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# THE ESTABLISHMENT OF THE GREAT FARM OF THE ENGLISH CUSTOMS.

By A. P. NEWTON, D.Lit., F.R.Hist.S.

*Read May 9, 1918.*

THE English customs duties under the early Stewarts, and the many vexed constitutional questions involved in connection with them, furnished some of the bitterest subjects of controversy at the time, both in and out of Parliament, and constitutional historians have devoted much attention to them. The questions that have been debated in this connection, however, have been mainly of one kind, and have related mainly to the constitutional powers of the Crown and the proper application of mediæval precedents under changed conditions. But there is an entirely different standpoint from which the customs can be approached, that of their administration as an essential part of the revenue-producing system, and comparatively little attention has been devoted to this aspect of the subject. It is important from a purely English point of view, but it is also specially interesting to the investigator of the English background for the early period of American colonisation, since customs duties played such an important part in fostering the growth of Virginia and of other newly established colonies.

The administrative history of England in the reigns of Elizabeth and James I is a continuous and unbroken one, and the Union of the Crowns of England and Scotland in 1603 is of much less importance in the administrative sphere than in that of political history. To understand

something of the customs administration in the later part of the period it is necessary to trace the main lines of its development in the earlier, and to start inquiry right away back in the beginning of the reign of Queen Mary, in the Treasurership of William Paulet, Marquis of Winchester, Lord Treasurer throughout that reign and far on into the reign of Elizabeth.

At Paulet's accession to office under Edward VI the old system of customs administration stood very much as it had done under Edward III and the early Lancastrian kings by whom it had been organised. The customs officials were the subordinates of the Lord Treasurer, and though the more important of them were appointed by letters patent, all the lesser offices were filled by the Lord Treasurer's warrant, and the collection of the duties was carried on under his directions and those of the Under Treasurer of the Exchequer. By far the larger portion of the dues was collected in the port of London, and the administrative machinery there was elaborate and busy. On the north-western coasts and in Wales no machinery for the collection of customs existed, but on the southern and south-western coasts from Kingston-on-Hull round to Bristol there were many outports, each having its own custom-house and officers. In each of these outports there was a customer paid a small annual fee which he was allowed to defalk from the produce of his collection, and a controller who was nominally supposed to act as an independent check upon the customer, but in practice acted as his subordinate. In practically every outport the customs were let in farm either to the customer or to the burgesses of the port for a certain rent, either paid into the Receipt of the Exchequer or more usually assigned to some definite purpose such as the Household, the Wardrobe, or the maintenance of the garrison at Berwick. Only two outports had more than the two officers: Bristol, which had not only a customer and controller, but also a searcher and four tide-waiters,

and Southampton, the principal port for the import of wines, which had a surveyor besides the customer and controller.<sup>1</sup>

The establishment in the port of London was much more complex and numbered twenty-seven persons receiving fees upon warrants. There were two customers, one for the petty customs inwards and one for the petty customs outwards, together with a controller of both in and out customs, a collector of subsidy inwards and a collector of subsidy outwards, together with a controller of both in and out subsidies, a surveyor of the customs and subsidies, the holder of the joint office of solicitor, surveyor and receiver of 12d. for every three kerseys in London and Southampton, a searcher who was paid wholly by fees received from the merchants, and eighteen tide-waiters, four for the petty customs inwards, three for the petty customs outwards, four for the subsidy inwards, and seven for the subsidy outwards. Certain of the principal officers were assisted by clerks and boatmen, but these were not carried upon the establishment.<sup>2</sup>

The accounts of all the ports were kept in the traditional form on parchment rolls and entirely in Latin, and they were subject to the full ancient process of audit before the Barons in the Upper Exchequer. The process was very slow and cumbrous, and under Henry VIII it had been abandoned in the case of other Crown revenues for simpler processes that kept a more efficient check. In the case of the customs accounts it was impossible to obtain a rapid clearing-up of the balances in the hands of accountants, reliable figures as to the ratio of the cost of collection to the amount collected, or even an exact estimate of the total revenue. When the accounts were finally passed in the Exchequer long after the period with which they dealt, they were handed over to the King's Remembrancer to be preserved among the records

<sup>1</sup>S.P. Dom. Edward VI, Additional, iv. No. 27.

<sup>2</sup>*Ibid.*

in his department, and there considerable numbers of them still remain.

The comparative poverty of the Crown and the reduction in the value of money that was brought about by the influx of silver from the New World at the middle of the sixteenth century, made the control and more efficient collection of the public revenues a matter of constant preoccupation for the Government. Lord Treasurer Winchester, who had spent his life in financial administration and seems to have been a sound and hard-working official, introduced many reforms into our financial system which have been insufficiently studied. His interest was early directed to the frauds in the collection of customs which were notorious and which were a cause of frequent complaint in Parliament. Under Queen Mary, after consultation with the principal English merchants engaged in foreign commerce, he arranged for the publication of a new Book of Rates which should permit of the proper calculation of poundage rates upon imports according to their real value in place of the old rates, which, owing to the change in the value of money, had fallen far below it. Many newly introduced commodities were not rated at all, and had to form the subject of negotiations with the merchants and to depend upon their oaths for the value.

These new poundage rates, together with the new money duties imposed over and above the ancient complicated dues paid in kind or compounded for, like butlerage or prisage, did something to give the Crown more of its proper share in the increasing commercial prosperity of the country. Winchester realised that the fault lay not only in the rates of the dues, but also in the fact that their collection was inefficient, and that a great many goods never paid custom at all. A very important step forward was taken in Elizabeth's first Parliament when it was enacted<sup>1</sup> that goods, with the exception of fish,

<sup>1</sup> 1 Eliz. c. 11, An Act limiting the times for laying on land merchandise from beyond the seas.

should neither be imported into nor exported from the realm save at certain ports to be definitely named by the Crown, where there were customers or other resident officers to oversee their entry. Such a regulation was important in itself, but it was bound to remain a dead letter and leave unchecked the entry of uncustomed goods unless the Lord Treasurer and Council could set up the machinery for its enforcement and could make that machinery work efficiently and continuously, a requirement that was a part of the general problem of efficient administration which formed such a constant source of difficulty for Elizabeth and her Council.

