The workshop, organised by Florian Schui and following on from discussions between Martin Daunton, Holger Nehring, Emma Rothschild, Florian Schui and Gareth Stedman Jones, was supported by the Centre for History and Economics, King’s College, Cambridge. The aim of the workshop was to create a network of scholars who work on international exchanges of ideas about taxation. The discussion focused on developing a conceptual framework for this network, which will encourage individual historical case studies on the exchange of ideas about taxation. A follow-up conference is planned, based on the discussions at the workshop. A background paper by Florian Schui had been circulated before the meeting. It describes the scope of the project in detail and is attached to the minutes.

Agenda

12.30          Lunch
13.45          Welcome – Gareth Stedman Jones
14.00          Introduction - background paper – Florian Schui
14.30          Empire – Martin Daunton
15.00          Germany and the German states – Holger Nehring
15.30          Tea
15.45          Future Work
17.00          End of meeting
Participants

Martin Daunton, Professor of Economic History, University of Cambridge; Master of Trinity Hall, Cambridge; mjd42@cam.ac.uk

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Holger Nehring, Junior Research Fellow, St Peter’s College, Oxford; holger.nehring@history.ox.ac.uk

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Florian Schui, Junior Research Fellow, St Edmund’s College, Cambridge; fhws2@cam.ac.uk

Gareth Stedman Jones, Professor of Political Science, Faculty of History, University of Cambridge; Director, Centre for History and Economics; gsj@kings.cam.ac.uk

John Tiley, Professor of the Law of Taxation, Faculty of Law; Queen’s College, Cambridge; jt10008@cam.ac.uk

David Todd, PhD student in History (Study of the invention of free trade and protectionism in France, England and Germany, in the 1820s and 1830s), Trinity College, Cambridge; fdt20@cam.ac.uk

1. Welcome: Gareth Stedman Jones

Gareth Stedman Jones welcomed the participants and outlined how the project on international exchanges of ideas about taxation fits into the research activities of the Centre
2. Introduction – Background paper: Florian Schui

Florian Schui introduced the meeting. He presented the agenda and reported that Chris Bayly, Chris Clark, and Megan Vaughan were unable attend the meeting but had expressed their interest in the project. He also expressed the hope that Emma Rothschild would participate in the project in the future.

On the basis of the background paper, Schui then highlighted a number of issues for discussion. He emphasised the necessity of a clearly defined conceptual framework for the network because component studies would be situated in very different historical contexts. They could include investigations as diverse as a study on exchanges between Britain and West Africa in the 19th century and a study on exchanges between France and Prussia in the 18th century. Also, he underlined that there was already a substantial amount of research on the history of taxation currently being undertaken. In order to add a new perspective to the discipline the project would have to be clearly focused on international exchanges of ideas about taxation. For the development of a clear framework for the project he presented the following five propositions for discussion:

*Geographical concentration*: exchanges within the British Empire and English-speaking countries, and exchanges involving Germany and the German states emerge as geographical concentrations of the project. They intersect in the area of Atlantic exchanges of ideas about taxation. Relations between the USA, Britain, and other parts of the British Empire were strong; exchanges between Germany, other European countries, and the USA were equally prominent.

*The meaning of ‘exchanges’*: the principal goal of the project is to examine the way in which ideas about taxation were exchanged between different geographical spaces. But exchanges also took place between different spheres of thought such as academic and theoretical debates, popular perceptions, and policy debates. The effectiveness of exchange between these spheres is among other things a crucial determinant for the level of consent that a system of taxation encounters among taxpayers. Also the level of repressive measures used to enforce
compliance with a system of taxation depends to a large extent on the effectiveness of this exchange. International exchange took place on different levels.

*The period covered by the project:* provisionally, the period of the project had been defined as 1750 to 1914, by which time many countries had introduced an income tax. However, there should be some consideration of whether to extend the period up to the present. In the German case substantial exchange of ideas about taxation took place after World War II with the very different fiscal systems of the Allies. In particular, Atlantic exchanges were prominent in this period. This crucial period should not be excluded from the project.

