The emergence of the welfare state was, we are told, a nineteenth and twentieth century phenomenon. While scholars disagree and disagree vociferously about the causes of that emergence, they are largely in agreement that theirs is a story that begins after the end of the Napoleonic Wars. All across Europe, in a variety of different ways, states began to provide for the unfortunate. This interventionism would have been unthinkable in earlier periods. Most accounts simply begin their stories in the late nineteenth century, while others like David Roberts explain that “students of the eighteenth century can certainly discover little evidence in the Whiggish government of Sir Robert Walpole or the Tory government of William Pitt that the central government or even the justices of the peace, did much for the lower classes besides dispense poor relief.”

These stories rest upon a fundamental stadial notion of the evolution of the state. States emerged in the early modern period, sometime between the fifteenth and eighteenth centuries, right across Europe. These states were indifferent to the happiness, prosperity and welfare of their populations. In most accounts wars made early modern states and early modern states made war.

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i The research for this paper has been supported in part by the Institute for New Economic Thinking. We are grateful for the research assistance of Catherine Arnold, Natalie Basinska, Margaret Coons, and Alex Fisher.
“War made the state, and the state made war,” Charles Tilly famously suggested. “War wove the European network of national states,” he elaborated, “and preparation for war created the internal structures of the states within it. The years around 1500 were crucial.” European interstate warfare explains the radical reduction of the number of states in early modern Europe, and their structural strengthening. Only those regimes that developed strong state capacity emerged from this intense period of incessant warfare. “The fiscal imperative, the increased requirements posed by the costs of war, and the long-term consequences of fiscal growth may be seen as the primum mobile for the development of the state,” maintain Richard Bonney and W. M. Ormrod. Anthony Giddens agrees that “it was war and preparation for war, that provided the most potent energizing stimulus for the concentration of administrative resources and fiscal reorganization” of early modern states.

“Practically the only goal of early modern rulers was to wage war,” Philip Hoffman and Jean-Laurent Rosenthal posit succinctly. “Most early modern states raised taxes primarily to pay for warfare and military organization,” agrees Jan Glete. “Military developments thus begot institutional innovation,” Hendrik Spruyt helpfully summarizes, “Institutional innovation in turn corresponded with greater effectiveness on the battlefield and the opportunity to expand one’s realm. This in turn ratcheted up competition among rival lords and kings making the successful conduct of war the key feature of early

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modern administration.” Economists have recently chimed in to support this paradigm. “State capacity evolved historically over centuries in response to the exigencies of war,” suggest Timothy Besley and Torsten Persson, “war placed a premium on sources of taxation and created incentives for governments to invest in revenue raising institutions.” The leading explanation for state building emphasizes the role of warfare,” Nicola Gennaioli and Hans-Joachim Voth note approvingly.

These early states, as distinct from more modern states, were narrowly fiscal-military, regulatory and extractive. They did little more than fight wars and seek out means to finance those wars. States prior to the nineteenth century were mercantilist states. The Danish sociologist Gosta Esping-Andersen suggests that the nineteenth century liberal political economists found little disagreement from their conservative and Marxist critics in their denunciation of earlier European states for “upholding absolutist privileges, mercantilist protectionism, and pervasive corruption.” British free traders and the German Historical School agreed on very little besides the notion that early modern states were mercantilist. The result has been that scholars today assert the existence of an eighteenth century mercantilist consensus in Britain and across Europe. Anthony Howe insists that there was a “mercantilist consensus on trade and power” that persisted well into the nineteenth century. According to Charles Maier “Britain’s empire began as a mercantilist structure” and remained in that...

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xiii For the necessary intellectual connection between concepts of mercantilism and the bellicist approach to state formation, see Rafael Torres Sanchez, “The Triumph of the Fiscal-Military Stet in the eighteenth century,” in Torres Sanchez (ed) War, State and Development. (Pamplona: EUNSA, 2007), pp. 25-34.
mode until “the nineteenth century.”\textsuperscript{xvi} The economists Ronald Findlay and Kevin O’Rourke have dubbed the period from 1650-1780 as the “age of mercantilism.”\textsuperscript{xvii} In the mercantilist age, which came to an end sometime in the nineteenth century, governments were committed to the notion that land was an insuperable economic constraint, that there was no possibility of global economic growth, and that therefore trade was a zero-sum game. “Economics as a zero-sum game,” insists Niall Ferguson in his widely circulated analysis of the British Empire, is “the essence of what came to be called mercantilism.”\textsuperscript{xviii} Chris Bayly, in an equally mass-marketed recent work, reaches similar conclusion about the political economic commitments of those who preceded the moderns. “Eighteenth-century wars abroad had turned around the issue of ‘mercantilism’,” he writes. “Theorists and politicians of the ancien regime had thought the world’s wealth was a finite amount,” Bayly explains, “if someone got more of the cake, someone else would get less.”\textsuperscript{xix} “The basic assumption of the mercantilist world,” in Joel Mokyr’s view, is “that the economic game, and above all the commerce between nations, was zero-sum such that the gains of any agent or any economy inevitably came at the expense of another.”\textsuperscript{xx}

Before the end of the mercantilist period, given that all states functioned on the assumption of economic scarcity, state expenditure on new infrastructural or social welfare projects was unthinkable. The only way to pay for new commitments was necessarily through territorial expansion, and the profits gained from conquest necessarily had to be folded back into the military to protect the new territories from would be predators. The prevailing economic assumptions of the early modern world, we are told, made it impossible that the emerging states would take on the functions we associate with modern

\textsuperscript{xviii} Niall Ferguson, \textit{Empire}. (New York: Basic Books, 2002), p. 17
\textsuperscript{xx} Mokyr, \textit{Enlightened Economy}, p. 64
statecraft. All of this, defenders of the fiscal-military state thesis imply, was called into question only with the coming of the French Revolution.\textsuperscript{xxi}

Data on the British state in the seventeenth and eighteenth centuries suggest a very different story. Far from marking the triumph of a narrowly fiscal-military state, the eighteenth century British government oversaw the emergence of an interventionist state, a state that in addition to fighting wars successfully and relatively efficiently, also devoted resources to civic development. Diverging both from the contemporary European pattern and from the historical pattern of state development, the British government in the eighteenth century developed a precociously interventionist state. While these developments certainly correlate with the period usually known as the second hundred years war against France, it is difficult to believe that wars made the British state. Rather, we claim, the emergence of the strong British state between 1500 and 1800 had little to do with interstate warfare. Britain achieved a monopoly of violence, a heavily bureaucratized infrastructure, and a centralized administration for other reasons. In Britain, as in many places in Europe, the size and contours of the state was shaped by political choices, rather than by the ineluctable logic of interstate warfare. New kinds of states did emerge in early modern Europe. But the case of Britain demonstrates that scholars need to look beyond the simple fact of frequent wars to explain the emergence and different qualities of these states. The British example suggests that political choices rather than war made states. And states in the eighteenth century could, if they so chose, do far more than wage war.