Winchester began to grapple with the problem by buying out the farmers of the customs in important outports, thus making a clean sweep of the unprofitable ancient farms, and making the customers carry on the collection for a time under the supervision of the Council.<sup>1</sup> He next appointed in all creeks and havens, where uncustomed goods had been run, trustworthy deputies to the customers at the neighbouring outports, who had to account for their collections to their principals.<sup>2</sup> These deputies were to be paid by fees collected from the merchants making entries, and in 1564 regulations were issued prescribing new and rigid methods for the entry of all goods by customers and controllers in place of the lax methods inherited from earlier times.<sup>3</sup> These regulations were followed in 1565 by the issue of a complete Book of Orders and Instructions to customers, designed to secure efficient collection.<sup>4</sup> Had it been possible for the Council to oversee and ensure the carrying-out of these orders, the revenues of the Crown ought to have benefited largely, but this was not the case, for the Council and the Lord Treasurer had many other matters to attend to, and they were unprovided with trustworthy agents who could guard with assurance against the ex-

<sup>1</sup> S.P. Dom. Eliz. xxxvii. No. 70.

<sup>2</sup> *Ibid.*; xxxviii. 30.

<sup>3</sup> *Ibid.*; xxxv. 39.

<sup>4</sup> L.T.R. Memoranda, 7 Eliz. P. i., Rotulo, 319.

actions and peculation of customers that had gone on despite all the efforts of a hundred and fifty years to check them.

In 1567 it was decided to try a new system and to accept the offer of two London projectors, Henry Smith, mercer, and James Morley, ironmonger, who had propounded a new scheme for the surveyorship and collection of the customs on woollen cloths and wines imported and exported at all ports, the first proposition for a consolidated customs farm. The offer which was finally accepted by the Queen at Gorhambury on September 9, 1567, was for a period of six years, and is of considerable interest.<sup>1</sup> The basis of the rent to be paid by the farmers was a six years' medium, *i.e.* an average of the nett customs received by the Crown after the deduction of expenses during six years of the Queen's reign, two of which were to be the first and the seventh, as those in which the returns had been the highest. Smith and Morley were willing to pay for the customs on wool £2000 a year more than the medium, on condition that they might have one-third of any excess above that amount, and if the excess should be more than £3000 above the medium, they might have one-half of it. For wines a similar arrangement was suggested and accepted, the rent offered being £1000 more than the medium, one-third of all excess to go to the farmers, but if over £2000 they were to have one-half of the excess.<sup>2</sup>

Morley's farm was of very short duration, for though in September 1568 he was able to inform the Lord Treasurer that he had brought the affairs of the ports into good order, and that the duties were coming in well,<sup>3</sup> he had antagonised all the old customs' officers and had failed to satisfy the influential people at Court. In August 1568 the Earl of Leicester, acting through nominees made an offer to take over the farm of the import

<sup>1</sup> S.P. Dom. xl.iii. 55, and xl.iv. 2.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.* xl.vii. 6r.

on wines at an increase on Morley's rent,<sup>1</sup> while other nominees of certain courtiers petitioned for a grant to them of his surveyorship of wools in spite of the Lord Treasurer's report that they were unworthy persons and unfitted to have a farm granted to them. Leicester's petition for the wines was immediately successful, and in September 1568 the grant of the survey to Smith and Morley was suspended, apparently without compensation, and soon afterwards the farm was granted to one Gardiner in trust for the Earl.<sup>2</sup>

The survey of wools remained in operation a little longer, and Lord Treasurer Winchester did his best to support Smith and Morley against the opposition of the customers, and to placate that opposition by the allowance of extra stipends to the officers to make up for the fees and gratuities that they had lost. In this he was unsuccessful, for these fees must have been of very considerable amount, as we may judge from the fact that Philip Cockeram, Collector of Petty Customs outwards in the port of London under Mary and at the beginning of Elizabeth's reign, paid £2250 to his predecessor for the place, although it was not the most valuable in the port.<sup>3</sup> The value of this and other collectors' places arose not merely from the fees received, but also from the fact that the accountant could accumulate large balances of ready money in his hands, and could hold them for a considerable time before paying them over to the Receipt. At a time when fluid capital was scarce these balances could be used to great advantage by an astute accountant, and he was safe so long as his speculations went well. If, however, he were unfortunate, both he and the Government were left in a very awkward position. Philip Cockeram, for example, came to complete shipwreck in 1569, and found himself left with great debts to the Crown for unpaid balances. These it was impossible to

<sup>1</sup> S.P. Dom. Add. xiv. 21.

<sup>2</sup> *Ibid.* xlvii. 82; lxvi. 17 and 31.

<sup>3</sup> *Ibid.* Add. 1567? August.



recover by Exchequer process, for Cockeram had neither lands to extend nor much goods upon which to distrain, while his securities turned out to be men of straw.<sup>1</sup> It seems probable that a similar lack of financial backing was the cause of the breakdown of Morley's farm, and it was necessary for the Lord Treasurer to relinquish the new system embarked upon in 1567 and to make a fresh start.