*Other economic parameters:* on the one hand taxation is closely related to other economic parameters such as debt and re-distribution. On the other hand there is a risk of over-stretching the project: the re-distributive effect of taxation inevitably needs to be discussed in the context of other forms of re-distribution (e.g. charity, public debt) and in the context of distribution which is the outcome of a specific economic and social structure of society. The extent to which other economic parameters are included will depend on the historical context of each case study but should be limited as much as possible to keep a clear focus on ideas about taxation.

*Theory and method:* the project will assemble a critical mass of case studies to further develop the conceptual framework that can be applied to international exchanges of ideas about taxation. In order to obtain such results the co-operation within the network must be structured efficiently.

In the discussion, Martin Daunton suggested structuring the project according to three types of exchanges: exchanges between sovereign countries, between polities within a federal structure, and exchanges within colonial empires. This would offer more flexibility than a geographical concentration. Gareth Stedman Jones emphasised the importance of ‘consent’ and ‘compliance’ and suggested making them key issues of the project. John Tiley suggested co-operation with other research projects and conferences such as the Tax Research Network at Warwick, the European Association of Tax Professors, and the conference ‘Historical perspectives and tax law and policy’ (organised by UCLA Law School, Tax History Project, Centre for Tax Law – [http://www.taxhistory.org/](http://www.taxhistory.org/)) which will be held at UCLA in July 2005. Exchanges through international organisations such as OECD emerged from discussion as a further field of research.
3. Empire: Martin Daunton

Martin Daunton highlighted the importance of the transfer of ideas about taxation with regard to the British Empire and described some general institutional, legal and economic factors which might have framed transfer processes within the Empire in the nineteenth century. He focused on two sets of problems. First, he explored the links between legitimacy/compliance in Britain and legitimacy/compliance in the Empire. Drawing on Chris Bayly’s and Miles Taylor’s work, he argued that the fiscal-military state could be rolled back (and thus the legitimacy of the financial system increased) in Britain as significant financial burdens were transferred to the Empire. In the late nineteenth and early twentieth centuries, the rise of nationalism in the Empire prompted discussions about the reversal of these processes. Second, Daunton explored the related question of whether economic development in colonial societies was achieved through legitimisation and strategies of commercialisation (for example, by devising incentives to create a labour force) or whether development should be enforced with physical force - issues which Shula Marks and Megan Vaughan addressed in their research. He illustrated the complexities of the transfer of ideas in this area by highlighting the close links between welfare provisions (for example, through Poor Law systems), land tenure and taxation in New Zealand. The discussion emphasised the need for comparative research on the transfer of ideas within empires: did the colonies co-ordinate their policies towards the mother country? What role did the transfer of ideas play in these co-ordinations? In what ways did ideas travel back to the mother country? The lawyers present at the meeting stressed the importance of administrative and legal processes in framing transfer processes. Ultimately, these issues are linked to the wider questions of whether imperial powers can avoid the question of legitimacy by denying a link between taxation and representation, and the role the transfer of ideas between mother country and colonies and amongst colonies has played in influencing outcomes?

4. Germany and the German states: Holger Nehring

While Martin Daunton gave an outline of general themes with regard to (British) imperial history, Holger Nehring sketched the mechanics of the exchange of ideas for Germany and the German states. He highlighted the lack of research on the connective history of taxation in Germany and gave a short chronological outline of possible research areas. As Nehring pointed out, the transfer processes were particularly complicated in the federal German polity.
Here, the transfer of ideas could take place on and amongst different levels: amongst the states which made up Germany; between the central level and the federal states; between the central level and other states; and between the federal states and other states. The local level played an important part in these discussions as well. Nehring then detailed the mechanics of the transfer processes as they emerge from Chris Clark’s, Sean Eddie’s, Florian Schui’s, David Todd’s, and Holger Nehring’s research projects. He also argued that an extension of the time period into the period after 1914 should be considered: the League of Nations, the United Nations, the European institutions, the OECD, the IMF and the World Bank all acted as clearing houses for ideas about taxation. Moreover, the ways in which the Allied powers sought to use the transfer of ideas about taxation to shape post-World War II German society may help us to deepen our understanding of these transfer processes. Finally, Nehring emphasised the opportunities of a connective history which highlighted common social and economic challenges, while not neglecting different national solutions. The discussion focused on the connections between nationalism and taxation, and the connections between taxation and political legitimacy.

