighteenth Centuries. (London: Methuen & Co., 1969), 11.

The newly dynamic economy shifted the social balance. Manufacturers, urban dwellers, and colonial traders became much more wealthy. Most thought that as England became a nation of tradesmen and shopkeepers, there had been a shift of political power. John Aubrey was convinced that “the balance of the government [is] quite altered, and put into the hands of the common people.” Dr. Charles Aldworth, a fellow of the ill-fated Magdalen College, confided to his commonplace book that recently “the commons” had “got the riches of the nation in their hands by trade” and had thus become “a match both for Kings and Lords.” James II’s friend and loyal supporter Sir Edward Hales knew that as a result of “the great increase in trade since Henry VIIIth’s time,” the English people had achieved “an equality of riches” and therefore power. Sir Henry Capel argued in Parliament that political trust was placed where “there is most property,” and to him it was clear that “the property of England was in the Commons.” Significantly, this was the conclusion of memorandum circulated widely in James II’s court in 1685. “Trade and negotiation has infected the whole kingdom, and no man disdains to marry or mix with it,” the author of the memorandum contended, “by this means the very genius of the people is altered, and it will in the end be the interest of the crown to proportion its maxims of power suitable to this new nature come among us.” A variety of arithmetical calculations proved unequivocally that “trade is much the over-balance of the wealth of the nation, and consequently must influence the power for good or ill.”⁴¹ A large proportion of those who enjoyed this newfound political power were Whigs. The Whig party, formed in 1679-1680, demonstrated its newfound political might in its sophisticated campaign to exclude the Duke of York, the future James II, from the throne. So powerful had they become, that

⁴¹ Houghton, England’s Great Happiness, 1677, 19 ; Guy Miede, New State of England, (London: H. C., 1691), 2: 229; John Aubrey, Wiltshire Collections, c. 1670, John Edward Jackson (ed), (Devizes: Wiltshire Archaeological and Natural History Society, 1862), 9; Dr. Charles Aldworth, Commonplace Book, Essex RO, D/Dby Z56; Sir Edward Hales, “Treatise on Government,” 1692, AWA, Old Brotherhood Papers, Book III/258; Sir Henry Capel, 2 December 1689, Grey, 9: 469; Barnes, Memoirs, Longstaffe, 213; “An Essay on the Interest of the Crown in the American Plantations,” 1685, BL, Add. 47131, ff. 24-25.

many thought England was on the brink of Civil War in 1681. On the eve of the Revolution, then, rapid social change had altered the balance of property and therefore the political equilibrium in England.

James II responded dynamically to the changing sociology of power. He decided to shift the economic basis of royal power. Whereas previous English monarchs had based their authority on being the largest landowners in England, James realized this was an increasingly fragile economic foundation. James decided that England's economic future lay in the East and West Indies. This overseas element was crucial since the scope for unilaterally increasing taxation – taxation on a class whose rents were steadily declining -- within England was limited. To do so without the consent of parliament was impossible. Though James sought to pack parliament with his supporters to pass his religious legislation, he aimed to secure a permanent increase in his revenue by expanding and rationalizing England's overseas empire. He created the Dominions of New England and the West Indies, and sought with the aid of the director of the East India Company, Josiah Child, to create a Dominion of India based in Bombay. This new territorial empire, he believed, would allow him to split up the world with his French cousin Louis XIV. Louis XIV would rule over Europe, while James would have an English overseas empire. This new empire would fill James II's coffers with a minimum of parliamentary oversight. It was both the domestic and imperial projects that the revolutionaries cut short in 1688.

The immediate proximate outcome of the Glorious Revolution was that James's programs of absolutism both at home and abroad failed. William and Mary abandoned James II's grand plans to build a self-financing centralized empire. However, William and Mary were not constrained to abandon James II's grand imperial vision by the Bill of Rights or any other statutory element of the Revolution Settlement. Nothing in the Revolution Settlement stipulated the demise of the

Dominion of the New England or the West Indies; nothing demanded that Josiah Child's plans for a vast territorial empire in India be abandoned.

William and Mary also surrendered the right to collect customs for life. Since the reign of Henry IV, English kings had been granted the customs income for life on their accession. James II started to collect the customs before being granted it and announced "That some might possibly suggest that it were better to feed and supply him from time to time only, out of their inclination to frequent Parliaments; but that that, would be but a very improper Method to take with him."⁴² Persuaded by James II's promises not to alter the constitution in church and state, both Commons and Lords went along with it. In 1689, attitudes had changed. William wanted the customs for life but he only got it for four years.

Another interesting example of William and Mary's tacit surrender of rights comes from reduced use of the royal prerogative. Though the monarchy had lost the prerogative courts in the 1640s this had not stopped Charles II and James II using the royal prerogative to establish the Ecclesiastical Commission. And both sons of Charles I had also intervened in the judiciary to remove judges whose decisions they did not like. Yet William did not. Consider the seminal case of *Nightingale versus Bridges* in 1689 where Justice Holt ruled that overseas trading monopolies could not be created by the royal prerogative but only by parliament.⁴³ This was a significant blow to the power of the monarchy but William did nothing.

Why did these changes occur? Why did William (and Mary) accede to demands that James II had refused? The answer cannot simply lie in the personality of William III. William was no closet republican. In fact, he had come to come to power in the United Provinces in 1672 after a wave of popular anti-republican riots. He emerged as the Stadholder, or political leader of the United

⁴² E.A. Reitan "From Revenue to Civil List, 1689-1702: The Revolutionary Settlement and the 'Mixed and Balanced' Constitution" *The Historical Journal*, 13:4 (December, 1970), 572.

⁴³ Steven Pincus *The First Modern Revolution* (New Haven: Yale University Press, 2009), 385.

Provinces, only after the republican leaders John and Cornelius De Witt had been publicly lynched by Orangist (monarchist) mobs. William was, like his uncle James II, a Stuart with every reason to want a strong monarchy.

Scholars have treated the evident increase in parliamentary authority as a non-problem. Some have argued that in the wake of the Revolution, the parliamentary classes agreed to keep the king poor and it was this that was the basis of parliament's supremacy. Others have asserted that the English commitment to war after 1688 made parliamentary dominance inevitable.

Clayton Roberts has most forcefully developed the view that Parliamentary power was based on keeping the monarchy short of money even in peacetime. Contemporaries certainly made similar arguments. For example, while the new monarchs "pressed" to have the customs settled for life, "it was taken up as a general maxim, that a revenue for a certain and short term, was the best security that the nation could have for frequent parliaments."⁴⁴ This was no retrospective rationalization. A wide variety of members of parliament agreed, in the wake of James II's successful efforts to create an absolutist imperial state, that keeping the king "poor" was the best way to "necessitate him to call frequent parliaments."⁴⁵ Yet Roberts' own figures demonstrate that the only reason that William's revenues fell short of his expenditures was because he had allowed the Hearth Tax to be abolished in March of 1689 and because of a fall in customs revenues created by the outbreak of war with France.⁴⁶ So Williams' financial straits were self-inflicted.

The view that it was warfare which was the most significant determinant of parliamentary sovereignty after 1688 has many advocates and Jennifer Carter sums up this perspective by saying "In the 1690's the circumstances of the war gave Parliament an unexpected advantage over the

⁴⁴ Burnet, History, 1753, Vol. IV, 61.

⁴⁵ Some Remarks Upon Government. (London, 1689), 19.

⁴⁶ Clayton Roberts, "The Constitutional Significance of the Financial Settlement of 1690" The Historical Journal, 20:1 (March, 1977) 59-76.

Crown because the government needed money, and the political climate suggested to members of Parliament that they impose various limits on the powers of the Crown not contemplated in 1689.”⁴⁷ In essence this view is that the desire of William III to conduct a large-scale war with France meant that he had to call Parliament every year in order that they pass a Supply Bill. It was this that empowered Parliament and allowed it to introduce such innovations as auditing the King’s accounts.