It was determined to revert to the system of piece-meal farming of the unimportant outports, and to consolidate the farm of the valuable home ports in the hands of a merchant of substance who could come to terms with the patent officers of the customs and thus avoid the friction to which Smith and Morley's survey had given rise. Such a person was found in Thomas Smythe, one of the wealthiest of London merchants, who had succeeded to the large business of Sir Andrew Judd, the celebrated African merchant of Henry VIII's reign, and possessed ample substance to ensure the security of any rent that he might offer for the farm. Ever since the beginning of the Queen's reign Smythe had held the most important office in the port of London, that of Collector of Petty Customs inwards, and he would be more likely than any outsider to cope with any friction that might arise with the officials of the port. The negotiations proceeded throughout the summer of 1570, and ultimately Smythe's offers were accepted, and, with the exception of the duties on wines, all customs, subsidies, and duties in the ports of London, Sandwich, Chichester, Southampton, Ipswich, and the creek of Woodbridge were demised and let to farm to him for the term of four years from Michaelmas 1570 for a fine of £5000 and a yearly rent of £20,000, payable in two equal half-yearly instalments.<sup>2</sup> Smythe's offer was cer-

<sup>1</sup> S.P. Dom. lx. 80.

<sup>2</sup> *Ibid.* lxix. 32. See also references in Wadmore's article in *Archæologia Cantiana*, xvii. 194 *sqq.* Some account of Smythe's farm has been given by Wadmore in *Archæologia Cantiana*, ix., but only from a narrowly biographical standpoint.

tainly a liberal one if the customs account fairly represented the value of the duties, for during the twelve years since 1558, while he had been collector, the duties in London had only averaged £11,599 per annum, and those in the other ports would certainly not make up the difference.<sup>1</sup> Smythe agreed to discharge the whole fees due to the Custom-house officers in the port of London and half the fees due to the officers of the other ports, and he thus became the real master of the ports, for, since he was authorised to take all the fees and gratuities paid by merchants for the sealing of bills and warrants and for the entry of goods, he could share these with his fellow-officers as he pleased. It is impossible to state with certainty what happened, but everything seems to point to the conclusion that Smythe had come to an agreement with his fellow-officers before he made his offer, and that he either bought them out by the payment of higher fees than they had received before, or let them into his bargain as partners.

The new arrangement was far-reaching in its effects, for Smythe was authorised to make his own orders for the management of the business of the port so long as the Lord Treasurer was informed of them beforehand, and did not object to them as prejudicial. He took full advantage of this clause in his lease, and carried much further the rules laid down by the Council in 1565 for the entry of ships and the proper supervision of their bills of lading, ships being only allowed to load or unload at definite places in the port where Smythe's own officers could ensure that no goods should pass uncustomed.<sup>2</sup> For the proper oversight of his proceedings he agreed to make parchment books of all ships and wares entered according to the usual customs form, and to deposit these in the Exchequer within six months of the determination of his demise, but he was relieved of accounting in detail before the Exchequer and the payment of his annual

<sup>1</sup> S.P. Dom. ccxxxix. 67.

<sup>2</sup> *Ibid.* Add. xxi. 118.

rent fully discharged his liability. Smythe seems to have done well out of the farm from the very beginning, for though the yearly charges he had to defray for salaries and upkeep amounted to over £4000, he confessed that in his first farm he made an average yearly profit of £6000.

The customs of London having been satisfactorily arranged, the Council turned attention to the abuses in the outports, and a commission was set up to examine into the matter, its principal agent being one Richard Carmarden, a personal follower of Secretary Cecil, upon whose fidelity and capacity he could depend. The commission resulted in the clearing-up of a good many frauds in the further outports, and the letting of the duties in those ports to farm to more advantage.<sup>1</sup>

Smythe's first farm ran out at Michaelmas 1574, and a second farm was arranged on a similar plan, but at an increased fine and rent to terminate in 1578.<sup>2</sup> On the renewal for a third farm fresh duties had to be arranged for the new draperies, the manufacture of which was now becoming of importance. The growth in the commerce of the country can be seen in the fact that during the third farm, lasting for the six years from 1578 to 1584, the customs and subsidies inwards for the ports of London, Sandwich, Chichester, Southampton, and Ipswich, averaged £25,486 in place of £11,599 which they had averaged in the first twelve years of the reign.<sup>3</sup> The last renewal of Smythe's lease for four years took place in 1584 for the enhanced rent of £42,000 per annum and a fine of £15,000.<sup>4</sup> It was only with very great difficulty that Smythe had persuaded Lord Burghley to sanction the renewal, for he had been accused of many high-handed practices in his treatment of the merchants, and it was alleged that he unduly favoured merchant strangers in return for commercial advantages in his own trade.

<sup>1</sup> S.P. Dom. lxxx. 7.

<sup>2</sup> *Ibid.* clxx. 4.

<sup>3</sup> *Ibid.* ccxxxix. 67.

<sup>4</sup> *Ibid.* ccxxvii. 22.

However this might be, there was no doubt that he had succeeded in establishing an efficient machinery in the port of London, and that this was of great service to Burghley and the Council in carrying out their policy of strict commercial regulation in the interest of the country as a whole. This was a very important gain, and Smythe's work marks a distinct stage in the evolution of an efficient customs service.

