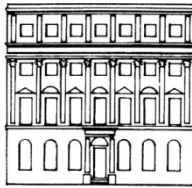


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Spike Sweeting:

Policing the Ports: The Regional Dimensions of Eighteenth-Century Customs Activity in England and Wales

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***POLICING THE PORTS:
THE REGIONAL DIMENSIONS OF
EIGHTEENTH-CENTURY CUSTOMS ACTIVITY
IN ENGLAND AND WALES***

SPIKE SWEETING

The English and Welsh Customs service of the eighteenth century has generally been seen as a failure, unable to raise revenue and representative of unenlightened attitudes to public service. Historians have couched this as a bureaucratic problem, often with explicit reference to Max Weber's views on office-holding, with the implication being that only top-down reform of the service and the fiscal system more generally was likely to improve receipts. This article uses evidence of national and regional Customs expenditure to suggest the importance of a complementary set of factors limiting the effectiveness of the Customs rooted more in protean economic circumstances than questions of state-formation. Before the advent of the railways moving bulk goods without the aid of waterways was enormously expensive because the best source of motive power was the horse and cart, and even these struggled when roads were in poor repair. As Adam Smith explained, maritime freight was *the* great engine driving the division of labour:

Coastal areas, and cities on rivers have been the fastest to develop, as their goods can be very cheaply transported across water versus land. Thus while cities on water will develop, those landlocked will be stifled, as land transportation is vastly more expensive than sea transportation. And since landlocked areas are limited in their potential for wealth by the neighbouring land, those with navigation available are not so limited.¹

This fundamental constraint makes 'ecologies', or how the spatial relationship between economic agents was conditioned by energy

¹ Adam Smith, *An Inquiry into the Nature and Causes of The Wealth of Nations*, 2 vols. (London, 1776), i. 22-3.

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resources, in particular, seas, winds, rivers, and coalfields, central to understanding economic growth and taxable trade.²

Smuggling was acknowledged by the Commissioners of the Revenue to be a major reason why receipts from indirect taxes, which they were obliged to send to the Exchequer, were only a fraction of what they could have been. For the eighteenth-century Customs, the problem was particularly acute. Unlike the Excise, who largely taxed domestic trade and industry in fixed breweries, tanneries, and warehouses, the Customs taxed goods on inherently mobile vessels. Many vessels could bypass the ports where Customs officers were stationed and land their goods in coves or beaches in order to avoid duties. To be sure, the Customs employed armed cruisers and 'riding officers' to police the coasts, but their effectiveness in dealing with large, well-armed smuggling gangs at land and sea was limited. In this respect, raising Customs revenue relied to no small degree on the compliance of ships' captains and, ultimately, the merchants they worked for choosing to unload their cargoes at Customs-licensed ports. Patrick O'Brien situated this problem within the context of a war economy, which drove up taxes and hence further diminished the incentive of these actors to submit to Customs regulations. O'Brien wrote:

throughout the period no Chancellor could have been other than deeply aware that the enforcement of customs legislation upon a society where almost everyone, high and low, connived at the sale and purchase of smuggled goods was problematical. Thus when they imposed or augmented tariffs their calculations involved them not merely in estimating the probable response of consumers to prices augmented by higher duties but also in considering the added incentives their policies afforded to smuggle and to buy contraband.³

² E. A. Wrigley, *Continuity, Chance and Change: The Character of the Industrial Revolution in England* (Cambridge, 1988); id., *Progress, Poverty and Population* (Cambridge, 2004), ch. 3; Paul Warde, *Ecology, Economy and State Formation in Early Modern Germany* (Cambridge, 2006); and Astrid Kander, Paolo Malanima, and Paul Warde, *Power to the People: Energy in Europe Over the Last Five Centuries* (Princeton, 2013), parts I and II.

³ Patrick K. O'Brien, 'The Political Economy of Taxation, 1660–1815', *Economic History Review*, NS, 41/1 (1988), 25.

Noting the sophistication of the smuggling gangs and that Customs officers were easily bribed, O'Brien concluded that 'there is no evidence that the government managed to raise the share of taxable imports falling into the net for government revenue, until the Royal Navy at sea and the militia on land came to the aid of the Customs Service during the long wars with France from 1793 to 1815'.⁴

The conclusions O'Brien drew in 1988 were expanded by John Brewer in his *The Sinews of Power* (1989), in which he argued that war debts accrued after 1694 meant an increase in the number of revenue-raising officers and a dramatic modernization of attitudes to office-holding in central government. The need to secure taxes saw the Excise grow faster than any other branch of government and collect the lion's share of revenue between 1710 and the introduction of income tax in 1799, precisely because they could be relied upon to tax an unwilling population harder. Brewer wrote: '[t]he English excise more closely approximated to Max Weber's ideas of bureaucracy than any other government agency in eighteenth-century Europe.'⁵ Uniquely, the Excise distanced themselves from the corruption, venality, sinecurism, and embezzlement that tarred most branches of government through a series of carefully constructed regulations that set their officers apart. Officers were examined on entry for mathematical proficiency; they were remunerated in wages and pensions by their commissioners, rather than fees from the tax-base, to improve discipline; officers were frequently 'removed' from the districts they taxed to new ones to stop them fraternizing with the locals; officers had to be married on appointment; using a sophisticated trail of paperwork, each officer was strictly supervised and actively disciplined by those of higher rank; those who detected frauds or collusions were rewarded.⁶ By the 1780s the relative efficiency of the Excise as compared to the other branches of government was well marked and increasingly the Customs – well known for its absentee sinecurists at the upper end of the service – were being asked to con-

⁴ Ibid. 26.

⁵ John Brewer, *The Sinews of Power: War, Money and the English State 1688–1789* (London, 1989), 56.

⁶ Ibid. 82–93 and id., 'Servants of the Public – Servants of the Crown: Officialdom of Eighteenth-Century Government', in John Brewer and Echhart Hellmuth (eds.), *Rethinking Leviathan: The Eighteenth-Century State in Britain and Germany* (Oxford, 1999), 127–47.

form to their administrative standards in order to produce more revenue.⁷ Such is the force of Brewer's assessment that the establishment of the otherworldly Excise man, the Treasury's preference for the rites of the Excise, and the slow conversion of unreformed departments to this gospel has become one, if not the only, grand narrative of English revenue history.⁸

Without wishing to claim they were as arrestingly modern as the Excise's administrative or fiscal achievements, I suggest that the activities of the Customs are not without interest precisely because they were so easily manipulated by their political patrons and tax-base, much like the majority of office-holders. Julian Hoppit has recently argued that the foundation of a coherent, centralized political economy in eighteenth-century Britain was inhibited by

the challenges of reconciling very different interests (personal, local, sectional, and national), the absence of an agreed paradigm of economic discourse, the shortages or imperfections of information about some areas of economic life (all the more important given rapid change in some parts), and the problems of balancing legislative ambition and administrative realism. Such difficulties were real and substantial, making it very hard for contemporaries to act consistently.⁹

This position coincides with that taken by Aaron Graham and Patrick Walsh, who have noted that the 'Weberian bureaucratic reform and central diktat' characteristic of the fiscal-military state required 'the

⁷ See Elizabeth E. Hoon, *The Organisation of the English Customs System, 1696–1786* (2nd edn., Newton Abott, 1968).

⁸ See Michael Braddick, *The Nerves of State: Taxation and the Financing of the English State, 1558–1714* (Manchester, 1996); Miles Ogborn, *Space of Modernity: London's Geographies 1680–1780* (London, 1998), ch. 5; William Ashworth, *Customs and Excise: Trade, Protection and Consumption in England, 1640–1845* (Oxford, 2004); Earl A. Reitan, *Politics, Finance and the People: Economical Reform in England in the Age of the American Revolution, 1770–92* (London, 2007); D'Maris Coffman, *Excise Taxation and the Origins of the Public Debt* (London, 2013).

⁹ Julian Hoppit, *Britain's Political Economies: Parliament and Economic Life, 1660–1800* (Cambridge, 2017), 6.

local interest groups' active cooperation or tacit consent' in order to operate.¹⁰

We might think of eighteenth-century Customs officers as constantly negotiating the demands of the central fiscal authorities and the economic expectations of their immediate social networks. Insofar as smugglers could elicit widespread support from the communities they emerged from and supplied, and given that officers were so badly regulated, we might expect that the state came off worst in these trade-offs. Nevertheless, William Farrell has shown that some institutions could militate against smuggling even when other sections of the community might support it. For instance, the London Weavers' Company was instrumental in policing the silk trade in order to flush out contraband Lyon ware.¹¹ Hoppit's work on national incidences of taxation also points to the fact that some regions paid considerably more Customs duties per head than others, and that enclaves of taxpayers did exist.¹² Pinpointing the successes of the Customs in raising revenue, tackling smugglers, and policing the coastal communities they inhabited is a useful exercise to gauge the economic contexts of these competing forces.