Neither of these views is entirely satisfactory. Why did William agree to the abolition of the Hearth Tax that had brought James II an income of £200,000 a year? William himself told Sir George Savile the Marquis of Halifax that those who had persuaded him to give up the Hearth Tax wanted a commonwealth something William himself clearly did not want.⁴⁸ Why did he commit himself to fighting a war that would significantly constrain his freedom of action? English kings had fought wars for centuries without diminishing their powers. Louis XIV was not forced by the Nine Years War or the War of the Spanish Succession to cede much of his political authority. Why did the Nine Years War and the War of the Spanish Succession have radically different political effects in England? The answer to these questions is to be found in the party politics of the later seventeenth and eighteenth centuries.

While many Whigs and Tories agreed in late 1688 to put an end to James II’s absolutist imperialism, they had radically different visions of what to put in its place. The Tories wanted to dismantle the English fiscal-military state that had been growing by leaps and bounds since the 1640s. The Whigs wanted a big and interventionist state that would serve the interests of the new urban and manufacturing classes. The Whigs, in other words, wanted a state run by themselves and in their interests rather than an absolutist state. The Whigs, like most revolutionaries, wanted to

⁴⁷ Jennifer Carter “The Revolution and the Constitution” in Britain After the Glorious Revolution, ed. Geoffrey Holmes (London: St. Martin’s Press, 1969), p. 55.

⁴⁸ H.C. Foxcroft, Life and Letters of Sir George Savile, Bart., First Marquis of Halifax (London: Longmans, Green, and Co, 1898), II, 225.

capture the state. On most issues William III's sympathies were with the Tories. But, William's highest priority was to limit the growing power of Louis XIV. Only the Whigs were willing and able to provide William the resources necessary to fight the world's greatest power.

From the outset the Whigs had wanted to go to war with France. The party began to coalesce in the later 1670s, in part, to compel Charles II to go to war with Louis XIV. Andrew Marvell, John Locke, Algernon Sidney, the 1st earl of Shaftesbury, William Lord Russell – the first generation of Whig politicians – had all been passionate Francophobes. Louis XIV, the Whigs believed, was trying to achieve a universal monarchy. He was trying to become a world hegemon. Central to Louis XIV's strategy, they argued, was to take over the world's trade. This was why Jean-Baptiste Colbert had done so much to jump-start French industry. This was why the French had established high tariff barriers to exclude English manufactures from much of Europe. In order to make his subjects "sole merchants of all trades" Louis XIV placed "all manner of discouragements upon all foreign factories and merchants by difficulty in their dispatches, delays in point of justice, subjecting them to foreign duties and seizures, not suffering them to be factors in the French or any other nation but their own, and in case of death to have their estates seized as aliens." The net effect of these measures was predictably devastating for English merchants. England, which continued to import French luxury items without the large protectionist imposts that Louis XIV placed on English goods, began to run up a huge trade deficit. The result was "that in few years (if some timely expedient be not applied) all the money of this nation will be drawn into France." The conclusion was inescapable: "the French doth deal far more unkindly with us than the Dutch."⁴⁹

⁴⁹ The French Intrigues Discovered, (London: R. Baldwin, 1681), 5-6, 15; Slingsby Bethel, Observations on the letter written to Sir Thomas Osborne. (London: J. B., 1673), 11, 19; Popery and Tyranny: Or, The Present State of France. (London, 1679), 13; Slingsby Bethel, An Account of the French Usurpation Upon the Trade of England. (London, 1679), 6; Englands Glory By the Benefit of Wool Manufactured therein, from the Farmer to the Merchant; and the Evil Consequences of its Exportation Unmanufactured. (London: T.M., 1669), 8; The Reply of W. C.

War against France was a central aim of the revolutionaries and William had, since the 1670s, led the European struggle against Louis XIV. Even before William and his entourage had reached London in December 1688 -- even before it was clear that William and Mary would be offered the crown -- English men and women throughout the nation were convinced that they would finally go to war against France, that they would finally engage in the struggle against the aspiring universal monarch Louis XIV. The news of the Revolution “will be most of all menacing in France,” thought Sir Robert Southwell, “all our thunderbolts will light there besides what may fall from the rest of Europe. They have great desolations and inhumanities to account for and it looks as if Heaven were now disposed to send an avenger.” “This sudden revolution of affairs,” the Levant Company informed Sir William Trumbull, “may occasion a speedy breach with France.” The Dutch Ambassador Van Citters learned that “the City in the next Parliament will very strongly insist upon a war with France.” The directors of the East India Company reported in early December 1688 that “war against France” was “the most general inclination of the English Protestants of all qualities and degrees.” John Locke thought that no one in England “can sleep” until “they see the nation settled

(1685), 3-4, 6-7, 9-10; The Ancient Trades Decayed, Repaired Again. (London: T. N., 1678), 14-15. See also: Joseph Hill, The Interest of these United Provinces. (Middelburg: T. Berry, 1673), sig. N4v; Francois de Lisola, The Buckler of State and Justice Against the Designs Manifestly Discovered of the Universal Monarchy, Under the Vain Pretext of the Queen of France Her Pretension. (London: Richard Royston, 1673), 13; A Relation of the French King's Late Expedition into the Spanish Netherlands. (London: John Starkey, 1669), sig. A3r; “Marquis de Fresno's Memorial,” 20 December 1673, HEH, EL 8457; Roger Coke, A Discourse of Trade. (London: H. Brome, 1670), sig. B1v; A Free Conference touching the present state of England both at home and abroad. (London: Richard Royston, 1678), 48-49; Edmund Ludlow, “A Voyce,” Bodleian, Eng. Hist. C487, 1052; The Emperour and the Empire Betray'd. (London: B.M., 1681), 68, 71-72; Whig polemic drew heavily on a pan-European literature: Hubert Gillot, Le Regne de Louis XIV et l'Opinion Publique en Allemagne. (Nancy: A. Crepin-Leblond, 1914); P. J. W. Van Malssen, Louis XIV d'Apres les pamphlets Repandus en Hollande. (Amsterdam: H. J. Paris, [1937]).

in a regular way of acting and putting itself in a posture of defense and support of the common interest of Europe.”⁵⁰

Not all wars needed to be so expensive. Not all wars required a financial revolution to finance them. But, the Whigs argued, a war against the world’s greatest power required remarkable sacrifices. Such a war required new sorts of taxes and new sorts of financial instruments that could tap into the new wealth generated by the remarkable economic advances of the later seventeenth century. The Whigs maintained that the war was necessary whatever the cost. Sir John Lowther could not but admit the “extraordinary charge” of the war, but he pointed out this was because England had never before gone to war “with so potent a prince as the French King.” “I have always been of opinion that the French king is the most likely to trouble England,” the ancient Whig William Sacheverell testified, “and I doubt not but gentlemen will give a million in trade” to support the war effort. The Gloucestershire Whig and former political exile Sir John Guise responded to Tory complaints about the cost of the war by insisting in November 1691 that “when I voted for the war against France, I was in earnest, and I have not abated since the war.” “The taxes indeed fall heavy upon everybody,” wrote Anne Pye whose husband Sir Robert Pye had taken up arms in the Parliamentary cause and again in the revolutionary cause in 1688, “but considering the slavery we are freed from, I wonder people complain.” “We must do anything rather than be slaves to the French,” argued succinctly the Whiggish absentee Barbados planter Edward Littleton.⁵¹