The British state in the eighteenth century was, we are told, an exclusively fiscal-military state. “The British state of the eighteenth century was a fiscal and war-making machine,” Margaret Levi asserts, “it was not yet deeply involved in education or social programs.”

“For roughly four centuries after 1453,” insists Patrick O’Brien, “no European state recognized responsibility for economic growth with social welfare as anything other than contingent.” The eighteenth century British “state did primarily one thing,” explains Joel Mokyr, “it waged war against other states, and raised revenue to pay for this activity.” Government activity “that enhanced social welfare,” he insists, was “almost an afterthought.” Britons in the eighteenth century created a uniquely fine-tuned war-fighting instrument.

This story seems all the more plausible when one focuses on the remarkable quantitative growth of the British state in the eighteenth century. After the Revolution of 1688-89, John Brewer has shown, British parliament voted an increasingly impressive quantity of new taxes and created ever more elaborate means to service the accelerating war debts. This new Leviathan funded not only an impressively growing army and an increasingly dominant navy but also supported them with an army of excise officers. By focusing on the growing size of the state and selecting for analysis the Duke of Marlborough’s army and Horatio Nelson’s navy, scholars have convinced themselves and their readers that Britain had become over the course of the eighteenth century the first “fiscal state.”

Yet, if one focuses on the changing nature of the British state as well as narrowly on its fiscal growth, one can tell a different story. Comparative analysis has revealed that states right across Europe in the early modern period devoted a remarkably high percentage of their revenues to fiscal-military

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measures. Most monarchies in the seventeenth century spent about half their budgets on narrowly recurrent conceived military matters (not including debt service or new capital projects). By the end of the century France spent over three quarters of its revenue on warfare alone. The Danish kings spent 88% of their available finances on war, Peter the Great of Russia devoted 90% of his revenue to martial affairs, while the Austrian Habsburgs spent a remarkable 93%. Lest one think warfare was merely the game of kings, the Dutch Republic spent over 80% of its revenue on warmaking in the same period. xxvii

Most European states further increased their relative expenditures on fiscal-military affairs in the eighteenth century. The Dutch spent almost 90% of their revenues on warfare and servicing war debts, a figure comparable to that of most monarchies. “The great scourge of public expenditure” in the early modern period, concludes Martin Korner, “was the growing proportion devoted to war.” xxviii

Comparative studies of expenditures are notoriously tricky. Nevertheless detailed work on individual states confirms the basic pattern. Russia devoted phenomenal resources to war in the 17th and 18th centuries despite relatively few institutional changes, leading some scholars to call it a “garrison state.” xxix “Bourbon governments increasingly tightened their control over Spanish finances,” notes one expert, “to the point that, in this respect at least, eighteenth-century Spain might more readily be described as a ‘fiscal-military’ state than even Great Britain.” xxx “The early modern Habsburg monarchy ranked with the most awe-inspiring military states,” writes Michael Hochedlinger, state expenditure, not yet encumbered by spending on other public sectors, was still entirely dominated by the military

budget.” This echoes Peter Dickson’s claim that Habsburg Austria was “primarily concerned with the assertion of fiscal and military power, rather than the welfare of subjects.” In France, even in the mid-18th century when the state took an increasingly interventionist turn, “the largest public works projects ... remained royal buildings.” Unsurprisingly Frederick William I of Brandenburg-Prussia spent over 80% of his income on his army between 1713 and 1732, years dominated more by peace than war.

Remarkably the early modern European data looks very similar to the relative amounts that classical states spent on war. Recent scholarship has shown that the Roman Empire spent almost 80% of its revenues on the army. The Ptolemaic rulers of Egypt also spent 78% of their budget on the military, leading one scholar to conclude that the relative expenditures on the military “resemble” those of early modern Europe.

The British state in the eighteenth century diverged from this European and historical pattern. While most European states, whether monarchies or republics, were dramatically increasing their emphasis on fiscal-military spending, Britain began spending relatively more of its revenues on non-fiscal military issues. In the mid-1720s, for example, over 40% of British expenditures were either on social or economic initiatives. After the Revolution of 1688-89, exactly in the period when Britain was

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radically expanding its army and navy, Britain also ramped up its social expenditures. “The period since the Revolution [of 1688-89] is distinguished by principles of a very different nature,” the Scottish political economist Sir John Sinclair recalled at the end of the eighteenth century. “The State has assumed the appearance of a great corporation: it extends its views beyond the immediate events, and pressing exigencies of the moment – it forms systems of remote as well as immediate profit – it borrows money to cultivate, defend, or to acquire distant possessions, in hopes that it will be amply repaid by the advantages they may be brought to yield.... In short it proposes to itself a plan of perpetual accumulation and aggrandizement, which according as it is well or ill conducted, must either end in the possession of an extensive and powerful empire, or in total ruin.” xxvii The eighteenth century British state devoted itself both to military expansion and unlimited economic growth. Gleanings from the Treasury records suggest that the British state spent an unprecedented proportion of its revenues on the development and support of civil society. (Figure 1). The British pattern diverged significantly from that of other European states.

In the late eighteenth century, for example, Spain’s military expenditure as a percentage of its annual budget dwarfed that of Britain. xxxviii Savoy, too, while it spent a smaller proportion of its budget on the military than Brandenburg-Prussia or the Habsburg monarchy spent a much higher proportion than Great Britain. xxxix This finding accords well with John Brewer’s claim that in Britain “current military expenditure accounted for between 61 per cent and 74 per cent of public spending during the major wars of the period.” This “outlay” though large, Brewer concludes, “probably represents a much smaller

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percentage of national resources than in many other states. Statistical analysis supports the view that the fiscal-military nature of the eighteenth century British state “is easily overstated.”

On what, then, besides the military did the British government spend its increasingly robust revenue streams? Our preliminary analysis of the Treasury records has revealed a wide variety of targets. In addition to predictably small sums devoted to supporting the newly established Regius Professors of History at Oxford and Cambridge, paying the professors of Modern Languages at Oxford and Cambridge, the historiographer royal, the new professors of Arabic at Oxford and Cambridge, and the “Reader of the Mathematics to His Majesty’s Engineers,” the British state spent rather larger sums on public paving throughout Britain and on cleaning the sewers. In 1732 the Treasury granted Sir Thomas Lombe £14,000 “for discovering and introducing the engines for making Organzine silk.” These kinds of prizes for scientific discoveries only accelerated later in the century. In the 1770s, for example, British governments doled out substantial prizes and bounties for “discovering how to make salt water fresh,” for advice against the disease amongst horned cattle,” for discoveries towards the South Pole,” “for experiments in securing buildings from fire,” “for making a fast green dye,” and another for “dyeing scarlet.” Occasionally the Treasury devoted substantial sums to building bridges, like Westminster Bridge in 1743. The state created substantial allowances for schoolmasters and charity schools. Larger sums were devoted to supporting poor immigrant communities, including the “relief of poor French Protestants” and settling the Palatines refugee in Ireland and in North America. The state also raised money to support the building of new churches and for the support of Church of England ministers in New England and on the continent. And, of course, in 1780, the British government devoted resources

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to the creation of the British Museum. The state devoted a not insubstantial sum each year from 1746-
1755 to compensate farmers “for losses by the infectious distemper amongst horned cattle.”