For the most part, this analysis of Customs revenues is based on a manuscript account of the Revenue of the English and Welsh Customs drawn up by Sir William Musgrave around 1790.¹³ Musgrave was the pivotal figure in efforts to reform the Customs under Lord Shelburne and William Pitt the Younger, and his account was clearly an attempt to reflect upon the history of the Revenue in order to reshape it.¹⁴ His manuscript is unique in that it details the takings of the Customs in London and all seventy-two other ports in England and Wales at intervals of a decade from 1710 to 1770 and for 1777 to

¹⁰ Aaron Graham and Patrick Walsh, 'Introduction', in eid. (eds.), *The British Fiscal Military States, 1660–c.1783* (London, 2016), 2–3.

¹¹ William Farrell, 'The Silk Interest and the Fiscal-Military State', in Graham and Walsh (eds.), *British Fiscal Military States*, 113–30.

¹² Hoppit, *Britain's Political Economies*, ch. 10.

¹³ British Library, London (BL), Add. MS., 8133A.

¹⁴ BL, Add. MS., 8133C, fo. 118. On Musgrave and reform see C. J. Wright, 'Sir William Musgrave (1735–1800) and the British Museum Library', in G. Mandelbrote and B. Taylor (eds.), *Libraries Within Libraries: The Origins of the British Libraries Printed Collections* (London, 2009), 202–21; Reitan, *Politics, Finance and the People*, 123–6; Brewer, *Sinews of Power*, 71.

1787. The 1814 fire at London's Customs Houses means that it is hard to verify all the outport figures against the archive originals from which they were extracted, but the aggregate figures match surviving Treasury receipts and other audits of the revenue collected by Treasury-affiliated politicians.¹⁵ More excitingly for historians, Musgrave's figures break down the Customs revenue for each port under several heads. 'Gross Receipt' represents the annual sum raised on imports, exports, and domestic coals. Crucially, Musgrave recorded how much of this money was disbursed locally in the form of 'drawbacks and bounties' paid on re-exported goods or subsidized exports, 'management' costs, and additional 'allowances' for damages. The remainder, termed 'Net Produce' or 'Receipt', was sent to Customs House in London and then the Exchequer. Combined with national measures of trade and reports on the services' performance, these categories are the most analytically consistent mechanisms we possess for measuring the scale and geographical distribution of Customs activities in England and Wales.

Musgrave's survey allows for an assessment of the activities of Customs officers at a regional level using a set of fairly standardized monetary metrics. Whilst measuring officer activity solely in terms of cash is crude in that it loses much of the personal character of administrative life (and its corruption), Musgrave's figures facilitate a meso-level analysis that can connect Treasury policy with local circumstances across England and Wales. Consequently, it is hoped the data presented here will be useful in grounding closer studies of regional trade, taxation, and smuggling in a more systematic way. Although it shows that the Customs were not always as flaccid as has often been suggested, this data should not be construed to infer that smuggling was negligible in supplying English and Welsh consumers. The figures used here show growth in legitimate taxation, *not* the contraction of the black economy, the depths of which will probably never be fathomed with any precision. Specifically, they show that legal trade in a few bulky commodities grew in a handful of ports in a manner that suggests local manufacturing demand contributed much to the success of the Customs before 1780.

Investigating the Customs duties raised by each port and the Customs local expenditure in detail certainly gives historians some

¹⁵ See Part I, below.

scope to revise the rather gloomy assessment of the Customs as the perennial stooges of the fiscal-military state. The first part of this article demonstrates that the considerable difference between the gross and net receipts of the Customs stemmed not from any failure of the service, as most historians imply, but from the perfectly legal disbursements they made to merchants re-exporting goods called 'draw-backs', the 'bounties' paid to merchants exporting strategic domestically produced products, and the salaries paid to their own officers. Customs officers undertook a high volume of bureaucratic activity as a result of Treasury policy, which has subsequently been understood as inefficient because of its failure to swell the coffers of the Exchequer. This was a structural problem for the Customs, driven by the competing political economies of the centre, not by weakness on the part of the officers. Moreover, the declining importance of draw-backs preceded their reform as manufactures grew, suggesting economic developments were more influential than the Treasury's commitment to bureaucratic efficiency in improving the net receipt.

The second part of this article looks at the dynamic between net revenue receipts and expenditure on staff in more detail in order to assess where and when net receipts grew between 1710 and 1785. It highlights the success of ports with good transport links inland and well developed industrial hinterlands, such as Bristol, Liverpool, and Hull. These regions need not have been inundated with factories, but were 'industrious' in the sense used currently to mean that their residents were intensively engaged in market-orientated, largely secondary-sector economic activity. Their populations grew, required large quantities of raw materials to work up, and spent their generally high wages on consumer goods, all of which improved Customs receipts.¹⁶ Other ports expanded more slowly, particularly in the south and east of England. The shift in legal trade to the north and west was not matched by a concomitant shift in Customs resources because large 'industrious' ports were easier to tax and required fewer staff. Rather, the Europe-facing ports of the south had relative-

¹⁶ Jan de Vries, *The Industrious Revolution: Consumer Behaviour and the Household Economy, 1650 to the Present* (Cambridge, 2006); Craig Muldrew, *Food, Energy and the Creation of Industriousness: Work and Material Culture in Agrarian England, 1550-1780* (Cambridge, 2011); E. A. Wrigley, *The Path to Sustained Growth: England's Transition from an Organic Economy to an Industrial Revolution* (Cambridge, 2016), esp. ch. 5.

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ly large numbers of staff, but devoted much of their time to chasing smugglers rather than taxing retained imports. A major aim of this section is to highlight the increasingly varied and often stratified markets that ports serviced as trade and industry became more sophisticated. Policing the ports could involve quite different activities depending on where in the country an officer was stationed.

The third part explores the distribution of Customs receipts in terms of the respective transport costs of legitimate traders and smugglers in order to connect these figures with qualitative accounts of illicit trade. The cost of transport, especially on land, was a major incentive to utilize riparian ports and pay taxes, though this incentive was greater in the bulk trades, such as coal, where value per ton was lowest. For the luxury goods favoured by smugglers, such as tea, silks, and tobacco, higher values per ton mitigated the problem of transport costs to some extent. There is nothing to suggest that the strategies developed by the Customs effectively dealt with this problem, though their use of preventive officers at sea did seem to stop smugglers cultivating industrial markets.

Moving from description to analysis, the conclusion reflects briefly on what is to be gained from seeing the Customs in terms of ports conditioned by flows of goods, local industries, and the infrastructure joining both, as opposed to bureaucratic regulations.

I. Customs Policies and Drawbacks

Paying back to merchants taxes raised on goods that were subsequently re-exported occupied Customs officers in most of Britain's largest ports. Sir Robert Walpole and William Pitt the Younger both tried to transfer this complicated procedure to the Excise on the basis that they were less easily corrupted than the Customs. While historians have seen this facet of Customs procedure as an engine of bureaucratic reform, none have examined its scale, which was the most important measurable determinant of net Customs revenue for much of the century. This section examines legislative, administrative, and fiscal aspects of the re-export system to argue that it was chiefly this policy that contrived to make the Customs look inefficient.

Throughout the eighteenth century Customs policy was developed by the Treasury in consultation with the Customs Commission

in London and, occasionally, the Board of Trade. Raising new taxes or extending the scope of old ones required parliamentary assent, and from 1696 legislation proceeded by building on two overlapping mechanisms. Most Customs duties were calculated on the basis of the 'tonnage and poundage' legislation brought in at the Restoration, which applied to the commodities coming from 'over the seas' as listed in the Book of Rates. This baseline was supplemented by a series of additional 'subsidies' used to fund specific loans from the Bank of England that added a fixed fraction or percentage of duties to the tonnage figures. For the most part these revisions were driven by war. Ralph Davis has identified the 1690s and 1700s as the pivotal decades that saw a relatively low rate of taxation vastly inflated, and this shift also had an overtly protectionist element.¹⁷

To align England's, then Britain's, position within the European and Imperial trading patterns inherited from the seventeenth century necessitated a second, large category of legislation applied to commodities that were deemed especially load-bearing in fiscal terms, were particularly tricky to administer, or could bolster some other aspect of economic policy. Items that competed with British manufacturing could be heavily penalized and certain exports were subsidized by the Customs through a system of bounties. Notable among this second group of goods were those coming from outside Europe, either under the auspices of the East India Company or from the flourishing plantation colonies. Calicos were thought to compete directly with British textile manufacture and were prohibited outright, and European sailcloth, leather hides, linens, and silks suffered from high taxes. 'Groceries' such as sugar or tobacco were more problematic. Insofar as they were 'luxuries' imported into Britain in vast quantities as a result of the Navigation Acts, it was thought that they might bear the weight of higher taxes while still encouraging colonial enterprise. However, high taxes shut off trans-shipment to European markets, which would have slowed the development of British ship-

¹⁷ Ralph Davis, 'Rise of Protectionism in England, 1689-1784', *Economic Historical Review*, 19/2 (1966), 306-17. See also O'Brien, 'The Political Economy of Taxation'; David Ormrod, *The Rise of Commercial Empires: England and the Netherlands in the Age of Mercantilism* (Cambridge, 2003); Ashworth, *Customs and Excise*; id., *Industrial Revolution: The State Knowledge and Global Trade* (London, 2017); Martin J. Daunton, *Trusting Leviathan: The Politics of Taxation in Britain, 1799-1914* (Cambridge, 2001).

ping and commercial services. In order to compensate for this problem and create an entrepôt system, merchants re-exporting many goods were entitled to claim or 'drawback' from the Customs a large proportion of the import duties they had paid.