⁵⁰ Sir Robert Southwell (Kingsweston) to Ormonde, 14 December 1688, Victoria and Albert Museum, Forster and Dyce Collection, F.47A.41, no. 28 (foliation illegible); Levant Company to Sir William Trumbull, 14 December 1688, BL, Trumbull MSS Misc 26, un-foliated (since re-catalogued); Van Citters (London) to States General, 30 November/10 December 1688, BL, Add 34510, f. 192v; EIC to General and Council at Bombay, 5 December 1688, IOL, E/3/91, f. 297r; Locke to Edward Clarke, 29 January 1689, De Beer, *Correspondence*, 3: 546; Locke (Whitehall) to Charles Mordaunt, 21 February 1689, De Beer, *Correspondence*, 3: 575-576. See also: London Newsletter, 28 December 1688, HRC, Pforzheimer/Box 10/Folder 5

⁵¹ Sir John Lowther, 31 March 1690, Grey, 10: 23; William Sacheverell, 22 March 1690, Grey, 10: 6; Sir John Guise, 19 November 1691, Grey, 10: 176; Anne Pye to Abigail Harley, 14 June 1689, BL,

The Whig war strategy was an expensive one. They believed that the only way to defeat Louis XIV, to put an end to his aspirations for world hegemony, was to defeat him on land in Europe and at sea. To defeat Louis XIV, who had an army of over 200,000 men at his disposal required an unprecedented exertion from the English state. It required a financial revolution. The Whigs felt the only way to meet the costs would be to support growth in the manufacturing sector. This was why the Whigs insisted upon the repeal of the hearth tax – a tax that hit the manufacturing sector the hardest. This was why the Whigs created the Bank of England against stiff Tory opposition. The Bank of England, as opposed to the Tory Land Bank, was designed not only to provide loans to the government to support the war, but also to provide low interest loans to manufacturers.⁵²

The Tories, by contrast, wanted a very different kind of war. While they detested the Francophilic policies of James II, they did not feel as threatened by Louis XIV's project to dominate Europe. Perhaps because they were less dependent on European markets for their livelihoods, the Tories wanted a short and cheap war that would have as its fundamental aim the prevention of a Jacobite restoration. For Tories the war was always about defending the regime change in the British Isles. The struggle on the continent was a peripheral concern. So, for Tories like Colonel John Granville, it was clear that “of your enemies, your chiefest, [is] King James.” Unsurprisingly, given

Add 70014, f. 232r; Edward Littleton, A Project of a Descent upon France. (London: Richard Baldwin, 1691), 24. Littleton produced two other Whiggish pamphlets on the war: Descent upon France considered. (London: Richard Baldwin, 1693) and Management of the Present War Against France Consider'd. (London: R. Clavel, et al, 1690). Abigail Swingen has highlighted the Whiggish aspects of his famous Groans of the Plantations: Abigail Swingen, The Politics of Labor and the Origins of the British Empire, 1650-1720. (University of Chicago Dissertation, 2007), 2: 271. See also: A Remonstrance and Protestation of all the Good Protestants... with Reflections Thereupon. (London: Randall Taylor, 1689), p. 15; Advice to English Protestants. (London: J. D. for Awnsham Churchill, 1689), 22; The Fate of France. (London: Richard Baldwin, 1690), sig. A2v

⁵² On party politics and the establishment of the Bank, see Alice Wolfram and Steven Pincus, “A Proactive State? The Land Bank, Investment and Party Politics in the 1690s,” in Perry Gauci ed. Regulating the Augustan Economy. (Ashgate, 2011).

this assessment, Tories were always far more interested in the course of the struggle in Scotland and Ireland than in the European war with Louis XIV.⁵³

Tories quickly seized on the immense cost of the war and the massive interruption in English trade. The Nine Years War was in fact larger than any previous English military commitment. The army ballooned to almost double what it had been under James II, and the naval forces were much more numerous as well. In all, England had on average over 115,000 men in arms during the Nine Years War. The average military expenditure was almost £5.5 million, or about 74% of the annual state budget. The average annual tax revenue during the war was about double what it had been before 1689. It was these kinds of numbers that made Tories and their political allies quick to insist that the country could simply not afford a massive continental war. “If you make not an end of the war this year,” insisted one of the most prominent Tories Sir John Trevor in November 1689, “I know not how we can supply another.” “I do believe that we cannot supply the war above a year longer,” chimed in the ancient and quirky William Garraway who had once again fallen in line with the Tories. The diehard Tory Sir Edward Seymour told the House of Commons that it was “mistaken” to believe that “England was in a condition to carry on the war for themselves and the confederates.”⁵⁴

For Tories, the remedy was increasingly clear: England should sever its continental commitments and adopt a blue-water policy. Such a strategy, the Tories argued, would be much less expensive, would allow England to protect its trade, and would obviate the necessity of relying on untrustworthy and perfidious allies. Sir Thomas Clarges had long insisted that “the strength of

⁵³ Colonel John Granville, 29 April 1690, Grey, 10: 96; Sir Thomas Clarges, 1 May 1690, Grey, 10: 107; Roger Morrice Entering Book, 27 April 1689, DWL, 31 Q, 546-547; Roger Morrice, Entering Book, 8 June 1689, DWL 31 Q, 568; A Smith and Cutler’s Plain Dialogue about Whig and Tory. (1690), 1.

⁵⁴ John Brewer, Sinews of Power, 29-40, 89; Sir John Trevor, 2 November 1689, Grey, 9: 393; William Garraway, 2 November 1689, Grey, 9: 392; Sir Edward Seymour, 2 November 1689, Grey, 9: 390.

England consists in our navy.” In the 1690s Clarges continued to defend a blue-water strategy in the war against France. By sending “all our force into Flanders” where Louis XIV was “irresistible” the only outcome would be to “ruin England.” “The most natural way” for England to fight the war, Clarges suggested, was “by sea.” The English should become “masters of America” rather than dominant in Europe. “As we are an island,” Clarges pointed out, “if the French have all the seventeen provinces [of the Dutch Republic and the Spanish Netherlands], and we are superior at sea, we may still be safe.” England’s “security,” agreed Sir Edward Seymour, was “to be found only in the fleet.” The new Tory ally Robert Harley agreed “that the sea must be our first care, or else we are all prisoners to our island.” Sir Richard Temple, who was a committed Tory after 1689, believed passionately that “it imports this monarchy to have a vigorous militia at sea both for defense, offense and commerce.” A land army, he thought, was unnecessary for England. Instead of alliances and conquests on the continent, Temple argued, “the enlargement of trade and Dominion of the Sea ought to be the proper object of our Empire.” Tory advocates of a blue-water strategy had coalesced around the notion “that England is not much concerned in the general fate of Europe,” “that the sea which divides us from the rest of the world is our safeguard against all dangers from abroad,” and “that when we engage in any foreign war, it is not so much for our preservation, as to make a show of our power.”⁵⁵

The Tories consistently initiated a series of legislative projects to make it difficult to finance the war. In 1693, for example, the Tories penned a bill, the Triennial Bill, to guarantee that parliamentary elections would be held at least once every three years. While scholars have usually

⁵⁵ Sir Thomas Clarges, 16 November 1685, Grey, 8: 366; DWL, 31 T III, 17; Sir Thomas Clarges, 19 November 1691, Grey, 10: 177; Sir Thomas Clarges, 21 November 1692, Grey, 10: 264; Sir Edward Seymour, 21 November 1692, Grey, 10: 271; [Robert] Harley, 21 November 1692, Grey, 10: 268; Sir Richard Temple, “An Essay Upon Government,” Bodleian, MS Eng. Hist. c. 201, ff. 6-7, 13; A Letter written to one of the Members of Parliament. (London, 1692), 2. The author is summarizing the position to criticize it; Charles Leslie, Delenda Carthago, 1695, 1

assumed that this was part and parcel of the Whig agenda, it was not. The Whigs wanted parliament to meet frequently both because that would make it easier for parliament to obstruct an arbitrary king and because frequent meetings made it much easier to pass social and economic legislation, legislation that would facilitate economic development. “It is not in the frequent elections of Parliament, but in their frequent sitting, that our safety consists,” one Whig pamphleteer put it pithily.⁵⁶ Tories introduced the bill into the House of Commons in 1693 and eventually forced it through because they believed no MP that had to face the electorate with any regularity would vote new taxes. At the very least, frequent changes of administration would make it difficult to undertake any grand and expensive projects. Frequent elections meant smaller government.⁵⁷

The Tories were not satisfied with the Triennial Bill. From 1691, the Commission of Accounts – meant to inquire into the finances of the war – took on an increasingly Tory character. The reasons were obvious: the Tories were interested in limiting government expenditure on the war.⁵⁸ In 1696 the Tories sought to limit the war effort by destroying the Bank of England. Harley

⁵⁶ An Epistle to a Whig Member of Parliament. (London: J. Roberts, 1716), p. 17; Arthur Ashley Sykes, The Suspension of the Triennial Bill. (London: James Knapton, 1716), p. 5.

