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Abstract

British Prime Minister George Grenville is frequently misunderstood. Unlike his predecessors, he sought compromise with the British colonies in North America, did not abuse the power and influence granted to him by his appointment, and did not award himself lavish gifts and a high salary under the guise of financial responsibility. Grenville actively sought to consolidate Britain's debt through his unwavering work ethic and honest business ideas. He also worked to find a new way to govern and control the British North American colonies. Left in debt by the costly Seven Years War, Britain expected her colonies to pay for the war waged for their benefit. At the same time that Britain passed new taxes, the colonies suffered a severe economic depression. Thus British attempts at debt reconciliation left the colonists hostile towards Grenville and Great Britain, who they perceived as ignoring their financial plight. Grenville heard their complaints and concerns, understood they felt threatened by British lawmakers enacting a direct tax in their country, and offered them the chance to tax themselves. When the colonists failed to provide a new system, he fell back on his original taxation plan created through Parliament. [Keywords: American colonies, Britain, American Revolution, salutary neglect, taxation]

Often vilified by the American Revolutionary effort, Prime Minister George Grenville became a lightening rod for misguided colonial anger. Frustrated with what they saw as unjust taxation, colonists called for an end to the Sugar and Stamp Acts that Grenville conceived. As tensions rose and tempers flared, Grenville found himself stuck between an unsympathetic king and colonists who complained of taxation without representation. When Grenville entered the office of Prime Minister in 1763, two major problems awaited him: the hemorrhaging debt from defending the British colonies in the Seven Years War, and the question of how to govern the territories added to the empire by the Treaty of Paris. First, Grenville saw the need to stop the illegal trade that had arisen between the colonies and the French during the war and began a series of political reformations in the colonies that severely punished those caught trading with the French. New tax acts followed, the purpose of which was to consolidate the accumulated debt, create new revenue for the British, and to cover the cost of the British Army in America. Colonists at first met the new regulations with mild forms of resistance, but generally complied. As time went on, colonial resistance became louder and more sophisticated.
When the Stamp Act passed in 1765, the situation reached its boiling point, and groans of frustration evolved into active resistance. A clash resulted between colonial desire to return to a policy of salutary neglect and Britain’s determination to balance her budget and return her colonies to their subservient role. Grenville showed a desire to listen to colonial concerns about an intrusive Britain in a time period where many colonists felt they were not being represented or heard in British government. Parliament did not approve, arguing that if colonists could influence lawmaking, they ceased to be colonies and would become a completely separate nation. Caught on both sides by the growing instability of the colonial situation and the King’s frustration at his personal conduct, Grenville was removed from office only two years after his appointment.

How then could someone so willing to listen be so vilified in the eyes of the colonists and their leaders? In order to understand the complicated legacy Grenville left, his life before, during, and after his position in office must be closely examined. A well-educated and motivated young man with close familial ties to politics, his entrance into the life of a career politician was all but predetermined by his parents. Holding a variety of important political roles in varying levels of local and national government, Grenville became known for his business skill with managing and creating money where needed. Britain needed both a fresh take on a new situation with the colonies and an economically-minded man to correct horrendous spending policies. Grenville fit the bill. Grenville's business-first approach with financing led him into the Prime Minister role in 1763 and led to his resignation only two years later. His greatest strength proved to be his greatest weakness.

George Grenville was born on October 14th, 1712. He was educated at Eton before entering into college at Christ Church, Oxford. Grenville originally trained to be a lawyer, and succeeded in being called to the bar in 1735.1 With a politically powerful brother (Lord Temple) on one side of him, and an equally politically active brother-in-law (William Pitt) on the other, Grenville soon left the law behind to join his family in politics. Grenville entered Parliament in 1741 as member for Buckingham, a post he held until his death in 1770.2 Both Pitt and Temple saw their relative as a means of garnering more support for their plans and policies. Grenville was smart enough to help push their politicking, but not well-liked enough to pose any threat to their own political careers. Although he was respected by his superiors for his dedication to business and efficiency, his less-than-amiable personality caused his peers and superiors to question his usefulness in higher posts. Grenville's work ethic surprised both himself and his family members, and he excelled early in his political life. In December 1744 he became a lord of the admiralty in the Pelham administration, and three years later in June 1747, Grenville became a lord of the treasury.3 These early posts culminated in his appointment as Treasurer of the Navy in 1754. His legacy at this post included the the Navy Act of 1758, a law which made it easier for sailors of the royal navy to receive their wages and send them back home to wives and loved ones.4 It was not the first time, nor would it be the last, that Grenville helped those of the working class. Upon his resignation from the post of Prime Minister, Sir James Porter...
commented that the King’s servants owed Grenville a statue because he ensured the regular payment of their wages.\(^5\)