Tobacco was the mainstay of English and Welsh re-exports until American Independence because it was a commodity that few European states could compete with directly through their East India Companies or imperial networks, unlike sugar, calicos, or spices.¹⁸ Consequently 75 to 80 per cent of imports from Chesapeake were sent directly to the European mainland or Ireland. The trans-shipment of finished goods, especially lighter textiles such as linens and cottons, from Europe and India to Africa, the Thirteen Colonies, and Caribbean plantations was a second branch of the re-export trade. As the quality of British manufacturing rose, it was these goods that came to be replaced with domestic alternatives, leading to a decline in re-export and a rise in domestically produced exports.¹⁹ Those commodities that the British could not copy, particularly tropical groceries, were crucial in galvanizing the smuggling activity described below.

William Ashworth's recent analysis of the Industrial Revolution has put great weight on British Customs policy, arguing that protectionist tax walls, a strategy borrowed from the French, stimulated certain kinds of manufacturing at the same time as the Dutch-inspired entrepôt model, facilitated by the drawbacks, fostered imperial markets dependent on finished goods produced in the metropolis.²⁰ Inspired as it might have been, the policy was not particularly

¹⁸ G. N. Clark, *Guide to English Commercial Statistics, 1696-1782* (London, 1938); E. B. Schumpeter, *British Overseas Trade Statistics, 1697-1808* (Oxford, 1960); Ralph Davis, 'English Foreign Trade, 1700-1774', *Economic History Review*, NS, 15/2 (1962), 285-303, Appendix 1.

¹⁹ C. H. Lee, *The British Economy since 1700: A Macro Economic Perspective* (Cambridge, 1986), 108-12, summarizes the findings of Phyllis Dean and W. A. Cole, F. Crouzet, and N. R. F. Crafts based on the 'Ledgers of Import and Export', The National Archive (TNA), London, CUST 3 series; J. Cuenca Esteban, 'The Rising Share of British Industrial Exports in Industrial Output, 1700-1851', *Journal of Economic History*, 57/4 (1997). For Scotland see Philip Rossner, *Scottish Trade in the Wake of Union (1700-1760): The Rise of a Warehouse Economy* (Stuttgart, 2008).

²⁰ Ashworth, *Industrial Revolution*, chs. 2-5.

efficient to administer. Guides to navigating Customs House bureaucracy were a staple of eighteenth-century publishing, and the political economist Malachy Postlethwaite summed up the mood in his 1766 *Dictionary of Trade and Commerce*, stating that without wishing to 'enumerate' all the changes in taxes since Queen Anne's reign, 'which is too tedious',

we may see what a maze our merchants must be about when they come to their computation. If likewise we consider the many exceptions and exceptions to exceptions and regulation and regulations to regulations, for collecting the customs we must conclude it is no easy matter for any merchant in this country to be a master of this branch of the business, if he be what we call a general merchant.²¹

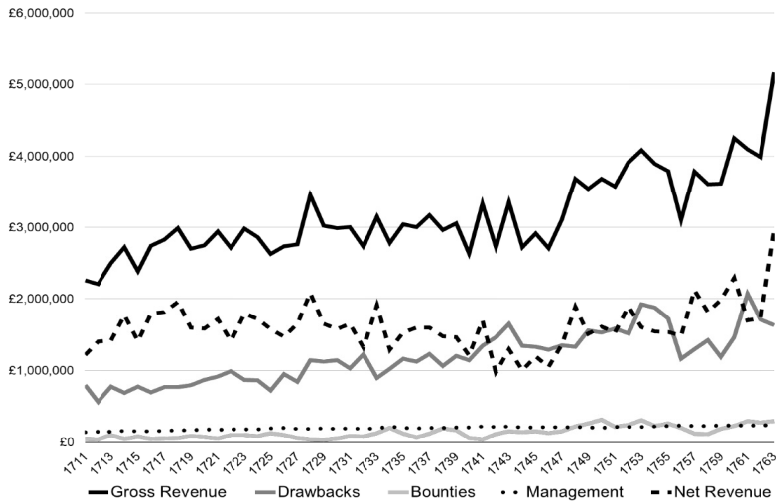
Although Postlethwaite approved of drawbacks on commercial principle, he devoted more pages to explaining how to file for a debenture for a drawback than to explaining commercial relations with most European states. For the Customs, drawbacks were equally arduous work because they involved unloading cargoes from ships, weighing and measuring them, calculating and paying the duties, then essentially doing the same again in reverse when they were sent abroad. This involved twice mobilizing a whole retinue of tidewaiters, landwaiters, weighers or gaugers, warehousemen, searchers, collectors, and various clerks on land and sea.

Much early Hanoverian economic policy rested on refining the basic fiscal rationale of the Customs and extending the bonded warehouse system that allowed tropical commodities to lie in storage for as long as the importing merchant could secure his liabilities on another trader's credit. Less cash changed hands by administering drawbacks this way, but the system was still open to abuse because

²¹ 'Customs', 'Debentures', 'Drawbacks', in Malachy Postlethwaite, *Universal Dictionary of Trade and Commerce*, 2 vols. (London, 1766), i; See also William Edgar, *Vectigalium Systema: Or a Complete View of that Branch of the Revenue of Great Britain Commonly Called the Customs* (London, 1718); Henry Crouch, *A Complete View of the British Customs* (1st edn. London, 1725); Henry Saxby, *The British Customs* (1st edn. London, 1757); Samuel Baldwin, *A Survey of the British Customs* (London, 1770); Edward James Mascal, *Consolidation of the Customs* (London, 1787).

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Figure 1: Customs Revenue, Expenditure and Administration Costs, Christmas 1711-1763



Source: BL, Add. MS., 29990, 'The Gross and Net Produce of his Majesty's Customs in England, together with the adjustment of the Net Produce with the Payments into the Exchequer, annually from Christmas 1710 to 1763' (c.1764).

merchants misestimated their imports, spirited away or adulterated goods in warehouses, bribed officers, or claimed drawback on goods that actually got smuggled back into Britain.²² Such were Sir Robert Walpole's reasons for shifting the administration of East India tea, coffee, and chocolate to the Excise in 1722, and for his hopes of extending the bonded warehouse system to wine and tobacco in 1733. He argued that minimal Customs duties could then be paid with the shortfall being made up by an Excise on goods entering inland to British consumers. The spectacular implosion of Walpole's later 'scheme', after hysterical opposition scaremongering centred on the trope of an unconstitutional 'general excise', put paid to administrators publicly espousing this logic for two generations. Nonetheless, the clunky,

²² Papers of the House of Commons (PHC), 'The Report, with Appendix, from the Committee of the House of Commons Appointed to Enquire into the Fraud and Abuses in the Customs' (1733), *passim*.

piecemeal system of drawbacks remained in place until the Warehouse Acts of 1802.²³

The alacrity with which merchants exploited the drawback system after 1715 is remarkable. A Treasury digest formatted similarly to Musgrave's, detailing Customs receipts from 1711 to 1763, is shown in Figure 1. This paints a comprehensive picture of the money involved. It shows that money paid back to merchants via drawbacks rose in advance of that collected as part of the gross receipt, meaning that by the 1740s more money was being refunded to merchants re-exporting goods than was being sent to the Exchequer. Expenditure on drawbacks stopped rising after the War of Austrian Succession, when a greater gross receipt saw net receipts begin to nudge ahead of drawbacks as a proportion of expenditure.

In order to push the story forward a few decades, Figure 2 shows the aggregated gross receipt of the Customs that Musgrave recorded for each year, distinguishing how the money was disbursed between 1710 and 1785. Like the Treasury data used in Figure 1, one can clearly see the gross receipt growing throughout the century, and quite rapidly in 1785, when trade between Britain, the rest of Europe, and the United States rapidly flourished following the end of hostilities that had suppressed or disrupted commercial life for most of the previous decade. Musgrave's figures also show that it was ports with, first, easy access to Europe and the Atlantic and, second, robust commercial facilities, that bore the brunt of the administrative burden that re-exports caused. Bristol, Whitehaven, Liverpool, and London paid 94 per cent of all drawbacks. More importantly, as Table 1 indicates, much earlier growth in the gross receipt was eaten up by payments back to merchants on re-exported goods through drawbacks, which meant that the net receipt sent to the Treasury remained fairly stagnant until 1750. That year less than 50 per cent of the money collected by the Customs was reaching the Exchequer as a result of payments made in drawback, bounties, and management costs. Thereafter, re-exports bottomed out relative to gross receipt, resulting in the net receipt rocketing between 1750 and 1785.

The scale of drawback payments eclipsed a general rise in gross receipt and contrived to make the Customs service look ineffective in terms of capturing more net revenue. O'Brien's influential views on

²³ Paul Langford, *The Excise Crisis: Society and Politics in the Age of Walpole* (Oxford, 1975); Ashworth, *Customs and Excise*, 172.