⁵⁷ The architects of the Triennial bill were the Tories Robert Harley and Paul Foley, with substantial support from the Tory earl of Nottingham. It was the Tories who spoke against repeal in 1716, while the Whigs advocated repeal. Robert Harley, 28 January 1693, Narcissus Luttrell’s Diary, 28 January 1693, All Souls College, MS 158b, p. 309; Sir John Lowther of Lowther, 28 January 1693, Luttrell’s Diary, 28 January 1693, ASC, MS 158b, p. 310; Sir Thomas Clarges, 28 January 1693, Luttrell’s Diary, ASC, MS 158b, p. 310; Paul Foley, 28 January 1693, Luttrell’s Diary, ASC, MS 158b, p. 310; Robert Harley, 9 February 1693, Luttrell’s Diary, ASC, MS 158b, p. 344; Narcissus Luttrell’s Diary, 14 March 1693, ASC, MS 158b, p. 439; Exeter Mercury or Weekly Intelligencer, 17 April 1716, Issue LX, p. 4; Daniel Defoe, Some Considerations on a Law for Triennial Parliaments. (London: J. Baker and T. Warner, 1716), p. 12; The Alteration of the Triennial Act Considered. (London: R. Burleigh, 1716), p. 4; Walter Moyle to Horace Walpole, 20 April 1716, Memoirs of Sir Robert Walpole. (London, 1798), Vol. 2, p. 62; An Address to the Free-Holders of Great-Britain. (London: J. Roberts, 1734), pp. 46-47. Whigs from the first claimed that the Triennial Bill was a Jacobite plot to put an end to the war: Lord Falkland, 9 February 1693, Luttrell’s Diary, ASC, MS 158b, p. 346; Sir Charles Sedley, 9 February 1693, Luttrell’s Diary, ASC, MS 158b, p. 344.

⁵⁸ Angus McInnes, Robert Harley, Puritan Politician. (London, 1970), p. 44; Downie, “Commission of Public Accounts, pp. 33-51. Downie and McInnes disagree as to when the commission became a

and Foley, the same men behind the Triennial Bill and the Commission of Public Accounts brought in the bill to create the Land Bank and destroy the Bank of England.

Despite Tory victories in a variety of skirmishes, the Whigs determined the direction of English (and then British) policy in the decades following the Revolution. Whig ministers directed the war efforts in the Nine Years War and the War of the Spanish Succession. Whig institutions -- the Bank, the Land Tax, the new East India Company, the Duke of Marlborough's army -- provided the essential infrastructure for the war effort. Whig financiers provided loans at key moments. All of this had profound, indeed revolutionary, social consequences. Tories were convinced that the Whigs were the party of social revolution. Whigs supported the war, they believed, in large part because its escalating costs and increasingly punishing taxes was destroying the landed interest.⁵⁹ At the time of the Revolution, St. John later recalled, "the moneyed interest was not yet a rival able to cope with the landed interest, either in the nation or in Parliament." All that had now changed, St. John informed Orrery in 1709, because "we have now been twenty years engaged in the most expensive wars that Europe ever saw." "The whole burden of this charge," St. John was sure, was paid by "the landed interest during the whole time." The result was that "a new interest has been created out of their fortunes and a sort of property which was not known twenty years ago, is now increased to be almost equal to the *Terra Firma* of our island." According to St. John, "the landed men are become poor and dispirited."⁶⁰ Tory "lands" had paid for the Whigs wars, complained The

political tool. But what Downie sees as a coalition opposed to war spending is what we and others see as the basis of the new Tory party.

⁵⁹ The landed interest was, of course, in large part an ideological construct: see Julian Hoppit, "The Landed Interest and the National Interest, 1660-1800," in Hoppit ed., Parliaments, Nations and Identities in Britain and Ireland, 1660-1850. (Manchester: Manchester University Press, 2003), p. 84.

⁶⁰ Henry St. John, Viscount Bolingbroke, Letters on the Study and Use of History. (London: A. Millar, 1752), Letter 8, 267-268, 382-383; Henry St. John (Bucklebury) to Orrery, 9 July 1709, Bodleian, Eng. Misc. e. 180, ff. 4-5. While I agree on many issues with Isaac Kramnick, I dissent from his view that Bolingbroke's thought was shaped by the credit crisis of 1710 and the later South Sea Bubble. Bolingbroke's socialcritique was already manifest. Kramnick, Bolingbroke and His

Examiner.⁶¹ “Power, which according to the old maxim was used to follow the land, is now gone over to money.” “If the war continues some years longer” warned the authors of this Tory newspaper, “a landed man will be little better than a farmer at rack-rent to the army, and to the public funds.”⁶² This was not, in the Tory estimation, an unintended consequence of the Nine Years War and the War of the Spanish Succession. The cries for “supporting a common cause against France, reducing her exorbitant power, and poising that of Europe in the public balance” were “specious pretences” of the Whigs to allow them to pile “taxes upon taxes, and debts upon debts” so that “a small number of families” could gain “immense wealth.” “In order to fasten wealthy people to the New Government” the Whigs, according to The Examiner, had “proposed these pernicious expedients of borrowing money by vast premiums, and at exorbitant interest.”⁶³

The Whig war strategy had succeeded in turning the British social world upside down. “The effects of frequent parliaments and of long wars,” Henry St. John mourned, was “the departing from our old constitution and from our true interest.”⁶⁴ The authors of The Examiner later drew a verbal picture of the social revolution that had taken place. “Our streets,” they complained, “are crowded with so many gay upstarts” that they “outshine our quality in furniture and equipage. Our English gentry with the antiquated bodies and virtues of our forefathers, are perfectly lost in a blaze of meteors.” This was bad enough. But Britain’s natural rulers not only faced competition in the world

Circle. (Cambridge, MA: Harvard University Press, 1968), 63-64. Dickinson is surely right to read this letter as expressing “the views of the Tory squires.” H. T. Dickinson, Bolingbroke. (London: Constable, 1970), 69.

⁶¹ The Examiner, 24 August 1710, no. 4, [1].

⁶² The Examiner, 26 October-2 November 1710, No. 14, [1].

⁶³ Bolingbroke, Letters on the Study and Use of History, 1752, Letter 8, 341-342; The Examiner, 31 August- 7 September 1710, No. 6, [1]; The Examiner, 26 October – 2 November 1710, No. 14, [2].