Despite George Grenville’s experience in financial management, finances still caused the greatest friction between the British colonies and their motherland. With a larger empire than the British could have ever imagined, they faced the question of how to solve their debt crisis utilizing the colonies they had spent so much to defend. The source of this issue began during the Seven Years War, long before George Grenville became Prime Minister. The cost of the war aside, the conduct of the colonies during the conflict left a sour taste in the mouths of British rulers and merchants. Colonists had engaged in a deep and illegal trade network with the French, selling them provisions and goods that aided their war effort directly (wood and guns) or indirectly (supplies and foodstuffs). The first step in Grenville’s plan was to stop the illegal French-American trade. As the former first lord of the Treasury, Grenville was undoubtedly familiar with the trade connections and how much money the colonists had generated at the expense of the British.\(^6\) Swiftly moving into action, Grenville established new incentives for Royal officers and privateers to search, find, and seize colonial ships involved in any illegal dealings. The same act also created new maritime courts in the colonies so that smugglers could no longer get off easy on account of their familiarity with the colonies’ judges and juries.\(^7\) Colonial merchants said it was an injustice to use British judges to try colonial criminals, but their complaints fell on deaf ears. Even the rich and well-connected found themselves, if not summoned to court on suspicion of illegal trade, intimidated enough to cut their smuggling ties. Grenville also established new positions and promoted new customs officials to make sure that the taxes and duties he created were well-enforced and followed to the letter. No longer could rich colonial merchants drop money into the pockets of customs collectors in exchange for their silence. Each collector was well-respected and made aware that their compliance to British law would be worthwhile in the end.

Next came the start of debt reconciliation. During the war, the British asked local colonial governments to provide militia men to bolster military ranks and supportive taxes to help fund the war effort. Their pleas for both were often ignored often; no men arrived to help the Royal troops, nor were any taxes received to pay for guns, ammunition, and food. Debt continued to accumulate and by the end of the war, Britain had reached a total deficit of one hundred and thirty-two million British pounds,\(^8\) a massive amount of money that almost doubled the debt left from the 1748 War of Austrian Succession.\(^9\) The money had to come from somewhere, and Grenville knew more money could not be pulled from the British people. The English already paid exponentially higher taxes than their colonial counterparts, and their pockets were emptying fast; Grenville instead looked to the colonies. The first to propose a tax strictly to raise revenue from the colonies, Grenville said that it was the right of the British to request that such taxes be paid in fair proportion. In an address to Parliament he once said:

That this kingdom has the sovereign, the supreme legislative power over America, is
granted. It cannot be denied; and taxation is a part of that sovereign power...The nation [Britain] has run itself into an immense debt to give them [the colonies] this protection; and now they are called upon to contribute a small share towards the public expense...  

Grenville looked first to an older law set to expire in the same year of his election, the Molasses Act of 1733.11 Passed as the Revenue Act of 1764 but known more commonly as the Sugar Act, this act altered its predecessor's duty collection. Originally, the Molasses Act had a sixpence-per-gallon duty per gallon on molasses and sugar. At the time, the law sought to prohibit French-American trade with such a damagingly high tax. The smuggling during the Seven Years War proved how ineffective the plan was. Grenville altered the tax and proposed cutting the duty in half. He stated that a lowered duty finally paid (and paid more often) would increase revenue, and stronger British control of the seas would force compliance. Parliament passed the new law without a word of protest.12

After the passage of the Sugar Act, more regulatory measures came about. For years colonies had printed their own paper money as a medium of trade and exchange. One of the most influential regulatory laws was the Currency Act of 1764. In an attempt to stabilize trade relations between Britain and America, this act sought to end colonial money printing.13 Colonists needed a currency to exchange during inter-colonial trade. They faced shortages of paper currency regularly because the only way to get new paper money was in trade regulated by Great Britain. American colonial governments began to print their own paper money to solve the shortage problem. For colonists conducting their colonial business, no problems arose. For the British looking on, the issue with the colonial money laid in its backing, or lack thereof. The British pound had a “hard” backing, in that it held value through gold or silver in the British treasury, while colonial money was based upon mortgaged land.14 Without a “hard” backing, colonial paper money was distrusted and held no value in the eyes of the British. Further complicating the issue was the lack of standard value and uniformity in money issuance. Some notes had interest payments, others did not. Some could only be used for purchases and not for debt payments, the opposite was true for other issued money.15 When a British merchant received colonial bills as payment, they were useless anywhere outside of the American colonies and often of no use outside of the specific colony in which it was issued.16 In legal cases when a British merchant sued a colonial trader, his payment if he won was issued in the form of colonial dollars issued by the colony in which the legal action took place. Stuck with worthless colorful paper, English merchants clamored to Parliament for restrictions and regulations, and got their wish with the passage of the Currency Act