In fact, the British state was at its most financially active not in England, but in Scotland, Ireland
and in the overseas colonies. While the eighteenth century British parliament passed much more
legislation dealing with England than Scotland or the overseas plantations, it devoted far more resources
to those latter regions. There are frequent entries in the Treasury Books for the support of hospitals and
for paying the salaries of officials in the West Indies. Increasingly the British state devoted resources to
supporting the creation of an imperial infrastructure, ranging from building forts in Africa, supporting
William Penn’s government in Pennsylvania, paying off the proprietors of lands in South Carolina,
“establishing the colony of Georgia,” offering relief to “sufferers by fire at Charlestown, in South
Carolina,” to “settling reduced officers and privates, &c. in the Colony of Nova Scotia.” Sir John Sinclair
later estimated that the British state spent over £100,000 developing the civil infrastructure of Georgia
and over five times that amount on Nova Scotia. In 1756 the British government devoted a whopping
£115,000 “for services of the colonies of New England, New York and New Jersey.” After the Seven
Years War the government devoted resources for the “civil establishment” of the new colonies of East
and West Florida as well as Senegambia and paying salaries in Quebec. In the 1770s the British devoted
resources for building the “harbor of Barbados.” “In the year 1781 £120,000 was voted to relieve the
inhabitants of [Barbados] and of Jamaica who had suffered by a violent hurricane,” recalled Sinclair.

The contrast between state activity in the colonies with that of England was stark. After fires destroyed

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xli The claim by John Brewer and Eckhart Hellmuth that while political groups in Britain “were prepared to accept a
formidable fiscal-military apparatus if supervised by Parliament, any attempt by central government to implement
a systematic domestic policy remained anathema” can only be sustained by focusing England to the exclusion of
the colonies, Scotland and Ireland: “Rethinking Leviathan,” in Brewer and Hellmuth (eds) Rethinking Leviathan.
xlii Sir John Sinclair, The History of the Public Revenue of the British Empire. (London: W. and A. Strahan, 1785-
1790), Vol. III, p. 64.
xliii Sinclair, History of the Public Revenue, Vol. III, p. 88. Stuart B. Schwartz has noted how precocious Britain was in
delivering hurricane relief on this scale in his Princeton lectures “Providence, Politics and the Wind Hurricanes in
the Shaping of the early modern Caribbean” delivered at Princeton University in October 2012.
large sections of Warwick (1694), Buckingham (1725), Blandford Forum (1731), Stony Stratford (1742),
and Wareham (1762), those towns were rebuilt using local rather than central funds. Similarly the new
port of Whitehaven was developed with the financial backing of three generations of the Lowther
family.\textsuperscript{xlv}

The British state also invested heavily in Scottish civil society.\textsuperscript{xlvi} Many believed that “at the
union, the feudal system existed in full force in the remoter parts of Scotland. In those wild and
mountainous districts, the chieftains of the different clans enjoyed almost full power over the persons
and property of their vassals.” Therefore during the reign of George II the British parliament authorized
a massive investment to break the power of the clan chieftains. The Whig government “resolved to
purchase the rights and privileges which they claimed; and £152,037 was granted for that purpose.”\textsuperscript{xlvii}

In the same period the British government devoted substantial resources to the development of the
Scottish fishery and linen industry through the Commissioners and Trustees for Improving Fisheries and
Manufactures in Scotland, with the result that that board could report in 1738 “with great satisfaction”
that “the Linen Manufacture under their care thrives.”\textsuperscript{xlviii} Between 1727 and 1815 the government
provided over £235,000 on developing the Scottish linen industry as well as over £150,000 on flax
production. Even greater sums were devoted to developing Scottish fishing.\textsuperscript{xlix} Interestingly, as John
Styles has noted, “in both Ireland and Scotland the state was more willing than in England to use public

\textsuperscript{xlvi} This theme is developed at length for the period c. 1730-1778 by Christopher A. Whatley in \textit{Scottish Society
\textsuperscript{xlviii} The Report of the Commissioners and Trustees for Improving Fisheries and Manufactures in Scotland, 20
January 1738, TNA, T1/297, ff. 51-52r
\textsuperscript{xlix} Julian Hoppit, “The Nation, the State and the First Industrial Revolution,” \textit{Journal of British Studies}, Vol. 50 No. 2
(April 2011), p.327; Bob Harris, “Scotland’s Herring Fisheries and the Prosperity of the Nation, c. 1660-1760,”
\textit{Scottish Historical Review}, Vol. 79, No. 1 (April 2000), pp. 39-60;
funds to encourage and regulate manufacturing.” In addition, throughout the period the British treasury spent a good deal on improving roads and bridges in “North Britain.” It is hard to read the British Treasury Minutes and conclude that the eighteenth century British state was not heavily involved in supporting education or social programs or that social welfare was an afterthought.

These expenditures in Scotland and the colonies were not thinly disguised military expenditures. The British government did spend, and spend substantially on the military in those areas, but those expenditures were included as part of the military not civil budget. In Georgia, for example, James Oglethorpe explained that “The expense here for the year for the improvement of the colony, the civil government and presents to the Indians cannot be brought under £5000 for the year.” These expenditures, unlike the military expenditures needed to be discussed and approved in Parliament.

The Georgia Trustees made clear that the money they demanded from Parliament was “necessary to defray the expense of the Civil government, maintaining persons newly arrived, preserving a good harmony with and supporting the Indians, and carrying on the other improvements of the province such as raising of silk, wine, oil, and other produces; the expense whereof private persons are not able to bear.” In Jamaica, too, Britons were well aware of the distinction between military and civic costs. In total, it was thought, the British government spent £30,000 per year to maintain Jamaica, of which slightly over half was spent on the military to protect the island from Spanish attacks and to defend the sugar plantations from Maroon attacks.

In Scotland, too, British treasury officials drew sharp distinctions between expenditures to promote development, and costs incurred to secure the country

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2 These paragraphs rely, in addition to the specific sources cited, on our work in the Calendar of Treasury Minutes and Accounts and Papers: Public Income and Expenditures, Vol. 35 (1868-69).

3 James Oglethorpe (Frederica, Georgia) to Harman Verelst, 22 November 1738, TNA, CO 5/640/2, f. 233r.

3i Georgia Trustees (Westminster) to Sir Robert Walpole, 22 June 1737, TNA, CO 5/654/1, f. 109r

4i Georgia Trustees (Westminster) to Sir Robert Walpole, 22 June 1737, TNA, CO 5/654/1, f. 109
against French invasion and Jacobite uprisings. “As to the roads in the Highlands in Scotland,” Sinclair noted, “they were for many years included among the extraordinary expenses of the army, and were not separately voted.” If anything, analysis of the Treasury reports underestimates colonial civil expenditures, since the payment of civilian colonial officers was included in the civil list.