⁶⁴ Henry St. John (Whitehall) to Orrery, 12 June 1711, Bodleian, MS. Eng. Misc. e. 180, f. 85r. He later elaborated that “the state is become, under ancient and known forms, a new and undefinable monster, composed of a king without monarchical splendor, a senate of nobles without aristocratical independency, and a senate of commons without democratical freedom.” Letters on the Study and Use of History, 1752, Letter 8, 387.

of the beaux monde. They also risked being replaced. “We have seen footmen removed from behind the coach into the inside, and the livery left off for the laced coat,” observed the authors of The Examiner chillingly, “princes have been made out of pages, chancellors out of clerks, and the white staff and blue ribbon bestowed as playthings upon the lackey and by-blow.”⁶⁵ No wonder the Whigs had “a rage of warring.”⁶⁶

The Tories wanted a cheap war that would make the state unnecessary. They hoped to fight a sea war that would pay for itself. By the early eighteenth century, the Tories thought that seizing a territorial foothold in South America and access to the fabulous wealth of the South American silver and gold mines, would allow them to pay off the war debt and make further increases in state finance unnecessary. Britain could once again be governed by a landed elite supported by a territorial empire. The Whig war strategy, by contrast, required a large redistributive state. The Whigs wanted to stop French expansionism. But they hoped to do that by prying open European and Spanish American markets for British manufactured goods. They were happy to spend and spend to defeat the French, especially as the expenditures would help to support new and burgeoning British industries.⁶⁷

Had the Tories dominated politics in the decades after the Revolution, English (then British) state and society would have looked very different. Both Whigs and Tories, it is true, were interested in making sure that no future James IIs could come to power. Both Whigs and Tories agreed to put an end to the possibility of royal arbitrary government. But the Tories would not have fought a series of incredibly expensive wars against France. The Tories would not have created the Bank of England, an institution that provided crucial loans to new manufacturing initiatives. The

⁶⁵ The Examiner, 9-12 January 1713, Vol. III, No. 15, [2].

⁶⁶ Bolingbroke, Letters on the Study and Use of History, 1752, Letter 8, 381-382.

⁶⁷ These points are substantiated at greater length in Steve Pincus, “The Pivot of Empire: the Sir John Neale Lecture,” in Jason Peacey ed. Rethinking the British Empire in the Augustan Age. (forthcoming).

Tories would not have wanted a standing parliament that could legislate over such a wide swath of social and economic life. The Tories would not have passed the series of turnpike acts, for example, that did so much to improve Britain's economic infrastructure. The Tories, in effect, would have created – or tried to create – a vast territorial empire with a remarkably small state. That this did not happen, that the Whigs were able to seize the political initiative after 1688, had a great deal to do with the shifts which had already taken place in the sociology of power prior to 1688.

These arguments suggest that the right way to think of the Glorious Revolution is of a series of inter-linked institutional changes which took place in the broader context of a re-orientation of the political equilibrium of England. The conflict stopped in its tracks the absolutist project that had started with Charles II and intensified with James II, but it did not just do this. It did not simply re-create a status quo ante or constrain future kings from doing the sort of thing that Charles and James had tried to do. Rather it led to a permanent increase in the power and authority of Parliament. Some like Lois Schwoerer would argue that this increased power was manifested in the change in the oath of office the king had to make and in the fact that Parliament had changed the order of succession, both part of the de jure process which generated the Declaration of Rights.⁶⁸ Such a view would be consonant with that stressed by North and Weingast. But we have argued that it is very difficult to tie any of the significant changes to any clauses of the Declaration or subsequent Bill of Rights. The Glorious Revolution was not significant because it was a change in the de jure rules, but it was important in helping to cement a change in the distribution of power in the country. We have shown that this change was manifested in many ways, via William not trying to assume the collection of customs for life, in the reduced use of the royal prerogative and in the adoption of policies, such as the repeal of the hearth tax, which William clearly did not like.

⁶⁸ Lois G. Schwoerer The Declaration of Rights, 1689 (Baltimore: Johns Hopkins University Press, 1981)

This change had very significant consequences for institutions. The emergence of Parliamentary sovereignty changed the way that economic and foreign policy got made. Policy now responded to different interests both inside and outside Parliament. In 1678 Parliament had tried to make Charles II go to war. It failed. In March and April of 1689 an address to the House of Commons urged William to go to war before he wanted to. William tried to get the address suppressed, but Parliament now got its way.

What enforced this de facto institutional change? It is possible that the key role here was played by the threat of revolution “off the equilibrium path”, but we have argued that this seems too blunt a tool to have really worked and anyway had long been present. The Revolution Settlement did not define what constituted a violation sufficiently egregious to warrant revolt and didn’t even create a mechanism by which parliament could constitute itself if the king failed to call it. William vetoed laws and even prorogued parliament when it looked like it might pass legislation he didn’t like. Why didn’t that trigger revolt? An alternative hypothesis about what made these changes self-enforcing is that it was the juxtaposition of William’s need for financial resources and the intensified warfare which England embarked on after 1688. But as we have argued neither the financial argument nor war on their own seem sufficient to explain the changes. Moreover, neither mechanism would have operated without the shift in authority to Parliament which after 1688 induced William to abolish the Hearth Tax and called the shots on foreign policy, including the decision to initiate war. They also would not have operated without the dominance of the Whig party which wanted an expensive war and greatly expanded role for the state. Nevertheless, the exact nature of the changes that made the new set of institutions self-enforcing needs a great deal of further research.