George Grenville recognized that even the enormous amount of money raised from the Sugar Act would not be enough to cover all of Britain’s debts. The colonies posed a special problem that none of his predecessors could have predicted. It was necessary to protect British colonial interests and prevent the colonies from forcing Britain to extend so much capital. To limit trans-Atlantic military costs, Grenville planned to station ten thousand active troops in the
colonies. The question then became how to prevent this expense from adding to Britain's massive
debt. In early 1765, Grenville proposed a colonial Stamp Tax on any and all official papers,
including newspapers, pamphlets, diplomas, legal documents, and even playing cards. Such a
law existed already in Britain, so it made sense to extend similar taxes to their colonies.
Grenville defended the act, saying that unlike the Sugar Act, funds raised by the Stamp Act did
not go to the British, but would remain in the colonies to help facilitate colonial defense and
other local needs; colonists, however, did not care. The eventual passage of the Stamp Act left in
its wake angry and motivated colonists, ready to actively push back against its overbearing
motherland and to fight against taxation without fair representation.

Grenville’s next quandary was how to govern the new land and to control the colonies
after the financial situation was eventually resolved. The majority of the issues between the
American colonies and George Grenville's office were due to a lack of identity for the colonies.
After the French and Indian War, the colonial economy began to boom. Ready to take the step
away from being a middleman for British trade, colonists became restless with the countless
regulations and trade restrictions placed upon them. Grenville's strict Admiralty courts and
maritime laws ensured that smuggling no longer gave them the profiting outlet they desired. The
colonies wanted more: not only the economic freedom granted to them during the years of
salutary neglect, but the ability and freedom to nurture their maturing industries. Before chaos
could erupt, the colonies sent representatives to British Parliament and Grenville welcomed
them. Grenville, like the colonial representatives, had high hopes of finding an alternative
solution to the British tax plans. One of these representatives was Benjamin Franklin, who wrote
to Grenville in February of 1765 asking for the Currency Act to be reformed as an alternative to
the Stamp Act: “we...beg leave to submit [sic] to your consideration a measure calculated for
supplying the Colonies with a Paper Currency, become absolutely necessary to their
Circumstances, by which Measure a certain and very considerable Revenue will arise to the
crown.” Grenville entertained these representative bodies and listened to each argument with
an open mind. He recognized the pushback against his Stamp Tax and offered the representatives
a chance to suggest an alternative. Seeing the concern the representatives had over a strictly
enforced law from across the ocean, Grenville desired a plan that would leave the colonists
complacent and willing to contribute their fair share. Grenville even wrote to other colonial
leaders who were unable to make the trip to Britain to expand his understanding of the situation
and why the law was so abhorred by their constituents. In the end, it was decided that a locally
created and enforced tax to generate the revenue would be necessary and satisfactory to pacify
the colonial administrations. Grenville was happy to comply, and asked what tax plan they
planned to create and how much revenue could be expected as a result. When neither those he
wrote to nor those in person were able to answer this question, a frustrated George Grenville
made it known that the Stamp Act would go into effect in November of 1765.

When word reached home that no settlement had been reached, American colonists were
incensed. In October the colonists created a Stamp Act Congress to establish a more unified
voice, but their attention focused on an appeal to the crown, rather than to the financial leader George Grenville.\textsuperscript{20} Even if colonists had aimed their ire at him it would have had no effect: Grenville had resigned from his office in July of 1765. Nevertheless, the colonial mob took to the streets and effectively boycotted British goods. Local papers published the names of residents who did not follow through on the boycott to force them to correct their behavior. Colonists publicly burned stamps instead of applying them to their papers, they harassed local Stamp Tax collectors, and went as far as to dismantle the home of a local governor and staunch Loyalist, Cadwallader Colden, an activity which became a popular tool of protesting crowds.\textsuperscript{21} The colonial resistance was further motivated by the timing of the Currency Act. At the end of the war, colonies felt the pressure of a post-war recession. Extra ships sat in harbors, unemployed sailors roamed the streets causing trouble, and warehouses sagged under the weight of unsold goods.\textsuperscript{22} Just when the colonists needed a source of money to help their suddenly-sagging markets most, it was taken away.