Another stage was achieved in 1585 in connection with the customs of the outports. Throughout the whole period of Smythe's first three farms, the farming of the outports had been carried out piecemeal and without much system, the farms being for different periods and let as a rule to the customers of the ports. So inefficient was the system and so small was the produce of the ports that in many cases the Receipt of the Exchequer was called to pay out for the fee of the customer and the expenses of collection considerably more than the amount collected and owing to the Receipt upon the account. Several offers had been made to the Lord Treasurer for the farming of the outports as a whole, and the suggestion had been made that the farm should be let by public auction to the highest bidder, a plan that was in force in Scotland at a little later date when the celebrated Archibald Primrose was the principal farmer.<sup>1</sup> None of the offers had been accepted, possibly because the financial backing of the projectors was not satisfactory, but at length in 1585 a firm offer for the farming of the customs of all the outports not included in Smythe's farm was made by Sir Francis Walsingham, Secretary of State, undoubtedly with financial backing from certain London merchants and some of the customers of the principal ports. The offer was accepted, and the farm granted in August 1585, the customs of the outports being demised to Walsingham from the following Michaelmas.<sup>2</sup> New orders and instructions for cus-

<sup>1</sup> Register of Privy Council of Scotland,

<sup>2</sup> S.P. Dom. clxxxvi. 76.

tomers and officers in all the ports and creeks demised were issued in February 158 $\frac{5}{6}$ , and a serious attempt was made by the farmer to introduce order and good government, his principal deputies being John Dawes and Lisle Cave who were constantly engaged in travelling from one port to another to oversee the collections.<sup>1</sup>

When Customer Smythe had held the consolidated farm for a total period of eighteen years, his fourth and last lease ran out in 1589, and it was shown that he had made for himself more than £16,000 profit since Michaelmas 1584. Burghley was determined to drive a hard bargain with him for the benefit of the Crown before he could have the opportunity of further profit. The demands for rent and fine for a new farm were such that Smythe pleaded his utter inability to pay them, although he professed himself overwhelmed with grief at the disfavour into which he had fallen with the Queen.<sup>2</sup> He would not or could not give way to the Lord Treasurer's demands, and no one else could be found who was willing to offer the rent asked, though the search for new farmers went on all through the year 1590. The Crown was therefore left in the position of having to administer the London customs direct, and when on the death of Sir Francis Walsingham on April 6, 1590, his widow resigned his lease of the outports to the Crown in order to wipe out £6000 of his unpaid balances,<sup>3</sup> the whole of the customs and subsidies of the kingdom were out of farm, with the exception of the dues on wines and certain smaller sources of revenue like the pre-emption of tin.

The first step in the organisation of a new system of direct administration was taken by the appointment of a Receiver-General of Customs Revenues, Thomas Middleton, a London merchant of position, who had gained considerable experience as Walsingham's principal officer in his farm of the outports. Instead of

<sup>1</sup> S.P. Dom. ccxlviii. 89, etc.

<sup>2</sup> *Ibid.* ccxxvii. 22.

<sup>3</sup> *Ibid.* cclxxxiv. 24.

returning to the cumbrous old audit before the Barons in the Upper Exchequer that had prevailed before Smythe's farm, Middleton was allowed to present his accounts like those of any other Receiver-General of Crown revenues to the Auditors of Foreign Accounts.<sup>1</sup> The chief customership of the port of London, that of the subsidy inwards, having been relinquished by Smythe was put into the hands of Alderman Henry Billingsley. The ancient fee of £66 13s. 4d. that was attached to the place was obviously inadequate as a payment to an active officer charged with the supervision of much administration, and it was increased by special warrant from the Lord Treasurer to £400 a year in addition to the fees received from the merchants for services rendered.<sup>2</sup> The next most important officer in London was the Surveyor, Richard Carmarden, who during Smythe's customership had often worked for the Lord Treasurer on special Exchequer commissions. In order that he might hold a position of greater independence, Carmarden received out of the Receipt of the Exchequer £200 a year out of his whole salary of £256 13s. 4d., the remainder, the traditional stipend of the surveyor, being defalked on the customs accounts.<sup>3</sup>

The outports continued to be managed on the same lines as those laid down by Walsingham, Thomas Middleton being the Receiver-General, and three men, Lisle Cave, William Bland, and John Dawes, being appointed to hold jointly the position of general surveyor of the outports. Since their office was not of ancient date, but had only been set up by Walsingham, their fee of £366 16s. 8d. was paid entirely out of the Receipt.<sup>4</sup> They were charged with the general supervision of the collection in all ports, but separate accounts for each port were still kept and audited, and excessive waste of effort and leakage of money continued.

<sup>1</sup> S.P. Dom. ccxxxviii. 58, and Customs Accounts in P.R.O. Exchequer K.R.

<sup>2</sup> Sackville MSS. [1614], April.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

The perennial difficulty in the management of all revenue services in the Tudor period has already been referred to in the case of Cockeram. It consisted not merely in the finding of officials who could be trusted to serve the Crown honestly and abstain from extortion and bribery, but also in guaranteeing that they should have sufficient financial skill to deal with the large balances of ready money that accumulated in their hands. Over and over again it was found that honest and trustworthy officials holding posts like that of Treasurer at War, Victualler of the Navy or Receiver-General got themselves into a hopeless tangle with their accounts, and when they had to relinquish their offices, were left with large adverse balances against them which they could not pay, and which it was impossible to recover from their sureties. The old Exchequer remedy of an extent upon their lands and goods was often incapable of enforcement, for in many instances they were landless men, or their possessions were so encumbered with prior charges that the Crown could not enforce its claims without extreme difficulty. Every Lord Treasurer was faced with the problem of clearing up a mass of bad debts that was continually being added to and that caused evils and difficulty in every branch of revenue administration. Burghley's period of direct administration of the customs added considerably to the volume of these "desperate" debts, as may be noted by a single instance. Thomas Phelippes, the decipherer, a trustworthy servant of the Crown, held in addition to his other appointments that of collector of customs outwards for the port of London, by no means the most important collectorship in the port, and yet in September 1600 we find him charged with a debt of £11,683 on his collection for the period of two years only, and quite unable to discharge the amount.<sup>1</sup> Walsingham, though a man of considerable means, hopelessly crippled his resources by

<sup>1</sup> S.P. Dom. cclxxv. 78.

his farm of the outports, and at his death left large sums owing to the Crown, which could never be recovered in their entirety, and for which a composition had to be accepted. In February 1597<sup>7</sup>/<sub>8</sub> we find Burghley complaining of the difficulty of getting the customers of the outports to pay their debts, and of making the general surveyors hand over the balances of ready money that they had in hand.<sup>1</sup>

The nature of the difficulty and its importance to the Crown in its pressing financial straits were quite clearly realised by Burghley, Fortescue, Buckhurst, and the other members of the Council, but it seemed hopeless to find a remedy. The Parliamentary session of 1597 was marked by important debates as to the methods of enforcing prompt payments from accountants and the passage of an Act<sup>2</sup> for the reform of the Exchequer procedure against defaulters. In the session of 1601, again, Acts were passed for the same purpose.