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Figure 2: Customs Revenue, Expenditure, and Administration, 1710–1785 (£000s)



Source: BL, Add. MS., 8133A; Bounties are distinguished from Musgrave's figure for 'Drawbacks and Bounties' using Hoppit's figures in his *Britain's Political Economies: Parliament and Economic Life, 1660–1800* (Cambridge, 2017), Table 8.1 (my thanks to him for sharing the spreadsheet), based on data Shelburne gathered. (Shelburne had no bounties figures for 1785 so drawbacks for that year are based on Musgrave's figure alone and include bounties.)

the subject have already been quoted, and it is vital to recognize that his conclusions were based on net revenue figures extracted from Treasury papers in the nineteenth century, which allowed him to compare the Customs, Excise, and Land Tax. No doubt the stagnant Customs appeared far less efficient than the steadily expanding Excise based on this measure, but it only reveals half the story because it overlooked the massive repayments made back to merchants.

Assessing the Customs on the basis of gross receipt suggests the service had rather more integrity than has been imagined. For instance, between 1718 and 1722, and 1748 and 1752, the gross receipt grew from an average of £2.8 million to £3.7 million per annum, or by about 30 per cent, a rate similar to the Excise. During this period only the subsidy of 1747 was added to the general tariff structure, increasing the cost of rated goods by about 25 per cent, although this varied

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Table 1: Customs Expenditure and Administration Costs as a Percentage of Gross Receipts, 1710–1785

	<i>Gross Revenue (£000s)</i>	<i>Drawbacks (%)</i>	<i>Bounties (%)</i>	<i>Allowances (%)</i>	<i>Management (%)</i>	<i>Net Revenue (%)</i>
1710	£2,155	24	2	3	7	64
1720	£2,437	35	3	2	7	53
1730	£2,980	38	2	1	7	52
1740	£2,628	43	2	1	8	46
1750	£3,677	42	9	1	6	43
1760	£4,205	35	5	1	6	53
1770	£4,545	29	4	1	6	61
1780	£3,986	20	5	1	7	67
1785	£7,817	25*	-	1	3	71

* Shelburne had no bounties figures for 1785 so drawbacks for that year are based on Musgrave's figure alone and include bounties.

Source: BL, Add. MS., 8133A; Bounties are distinguished from Musgrave's figures for 'Drawbacks and Bounties' using Hoppit's figures in his *Britain's Political Economies*, Table 8.1 (my thanks to him for sharing the spreadsheet), based on data Shelburne gathered.

because of the special duties laid on many of the most important commodities. Upward adjustments in the region of 35 per cent were put on tropical groceries. Export duties on British manufactures were also removed in 1722 and calicos prohibited, further diminishing the tax base. Given this varied picture, a gross rise of 30 per cent seems a fairly good return for the Customs, and suggests that they were capable of increasing the scope of taxation on trade. However, in the same period re-exports from England and Wales grew by 73 per cent, severely depressing net revenue and making these gains invisible, albeit in a manner that was perfectly legal. In purely fiscal terms, policing trade through the redistribution of taxes rendered the Customs highly unproductive, gnawing at the net receipt for the early part of the century.

Abandoning drawbacks would have meant scotching a large portion of English and Welsh re-export trade to the extent that any sav-

ing in administration costs would, in theory, only have allowed Parliament to revise downwards a tiny fraction of the tariff structure. Indeed, the wages paid to all officers represented only about 7 per cent of the gross receipt annually. Well-informed politicians did, however, feel that reform along the lines of the Excise was appropriate and this was certainly the tenor of the many Parliamentary reports which formed the blueprint for the service after 1783, when the national debt had alarmingly escalated since Walpole's day. Yet Pitt's decision to pass inland tobacco duties to the Excise in 1787 was as much recognition that the newly independent United States were likely to start trading directly with Europe as enduring fiscal rationalism. Similarly, passing wine duties to the Excise came at the same time as a short-lived liberalization of trade with France. Drawbacks represented just 15 per cent of the gross receipt around 1790.²⁴ Moreover, it was an emerging manufacturing base that appears to have mitigated this problem structurally from 1750, when drawback declined as a proportion of the gross receipt, leading to greater net returns. Such a development was outside the Treasury's direct influence in a number of ways we will turn to next. Nonetheless, if we were to identify an observable factor that hobbled the Customs in the eyes of historians, it would have to be the commitment of MPs in Westminster to the drawback system.

II. *The Productivity and Costs of Regional Customs Establishments*

Musgrave's detailed regional figures will be pursued in this section in order to analyse which ports were profitable to the Customs. We find that London was easily the chief port in England and Wales in absolute terms. Over the course of the century London's dominance did decline relative to the seventy-two outports, but no other single port began to approach the capital's contribution. London was a trading centre on a scale and of a complexity that dwarfed the rest of the country. However, the capital shared characteristics with its most successful competitors, namely, as an urban centre on a river that gave it easy access to a populous, relatively wealthy hinterland. Very

²⁴ TNA, CUST 17/11-14, States of Navigation, Commerce and Revenue, 1789-92.

few ports produced 1 per cent or more of the Customs' net revenue, and many were little more than way-stations for the coastal trade with little direct engagement in overseas trade. As we shall see, southern ports that had previously serviced England's wool exports to Europe began to look like hangovers from a bygone age, even by 1760. Yet the Customs Commission recognized that it was vital to maintain a strong presence in these sleepy port-towns lest they become overrun by smugglers. Whether their efforts were adequate will be considered in the next section. What needs stressing here is that the demands of newly 'industrious' regions concentrated and grew the flow of taxable goods into a few ports, which made the Customs officers deployed in them hugely productive compared to those elsewhere.

Table 2 displays the combined net produce and management costs of the leading ports of England and Wales at three intervals across the eighteenth century, and what those totals represented as a percentage of the aggregates for both countries. Despite some fluctuations, London stands out as the cornerstone of the Customs revenue, contributing about two-thirds of the receipt across the period, with the next largest provincial ports still an order of magnitude lower in their remittances. Of these, Bristol was already well established as a commercial centre by the end of the seventeenth century and doubled its net take over the course of the eighteenth century after accounting for inflation. Liverpool was the great success of the period for the revenue, spectacularly leaping from a net take of £69,000 to £452,000 in real terms. Hull also emerged as a major vent for West Riding textiles.

Where primary sector agriculture or mining predominated, larger ports also increased their share of the contributions to the revenue, although without the fireworks of Liverpool. This included the east coast ports of Yarmouth, Lynn, Newcastle, and Sunderland. Taxable trade was hard won and many ports on the south coast stagnated or slipped down the Customs' rankings. Exeter was ideally placed to contribute to the Atlantic economy but, having produced revenues behind only London and Bristol, drastically fell away as the local woollen industry declined after 1720. The sixty remaining ports produced very little revenue for the Customs, on average making between a sixth and quarter of 1 per cent of the net revenue each. So precariously situated in commercial networks were many of them that the cost of paying the local Customs establishment outweighed

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Table 2: Net Revenue and Management Costs of the Chief Ports of England and Wales

	Net Revenue (£000s and % of Agg.)			Management (£000s and % of Agg.)		
	1770,1720, 1730	1740, 1750, 1760	1770, 1780, 1785	1770,1720, 1730	1740, 1750, 1760	1770, 1780, 1785
Aggregate	£5,008	£6,301	£11,954	£620	£840	£914
London	£3,476	£3,947	£7,893	£302	£396	£440
%	69.4	62.6	66.0	48.7	47.1	48.1
Newcastle	£31	£54	£119	£9	£12	£14
%	0.6	0.9	1.0	1.5	1.4	1.6
Sunderland	£11	£29	£88	£2	£3	£3
%	0.2	0.5	0.7	0.4	0.4	0.4
Hull	£71	£152	£319	£9	£14	£16
%	1.4	2.4	2.7	1.5	1.7	1.8
Lynn	£49	£88	£168	£4	£7	£7
%	1.0	1.4	1.4	0.6	0.8	0.8
Yarmouth	£29	£63	£76	£8	£11	£10
%	0.6	1.0	0.6	1.3	1.3	1.0
Whitehaven	£16	£84	£43	£4	£6	£10
%	0.3	1.3	0.4	0.7	0.8	1.1
Liverpool	£69	£243	£452	£11	£16	£22
%	1.4	3.9	3.8	1.8	1.9	2.4
Bristol	£360	£467	£708	£24	£26	£25
%	7.2	7.4	5.9	3.9	3.1	2.7
Exeter	£110	£44	£58	£8	£12	£12
%	2.2	0.7	0.5	1.2	1.5	1.3
Plymouth	£25	£28	£62	£8	£13	£15
%	0.5	0.4	0.5	1.4	1.6	1.6
Portsmouth	£15	£35	£63	£6	£12	£14
%	0.3	0.6	0.5	1.0	1.4	1.6
Southampton	£27	£40	£76	£6	£9	£11
%	0.5	0.6	0.6	0.9	1.0	1.2
Other Ports	£493	£1,029	£1,835	£218	£302	£316
%	9.8	16.3	15.4	35.1	36.0	34.6
Net Losses (no. ports)	95	64	51			

Source: BL, Add. MS., 8133A deflated using the price index in B. J. Mitchell, *Abstract of British Historical Statistics* (Cambridge, 1988), Prices Table 1B, 'Consumers' goods', to 1709 prices.

the revenue they generated, resulting in net losses for the Customs. Welsh ports were consistently problematic in this regard, rarely repaying their cost of upkeep. As such, the growing share of the revenue these ports provided from the mid eighteenth century onwards was simply a result of more of these ports breaking even. A single additional taxed cargo could make a substantial difference to most.