The contrast with French colonial expenditures was stark. Canada and Ile Royale were supported out of the French naval budget. In her careful analysis of French expenditures, Catherine Desbarats, has demonstrated the almost exclusive French outlays on the colonial military. This was because, as she notes, “if Canada, and later Louisiana and Ile Royale, held initial promise as trade good valuable to both public and private purses, by the 1750s naval officials viewed New France in almost purely military and strategic terms.”

Over the course of the eighteenth century the British state devoted an increasing proportion of its revenues to developmental projects as opposed to administrative ones. At the beginning of the period almost the entire civil expenditure was devoted to the civil list, that is paying for officers of the state. By the end of the eighteenth century, even though there had been a significant expansion of colonial officers paid out of the civil list, administrative costs had dropped well below 50% of overall civil expenditures. (figure 2) While some of the increases in developmental expenditures were associated with periods of warfare, most were not. The 1720s and 1760s, two periods in which Britain was at peace, were significant moments in the increase of non-administrative spending.

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This description, in fact, significantly underestimates the British state’s promotion of social and economic development. Whereas in the colonies the government spent directly on creating infrastructure, in England the government was much more likely to facilitate local or private spending. In England, the government was extremely cautious not to offend local sensibilities and local traditions. Parliament passed numerous pieces of legislation that while they cost the central government little, had a great effect. The 1723 Workhouse Act, for example, was “a permissive act” which resulted in “a powerful current” of new workhouse foundations.\textsuperscript{lvii} The Workhouse act along with other permissive measures meant that “the expenditure on the poor doubled in real terms” between 1696 and 1750.\textsuperscript{lviii} The Bank of England, we now know, provided a large number of loans to support the development of manufactures.\textsuperscript{lix} Similarly the explosion of acts for improving road and rivers after 1688 led to a massive increase in infrastructural investment by non-central state actors.\textsuperscript{lx} This local expenditure was not,

\begin{figure}
\centering
\includegraphics[width=\textwidth]{civil_list_percentage}
\caption{Civil List as percentage of civil expenditure}
\end{figure}

\textsuperscript{lvii} Innes, \textit{Inferior Politics}, p. 30.
\textsuperscript{lix} This is based on ongoing research we are conducting in the Bank of England Archives: ADM 7.
however, unusual in early modern Europe. Localities had long taken responsibility for the poor, and in the Dutch Republic there is strong evidence that local investment was increasingly effective.\textsuperscript{ix} British imperial spending was unusual; domestic and local expenditures were not.

Why did the British state diverge from the European and historical pattern of state expenditures? Why did the eighteenth century British state spend relatively more on these kinds of activities? Our claim is that the Revolution of 1688-89 marked a revolutionary change in the nature of the British state.\textsuperscript{xii} Interestingly social and economic issues were a central concern of Parliament both before and after 1688. While Parliament sat for a dramatically larger number of days after 1688, the House of Commons devoted as much time to fiscal-military and non fiscal-military issues both before and after the Revolution. (Figure 2)

What changed after the Revolution was not what MPs discussed, but the ability of Parliament to act on those discussions. After 1688-1689 Parliament passed more and more bills into law. (Figure 3)
After 1688 Kings increasingly felt compelled to turn to the leaders of the majority party in Parliament to form the government. This made it much easier for parties, and for most of the eighteenth century this meant Whigs, to advance their political agendas.\textsuperscript{lxiii}

Far from accepting a mercantilist notion that trade was a zero-sum game that economic growth could only be achieved by seizing wealth from a competing state, Whigs subscribed to the view that labor created wealth and that therefore governments could promote economic growth by supporting manufactures both in Britain and its colonies. The Whig polemicist and member of the Board of Trade John Locke, for example, maintained that “if we will rightly estimate things as they come to our use, an cast up the several expenses about them, what in them is purely owing to nature, and what to labour, we shall find, that in most of them ninety-nine hundredths are wholly to be put on the account of labour.”\textsuperscript{lxiv} “The enjoyment of all societies will ever depend upon the fruits of the earth and the labour of the people,” argued the Whig political economist Bernard Mandeville. Raw materials mixed with labour, insisted Mandeville, “are a more certain, a more inexhaustible and a more real treasure than the gold of Brazil, or the silver of Potosi.”\textsuperscript{lxv} One of Locke’s predecessors, Carew Reynell, put the case most thoroughly. The basis of national strength, according to Reynell, was labor rather than land, manufacturing rather than raw materials. “It is the manufacturers of a commodity that is in general

\textsuperscript{lxiii} Gary W. Cox, “War, Moral Hazard and Ministerial Responsibility: England after the Glorious Revolution.” Journal of Economic History 71(1): 133-161. Cox focuses on the rise of Cabinet Government. The institutions that made Cabinet government possible also created the conditions for party rule.
sale, that employs people and produces the great profit,” he explained, “although the original materials are not in the country, as silks for example, the making of which employs abundance of people, and with them brings in other things by exportation.” “It is manufactures must do the work,” he enthused, “which will not only increase people, but also trade and advance it.” Manufacturing set in motion a process that rendered property infinite; trade was not a zero-sum game. “Where abundance of manufacturing people are, they consume and sweep away all country commodities, and the wares of ordinary retail trades, with all sorts of victuals, wearing apparel, and other necessaries, and employ abundance of handicraftsmen, in wooden and iron work for tools, and instruments that belong to their trades, and so maintain and increase abundance of husbandmen, retailers and artificers of all sorts,” Reynell detailed, “and they again increasing, take up more manufactures, and so they thrive one by another, ad infinitum.” “Though we are nation already pretty substantial,” Reynell concluded, “yet it is easy for us to be ten times richer.”

Based on these political economic assumptions the Whigs sought to implement an interventionist political program, a program that would promote manufactures and create a high wage labor economy. That is why the Whig Bank of England provided low interest loans to manufacturers. That is why Whig legislators promoted road and canal building. That is why Whigs in the House of Commons and on the Board of Trade sought to support the immigration of successive waves of foreign immigrants in the eighteenth century. The Whigs had long sought to promote a number of these issues. After the Revolution of 1688-89 the Whigs had created the institutions that made it possible to implement their program on a national scale.