5. Future work

The discussion included the following issues:
- Relations between legitimacy/democracy and systems of taxation and the reflection of this relationship in debates about taxation.
- Relations between concepts of nationalism and taxation.
- The precise nature of transfer processes of ideas about taxation was considered. In particular, the processes of administrative assimilation of ideas about taxation that are received from the outside were discussed.
- The importance of Atlantic exchanges of ideas about taxation in the context of the British Empire but also with regard to Germany and other European states.

It was agreed that a two-day conference about ‘International exchanges of ideas about taxation’ should be organised. The conference should not be extended to other aspects of the history of taxation but focus strictly on ‘international exchanges’ and ‘ideas about taxation’. The conference should be structured according to the categories which emerged in the discussion: panels should address exchanges within Empires, within federal structures, and between nations. Possible participants for a conference were discussed.
Background paper

*International exchange of ideas about taxation, c. 1750 - 1914*

**The scope of the project**

The history of taxation reveals many social, political, and economic characteristics of a society. For this reason, historians and economists have become increasingly interested in fiscal history. In most cases, research concentrates on national histories of taxation. This focus results from the close connection between the emergence of modern nation states and their fiscal systems. However, strictly national perspectives on the history of taxation neglect the importance of international exchanges of ideas about taxation. These exchanges were often crucial in shaping the national histories of taxation. The present project wishes to add to national histories of taxation and to comparative-history approaches to the subject by exploring the exchanges of discourses, knowledge, and techniques of taxation across national boundaries.

**Research question and case studies**

The focus is on the question of how ideas about taxation are shaped, how they travel across borders, and how they are received and changed by those who receive them. The project’s focus is on ideas about taxation, but it is equally crucial to explore the institutional environment in which these ideas were developed and the institutional change that they helped to bring about. ‘Ideas about taxation’ means academic discourses (in particular those of economists, administrative scientists, and legal scholars), the specialised knowledge of experts and administrators, and the views about taxation held by tax payers and the wider public. Differences and congruency between the ideas of these different groups are crucial for the stability and the development of systems of taxation. Differences between the ideas of administrators and tax payers about what constitutes ‘just’ taxation, for example, have led to the collapse of fiscal institutions and governments.

In order to answer the research question the project aims to bring together scholars who work on connective aspects of the history of taxation. This will make it possible to show the importance of such exchanges. Based on the component studies it will be possible to gain a conceptual understanding of the way in which exchanges of ideas about taxation influenced
national histories of taxation. Moreover, the project contributes to the development of the conceptual framework that is necessary to work on connective aspects of fiscal history: to promote debate on methods, theories, and research tools is an important aspect of the research project.

The component studies
The component studies concentrate on various aspects of the history of taxation. One focus is on international exchanges in the German history of taxation. The period of investigation includes the beginnings of the formation of the fiscal state in Prussia and other German territories in the late eighteenth century and extends to the consolidation of the fiscal structures of the German nation-state in the late nineteenth and early twentieth century.

A second focus is on exchanges within the British Empire from the mid-eighteenth century until WW I. In the period important developments towards the institutionalisation of political, economic, and financial relations within the British Empire took place.

Research on other areas and periods, and research on methodological and theoretical aspects which contributes to the aims of the project is welcome. The project includes contributions from researchers who are at different levels in their academic careers, including scholars who work on doctoral and post-doctoral research projects.

The component studies are self-contained, but there are considerable synergies between the individual studies. The scholars contributing to the project will meet on a regular base in order to present and discuss their own work. Topics of discussion will also include the further evolution of the research project itself. The project’s discussion forum will offer the possibility to invite other scholars in the field to present their work. The project hopes to encourage co-operations in research and publication between the scholars participating in the project. Work done in the framework of the research project will be circulated in the form of working papers and in other formats.