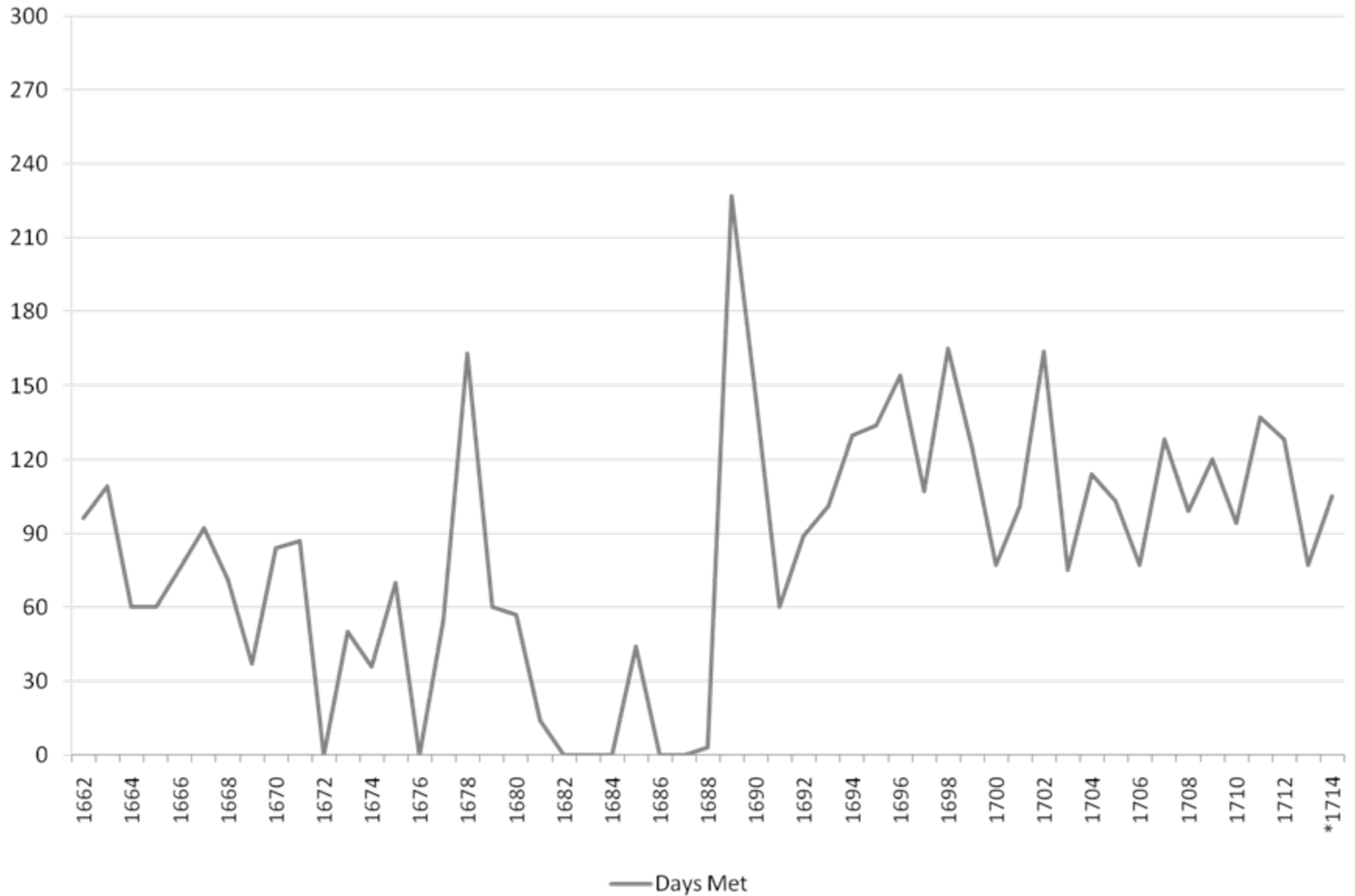
VI. Conclusions

In this paper we have argued that contrary to the consensus view of political and economic historians, North and Weingast were correct to emphasize the importance of the Glorious Revolution as a significant institutional change. They were right that this represented part of a dramatic shift in the political equilibrium of England (then Britain). What they have described imprecisely was the nature of this shift and the mechanisms via which it transformed the economy. We have argued that the shift was not one of re-writing the de jure rules of the game, as they characterized it, but was rather a change in the distribution of power in favor of Parliament which had important consequences for de facto institutions. An important component of these changes flowed from the fact that Parliament came to be dominated by the newly dynamic manufacturing middle classes. However, the importance of this change for future economic growth did not stem from the fact that it established a credible commitment to property rights. We agree with other scholars that though the Stuart monarchs had attempted to intervene in the economy and judiciary, there was not a sufficiently broad threat to property rights to hold back investment or innovation.⁶⁹ We also do not believe that the Revolution was important because it led to a balance of power between the legislature and executive or because it led to stability or a small state. Rather, the Revolution was important because the new political equilibrium featured parliamentary sovereignty and parliament was to be dominated by the Whig Party for the coming decades. This had several momentous consequences. The first set flowed from parliamentary dominance itself with the consequent switch in the nexus of authority. This led to very significant policy changes because party political ministries, rather than the king's private advisors, now initiated policy. Since party ministries depended on public support to stay in power, they were necessarily more responsive to

⁶⁹ A caveat to this argument though is that had James II succeeded in his attempt to build an absolutist state, property rights might have got a lot less secure.

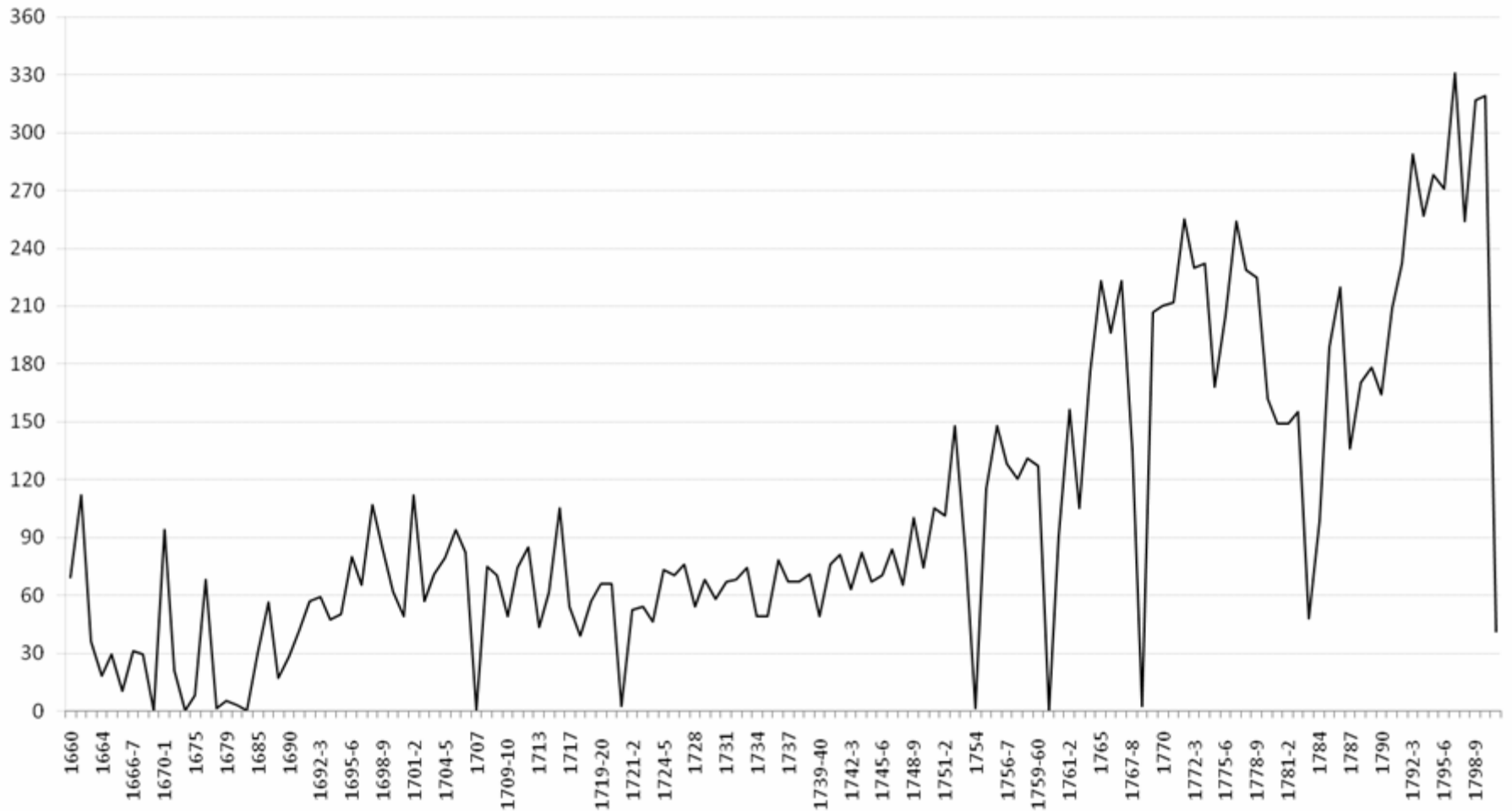
public pressure. After 1688 party politicians rather than the king set the economic agenda. The second set emanated from the Whig dominance because it meant that the economic program of the Whigs began to get implemented. That program was intentionally designed to accelerate growth and the manufacturing sector.