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lxvi Carew Reynell, A Necessary Companion or, The English Interest Discovered and Promoted. (London: William Budden, 1685), sigs. A5v-A7r, (a1)v-(a2)r, 5, 17-18, 48. John Locke was impressed by Reynell’s work: Bodleian, MSS Locke c. 30, ff. 18-19

lxvii For a more extended critique of the notion of mercantilism and the interpretative pitfalls created by the ubiquitous deployment of the term, see Steve Pincus, “Rethinking Mercantilism: Political Economy, the British
Britons in the eighteenth century did develop a robust and remarkably effective state. But it was not a narrowly fiscal-military state. At the same time that the Britons paid and paid dearly for the creation of massive armies and navies capable of defeating their greatest European rivals, Britons also devoted a relatively smaller proportion of their revenues to narrowly fiscal-military matters. In this period they created an interventionist state that did much to improve infrastructure and extend social provisioning. And, it turns out, the British government spent most heavily on civil development not in England, but in Scotland, Ireland, and in the plantations. Britain diverged from the European and historical pattern because the Whigs, in large part, believed that unlimited economic growth was possible. The Whigs, of course, developed these ideas long before the explosion of legislation and expenditures in the eighteenth century. In many ways, then, the institutionalization of party politics after 1688 made the implementation of Whig economic ideology possible. The Revolution of 1688-1689 made it possible for Britain to precociously develop the interventionist state.

II

The British state in the eighteenth century was much more than a fiscal-military state. British politicians were able to transform their military into the world’s foremost fighting machine and simultaneously spend relatively smaller percentage of the budget on exclusively fiscal-military matters. The eighteenth century British state was the first European state to begin to shift the balance away from fiscal-military expenditures and towards other budget items that promoted colonial development, education, the development of infrastructure and relief for immigrants. But the question remains, did war make this state? Did Britain’s frequent wars of the early modern period bring into being a new kind of state? Did frequent warfare necessarily generate modern state structures?

Empire, and the Atlantic World in the Seventeenth and Eighteenth Centuries,” William and Mary Quarterly, 3d series, 69, No. 1 (January 2012), pp. 3-70.
States are multi-dimensional. Most however would agree that a modern state has to have at least three elements in place: the establishment of a monopoly of violence; the emergence of a bureaucratic administration; and the development of an internal fiscal system. None of these existed in England in 1485 and yet all had begun to appear by the eighteenth century. The development of these state elements had little to do with interstate warfare in the English/British case. In addition, we argue, the decision to go to war and the kind of state structures that were maintained in the wake of conflicts was the consequence not of the ineluctable logic of warfare, but rather of political choice.

First consider the establishment of the monopoly of violence. For Weber, this was the sine qua non of the modern state indeed his famous definition was “A state is a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory” \( ^{\text{lxviii}} \). In 1485, at the end of the Wars of the Roses, there was no such monopoly in England. Indeed, England teetered on the brink of anarchy in the third quarter of the fifteenth century. While Henry V had famously led English armies to great victories against France at Crecy and Agincourt, his son had just famously squandered these gains and more. Indeed English lands were ripped apart by a series of baronial struggles that have come to be known as the Wars of the Roses. When Henry VII acceded to the throne he realized that it was necessary to create new institutions that would make it impossible for his barons to raise their own armies and fight each other in order to seize control of the monarchy.

The significance of this can be seen by returning to the Battle of Bosworth. As the battle lines were drawn up Henry Percy, the Earl of Northumberland, was on the left of Richard III’s army. When the battle began he refused to commit his 4,000 men. Just as problematical for Richard was that Lord Stanley, with a force of 6,000, had not yet decided which side to join. Ultimately Stanley moved against Richard and it was his brother, Sir William Stanley, who placed the crown on the head of Henry. These

facts illustrate that though Richard III may have been king of England he did not command the monopoly of violence. Indeed, 1485 was still the period of “bastard feudalism” where leading aristocrats maintained liveried retainers, essentially private armies like those of Northumberland and Stanley that decided who won the Battle of Bosworth. Geoffrey Elton observes in this context that “Government at the center relinquished the reins, and the institutions of law and order fell under the sway of overly-powerful individuals with armed men at their backs. The famous evils of this time were all the result of this. Livery (the equipping of armed retainers with their lords’ uniform and badge to signify their sole allegiance), maintenance (the lord’s support for his followers in courts of law) ... embracery (the corruption and intimidation of judges).”

One of the most significant state building projects that took place in the early Tudor period was the elimination of these evils - liveried retainers. Projects to do this were not new. Henry IV and Edward IV had passed legislation to restrict the distribution of livery and the retaining of followers but these measures were not enforced. Henry VII’s strategy was more subtle. Rather than initially banning livery the statue of 1504 meant it had to be licensed by the king. Henry wanted to first gain control over armed retainers, indeed in the absence of a standing army or the resources to build such an institution, he had relied on them to keep order and his throne early in his reign. Indeed, when his reign was almost immediately challenged in 1487 by the pretender Lambert Simnel, who claimed to be Edward VI, the army that Henry mustered for the victory at Stoke on 16th June relied heavily on the Stanley forces. Henry made sure however that they were billeted amongst the more reliable earl of Oxford’s forces. By 1497 when Henry organized an army to defeat the invasion of the pretender Perkin Warbeck the Stanley armies were excluded from the vanguard.

Henry VII and his son Henry VIII pursued a series of complementary strategies to get the

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aristocracy under control. These included getting them to post bonds which were forfeit if they misbehaved, the promotion of gentry into positions previously held by these aristocrats, and a gradual strategy of incorporating them into the state in a more institutionalized manner, for example by appointing them Lord Lieutenant of the county. Particularly significant was the militia act of 1558 that incorporated former retainers into the local militias under the control of the centrally appointed lord lieutenants. Though the Lord Lieutenant of Lancashire was inevitably a Stanley, this was a critical step in the final establishment of a monopoly of violence by the central state. As Lawrence Stone pointed out, when Henry VIII invaded France in the 1540s he was still accompanied by 75% of the English peerage, while at the outbreak of the civil war 100 years later, 80% of the aristocracy had no military experience at all. A plausible hypothesis, argued by John Adamson and consistent with the evidence presented by Clive Holmes is that it was the civil war and the emergence of a far more modern professional military in the midst of the conflict that led to the final disappearance of the remnants of “bastard feudal” military organization.

Though the legitimate monopoly of violence therefore took a long time to establish, in England it clearly took place over the period between 1485 and 1688. This was not true in Scotland where it came only after 1745. The losers in the Glorious Revolution of 1688—the Jacobites—were anxious to promote counter-revolution. They did so with varying degrees of success from the 1690s until the late 1750s when sweeping legislative and administrative changes were brought about as a direct response to the 1745 rebellion—a rebellion led in part by the dashing Bonnie Prince Charlie. Prime Minister Henry Pelham helped push through a series of laws aimed at eliminating the remnants of a feudal past

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lawrence stonel, the crisis of the aristocracy 1558-1641, (oxford: clarendon press, 1965), chapter v power.

john adamson “the baronial context of the english civil war”, transactions of the royal historical society, 5th series, 30 (1990), 93-120.

clive holmes, the eastern association in the english civil war, (cambridge: cambridge university press, 1974)

in Scotland. The 1747 act abolishing hereditary jurisdictions in Scotland finally gave the state a monopoly of violence north of the border in the face of the Scottish clans. The most important piece of this legislative program, though, was an act that appropriated estates confiscated from the rebels to the use of the crown. This allowed the crown to initiate an agrarian improvement program that would ultimately transform the Scottish economy and society. In the wake of the ’45 rebellion, the British state radically transformed the nature of Scottish society. After the ’45 the British government “inaugurated the greatest episode of state-sponsored social engineering in the history of the eighteenth century British state,” Bob Harris has pointed out, “as ministers and their supporters throughout Britain sought to transform the Highlands from the outpost of barbarity into an important part of Britain’s commercial society.” In the wake of the 1745 Rebellion British legislators abandoned their policy of leaving Scotland to be governed and administered by local rulers and adopted interventionist policies.