The uneven picture of legal trade presented by Musgrave owes much to geography and geology. All the large and growing ports were on navigable rivers that made marketing goods to communities upstream relatively easy. Bristol on the Severn and Avon, Liverpool on the Mersey, Hull on the Humber and Trent, and even Lynn's position as gateway to the Fens and Cambridge bear this out. Ports largely confined to coastal communication could not establish themselves as commercial centres in quite the same way because overseas merchants would gladly bypass them in favour of the port nearest their target market in order to keep land carriage costs to a minimum. Consequently, natural endowments meant that most ports were not well suited to take large quantities of imports, precisely the category of goods on which the Customs raised their revenue. The increasingly marketable finished goods that Bristol, Liverpool, and Hull could access were equally useful in bolstering their trade in a manner that bustling Lynn or Yarmouth could not compete with. Manufacturers on the Severn, Mersey, and Trent/Humber were amply supplied with coal, which kept the cost of energy and wages low compared to London.²⁵ As the Inspector of Import and Exports explained in 1799: 'the commerce of the ports of Liverpool and Hull, particularly the former, has rapidly increased of late insomuch that I believe the export of British manufactures at present from those two ports alone exceed in value the exports of the port of London.'²⁶

Textiles and metalware from the North and Midlands were in ample demand across the Atlantic and had some traction in Europe, underpinning exchanges for regional specialities overseas and boost-

²⁵ Robert Allen, 'Technology', in Roderick Floud, Jane Humphries, and Paul Johnson (eds.), *Cambridge Economic History of Modern Britain*, i: 1700–1870 (Cambridge, 2014), 300 and table 10.4; William M. Cavert, *The Smoke of London: Energy and Environment in the Early Modern City* (Cambridge, 2016), 126–30.

²⁶ PHC, 'Second Report from the Select Committee upon the Improvement of the Port of London' (1799), 514.

ing inward demand for raw materials. Rivers, of course, facilitated this two-way movement, particularly when it came to trafficking bulky goods such as timber, ore, the oils, dyes, and ashes used in textile production, or coal itself to towns. The Collector at Cardiff, only ten kilometres from the South Wales coalfield, reinforced this point to the Commission in London stating: 'we have no Coals Exported from this Port, nor ever shall, as it would be too expensive to bring it down here from the internal part of the Country.'²⁷ In addition, merchants favoured inland waterways whenever possible in order to ensure their coals did not travel by sea and become liable for coastwise duties.²⁸ Canals aimed to alleviate both problems but did not take hold in the south because agriculture remained too extensive for them to be cost-effective and coastal shipping remained a matter of necessity.²⁹ Bulk transport infrastructure allowed even inland towns such as Stoke to develop 'punctiform' (point-to-point) relationships with their industrial partners in addition to the 'dendriiform' (tree-like) routes that facilitated agricultural supply.³⁰ That Hull, Liverpool, London, and Bristol all expanded their port facilities at great expense between 1780 and 1810 further underlines the regard in which slick distribution was held.

In order to clarify the importance of productive hinterlands, it is useful to recognize that smaller ports *could* compete with the better connected ports when exploiting what Philip Rossner calls the 'warehouse economy' of drawbacks.³¹ Whitehaven provides a striking example. Measured by net receipts, Whitehaven's contribution to the revenue appears to be the story of a rise from obscurity in the early eighteenth century to some fleeting success in the mid century before falling back to third-class status. However, even these measures

²⁷ 'Custom House Records: Letter Book, 1732–42', in John Hobson Matthews (ed.), *Cardiff Records*, ii. (Cardiff, 1900), 12 July 1782.

²⁸ J. C. Jarvis (ed.), *Customs Letter Book of the Port of Liverpool* (Manchester, 1954), 362; PHC, 'An Account of the Duties on all Coals Exported Coastwise' (1786).

²⁹ P. A. Vine, *London's Lost Route to the Sea* (Newton Abbott, 1986).

³⁰ Wrigley, *The Path to Sustained Growth*; id., 'Urban Growth in Early Modern England: Food, Fuel and Transport', *Past and Present*, 225 (2014), 79–112; Warde, *Ecology, Economy and State Formation*, 286–8; Lee, *British Economy*, 119–24.

³¹ Rossner, *Scottish Trade*.

obscure a vast level of commercial activity based on its ability to act as hub for the trans-shipment of tobacco from Chesapeake to France and Ireland. At its peak in the years 1740, 1750, and 1760 Whitehaven's gross receipt amounted to an astonishing £690,000, rivalling nearby Liverpool's £695,000. Yet 85 per cent of this money was refunded to merchants in drawbacks, compared to 61 per cent at Liverpool, resulting in markedly smaller net receipt. By 1770, 1780, and 1785, it is evident that Liverpool was weaning itself off trans-shipment as a strategy and retaining far more taxed goods, re-exporting only 50 per cent of £1.05 million gross takings, where Whitehaven was still re-exporting 74 per cent of a significantly smaller £225,000 gross. Whitehaven struggled to capture trade permanently, unable to embed a mercantile culture, and the multiplier effects that this bestowed, beyond opportunistically exploiting the entrepôt system. The importance of inland commercial networks that offered an accompaniment to overseas markets is nicely illustrated in this comparison.

Regional urbanization and secondary sector employment were extremely beneficial for the Customs insofar as they boosted demand whilst channelling goods through cities on rivers that were relatively easily to police. The vast majority of the Customs' 'management' costs were spent on personnel rather than facilities or stationery, meaning that we can use Musgrave's figures as a rough index for the costs of collection.³² Table 2 indicates that London, as home to the national administrative staff and many aristocratic sinecurists, was the most expensive port to run by a wide margin. Owing to the strong concentration of commercial activity in well-connected ports, even middling towns might spend more money on staff than lesser ports raised in gross revenue. Yet in a port with rivers and industrious consumers, staffing costs were easily recouped through large revenues, principally London, Bristol, Liverpool, Hull, Newcastle, and Sunderland, especially in the later period. Overall, English and Welsh ports found that taxable trade rose faster than additional outlays in staffing costs across the century. Nevertheless, the well-placed ports were incredibly cost-effective, often far in advance of the

³² PHC, 'Fifteenth Report of the Commissioners Appointed to Examine, Take and State the Public accounts of the Kingdom' (1786), Appendixes 16, 17, and 19.

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Table 3: Productivity of Chief Ports (£Net Revenue/£Management)

	1710, 1720, 1730	1740, 1750, 1760	1770, 1780, 1785
England and Wales	8.1	7.5	13.1
London	11.5	10.0	17.9
Newcastle	3.5	4.7	8.7
Sunderland	4.6	9.5	25.3
Hull	7.7	10.5	19.5
Lynn	12.5	12.4	23.1
Yarmouth	3.5	6.0	8.0
Whitehaven	3.7	13.0	4.4
Liverpool	6.1	15.2	21.0
Bristol	14.9	17.8	28.7
Exeter	14.5	3.5	4.8
Plymouth	3.0	2.1	4.3
Portsmouth	2.4	3.0	4.4
Southampton	4.6	4.6	7.2
All other ports	2.3	3.4	5.8

Source: BL, Add. MS., 8133A deflated using the price index in Mitchell, *Abstract of British Historical Statistics*, Prices Table 1B, 'Consumers' goods', to 1709 prices.

national mean, and this tendency accelerated as the century progressed. Almost all the other ports grew at a rate far slower than London, and thus than the national average. Table 3 simplifies these data in terms of an efficiency rating that shows how many pounds of net revenue were sent to the Exchequer in each town for every pound spent on management (net receipt/management).

Seemingly the majority of ports in England and Wales could not justify their existence on revenue-raising capacity alone. Tables 2 and 3 show how Exeter's efficiency declined precipitously in the early eighteenth century, as more staff were employed to administer less trade. Plymouth, Portsmouth, and Southampton also exhibited simi-

lar signs of stagnation in terms of income whilst witnessing greater expenditure on staff. In fact, this was a problem for the entire south coast because the ports between Bristol and London were some of the least efficient in the country. Unlike other regions which had one or two chief ports situated on a river, the south-eastern and south-western coastlines were studded with many small to middling ports serving limited coastal markets. Thus the problem afflicting Exeter was repeated in no fewer than thirty-four towns, accounting for 47 per cent of all Customs ports. Table 4 shows the aggregated net revenue and management costs for England and Wales broken up by major river basins, in order to emphasize the disparity between these regions and others; much money was spent on raising relatively small sums simply because coastal shipping was the chief means of transporting goods.