What George Grenville might have done to quell the colonial riots will forever be a mystery. Unpopular in the colonies because of assumed British arrogance, and increasingly unpopular in Britain herself, Grenville resigned from his post with a mixed legacy. Though he left the office of Prime Minister, that was not the end for Grenville in politics. He kept his seat in Parliament where he defended his American colonial policies with an even deeper passion, and called for the taxes to remain in place. In an address for the King in February of 1766, Grenville warned of the dangers of backing down to colonial pressure for the future of colonial rule:

\begin{quote}
America would not have been in this condition if they had believed that we would enforce the law...Whoever advises the King to give up his sovereignty over America is the greatest enemy to this country and will be accused by all posterity. ...Says he finds the Americans disputing the authority of this country and was willing to try how far their disobedience could reach ...Let those who encourage America and have raised and increased this condition by such encouragement extricate us out of it, and God grant that they may meet with success.\textsuperscript{23}
\end{quote}

Grenville wanted to remind the colonists that they were not a sovereign nation, but subjects of the British government and were expected to behave as such. Despite Grenville's impassioned warning, his successor, the Marquis of Rockingham, had the Stamp Act repealed in March of 1766.\textsuperscript{24} To prevent future misunderstandings about the rights of the motherland over the colonies, Parliament passed the Declaratory Act later that same month. This Act cemented Parliament's right to make laws binding the colonies in whatever manner Britain saw fit.\textsuperscript{25} The American colonists saw the Declaratory Act as a desperate attempt for Britain to save face after crumbling under colonial pressure to repeal the Stamp Act. Such weakness from their overbearing government gave fire to the colonists who saw that they could influence change if they pushed for it. Grenville's words proved prophetic. Britain's inability to hold-fast and enforce
colonial laws and codes would be the undoing of the empire.

A legacy of mixed emotions and misdirected hate characterized the tenure of George Grenville. Well-respected for his work ethic, the man climbed the ranks of the British colonial system quickly, efficiently, and honorably. Known as a businessman, not a statesman, Grenville's legalistically structured mind dictated his policies and the beliefs to which he clung while in office. As a member of the Whig Party, Grenville and his fellow party members believed strongly in the importance of preserving the British Empire and way of life. No one knew how to govern such a wide expanse of territory, stretching from North America, across the ocean to the Far East. Such an expansive empire over such different cultures and land had never before been seen on Earth. What is known now as the Commonwealth system had never been suggested or created. This system, if thought of at the time, would have brought the peaceful solution the colonies and Britain desired. While Grenville did not directly suggest the Commonwealth system, he gave examples and hints of a similar system of unification in which both sides had their voices heard. Much of the debate over what to do with the colonies came during the time of the Stamp Act debate in Parliament. Issues with roles of the American colonies in the empire as well as their other territories became hotly debated topics with no answers. “All colonies [American and other] are subject to the dominion of the mother country, whether they are a colony of the freest or the most absolute government.”

When other Parliamentary members discovered that Grenville had listened to the colonial suggestion that they would take it upon themselves to raise the necessary funds through self-imposed taxes, Parliament struck out against the idea. Despite warnings that allowing the colonies such autonomy could spark feelings of independence and endanger the empire, Grenville remained undaunted. He was not alone: William Beckford stated that, “No precedent found of foreign taxation but the Post Office,... If this principle was established, why not tax Ireland . . . The North Americans would be glad to be rid of the troops from the Government and the expense of supporting them.” Colonel Isaac Barré built upon these ideas, praising Grenville's slow and cautious progression, but warned about the future. “We are working in the dark, and the less we do the better. Power and right; caution to be exercised lest the power be abused, the right subverted.” Barré continued later that time could be taken to see the efficacy of the Sugar Act, reminding his compatriots that it had not yet been a year since the law took effect. This debate continued long after George Grenville had resigned. No one knew quite how to handle the American colonies and no one seemed willing to create a brand new governing system.