The bigger picture about the establishment of the legitimate monopoly of violence in Britain therefore is that it was civil war and the threat of civil war that transformed this dimension of the state. The Tudors gradually dismantled the armed autonomy of such elites as the Percys and the Stanleys to avoid being unseated in the same way kings of the 15th century had been, and this monopoly was extended to Scotland by the threat of further Jacobite risings, not the threat of inter-state warfare. Indeed, the previous Jacobite rising of 1715 gave rise not only to the Septennial Act of 1716, which made it possible for MPs do debate, endorse, and adopt a variety of spending measures without having

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to face their constituencies every three years, but also created a variety of institutions in Scotland which helped transform Scottish society and economy.\textsuperscript{loxiv} There is almost no correlation between these reforms and inter-state warfare. In fact, as John Brewer has suggested, a necessary precondition for the phenomenal growth of the British state over this period was “its escape from involvement in the major international conflicts that occurred in Europe between the mid-fifteenth and the late seventeenth centuries.”\textsuperscript{lxxix} Henry VII, after he seized the crown at the Battle of Bosworth Field, sought rather to consolidate his own power than seek foreign entanglements. Henry VIII did land in France to attend the meeting at the Field of the Cloth of Gold in 1520 and did later ally with Charles V against the French, but he never conducted sustained military campaigns on the continent. Henry’s children restricted their martial interventions on the continent to support of surrogates. In the middle of the seventeenth century European states fought one another in the costly and devastating Thirty Years War (1618-1648) in which England played a peripheral role. Yet during this period, distinguished from the previous and subsequent periods by the relative absence of warfare, English kings and parliaments did much to transform and develop the English state, in particular establish a monopoly of legitimate violence.

The pattern with respect to the emergence of a modern bureaucratic administration was similarly uncorrelated with warfare. Weber pointed to the emergence of rational bureaucracy as another defining process in state formation noting “In the pure type of traditional rule, the following features of a bureaucratic administrative staff are absent: a) a clearly defined sphere of competence subject to impersonal rules, b) a rationally established hierarchy, c) a regular system of appointment on the basis of free contract, and orderly promotion, d) technical training as a regular requirement, e)"


\textsuperscript{lxxix} Brewer, Sinews of Power, p. 3.
(frequently) fixed salaries, in the type case paid in money\textsuperscript{xiii}. Just as England did not have a legitimate monopoly of violence in 1485, the government was certainly one where “bureaucratic administrative staff are absent”. The seminal movement away from this situation and towards a modern bureaucracy came in the reign of Henry VIII. What Geoffrey Elton described as the “Tudor Revolution in Government” took place under the charge of Cromwell in the 1530s. Elton argues “Thomas Cromwell reformed administration by replacing medieval household methods by modern national and bureaucratic methods”.\textsuperscript{xiii} Henry VII had contented himself with reconstructing a more traditional form of government, severely undermined by bastard feudalism. As such “In the last analysis, Henry VII, because he used the old household methods, failed to pay the foundation of a really reformed administration.”\textsuperscript{xiv} But the decline of baronial armed independence and the break with Rome both allowed and necessitated innovation in the system of administration. This Cromwell did in several ways. Perhaps most significant during 1534-36 he transformed the informal king’s council of advisers into a formal institutions the privy council equipped with a clerk. This was a reform that Elton argued ultimately led to the modern cabinet. He also completely reorganized the financial administration of the crown. These were placed into six different departments of state each with fully specialized officials and each responsible for a different type of revenues. The exchequer administered ancient revenues such as the customs and parliamentary taxation; the Duchy of Lancaster the revenues from the lands belonging to it; the court of general surveyors the crown lands accumulated thus far by the Tudors; the court of augmentations the monastic lands; the court of first fruits and tenths for revenues from the Church; and the court of wards and liveries to deal with feudal incomes.

Cromwell’s project also manifested itself in other ways that were very significant for the future evolution of state institutions. For instance his use of parliament to issue statutes in the 1530s,

\textsuperscript{xiii} Elton, England under the Tudors, p. 184.
\textsuperscript{xiii} Elton, England under the Tudors, p. 57.
particularly with respect to the creation of the Church of England established the central role of parliament in the state and simultaneously the sovereignty of the king in Parliament. Many very significant innovations occurred at this time, for instance the first parliamentary committees. Cromwell implemented other important changes, for example abolishing some residual independent areas in England and taking greater control over the Marcher and Northern Lords and their councils.

The significance of the break with Rome as an exercise in state building can be seen from the fact that after Bosworth, many of Richard III’s loyal supporters, and potential threats to Henry, took sanctuary in monasteries. Francis, Lord Lovell, Richard’s friend and chamberlain did this in Lincoln and Humphrey and Thomas Stafford also. By 1540 sanctuary had been abolished. In addition the church had a great system of courts that ran in parallel to the system of royal and baronial jurisdiction. These affected the laity, not just the clergy.

There is controversy about the extent to which Cromwell’s reforms stuck and to which they did or did not have precedents yet the consensus amongst historians is that they did represent a real attempt at state-building, even if they left much less of a legacy than Elton has argued. The critical thing however, from our perspective, is that all these attempted reforms to bureaucratize the state administration did not come in the context of inter-state warfare.

The story with respect to bureaucracy is similar when we move into the next century and fuses with the development of an internal fiscal system. From the outset of the civil war in the early 1640s both Charles I and his parliamentary opponents sought to raise revenue to fight their opponents. Both at first sought to raise money using traditional means. But almost immediately “the traditional

machinery collapsed. At this point both sides initiated a series of measures that decisively transformed the English state. Only after the outbreak of hostilities in 1640 did “professional revenue agents” appear in the English localities. Before the 1640s English state revenue never expanded more quickly than the population and when the crown did expand revenue it did so by exploiting its private powers. “After the 1640s,” Michael Braddick points out, “finances were public based on taxation and represented an increasing proportion of national wealth.” During the English Civil War, Parliament also created new taxes and placed old ones on a new standing. England had no indirect taxation prior to the outbreak of the Civil War. In 1643, however, both the Royalists and the Parliamentarians instituted an excise tax in England for the first time. It was, of course, this tax that created the army of excise men that were to typify the eighteenth century British state.