In the matter of the customs these remedies were not sufficient; it seemed to the members of the Council that other steps must be taken and a new system of farming worked out. Direct administration had failed to produce good results; there were incessant complaints from the merchants of extortion and bribery by the customers; the profits of the collections were practically stationary, though in spite of the war with Spain the trade of the country was increasing, and the smuggling of the prohibited commodities that were only allowed to be imported on licence went on almost unchecked. There was no system of preventive officers such as we are familiar with at a later date, and in the absence of such a system forfeitures of uncustomed goods were fewer than they had been even in the earlier period of Smythe's farm. The change in the value of imported merchandise and the introduction of new commodities had gone on at an increasing pace with the opening of

<sup>1</sup> S.P. Dom. cclxvi. 54.

<sup>2</sup> 39-40 Eliz. c. 7.



new channels of commerce owing to the successful war against the Spanish-Portuguese monopoly. The Book of Rates drawn up in Mary's reign was generally admitted to be out of date, and in 1594 Lord Treasurer Burghley directed Alderman Billingsley and Richard Carmarden to draw up a report on the matter.

When the report was presented in November of that year<sup>1</sup> it was shown that of the articles enumerated in Queen Mary's book fifty-one were rated too low and the rates should be increased, and on sixteen articles the rates should be reduced. There were eighteen species of merchandise which had been introduced since the publication of the book and for which no rates were quoted. These goods were therefore valued according to the oaths of the importers, a practice that worked to the considerable disadvantage of the Crown, and led to a great deal of fraud on the part of the officers. Before a new Book of Rates could be prepared it was necessary to enter into conference with the merchants and to attempt some measure of agreement. Negotiations were begun in 1595 and continued for some time, but the offers of the merchants were found to be widely divergent from the demands of the customers; it was impossible to reconcile them, and the negotiations could not be completed until the great customs reforms were decided upon after Burghley's death in the Treasurership of his successor Lord Buckhurst.

To trace the genesis of these reforms it is necessary to return and consider something of the affairs of the wine farm. The impost on wines after the falling-in of the Earl of Leicester's lease granted in 1569 was divided into two farms, first that of the French and Rhenish wines, and secondly that of the Sweet wines mostly imported from Spain and the Canaries. The ancient dues of butlerage, prisage, etc., were not included, for they were in farm in various ports either as perpetuities

<sup>1</sup> S.P. Dom. ccl. 30.

or for periods of lives and could not therefore be affected by any reforms. The farm of the impost on French and Rhenish wines had been let for all the ports to Alderman Peter Haughton, a wealthy London merchant.<sup>1</sup> Practically the whole of these imposts, however, were entered in London, and at Southampton and Chichester for the French wines, and at Kingston-upon-Hull for the Rhenish. On the next demise of the farm Haughton was outbid by John Swynnerton, another London merchant interested in the Bordeaux trade,<sup>2</sup> and the Crown did very well out of the competition between them. In 1595 Burghley made preparations to extend the system of direct administration, and Swynnerton was ordered to relinquish the farm. Haughton expressed his willingness to take it up again for ten years at the enhanced rent of £10,000 per annum and the usual annexed conditions of the free supply of 200 tuns of wine a year for the royal household together with the traditional allowances of 1050 tuns to the nobility on impost bills.<sup>3</sup> The particular value of the farm lay in the right it gave to the purveyance of wine for the household, and the right of pre-emption of a certain amount from every cargo at the specially low purveyor's price of £9 per tun. The merchants to escape this pre-emption were accustomed to pay composition, and these compositions formed a source of considerable profit to the farmer. Haughton offered either to take the lease or to manage the impost on commission, but after negotiation Swynnerton's higher offer to continue his lease was accepted, and he retained the farm until Michaelmas 1597. Similar arrangements for the farm of the Sweet wines to other merchants were made about the same date.

When Swynnerton's farm came to an end, the collection of the wine duties in London was placed in the hands of collectors; Sir Henry Billingsley was entrusted

<sup>1</sup> S.P. Dom. ccli. 64 and 65.

<sup>2</sup> *Ibid.* 62 and cclii. 22.

<sup>3</sup> *Ibid.* 65.

with the collection of the subsidy of tannage, and John Cage and Lawrence Smith, a servant of the household, with that of the impost and the management of the impost bills at salaries of £200 and £100 respectively.<sup>1</sup> In the outports the collection of the duties was entrusted to the customers. The first year of the new arrangement resulted in a considerable loss. From Michaelmas 1597 to Michaelmas 1598 the proceeds of Cage's collection of the impost after payment of expenses amounted to £6841, of Billingsley's collection of the subsidy £911, and of the outports £3633, a total of £11,385. The collectors charged 10s. a tun more for wine for the household than the farmer had done, and their management of the impost bills was more costly. Taking all these things into account and comparing them with the farmer's offer of £13,000 rent besides the usual allowances, it was shown that the Crown had gained £2408 less by direct administration than it would have done by the farm, and the object-lesson convinced the Lord Treasurer and Council that it would pay them to return to the farming system.<sup>2</sup> In December 1599 a new demise of the customs, subsidy, and impost on Sweet wines was made to the Earl of Essex, and of the French and Rhenish wines to John Swynnerton.<sup>3</sup> The annual rent for the latter farm from Michaelmas 1599 for seven years was fixed at £15,000, payable half-yearly, with the usual provisions as to purveyance and impost bills. This lease remained in force until 1607 and Swynnerton made considerable profits by it.