At first sight the Customs seem to have been overstaffing in some regions but this was not the case because, as Welsh Collector in 1650 informed the Commission, each port 'must have an officer or more in them, more for the prevention of fraud than for receipt'.³³ The outports were organized on the basis that a series of 'headports' should act as administrative hubs for the smaller 'member' ports, employing customers, comptrollers, collectors, and searchers to mediate between these subdistricts and London. These crown patentees would appoint deputies to fulfil their functions in the member ports they were responsible for, albeit at much reduced salaries. The types of officer the Commission settled in ports formed the majority of staff and typically comprised a core of land-bound administrative and metrological staff, a larger pool of 'tidewaiters' and boatmen who would actually board vessels, and squadrons of riding officers charged with monitoring the nearby coasts.³⁴ The numbers of officers working in a given port expanded according to its size with some important variations in terms of type. Tidewaiters constituted a large proportion of the staff and salaries at each port, no doubt because rowing out to incoming ships in order to draw up manifests of taxable cargoes was a laborious process made doubly so by the necessity of deploying pairs so that the officers did not fall foul of bullying or corrupt ships' captains. The physical dimensions of individual ports may have had

³³ Stephen K. Roberts (ed.), *Letterbook of John Byrd: Customs Collector in South-East Wales, 1648-80* (Cardiff, 1999), letter 100.

³⁴ PHC, 'Fifteenth Report', Appendix 6.

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Table 4: Net Revenue and Management Costs of English and Welsh Ports by River Basin (£000s)

	No. of Ports	1710–30		1740–60		1770–85	
		Net Revenue	Management	Net Revenue	Management	Net Revenue	Management
Thames	1	£3,963	£345	£4,501	£451	£8,999	£505
North East (Tees, Tyne and Wear)	5	£58	£20	£108	£26	£251	£28
Humber	3	£85	£14	£186	£22	£401	£25
East Anglia	14	£115	£33	£268	£60	£418	£56
North West (Mersey)	6	£126	£28	£408	£41	£627	£52
Wales	8	-£4	£13	-£7	£23	£12	£21
Severn	2	£410	£28	£532	£31	£810	£29
South East	12	£39	£76	£109	£98	£237	£105
South West	22	£217	£63	£195	£88	£199	£95

Source: BL, Add. MS., 8133A deflated using the price index in Mitchell, *Abstract of British Historical Statistics*, Prices Table 1B, 'Consumers' goods', to 1709 prices.

an influence but, in the main, Customs procedures were labour-intensive, which meant running a port was costly.

The employment of preventive officers further added to the Customs' costs, and their deployment was driven more by the geography of illicit trade than revenue-raising, substantially shaping expenditure in the south. Running tea, calicos, brandy, and tobacco had been recognized as endemic on the Kent and Sussex coast since the much publicized and violent activities of the Hawkhurst gang forced the Pelham administration into action in the late 1740s.³⁵ Con-

³⁵ Nicholas Rogers, *Mayhem: Post-War Crime and Violence in Britain, 1748–53*

sequently the area became the epicentre of Customs policing activity, and by 1784 the Chichester establishment spent £3,580, or 50 per cent of its annual salary expenditure, on fifty-six riding officers in coastal villages, with Rye's twenty-six officers accounting for £1,600 alone. In 1784 riding officers added 25 per cent to the salary costs of the ports between London and Southampton – the equivalent of staffing both Newcastle and Sunderland that same year.³⁶ All riding officers were entitled to a share in the sale of any seized goods they had a hand in confiscating, though personal danger and the necessity of keeping a horse meant that riding officers were some of the best paid outside London, earning salaries of £50 to £60 per annum in the south east. Further west of Southampton, riding officers were paid £40 or less and were often commissioned to combine preventive tasks with administrative roles. Seemingly, this reflected their declining effectiveness where the density of smugglers' trails dissipated outside London and the increasingly varied coastline became too tricky to police. Riding officers accounted for just 6 per cent of staffing costs in the south west. Instead, the Commission opted to utilize the coastguard to harass smuggling operations at sea.

Coastguarding contracts were significantly more financially onerous than payments to riding officers, especially in the south west, with well-armed craft costing individual ports £1,000 per annum on average. Table 5 shows the distribution of Customs cruisers, their annual expense, and the seizures registered at each port in 1784. The intensity of Customs efforts to police the seas was most obviously felt in the Channel, a hotspot for smuggling activity from France and a major artery for the intercontinental fleets that frequently disgorged illicit cargoes into the seaways. Previous years had seen cruisers stationed at Whitehaven, but the Irish Sea and Bristol Channel were neglected by comparison, and the North Sea coast north of London was only moderately better policed. However, there had been rapid expansion of the coastguard since 1763, when only twenty-two cruisers patrolled English and Welsh waters and this had seen the Com-

(London, 2012), 119–31; Calvin Winslow, 'Sussex Smugglers', in Douglas Hay, Peter Linebaugh, John G. Rule, E. P. Thompson, and Calvin Winslow, *Albion's Fatal Tree: Crime and Society in Eighteenth Century England* (London, 1977), 119–66.

³⁶ PHC, 'Fifteenth Report', Appendix 6.

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Table 5: Cost of Revenue Cruisers and Value of Seizures, 1784

	Cruisers (Establishment)		Cost	Value of Seizures	Cruisers (Establishment)		Cost	Value of Seizures
London	2	(2)	£1,683	£62,042	Weymouth	1	£594	£1,722
					Poole	2	£2,600	£2,749
Rochester	2	(2)	£1,407	£1,648	Exeter	1	£1,051	£3,924
Faversham	1	(1)	£868	£1,100	Dartmouth	1	£1,301	£5,585
Sandwich	1		£1,555	£6,533	Plymouth	2	(1) £1,716	£8,857
Deale	1		£2,147	£5,751	Looe	1	£980	£1,157
Dover	3	(1)	£3,125	£13,202	Falmouth	2	£2,346	£8,799
Rye	2	(1)	£2,419	£4,988	Penryn	1	£1,070	
Newhaven	1	(1)	£1,288	£473	Scilly	1	£1,251	£496
Shoreham	1	(1)	£726	£2,649	St Ives	2	£2,568	£10,919
Chichester	1	(1)	£1,212	£2,886	South West	14	(1) £15,477	£44,208
Portsmouth	2	(1)	£1,271	£3,323				
Southampton	1	(1)	£1,310	£6,980	Hull	1	(1) £848	£413
Cowes	2		£1,904	£10,356	Newcastle	2	(2) £1,808	£1,482
South East	18	(10)	£19,232	£59,889	Colchester	1	(1) £1,552	£2,886
					Harwich	2	(1) £1,585	£6,887
Milford	1		£529	£597	Yarmouth	1	(1) £893	£4,741
					Boston	1	(1) £674	£251

Value of all outpost seizures £130,338

Percentage taken in ports with cruisers 93

Source: PHC, 'Fifteenth Report of Commissioners Appointed to Examine, Take and State the Public Accounts of the United Kingdom' (1786), Appendix 20.

mission resort to subcontracting rather than relying on antiquated ex-naval vessels.³⁷

Unlike 'establishment' craft, those paid for through subcontracts drew money from outside the normal revenue stream by diverting cash raised on the sale of seized goods. Musgrave's figures do not seem to have accounted for this ingenious form of financing, akin to privateering, though it was as good a way to incentivize their crews as regular payment, yielding approximately three pounds in seizures to every one spent on upkeep. It is impossible to know what proportion of smuggling vessels the cruisers intercepted, but they were extremely effective in improving the chances of officers apprehending illicit goods, with outposts employing them accounting for 93 per cent of seizures. Only a fraction of this sum made its way to the Treasury as a result of legal costs and rewards, but holding the corridor into London seems to have been the Customs' priority with the result that revenues generated in the Channel ports were more likely to be spent on preventive officers and their allies than anywhere else.

The detailed survey of 1784 shows that the costs of repelling smugglers were not distributed evenly around the country, but fell disproportionately on ports in the south, especially near London. These struggled to attract trade in the same way as river-facing towns elsewhere. As a result, the scarce taxes collected in southern ports were increasingly diverted away from the exchequer and to officers on the ground, although sharing seizure does seem to have motivated officers too. This expenditure on policing exacerbated the appearance of some ports being unproductive in revenue-raising terms, but seems to have been part of a concerted Customs strategy to forgo revenue in some ports in the hope of funnelling trade into others. Whether this strategy was effective in preventing smuggling is discussed more fully in the next part. What needs underlining at this juncture is that policing a port involved a great deal of labour and only in a small number of towns was this expenditure rewarded by taxing the growing volume of imports. Bulk demand from industry and consumers willing to pay for lightly taxed sugars or Portuguese wines was crucial.

³⁷ PHC, 'First Report on Illicit Practices Defrauding the Revenue' (1783), Appendix 1.

III. *Distribution and Smuggling*

Historians have typically suggested that the Customs failed to win the battle against smuggling, citing repeated parliamentary reports and a growing corpus of draconian legislation as evidence for their lacklustre performance. However, Musgrave's figures show that net receipts were rising at a rate faster than the population of England and Wales was expanding at the end of the century, which meant that more Customs revenue was paid per capita. Large proportions of these revenues were raised on highly taxed goods such as tobacco that were a mainstay of the smugglers too. In order to reconcile these seemingly contradictory trends this section describes where consumers paid taxes and how licit and illicit goods were transported to these regions. By focusing on the logistical affordances of specific commodities, the section suggests trade operated in a two-tier system depending on the value-to-weight ratio of the goods in question. Desire for tea, tobacco, calicos, and brandy was limited largely by the extent to which the non-payment of taxes offset smugglers' transport costs. The gangs emerged most noticeably in the south and doubtless spread elsewhere as taxes rose and made investment in this form of distribution more profitable.