Figure 1: Number of Days per-year that the House of Commons met, 1660-1715



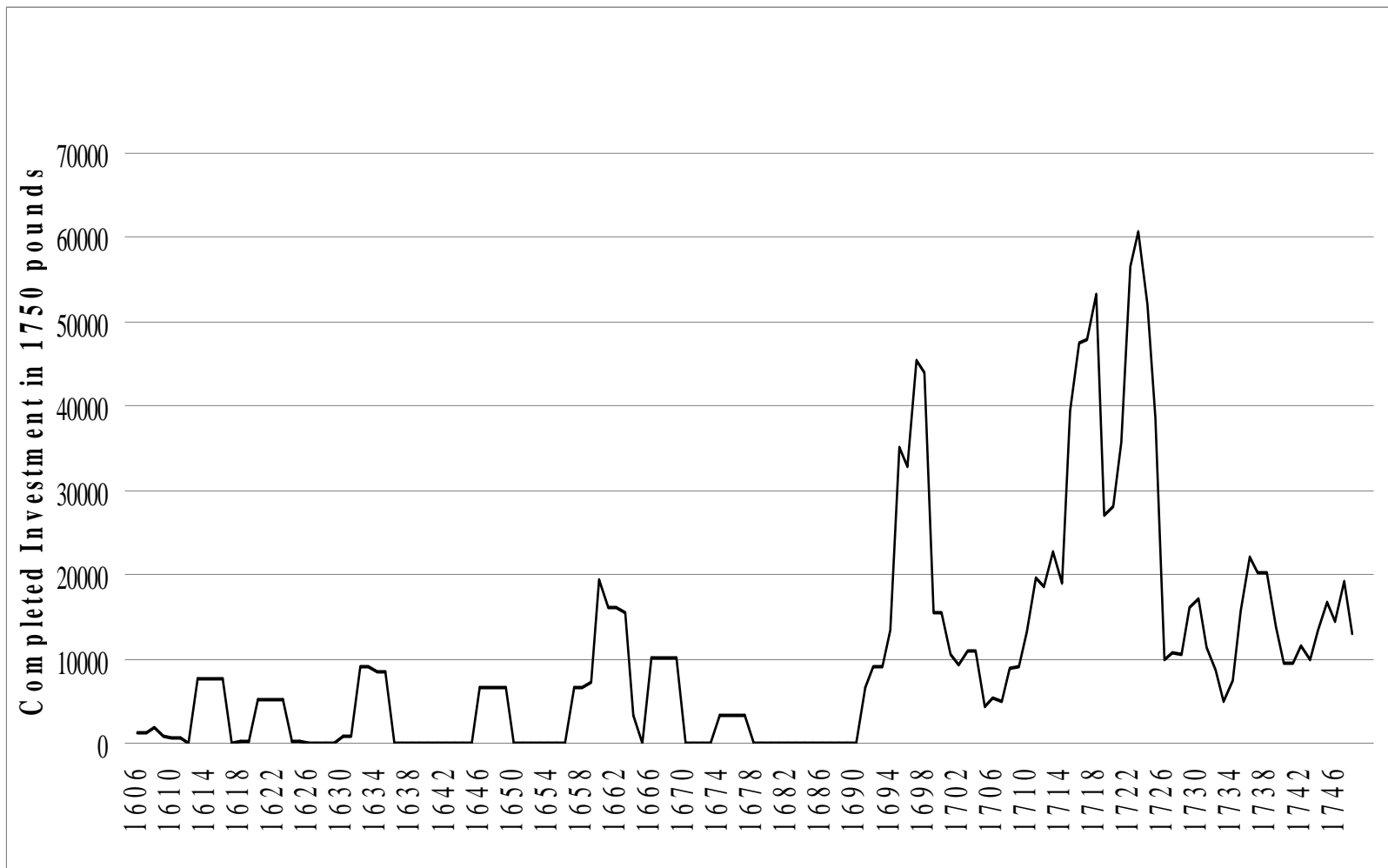
Source: Authors calculations from the Journal of the House of Commons.

Figure 2: Amount of Parliamentary Legislation per year, 1660-1798



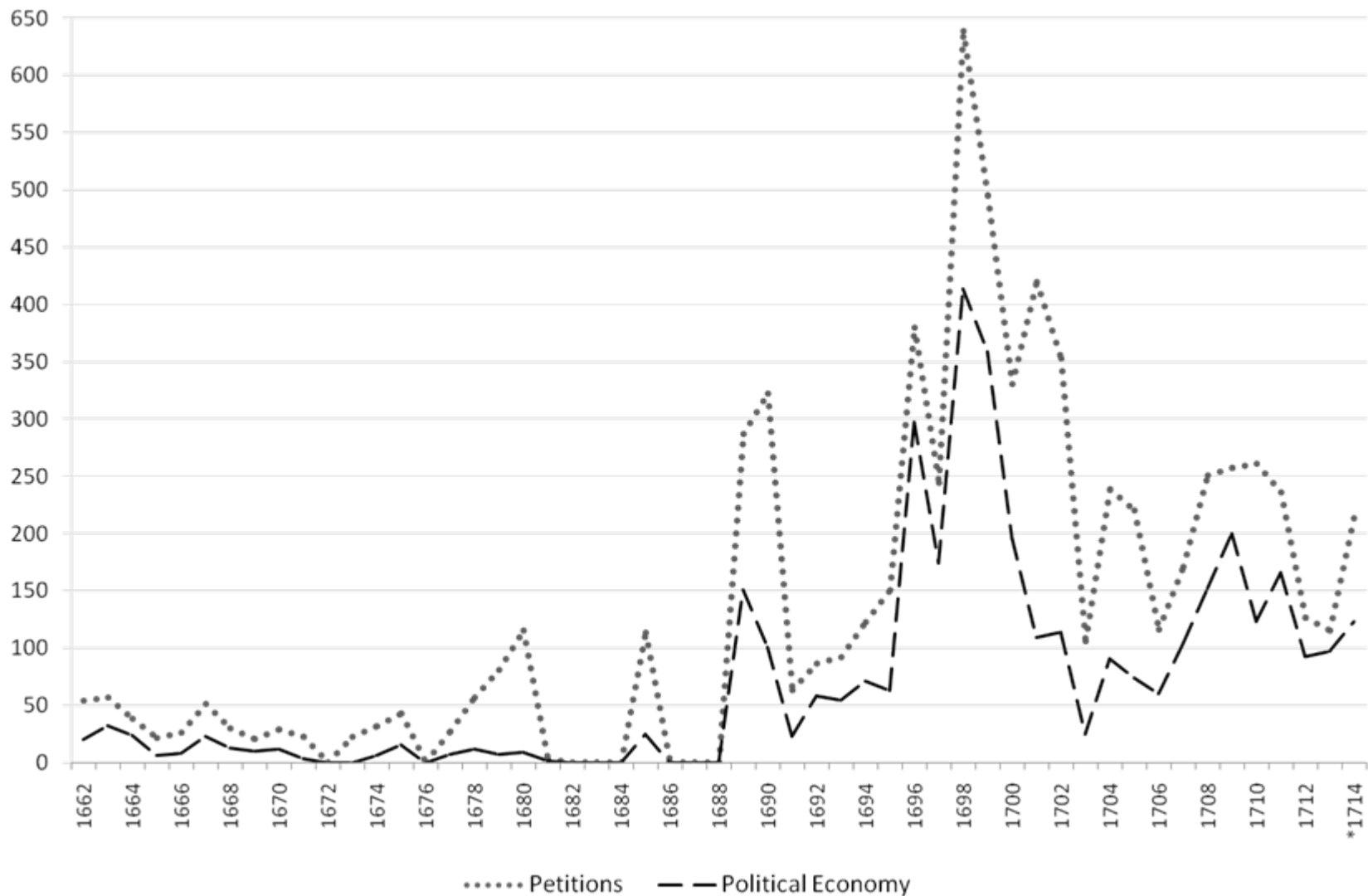
Source: Julian Hoppit "Patterns of Parliamentary Legislation, 1660-1800," *The Historical Journal*, 39: 1 (Mar., 1996), pp. 109-131.