The next important step forward after the arrangement of the wine farms was taken in the case of velvets, taffetas, sarcenets, and other silks, cambrics and lawns, and an offer for the farm of the customs and subsidy on these articles was made in 1600 by Secretary Sir Robert Cecil, based upon a seven years' medium of the imposts.<sup>4</sup>

<sup>1</sup> S.P. Dom. cclxiv. Sept. 26, 1597.

<sup>2</sup> *Ibid.* cclxxi. 36 and 99.

<sup>3</sup> *Ibid.* cclxxv. 16.

<sup>4</sup> *Ibid.* cclxxv. 142; cclxxxiv. 9; and cclxxxiii. 54.

The lease was granted to Cecil on March 25, 1601, and the collection was managed for him in the first instance by the London merchant, Baptist Hicks, who was brother of his private secretary Michael Hicks, and a man of considerable wealth. His work was not entirely satisfactory, and in 1603 there were many complaints among the merchants on the Exchange about Cecil's underfarmers and their objectionable practices. The principal merchants desired that the Secretary should either carry out the patent himself or underfarm it only to persons of repute. The former course was adopted, and in 1603 Sir William Ryder, one of the chief of the London customers who held the new office of Collector-General of customs inwards, was appointed to collect the duties on silks, etc., for Cecil's use.<sup>1</sup>

The right of pre-emption of tin was the subject of a prolonged investigation by the Lord Treasurer and Council in 1595 and 1596, and after the receipt of rival offers for a farm from the Earl of Oxford and Lord Buckhurst, in 1597 the lease was granted to the latter.<sup>2</sup> The small impost on exported and imported beer and the duties on exported sea-coals were also in farm, while the customs and subsidy on currants were leased at a low rate to the merchants of the Levant Company who had established the trade.

Debates between Lord Treasurer Buckhurst, Sir John Fortescue the Under-Treasurer, and other members of the Council concerning the advisability of the introduction of a new general system of farming took place as early as 1599, and though all opinions gradually came to favour the abandonment of direct administration, the final decision to do so was not reached until with the death of Queen Elizabeth there was a close of the naval war. The cessation of hostilities set free much capital and resulted in a great impetus to trade, but the com-

<sup>1</sup> Cecil MSS. June 5, 1603, Cecil to Buckhurst.

<sup>2</sup> S.P. Dom. cclii. 49, 52, etc.; ccliii., 45, 46.

plaints of the merchants against the inefficiency, extortion, and bribery of the customers had become so acute that threats were being made in December 1603 of an appeal to the King to make void all appointments in the customs that were held during pleasure.<sup>1</sup> The well-known struggle in Parliament in 1604 over the bills for 'free trade' was another sign of the extreme dissatisfaction of merchants at the condition into which affairs had drifted.

In July 1604 Lord Treasurer Dorset, Lord Berwick, the new Chancellor and Under-Treasurer of the Exchequer, Lord Northampton and Secretary Cecil were appointed as a Committee of the Privy Council to enter into negotiation with the principal merchants and see what could be done.<sup>2</sup> At the same time John Wolstenholme and Arthur Ingram, two of the younger and more efficient officers in the port of London, were entrusted with the task of negotiating with the merchants for the production of a new Book of Rates by general agreement, the results of their labours to be reported to the Lord Treasurer.<sup>3</sup> The negotiations for the rates and the preparations for a new farm went on side by side and had an intimate bearing one on the other. Little need here be said about the former, but the negotiations being in the hands of thoroughly practical and skilful men went well, and the new book was signed by the King on November 26, 1604, and at once brought into operation. The original parchment book with the great seal attached is still preserved among the Customs records in the King's Remembrancer's records in the Exchequer,<sup>4</sup> and to an unprejudiced observer it appears to be an efficient and workmanlike production, and to deserve nothing of the ridicule poured upon it by a writer on the customs in our own day.<sup>5</sup>

The plan for a general farm that was considered by

<sup>1</sup> Cecil MSS. December 11, 1603.

<sup>2</sup> *Ibid.* July 21, 1604.

<sup>3</sup> *Ibid.* October 11, 1604.

<sup>4</sup> Exch. K.R. Customs, 173/3.

<sup>5</sup> Atton and Holland, *The King's Customs*, i.

the Lords Commissioners contemplated the leasing of the outward and inward customs of London and the four home ports to one company, and of individual outports to other companies or persons, a revival of the system of Customer Smythe's time. As soon as news of this plan got abroad the Commissioners began to receive offers for the farm of single outports or groups of outports, but they could make little headway with the letting of the much more valuable farm of London. In order to get offers Buckhurst, Cecil, and Northampton each entered into negotiations with their merchant associates who held in relation to them much the same position as a banker nowadays holds in regard to his clients. A good deal of private bargaining went on all through the months of August and September 1604, and it became clear to the Lord Treasurer and the Secretary (now Viscount Cranborne) that they could only secure good offers by including in one general farm the principal branches of the customs of the whole country, both London and the outports. The story of the bargaining is very intricate, and it is doubtful whether sufficient evidence is extant to unravel it, but as to the result there is no uncertainty.