By contrast, demand for raw and semi-finished goods was limited, and posed problems of bulk distribution and co-ordination with the industrial cycle that, according to the observations of Customs officers, smuggling gangs did not try to tackle.³⁸ Rather, it made sense to move these goods through ports with good inland transport links, not least rivers and canals, and pay duties for the privilege. In this respect, it was again industrialists who deserve credit for improving the Customs revenue, not only by sparking consumer demand but by concentrating those consumers in locations that legitimate traders could easily access through bulk distribution infrastructure.

³⁸ In addition to the cited reports see Theodore Jansen, *Smuggling Laid Open* (London, 1763); TNA 30/8/283, William Pitt the Younger's Papers on Tea, c.1783; BL, Add. MS., 38462-3, Liverpool Papers Relating to Smuggling in the Channel and Isle of Man, c.1660-1830; Jarvis (ed.), *Customs Letter Book of the Port of Liverpool, passim*; 'Custom House Records', in Hobson (ed.), *Cardiff Records*, ii. 368-407; G. Hampson (ed.), *Portsmouth Customs Letter Books, 1748-50* (Winchester, 1994), esp. Appendix 1.

The quantities of goods the Customs recorded as imported into England and Wales for home consumption speak eloquently of industrious patterns to manufacturing and consumption. Per capita consumption of semi-refined sugar, bar-iron, pitch, cotton wool, and coal grew significantly in the eighteenth century, whereas expensive finished goods from Europe came to be substituted for British (and Irish) alternatives. The quantities of goods with higher taxes per unit and that were also suitable for immediate domestic consumption, such as tobacco, tea, and prohibitively taxed French alcohol and textiles, barely rose.³⁹ These last were prime candidates for smuggling. E. A. Wrigley's recent estimates for county populations allow us to view the net revenue raised by the Customs in per capita terms at a regional level, which further supports the link between industrious activity and improved revenues.

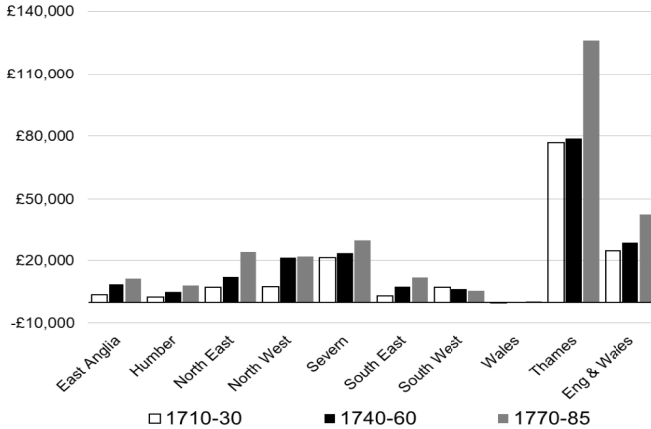
Figure 3 shows the mean net receipt per 100,000 persons in each river basin. The rapid gains in the later part of the century were tied to British merchants' slackening use of drawbacks, resulting in a 50 per cent rise in payments between the middle and last period. Figure 3 also underscores the unevenness with which revenue was raised in England and Wales, with Londoners bearing the heaviest burden, although some of these taxes were passed on to consumers elsewhere as goods were landed there then shipped coastwise, particularly to North Sea ports. Several industrious regions were able to tax their residents as highly as those on the Severn, whereas this was less pronounced in largely agricultural districts in the south and east. Whilst Wales just managed to contribute positively to the revenue by 1770, it was the south west that stands out as the biggest problem insofar as consumers were paying less Customs duties per person at the end of the century than at the beginning.

Pointing out that consumers in the rural south paid less tax than others is quite different from suggesting that they were not consuming at all. The great cost of arming cruisers and riding officers around the Channel clearly indicates that smugglers provided an alternative, tax free distribution network. The scale of smuggling operations rose in tandem with Customs duties, meaning that the market for smuggled goods expanded rapidly in the mid to late eighteenth century as

³⁹ Schumpeter, *British Overseas Trade Statistics*, Tables 13, 17, and 18; M. W. Flinn, *The History of the British Coal Industry*, ii: 1700–1830 (Oxford, 1984).

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Figure 3: Average Annual Net Customs Receipts per 100,000



Source: BL, Add. MS., 8133A; Deflated using the price index in Mitchell, *Abstract of British Historical Statistics*, Prices 1B 'Consumers' goods' to 1709 prices. County Populations from E. A. Wrigley, 'Rickman Revisited: The Population Growth Rates of English Counties in the Early Modern Period', *Economic History Review*, 62/3 (2009), 711-35; London populations from L. D. Schwarz, *London in the Age of Industrialisation, 1700-1850* (Cambridge, 1992), Table 5.1. The population of Wales is estimated to be 7 per cent of the English population.

East Anglia: Bedford, Cambridgeshire, Essex, Huntingdonshire, Lincolnshire, Norfolk, Suffolk; *Humber and Trent:* Derbyshire, Leicestershire, Northamptonshire, Rutland, Staffordshire, Yorkshire (all three Ridings); *North East:* Durham, Northumberland; *North West:* Cheshire, Cumberland, Lancashire, Westmorland; *South East:* Hampshire, Kent, Sussex; *Severn:* Gloucestershire, Herefordshire, Shropshire, Warwickshire, Worcestershire; *South East:* Cornwall, Devon, Dorset, Somerset, Wiltshire; *Thames:* Berkshire; Buckinghamshire, Hertfordshire, Middlesex, Oxfordshire, Surrey, City of London.

Britain went to war on the basis of loans partly underpinned by the additional duties of 1747, 1759, 1779, and 1781. Tea, which was subject to Customs *and* Excise duties, was a leader here.⁴⁰ By 1783 the Commissioners of the Customs and Excise opined

⁴⁰ Lorna H. Mui and Hoh-Cheung Mui, *Management of Monopoly: A Study in the East India Company's Management of the Tea trade in Britain, 1784-1833* (Van-

That the illicit Practices used in defrauding the Revenue have increased in a most alarming Degree: That those Practices are carried on upon the Coasts, and in other Parts of this Kingdom, with a Violence, and with Outrages, which not only threaten the Destruction of the Revenue, but are highly injurious to the regular Commerce and fair Trade, very pernicious to the Manners and Morals of the People, and an Interruption of all good Government.⁴¹

Larger ships signalled to the Treasury that smuggling gangs were increasingly well financed but it was widespread collusion that made combatting them highly problematic. Magistrates, gentlemen, and others in positions of authority were prone to overlook lesser misdemeanours, especially if they were beneficiaries of some part of the trade. The gangs also offered an important stream of casual income to the mostly farming and fishing communities on the coasts on which they operated that easily translated into popular loyalty. Outright violence was another means of ensuring that gangs were not troubled by informers. Revenue officers were frequently intimidated or bribed into compliance. Arguments defending the system of taxation fell on deaf ears, the Ordinary at Newgate explained, because for most poor people running goods was only a (minor) crime against the king, not God.⁴² Illicit running meant that the degree with which the official statistics reflected real consumption was increasingly strained.

couver, 1980), esp. 127–44; *eid.*, ‘Smuggling and the British Tea trade before 1784’, *American Historical Review*, 74/1 (1968), 44–73; *eid.*, ‘The Commutation Act and Tea Trade in Britain, 1784–1793’, *Economic History Review*, 16/2 (1963), 234–53.

⁴¹ PHC, ‘Illicit Practices’, 25.

⁴² Old Bailey Online, *Ordinary’s Account*, OA17470729 (1747), at <<https://www.oldbaileyonline.org/browse.jsp?div=OA17470729>>, accessed 2 Aug. 2018; Rogers, *Mayhem*; Winslow ‘Sussex’; Huw Bowen, ‘“So Alarming an Evil”: Smuggling, Pilfering and the English East India Company, 1750–1810’, *International Journal of Maritime History*, 14 (2002), 1–31; *id.*, ‘Privilege and Profit: Commanders of East Indiamen as Private Traders, Entrepreneurs and Smugglers, 1760–1813’, *International Journal of Maritime History*, 19/2 (2007), 43–88; Frank McLynn, *Crime and Punishment in the Eighteenth Century* (London, 1994), ch. 10.

On the one hand, the deep structural reform advocated by Commissioners and analysts of the revenue in the 1780s evidently reflected a profound dissatisfaction with the fiscal and social circumstances of Revenue officers during the ever-widening war on smuggling. On the other, the reports drafted in evidence of this contention, backed up by other testimony, were quite clear in suggesting that the gangs operated within geographical constraints.