Just as the Civil War of the 1640s led to innovations in state administration and the fiscal system so did the Glorious Revolution of 1688. “England in 1688 still had only a relatively elementary bureaucratic set-up and was poor by comparison with much of Europe,” William Ashworth has shown, but by the end of the eighteenth century there had been a “huge expansion of the number of people employed by the government” and “the English revenue system, in general, was much more unified than any of its European rivals, and subject to a great deal more centralized control by the Treasury and accounting tools tracking revenue flows.” Particularly striking is the development of the excise administration. While according to Wrigley and Schofield the population of England and Wales

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lxxxviii Braddick, Nerves of State, p. 17.
lxxxix Braddick, Nerves of State, p. 99.
expanded by 46% between 1688 and the end of the America war, the number of excisemen increased from 1211 in 1690 to 4908 in 1782/3 and increase of 400%. Not only was the internal fiscal system massively expanded but the nature of the administration became decidedly ‘Weberian’ as Brewer puts it “The boards and departments that were either established or revamped in the late seventeenth century were almost all marked by some features which we would describe as ‘bureaucratic’. They rewarded full-time employees with salaries rather than fees and offered a career ladder of graded appointments with progressively higher remuneration which culminated in a government pension. They also expected administrative loyalty and sought to encourage an ethos of public duty and private probity. Standards were set either by the examination of entrants into government service or by schemes of training analogous to apprenticeship. They were maintained by internal monitoring and by systems of punishment and reward”. The key moment in the development of Britain’s new rational fiscal administration was not international conflict, but the aftermath of the South Sea Bubble. The British government’s response to that crisis, engineered by Sir Robert Walpole who notoriously sought to avoid European wars at all costs, was in the words of Ashworth “crucial in strengthening the increasingly distinct and innovative English fiscal system.”

Thus in terms of the three critical elements of state building, the monopoly of violence, the development of a modern bureaucracy or an internal fiscal system, the overwhelming fact is that these were associated not with inter-state warfare but rather were either uncorrelated with warfare, or were clearly associated with civil war. One could present many more examples along these lines. For instance the English Parliament also voted a poll tax for the first time in 1641. Just as significantly, before the outbreak of the Civil War the constitutional status of the customs revenues “was ambiguous and

xciii Brewer, Sinews of Power, p. 69.
xciv Ashworth, Customs and Excise, p. 33.
xcvi Braddick, Nerves of State, p. 103.
contested.” By the end of England’s mid-century cataclysm they “were more firmly under parliamentary control.” In 1649 the Rump Parliament instituted important military reforms, including centralizing control over the construction of warships. After the Restoration (1660) further important state building reforms took place in the absence of warfare, including Charles II and James II’s abolition of tax farming.

It is true that after 1688 the English then British state embarked on an ambitious project of empire building and engaged in a series of inter-state wars on a very intensified scale. Yet even this experience does not fit the version of events that dominates the bellicist literature on the state. The English state after 1688 was not forced to develop in order to survive according to some Darwinian logic of winnowing out weak states. Rather, even to the extent that England/Britain developed the tax base to fund a large navy and army, it did so in pursuit of Whig political aims. Tories, it turns out, had much more limited war aims and were always wary of increasing the national debt. So British state development was not brought on willy-nilly by inter-state conflict. Instead British (Whig) politicians initiated state-building projects in order to pursue more aggressive commercial and geopolitical strategies. Political aspirations rather than the logic of warfare generated state formation.

The claim that wars made states, we suggest, ignores the ideological element in foreign policy making. Wars were not imposed on governments. Instead partisan political leaders chose to go to war at particular moments with particular ends in mind. While wars certainly evolved in unpredictable ways, leaders almost always had goals in mind and they used those goals to generate popular support for their wars. Different war aims were in turn based on competing visions of society and had different social effects. For example, Whigs and Tories had different social visions, war aims, and consequently different views of the state during the war of Spanish Succession. Whigs, including Daniel Defoe among many others, had demanded war against France to prevent the creation of a Franco-Spanish Bourbon

 xcBraddick, Nerves of State, pp. 49-65.
hegemony. From the first they had worried that uniting the wealth of Spanish America to the already powerful French crown would make it possible for Louis XIV to achieve “universal monarchy.” So the popular Whig polemicist Charles Povey argued that “the war was begun to bridle the power of France and Spain, and entirely subdue the latter, in order to increase the British trade” to Spanish America. The Whigs believed that it was both economically efficient and militarily more feasible to defeat the combined Bourbon forces in Europe and then force them to open up Spanish American trade in a peace, than to attempt to defeat the Spanish in the New World. Joseph Addison, then Whig undersecretary of state, thought an attack on the Spanish in the Indies should “be a collateral project, rather than our principle design” because of the uncertainty inherent in long-range naval expeditions. The safest means “for bring France to our conditions,” he argued, was “to throw in multitude upon ‘em, and overpower ‘em with numbers” in Europe. Whigs were therefore prepared to borrow vast sums to finance the Duke of Marlborough’s massive and incredibly successful land armies. The Whigs placed the tax burden squarely on what they perceived to be the least productive area of the economy, the landed sector. The Whigs, in short, fought the war to promote British manufactures. They wanted a peace that would open new markets to what they perceived to be the most dynamic sectors of the economy. The Whigs were happy to create a more robust state that would promote British manufactures both through war, and through aggressive social engineering such as encouraging the mass migration of Palatine migrants to develop new manufactures in Ireland and the North American colonies.

The Tories rejected this reasoning. They lamented the socially transformative effects of the Whig state. At the time of the Revolution of 1688-89, the future Tory secretary of state Henry St. John 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 the earl of Orrery in 1709,

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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.”

The Tories, when they came to power in 1710, wanted above all else to reverse this unfortunate social leveling. While they agreed with their Whig opponents that France and Spain united under the House of Bourbon was a terrifying prospect, they had very different war aims. Because they were committed to the belief that wealth was finite, they believed that the best way both to pay down the war debt and to humble the Bourbons, was to carve out a vast territorial empire in the southern cone of Spanish America. This, they were certain would allow them to seize a significant portion of the vast wealth from the Peruvian and Brazilian silver mines. In 1711 they created the South Sea Company both to become the commercial arm of this vast new territorial empire and to assume the burden of paying back the quickly accumulating national debt. By doing so, the Tories believed, they could ensure that Britain would remain a landed rather than a manufacturing society. So instead of spending vast sums supporting massive land armies fighting in Europe, the Tories chose to finance a vast fleet to conquer Buenos Aires and Valdivia. This fleet, instead of requiring more deficit financing, would immediately pay for itself in seized war booty.

