Good afternoon, in this week’s podcast we discuss unfair British taxation as a catalyst for the American Revolution and the contradiction of the United States use of direct taxation post-revolution. I argue that unfair early American taxation, specifically the implementation of direct tax, is an example of the American paradox. My name is Max Werman, and this is History: Behind the Text.

After the French and Indian war ended in 1763, Britain was in full control of the American colonies as well as acquired a large war debt. The British parliament adopted a policy that colonists should fund British troops defending the western frontier from Native Americans. They did this by imposing a series of direct taxes, a tax paid directly to government. This was unfair to colonists because they had no control over what their tax money pays for. The first direct tax was the Stamp Act in 1765. This act required all official documents, newspapers, and pamphlets to have stamps. A year later this act was removed and in its place British parliament declared its authority was the same in America as in Britain. In 1767, parliament passed the Townshend Acts. These acts put taxes on crucial goods, such as, paper, tea, and glass. By this time, colonists were angry at the tax increase but more importantly, the fact that they had no representation in parliament. The mantra “no taxation without representation” was formed and led colonists to protest and question their liberties as free men. This can be seen in a speech given to the workingmen of New York, “Has not our Mother Country, by solemn Act of Legislation, declared that she has a right to impose internal Taxes on us? And is not such an imposition incompatible with our Liberty?” (Brutus, 1774). Under the rallying cry “no taxation without representation”, colonists started to protest British control which ultimately led to the Boston Massacre in 1770. In another act of revolt, in 1773, Samuel Adams
led a group of men onboard ships of the British East India Company and dumped massive amounts of tea into the Boston Harbor. Thus, the Boston Tea Party was formed. These two events created and were a result from colonist resentment towards the unfair taxation sanctioned by the British parliament. The colonist resentment and idea of “no taxation without representation” didn’t fade until 1775 when the American Revolution started.

In 1783 after the war was won, the United States government re-formed and the constitution was written. In order to finance its operations, there needed to be some sort of taxation in place. However, in 1781, the Articles of Confederation reflected the colonist fear of a strong central government with the unlimited right of taxation, one similar to the British parliament. The Founding Fathers acknowledged this fear and following the ratification of the constitution in 1789, they wrote that “Congress shall have power to lay and collect taxes” (US Constitution, art. 1, sec. 8) and the federal government has the power to raise taxes. In 1791, taxes were placed on imported products, as well as domestic products such as whiskey. Some citizens disagreed with domestic taxes, arguing that they should have control over the products they produce. This lead to the Whiskey Rebellion which, historian Henry Fisher says “demonstrates that Americans, then and now, fervently believe in the principle of self-administered taxation” (Fisher, 41).

Many Americans agreed with this new taxation policy stating that “From state authorities we derive positive advantages; by the general government we are secured from possible evils.” That is to say, in times of crisis, taxation finances will be focused towards the federal government. Whereas, times of peace the states should have control over taxation. This allows the state to focus its tax money towards what, as a state, they want to fund. However, in the late 1790’s the government imposed its first direct tax on the owners of houses, land, slaves, and estates. This was unfair for the government to do, because America just won its freedom from a country that imposed the same type of taxes. As well as
the fact that not all taxpayers agree with what their tax money should pay for. For example, southern plantation owners must now pay a tax for all of their slaves, but the money goes directly to a government trying to abolish slavery. Although I do not agree with slavery, the fact of the matter is that the use of direct tax is unfair to Americans because it doesn’t allow states to focus their tax money on what they want to fund. This is a principle fought for by Americans and outlined in the constitution.

The study of early American taxation is significant because it is an example of the American Paradox. It also teaches us the importance of taxation with representation and that Americans will fight to preserve that right. The American Paradox, a termed coined by historian Edmund Morgan, is the idea that throughout history some of the acts performed by Americans are contradictory to our principle beliefs of justice and liberty. As I mentioned earlier, the revolutionary war was partially caused by Britain’s use of unfair direct taxation. However, after the war in the late 1790’s, American government proceeded to impose a direct tax, similar to that used by British parliament. This contradiction links early American taxation to the idea of the American Paradox.

In conclusion, although taxes are necessary to fund America’s government and operations, it was unfair for the American government to impose direct taxes, because the American Revolution started due to the same unfair taxation levied by the British Parliament.

Literature Cited