

VISUAL 7.1

THE GUIDE TO ECONOMIC REASONING

1. People choose.
2. People's choices involve costs.
3. People respond to incentives in predictable ways.
4. People create economic systems that influence individual choices and incentives.
5. People gain when they trade voluntarily.
6. People's choices have consequences that lie in the future.

VISUAL 7.2

ANNUAL TAX BURDEN IN THE BRITISH EMPIRE IN 1765

British Member	Tax Burden in English Shillings (s) and Pennies or Denarius (d)
Great Britain	26s
Ireland	6s 8d
Massachusetts	1s
Connecticut	7d
New York	7d
Pennsylvania	1s
Maryland	1s
Virginia	5d

Hypothesis: The tax burden on the colonists was heavy.

Data: Annual taxes paid by each British member in 1765, expressed in English shillings.

Findings: The colonists were taxed much less than citizens of Great Britain.

Conclusion: There is no evidence to suggest that the tax burden on the colonists was heavy relative to the other members of the British Empire in 1765.

Adapted from R.R. Palmer, *The Age of Democratic Revolution* (Princeton: Princeton University Press, 1969), p. 155.