On October 17, 1604, the Lords Commissioners under the presidency of the Lord Treasurer sat in public to receive tenders for the farm either of London and the four ports or of the general farm of all the ports as they had announced by a public placard set up on the Exchange.<sup>1</sup> No satisfactory tender was received, and the Commissioners adjourned to October 22, hoping for further progress in the interval. A good deal of private negotiation among the merchants was carried out for Lord Cranborne by Arthur Ingram, the Controller of Customs in the port of London, who had already done much business for him in connection with his farm of the silks, and he was at length successful in getting a firm offer

<sup>1</sup> S.P. Dom. ix. Nos. 69 and 79. General papers concerning the farm are in S.P. Dom. viii. Nos. 130-5.

from a company of substantial London merchants, headed by William Garway, a member of the Levant Company, who were willing to take a general farm for a period of seven years in place of the five years for which the Commissioners offered it, and an advance of £25,000 per annum on the medium for the previous seven years.<sup>1</sup> Another company was organised by John Swynnerton, the farmer of the French and Rhenish wines, but though we know that their offer was less than Garway's the terms of it have not been found. A third offer came from Secretary Cranborne himself, backed by a company directed by Francis Jones, an officer of the London Custom House, who had done private work for him.<sup>2</sup> None of the offers, however, was satisfactory to the Commissioners, and the matter was again put back. As soon as it became public knowledge that Cranborne was tendering for the general farm, he was petitioned by various of his correspondents in the outports to grant them the opportunity of investing in the speculation. Their offers could not be accepted, as most of the capital had already been subscribed in London.

In the middle of December the Council decided to accept Cranborne's tender, and at once a neat piece of financial manipulation went on behind the scenes. The Secretary apparently had no intention of carrying out the farm himself; he may have entered into the business with the object of securing better offers from the merchants, or he may have done so in order to get the composition that he knew the real tenderers would offer to him. Whatever his motives, however, he retired before the end of December; the two companies headed by Jones and Garway came to terms, paid a considerable composition to the Secretary for his rights, and divided the speculation between them, leaving Swynnerton's company without a share.<sup>3</sup>

<sup>1</sup> S.P. Dom. ix. 78, 1604, October 17.

<sup>2</sup> Cecil MSS. November 12, 1604.

<sup>3</sup> S.P. Dom. xii. Nos. 50-4; S.P. Dom. Jas. I. viii. 130-5, and 139.

The patent for the lease took some time to prepare, though the actual farm came into effect from December 24, 1604. The Letters Patent were finally sealed on February 6, 160 $\frac{4}{5}$ , to Francis Jones and Nicholas Salter,<sup>1</sup> and their terms are of considerable importance since they form the basis of all the subsequent demises of the Great Farm of the Customs until the system of farming came finally to an end in the reign of Charles II, and the modern system of direct administration by Commissioners of Customs came into use. By the terms of the lease the Crown granted to the farmers for a period of seven years, from Christmas 1604, the right of collection of customs and subsidy (1) on all goods laden in England and Wales for transport beyond the seas, (2) on all goods brought from beyond the seas, (3) on all overlengths and remnants of woollen cloths. The following dues were, however, excepted: (1) Tunnage, prisage, impost, butlerage, and other duties upon wines of all kinds (these were in farm to Swynnerton, the heirs of the Earl of Essex, and other persons); (2) customs of velvets, satins, silks, and taffetas (these were in farm to Viscount Cranborne, who had disposed of his lease to a company of merchants interested in the Great Farm, of whom Ingram was one); (3) customs of gold thread (in farm to two unimportant London merchants); (4) imposts and taxes upon sea-coals, stone-coals, and pit-coals (in farm to a company headed by Sir William Ryder); iron ordnance, tin (in farm to Lord Treasurer Buckhurst), or upon any other goods, wares, merchandise, or other things whatsoever other than upon any manner of woollen cloths, kersies, etc., transported out of the realm; (5) imposts of currants (in farm to the Earl of Suffolk and sold by him to William Massam and Arthur Ingram), tobacco (as yet unimportant but farmed), and all other wares to be brought into the realm. All manner of forfeitures were also excepted.

<sup>1</sup> S.P. Dom. Jas. I. xii. 50.



In return for these privileges the farmers agreed to bear the whole cost of the administration of the customs in London and the outports, to pay into the Receipt of the Exchequer or otherwise as directed by the Lord Treasurer's warrant the rent of £112,400 by even portions on the Nativity of St. John Baptist and the Birth of Our Lord. This rent was calculated as an advance of £28,600 yearly above what had been paid to Queen Elizabeth *communibus annis*, and a good deal of difficulty occurred later as to this provision, for it was shown that the medium for the seven years from Michaelmas 38 Eliz., to Michaelmas, 1 Jas., was really £85,272. The reserved rent should therefore have been £113,872, and on April 21, 1607, it was agreed by the farmers to alter this provision in their lease, and in consideration for a release from their former engagement for the new values of goods published in the Book of Rates to pay to the Crown a yearly rent of £120,000.<sup>1</sup>

With the publication of the new Book of Rates on November 26, 1604, and the establishment of the Great Farm on December 25, a new chapter of customs history was opened, and it only remains to note the effect of the new arrangements on the administration and to inquire what effect it had upon the fortunes of the officials. The essential point of the new system was the same as it had been in Smythe's farm, the most important customs offices were held not by mere employees of the Crown, but by the wealthy London merchants who had organised the farming company. Some of them, like Francis Jones, had purchased their offices and managed them by deputy while the customs were directly administered in order to facilitate the carrying on of their own trade; others, like Garway, bought out the previous holders when the farm was granted. Some of the younger and more active officers, like Arthur Ingram, controller of the petty

<sup>1</sup> S.P. Dom. Jas I. xxvi. 57.