Smugglers could acquire cargoes from shipping in the Channel but this involved co-ordination problems, resulting in the establishment of smuggling centres at convenient off-shore bases, often with the tacit consent of the territorial sovereign insofar as smuggling could black the eye of a local rival. The Dutch shipped tea and textiles directly from the Maas into eastern England as well as France. Boulogne was where

The smugglers from the coast of Kent and Sussex pay English gold for great quantities of French brandy, tea, coffee, and small wine, which they run from this country. They likewise buy glass trinkets, toys, and coloured prints, which fell in England, for no other reason, but that they come from France, as they may be had as cheap and much better finished, of our own manufacture. They likewise take off ribbons, laces, linen, and cambrics; though this branch of trade is chiefly in the hands of traders that come from London, and make their purchases at Dunkirk, where they pay no duties.⁴³

The Channel Islands provided easy access to the south west of England and were stocked by French merchants, and the enterprising Dutch and British Atlantic ships entering the Channel. The Isle of Man formed the centre of a lively trade in brandy, wine, tea, calicos, and tobacco smuggled out of Glasgow and Liverpool.⁴⁴ Crucial to the

⁴³ Tobias Smollett, *Travels Through France and Italy* (London, 1766), 60–1.

⁴⁴ Renaud Morieux, *The Channel: England, France and the Construction of a Maritime Border* (Cambridge, 2016), ch. 7; Gavin Daly, 'English Smugglers, the Channel and the Napoleonic Wars', *Journal of British Studies*, 46/1 (2007), 30–46; id., 'Napoleon and the City of Smugglers', *Historical Journal*, 50/2 (2007), 333–52; Alan G. Jamieson, 'The Channel Islands and Smuggling, 1650–1850', in id. (ed.), *People of the Sea: The Maritime History of the Channel Islands* (London, 1986), 195–220; Frances Wilkins (ed.), *George Moore and*

success of these warehouse bases was their convenience for small craft setting out from England and Wales on short voyages that were hard to police, especially when camouflaged by a local fishing fleet of 30 to 50 ton vessels. Cargoes run into England and Wales would be landed on remote patches of coastline where large groups of armed men would assemble to spirit away goods on horseback, which was a crude form of insurance against Customs seizures on land. This technique necessitated forgoing the standardized packaging used in overseas trade to add to the speed at which a cargo could be dispersed, and the tea chest and hogshead were replaced by the much smaller 'oilskin' and 'anker'.⁴⁵ Further, breaking up bulk allowed smugglers to sell goods to domestic customers such as itinerant packmen in rural regions.

What smugglers gained in terms of concealment and flexibility by adopting these methods in dendriform environments they paid for in their ability to benefit from economies of scale in punctiform transport, and thus their geographical reach. This was a particularly rigid constraint in moving goods inland, where the cost per ton per mile on moving lawful commodities was easily three times higher on horseback than on navigable waterways.⁴⁶ Routes where the threat of seizure was greater probably cost smugglers more because the obvious precaution was to employ larger numbers of lightly loaded horses and incur a greater wage bill. Only goods with a high value per ton were profitable to transport under these conditions and only through rapid upward increases in Customs duties could these be brought further inland to compete with legal imports carried safely and cheaply

Friends: Letters from a Manx Merchant, 1750–1760 (Kidderminster, 1994); Chris Nierstrasz, *Rivalry for Trade in Tea and Textiles: The English and Dutch East India Companies, 1700–1800* (London, 2015).

⁴⁵ BL, Add. MS., 74055, Walpole papers, fos. 123–8, 'A Bill for preventing the infamous practice of smuggling' [c.1745]; fo. 129, 'An exact account of the goods smuggled into the county of Suffolk alone, from the first of May 1745 to the first of January 1745'.

⁴⁶ Dan Bogart, 'The Transport Revolution in Industrialising Britain', in Floud, Humphries, and Johnson (eds.), *Cambridge Economic History of Modern Britain*, i. Tables 13.2 and 13.3. In general, see P. S. Bagwell, *The Transport Revolution from 1770* (London, 1974); Derrick Aldcroft and Michael Freeman (eds.), *Transport in the Industrial Revolution* (Manchester, 1983); John Armstrong, *The Vital Spark: The British Coastal Trade, 1700–1930* (St John's, NF, 2009), ch. 2.

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by legitimate carriers. Preferential treatment was routinely given to the materials used in industry when Customs duties were adjusted, further militating against experimentation in the smugglers' repertoire of goods away from luxuries easily consumed domestically. Flax was simply not as easy to market as more heavily taxed lace, where the potential saving passed on to the buyer was correspondingly greater. Industrial demand also imposed limits on the smugglers' attempts to widen markets inasmuch as specific seasonal and or technological forces meant that orders of inputs needed to be delivered to time. A six-month project with a blast furnace required a steady supply of ores, not one likely to be seized en route.

The ability of the Customs to prevent smuggling was limited and preventive officers succeeded only in confining the gangs to expensive or inefficient transport choices, which limited their inland reach. Employing cruisers meant Customs had the chance of seizing whole cargoes, and forced smugglers into using small craft that were easily disguised among fishing vessels at sea or, alternatively, large and well-armed vessels that could simply out-muscle the coastguard. While the latter option looked increasingly viable with tax rises of the later eighteenth century, it shifted the distribution problems gangs faced onto the land because moving large cargoes by pack-horse was slow and expensive. In these cases, taking illicit cargoes to existing distribution hubs and disguising them as legal was by far the best option. It is possible that smuggling went from the blue-collar pursuit of running goods past the Customs to the white-collar activity of fraudulently passing cargoes through busy ports by bribery or falsification in the late eighteenth century, although this is extremely hard to prove. Goods such as tobacco continued to be run into Britain in the 1820s and 1840s, even when they were administered by the incorruptible Excise.⁴⁷ Ultimately, when it came to policing long coastlines or extensive territories, the state had few technical advantages that could not be replicated or overcome by the gangs.

IV. Conclusion

The fortunes of the Customs were grounded as much in the economic considerations outlined by the classical economists as in the con-

⁴⁷ PHC, 'Report of the Select Committee on the Tobacco Trade' (1844).

cerns about office-holding outlined later by Max Weber. Moving things around the early modern world was gruelling work and evidently determined much Customs activity as well as the smugglers they aimed to thwart. The horse-and-cart was a great improvement on the barrow but, even where roads were in good repair, costly to use. Water-borne transport was essentially the only means of bulk distribution, despite putting cargoes and vessels at the risk of irretrievable loss at sea. Eighteenth-century Customs receipts expanded impressively in areas where cheap transport prompted a high degree of urbanization, demographic expansion, and, eventually, industrialization. Where administrative choices did demonstrably curb the net receipt in the form of drawbacks, reform emerged within a shifting imperial framework. Furthermore, the structural decline of the re-export economy occurred as a result of British manufactures establishing themselves in export markets—and at home—some thirty years before Pitt moved to alter the situation.

Compared to the relatively scattered and small-scale innovations in ship-building and dock construction, the canal boom of the mid century facilitated a flow of goods and energy that the Revenue Commissioners did not overlook. By extending access to coal and raw materials to districts where labour was cheap they underpinned the export boom emanating from Liverpool, Hull, Newcastle/Sunderland, and Bristol so apparent after 1750. Albeit slow and highly localized, the consolidation of manufacturing regions made revenue significantly easier to collect by expanding demand, creating new demands, and concentrating it in a few well-connected ports. Ports without these advantages were equipped to disrupt the smuggling networks that thrived in rural regions and were hard to police because of their extensive coastlines, large surface areas, and the relative ease with which the gangs could co-opt their impoverished inhabitants. To the extent that fixed industries attracted bulk goods in such a way as to allow Customs officers to converge on those routes and tax them, we could say that the service was bailed out by infrastructure well in advance of substantial bureaucratic interventions.

The regionally diverse Customs establishments outlined in this article are not designed to supersede the themes central to histories of state formation—office, jurisdiction, accountability, corruption—because there can be no doubt that these galvanized much political activity in the eighteenth century. Doubtless, a better drilled revenue

service could have captured a greater portion of overseas trade for the Exchequer. However, the varied commercial and administrative contexts that Customs officers and smugglers worked in draw attention to the ecology of ports. Understanding their geography, the quantities and qualities of the goods that passed through them, and the technologies that accomplished these moves means that the exhortations, rumours, and occasional legal proceeding against officers and smugglers alike can begin to be weighted against objective measures that suggest the likelihood that similar infractions occurred elsewhere.

In some senses this context offers a complement to older revenue histories, insofar as energy constraints that applied to commodities applied only to a lesser degree to the paper trail that flowed between the Customs Commission in London and elsewhere, and which made disciplining officers, collecting information, or changing policy at a distance extremely arduous. Finally, while more robust concepts than industriousness will be of use in refining this model, the changes apparent in Customs revenues around 1750 do pose questions as to the extent to which fiscal policy was conducive to improving manufacturing output. The protectionist policies instituted in the decades around 1700 operated at two speeds, whereby those merchants utilizing drawbacks were able to exploit the system far more quickly and more spectacularly than manufacturers were able to claim bounties or increase output in ring-fenced industries. It was only around the mid eighteenth century that secondary sector producers formed a critical mass capable of checking the drawback economy or supporting the urbanization and demographic growth we associate with that type of economic activity. While these latter trends might be chalked up as a victory for protectionism, it is difficult to imagine that the hunger, inflation, and protest that they unleashed between 1793 and 1820, let alone the turn towards coal power, was what the Treasury had in mind. As such, it seems useful at this stage to recognize that while the Customs could regulate industry at a national level, they lacked the insight to direct these shifts in their increasingly various local iterations.

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