Whigs and Tories entered the war with different war aims. The Whigs chose to achieve their goals by supporting massive land armies financed by extensive governmental borrowing, while the Tories hoped to achieve their ends by seizing vast amounts of Spanish American territory. These

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xcviii Henry St. John (Buckleybury) to Orrery, 9 July 1709, Bodleian, Eng. Misc. e. 180, ff. 4-5.
xcix For further elaboration on the competing political economic and state building agendas of the Whigs and Tories in the War of Spanish Succession, see Steve Pincus, “Addison’s Empire: Whig Conceptions of Empire in the early eighteenth century,” Parliamentary History, Vol. 31 No. 1 (February 2012), pp. 99-117.
conflicting war aims had very different consequences for the nature of the state. The Whig strategy required massive investments in the war machine, in servicing the national debt, and in promoting British manufactures. The Tories, by contrast, hoped to shrink the size of the state by increasing the size of the empire. Different kinds of wars created different kinds of states. And the choice of war strategy was determined not by the inexorable logic of warfare, but by the social preferences that informed party politics before the outbreak of the war.

The War of the Spanish Succession is only one example among many to demonstrate that war-making and state-making was a political choice. In the early seventeenth century, for example, a strong group among the parliamentary classes advocated “strengthening the state” so as to pursue aggressively anti-Spanish policies, only to be thwarted by those at court who perceived the Dutch as a greater threat. In the late 1690s, after William III had successfully developed the state machinery so as to combat the massive armies of Louis XIV, Tory politicians successfully forced the king to reduce his army from 66,000 to fewer than 10,000. The aim of Robert Harley and his allies, Julian Hoppit points out, was to force “a withering away of the central state and a return to local independence.” Again, the waning years of the Seven Years War (1757-1763), political partisans debated whether or not to reduce the state that had grown so dramatically under the leadership of William Pitt the elder. After 1763 George Grenville’s administration began what William Ashworth has described as “the dismantling of the fiscal-military state.” From the beginning of the seventeenth century through the end of the eighteenth century British politicians debated whether or not to go to war. Many times in the aftermath of even the most successful wars, party politicians successfully persuaded Parliament to unmake the

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state machinery they had erected in wartime. State formation in early modern Britain was hardly the ineluctable consequence of international competition.

European comparisons confirm the notion that state-making was a political choice rather than the necessary response to international conflict. Europe’s greatest power in the sixteenth and early seventeenth centuries, the Spanish monarchy developed what scholar has identified as “the first fiscal military state.” Yet in the later seventeenth century, while it still maintained Europe’s largest and richest empire, Spain experienced “an administrative devolution in which many of the centralizing and bureaucratic features of the Spanish system were seriously weakened.” The result was that by the end of the seventeenth century “rather than a modern fiscal-military state structured by the central government, Spain had a military structure connected to and shaped by networks of entrepreneurs, aristocrats and city elites.” The Spanish Habsburg monarchs clearly chose to devolve their state as a political expedient. Indeed, the Bourbon monarchs of the eighteenth century successfully built a new fiscal-military apparatus in the first half of the eighteenth century. The Dutch, too, after victory in the War of the Spanish Succession chose to ramp down their fiscal-military state despite retaining one of Europe’s most dynamic economy. Explaining these changing dynamics, like interpreting the patterns of British state development requires more than mapping the size of the state onto chronological patterns of warfare; it requires close and careful analysis of political choices.

The contours of the British state, it seems, was not shaped by war. Periods of war do not correlate very precisely with periods of state development. Indeed most of the key moments in English/British state development were those in which Britain was not involved in interstate conflict. Close analysis suggests that prior political economic commitments rather than the logic of warfare

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determined the character of British state formation. War did not make the British state in the early modern period.

III

The British state in the eighteenth century raises serious questions about the war and state-making paradigm. British statesmen in the eighteenth century sought to reshape British society as much as they endeavored to create an efficient war-making machine. Nor, it turns out, was the making of the British state the ineluctable consequence of international warfare. Wars did not make the British State any more than the British state was exclusively a war-making machine.

We are not, however, the first scholars to raise doubts about the fiscal-military state paradigm. Scholars interested in bottom-up state formation, or the social history of the state, have noted that “early modern states deployed their resources to support and create schools, orphanages, prisons, workhouses, common chests, diaconates, fraternities, consistories, inquisitions, and many other organizations whose main purposes were socialization, regulation and normalization – and not coercion and extraction.” These scholars describe thick networks of social provisioning provided by “local government and non-state governance.”

Our story is somewhat different. While we think local and non-state social provisioning remained important in England, Britain and indeed throughout Europe in the eighteenth century, eighteenth century British politicians at the center became far more involved in providing for education,

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cvii Gorski, p. 166. It should be noted that in essence Braddick is telling a story of transition from local state formation to national state formation. Glete has perceptively pointed out that this account also adopts a chronology in which the modern state emerged in the nineteenth century: Glete,
infrastructural improvement, and social welfare. While many other states devoted an ever growing percentage of their incomes to fiscal-military issues, British statesmen paid increasing attention to other matters especially outside of England. British statesmen were more likely than their continental counterparts to spend directly on disaster relief, infrastructural improvement, and on incentives for technological innovation.

One wonders whether the unique British configuration, that is the combination of an increasingly interventionist central state alongside a continued commitment in England to social provisioning at the local level, may have something to do with Britain’s newfound imperial status. English kings, of course had had overseas territories from time out of mind. But these territories had always been tied to the person of the king, not to the English state. It was only when the English parliament created the Board of Trade in 1696, with the explicit remit of governing the commercial affairs of England and its empire that England (Britain after 1707) became an imperial state. The consequence was that while the British parliament was relatively loathe to centralize social provisioning in England itself and potentially offend local sensibilities, preferring to pass facilitating acts, the British government was much more willing to take on large social programs for the colonies. So, for example, Parliament spent most of the money earmarked for foreign immigrants in settling them in the colonies and Ireland. When Charleston, South Carolina burned to the ground in 1740, the British state provided extensive disaster relief. The British state never centralized social provisioning in the way that other European states sought to do in the late nineteenth century. But this may have been in part because they mapped on a centrally interventionist imperial state on top of a more decentralized English state. British politicians devoted their energy and fiscal resources to designing a new imperial state, leaving much of the elaboration of narrowly English institutions of social amelioration to the localities. Within England, in other words, the British state enabled more aggressive local and non-governmental forms of
social improvement, while outside of England the newly robust British imperial state intervened more
directly.\textsuperscript{cviii}

Not only did the British state, especially outside England, directly intervene in civil society, but it
is hard to trace the emergence of the British state to international warfare. Britain did develop the
constituent elements of a modern state in the period from 1500-1800. But it is impossible to explain the
achievement of the monopoly of violence, a bureaucratic administration, or a more rational fiscal
system as an inevitable response to interstate violence. Instead, as the partisan debate between the
Whigs and Tories demonstrates, each step in the process was the result of difficult and contested
political choices. Politics not war made the British state. The resulting state shaped a new kind of
imperial polity.

\textsuperscript{cviii} Our comparative intuitions accord with those of Innes, \textit{Inferior Politics}, pp. 76-77.