customs, and John Wolstenholme, who had carried out the detailed negotiations, were allowed to participate in the speculation to the extent of  $\frac{1}{8}$ th or  $\frac{1}{4}$ th part, while others, like John Suckling, who as secretary to Lord Treasurer Dorset had rendered services in getting the farmers' tender accepted, were aided to purchase important offices and work them by deputy.<sup>1</sup> In the London Custom House the principal officers and the prime farmers were identical, and apparently the only important office that retained its independence was the surveyorship, held by Richard Carmarden, junior, who succeeded his father in charge of the interests of the Crown on his death in 1604.<sup>2</sup>

The lesser officers in the port, however, came off very badly. One of the principal causes of complaint against the system of direct administration had been the extortionate fees demanded of the merchants by officers of all grades, and immediately upon the granting of the farm the exaction of all such fees was stopped and the officers were left only with their traditional stipends which were quite insufficient to reward them for the considerable sums for which they had purchased their places. So great an outcry was raised by the officers and such pressure was brought to bear upon the Council that they were compelled to give way, and a compromise had to be arranged.<sup>3</sup> In the first place the customary fees were reorganised and their amounts publicly fixed by the drawing-up of a Table of Fees which was set up in the Custom House; in the second, a compensatory allowance was made to the merchants in London by permitting them to enter their goods, not in their true quantities, but at a reduction of 5 per cent., so that from February 160 $\frac{4}{5}$ , when the system came into operation, an importer might

<sup>1</sup> Sackville MSS.

<sup>2</sup> Cecil MSS. September 24, 1604, and February 24, 160 $\frac{4}{5}$ .

<sup>3</sup> Sackville MSS. April [1614]. At this date there was a considerable difficulty over the terms of the compromise.

enter, say, 105 parcels of merchandise as 100 and pay customs and subsidy only on the lesser number. This allowance was made in all probability not merely as a compensation for the fees, but also as a sop to reconcile the merchants to the introduction of the new Book of Rates.

The officers who suffered most under the new system were the Surveyors of the Outports whose offices were entirely abolished. These four men, Sir Thomas Middleton (now Lord Mayor), Lisle Cave, John Alington, and Abraham Dawes, or their predecessors, had been appointed in 1590 by Lord Burghley's warrant<sup>1</sup> and had been confirmed in their offices on the King's accession. They had originally been Walsingham's officers for supervising the business of his farm, but were taken over when the Crown undertook direct management of the outports. They were paid £1700 per annum out of the Receipt of the Exchequer, the sole stipend for themselves and their sixty employees, for they took no fees of the merchants as the other officers did.<sup>2</sup> By a circular letter to the ports on November 4, 1605,<sup>3</sup> the Lord Treasurer informed the officers there that the customs having been let to farm it was found unnecessary to maintain the Surveyors of the Outports, and that their office was therefore dissolved, the £1700 per annum thus saved being allocated to increasing the salaries of certain officers mainly in the port of London, who had suffered by the lease of the Great Farm. Only two Surveyors were in future to be employed and charged not with administrative functions but solely with the reception of quarterly books of accounts from the customers and comptrollers of the ports for the information of the Lord Treasurer. Considerable distress was caused to those

<sup>1</sup> Sackville MSS. April [1614].

<sup>2</sup> Cecil MSS. June 7, 1605. Surveyors to Salisbury.

<sup>3</sup> Sackville MSS. April [1614].

of the Surveyor's staff who could not secure employment with the farmers, but most of them did secure such employment and became the active customs officials of the ports, while the patent customers and comptrollers came either to be sinecurists or to discharge merely nominal functions by deputy.

The establishment of the Great Farm marks the end of the ancient English customs system and the beginning of a fresh system that lasted without essential change to the great consolidation reforms at the end of the eighteenth century. It was of great importance in relation to national finance, for on the one hand it gave to the Crown a regular and expanding revenue on which it could depend for the discharge of the regular expenses of government, and on the other a responsible body of English financiers with whom it could negotiate for loans upon the security of the customs without having to resort to foreign bankers. The regular organisation of the customs over the whole country under a unified direction facilitated the carrying-out of fiscal regulations and also the raising of new duties in the form of impositions on valuable commodities that were previously only lightly taxed. In the collection of these impositions the Great Farmers played an important part, and further investigation of their activities will do something to elucidate certain of the more obscure points in the long controversy concerning them throughout the reigns of the first two Stewarts.

## BIBLIOGRAPHICAL NOTE

Very little detailed attention has been paid to the organisation of the Customs under the later Tudors. Mr. Hubert Hall's well-known book on the Customs is mainly concerned with the mediæval revenue, and though his second volume devotes considerable attention to Bate's Case and the right of imposing by the prerogative, little is said about administrative details.

Atton and Holland's *The King's Customs*, 2 vols., is mainly based upon Hall in the early period, and only a few pages are devoted to the Tudor and Stewart periods, though the work is valuable for the 18th Century. Professor Gras has cast many interesting sidelights on the Customs in his excellent volume on *The English Corn Market* (Harrard Studies), and thanks are due for his work in connection with the Port Books.<sup>1</sup> The majority of the papers quoted in this article have come into the State Papers from Burghley's MSS. having come to him as Lord Treasurer. There are others of his papers bearing upon the subject in the great collection of Burghley MSS. among the Lansdowne Collection in the British Museum. The papers among the Sackville MSS. that are referred to came to that collection among the papers of Lionel Cranfield, Surveyor-General of the Customs under James I, and afterwards Lord Treasurer. They are inadequately calendared by the Historical MSS. Commission, 4th Report, Appendix. There is an interesting printed tract entitled 'The Customer's Apology' among the State Papers (S.P. Dom. cclxxiii. 102), and copies of several editions of this are also to be found in the British Museum.

<sup>1</sup> First Report of *Royal Commission on Public Records* (1912), Appendix V. Since this Note was printed, Professor Gras's important work on the "Early English Customs System" has been published in the *Harvard Economic Studies*.