Figure 3: Four-Year Moving Average of Completed Investment in Road and River Improvements, 1607-1749



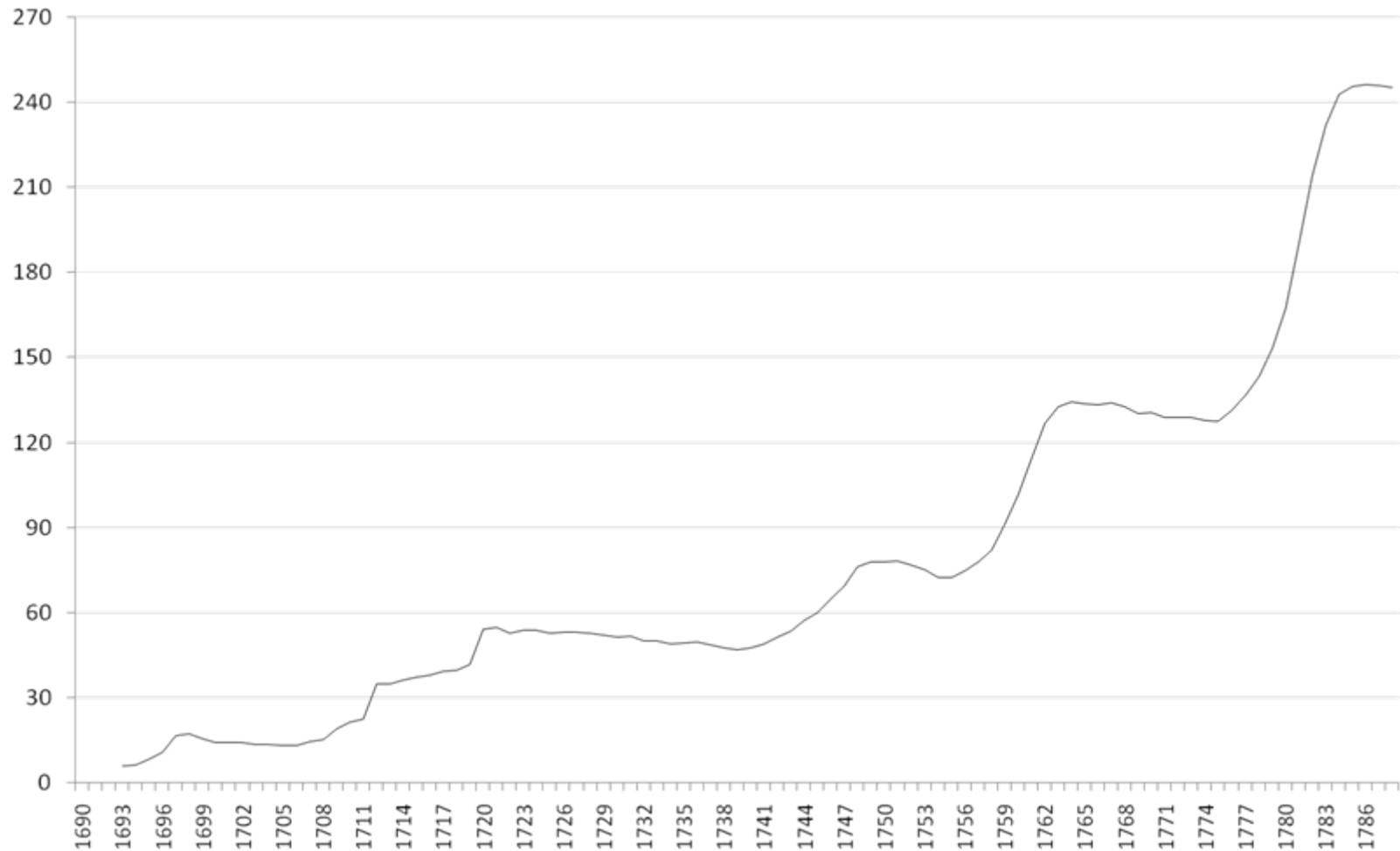
Source: Dan Bogart "Did the Glorious Revolution Contribute to the Transport Revolution? Evidence from Investment in Roads and Rivers," Forthcoming Economic History Review

Figure 4: Number of Petitions per-year received by the House of Commons, 1660-1715



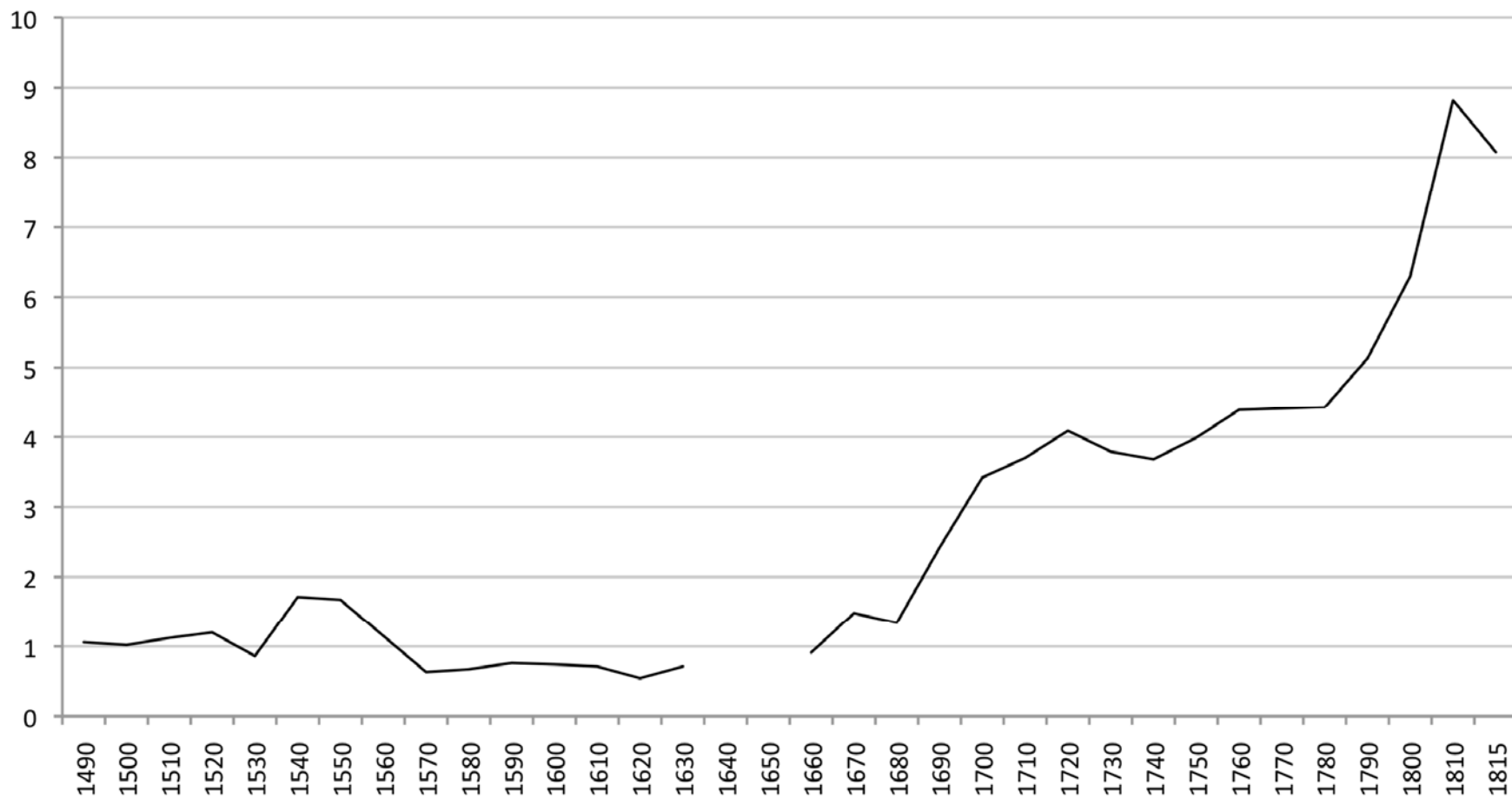
Source: Authors calculations from the Journal of the House of Commons.

Figure 5: Total Outstanding Government Debt (millions of pounds), 1690 to 1788.



Source: Mitchell, Brian R. (1988) *British Historical Statistics*, Cambridge: Cambridge University Press.

Figure 6: Total revenue per capita in England, 1490-1815 (in constant prices of 1451-75)
(Nine-year moving average)



Source: O'Brien, Patrick K. and P.A. Hunt (1999) "England 1485-1815," in Richard Bonney ed. *The Rise of the Fiscal State in Europe, 1200-1815*, Oxford: Oxford University Press.

Data available at: <http://esfdb.websites.bta.com/table.aspx?resourceid=11287>