How then does Grenville fit into the framework of history? Grenville did not support American independence, but he did support the unification of the colonies with England, and recognized the importance of this relationship for the future success of the British empire. Grenville felt that the colonies had a role to play, and that they needed to be brought under control to better play it. His taxation plans and the reorganization of colonial rule both sought to rectify this situation. He saw the future before the idea took hold, and his arguments in Parliament and his taxation plans and ideas paved the way for a future system that considered
relative colonial freedom and autonomy. Not freedom to the extent of the system of the British Commonwealth; a system where unification depended on loyalty to similar languages, histories, and the British crown, but more than subjects of (and to) whatever the British willed. Grenville's unique position came from his willingness to listen, though he undoubtedly placed the will of the British government above that of the American colonies or colonial government. What Parliament said would be law would be the supreme law of the British Empire. This is evident from his tax conversation with colonial leaders. He reminded them that should they not be able to solve their own problem, Parliament would solve it for them. Yet, he still listened. For a man portrayed as uncaring and oppressive, he heard the airing of their frustrations and concerns loud and clear. Colonists had long complained that they felt like second class citizens to their English brethren on the British Isles. Even the rallying cry to the Revolution, “no taxation without representation” cast light on their feelings of subordination. Grenville did not see them in this manner, however. While he saw colonial governments as second class, he did not see the people in this way. He wanted to give them the chance and the opportunity to speak for themselves and to participate in the financial life of their colonies. He wanted them to have a voice. It was only when the colonists could not solve the issues presented to them that Grenville saw the need to intervene and directly enforce the taxes. One can only imagine what would have happened had the colonists devised their own taxation plan, as Grenville would have more than likely implemented it. Maybe the Commonwealth system would have been created then and there, or perhaps some new form of mutual governance between the two nations. The simple fact remains that the possibility existed for colonists to exercise a freedom they requested and felt they deserved. The blame for their inability to solve their own issue was wrongly placed on Grenville.

The effect that this knowledge has on American history is noteworthy. From the first day of school, we are told the story of a British government who cared little for their American colonies, who exploited and abused them and never listened when they cried out for a response. Grenville's actions are an example of the willingness British officials had to listen to the colonies. Most American historians write from the stand point of a young America fighting desperately for her freedom, but the idea of a unified America and Britain is discussed by historian Charles McLean Andrews. At the time of his study after the First World War, Andrews had the benefit of seeing and experiencing the British Commonwealth system firsthand. As he wrote about our history, he lamented the fact that the two powers did not find this system of government before the bloodshed of the American Revolutionary War. Grenville's willingness to listen reminds us to be wary of those who present the Revolution as a completely one-sided affair. George Bancroft argued that the American Revolution was a war to give Americans back the freedom and liberty that Britain had stolen from them, but fails even once to mention the diplomatic alternatives that were presented to the colonists. The importance lies in what could have happened and the understanding that Americans had the chance to make it happen. Charles Beard argued that upper-class colonists sparked the Revolution as a response to the thinning of their fat wallets. How could he then defend the inability of these men to come up with a system
that protected and guided their interests? Members of this high class came to Britain to talk with George Grenville face to face, and he corresponded with them through letters. They did not seize the chance presented to them and then focused their anger on the most public figure they could find, the face behind the Acts and taxes they so loathed: George Grenville.

The information in this paper is important to the study of both pre-Revolutionary times and of George Grenville's life. Traditionally, Grenville and King George are painted as the Revolutionary enemies of America. They are evil and repressive, set to smother the colonies in their crib before they have the chance to grow. Grenville is the victim of circumstance and the political climate of the time. He established and created a variety of new laws and regulations set to correct the vagaries of British rule and bring the colonies back under the influence of Great Britain. With only two years in office, he did not have the ability to restructure and then police any of his new policies. Given the way he fixed, listened and reformed, perhaps the Revolution could have been avoided all together. Beyond Parliamentary debates in regards to the Stamp Act and his insistence that the taxes remain in place, he could not influence his regulations anymore or alter them after his dismissal. His behavior with the King is no less to blame for his shaky legacy. King George once remarked, “When he has wearied me for two hours, he looks at his watch to see if he may not tire me for an hour more.”

Considered a terrible bore because he was all-business, Grenville could not repair the damage he had done, and his inability to politic became his undoing. So then how should George Grenville be looked upon in history? He should be remembered as exactly what Britain had asked for; a business-minded man ready to help his country solve her financial crisis, not the villain of the Revolution as he is so often portrayed. Grenville worked diligently to consolidate British debt and reign in the American colonies, while trying simultaneously to repair the strained relationship between the two. This no-win situation made him an easy scapegoat for colonists looking for a target and for members of Parliament to criticize and blame. Grenville still did not give up, even after resigning as Prime Minister. From his seat in Parliament and until his death in 1770, he continued to warn Britain about the growing unrest in the American colonies and the need to come to an agreement.

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