The Ownership, Tenure, and Taxation of Land

Some Facts, Fallacies And Proposals Relating Thereto

By
The Right Honble.
Sir Thomas P. Whittaker
P.C., M.P.

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Published by

Macmillan And Co., Limited St. Martin's Street, London

1914

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This issue by

grundskyld.dk 2024

Only Part I, Part II, Part III, Part IV and Part V, Ch. I

Several tables and figures are not reproduced.

Content:

Preface 4
Introduction 15

Part I The Ethics and Origin of the Private Ownership of Land 31
Chapter I The Ethics of Private Ownership of Land 33
Chapter II The Origin of Private Property in Land 54

Part II Economic Progress and the Ownership and Value of Land 74
Chapter I The National Income and How it is Distributed 76
Chapter II The Trend of Wages 92
Chapter III Other Tests of Progress 105
Chapter IV Value of the Land of the United Kingdom 116
Chapter V Poverty and the Private Ownership of Land 134
Chapter VI Some Economic Fallacies 137

PART III THE HISTORY OF THE OWNERSHIP, TENURE, AND TAXATION OF LAND IN ENGLAND 147
Chapter I Ownership, Occupation, and Status in Anglo-Saxon and Early Norman Times 149
Chapter II The Origin and Basis of Feudalism 161
Chapter III Feudalism in England 169
Chapter IV Feudalism in England 176
Chapter V Feudalism, a Transition Stage 188
Chapter VI The Struggle for Constitutional Government 199
Chapter VII The So-Called "Land Taxes" of 1692, 1697 and 1798 208

Part IV Who Really Owns The Land! and Some Considerations Of Honesty And Honour 216
Chapter I Who Really Owns the Land ? 217
Chapter II Some Considerations of Honesty and Honour 223

PART V ENCLOSURES 245
Chapter I Commons and Common Rights 248
May be continued… /pma 254

PREFACE

It is not pretended that this book is a work of original research. It is rather a bringing together of such statistical and historical information as is available, and admission of it, and of the economic, fiscal, and ethical principles and problems which bear upon the distinct and limited subjects—the ownership, tenure, and taxation of land—with which the volume is concerned.

This information and the discussion of these principles are at present scattered over a very wide area of books, papers, and reports. They are so intermingled with, and often practically buried in, masses of figures, records, and detailed information, and in dissertations on principles ranging over a far wider field, that, except to students and specialists, they are comparatively little known.

My object has been to present these facts and principles as they arrange themselves in my mind, together with a statement of what appear to me to be the proper conclusions to be drawn from them. I have stated the position from the point of view of one who claims to be an average man who has had a fairly wide experience of men and things in private and public affairs and business, and who has devoted a considerable amount of time to an endeavour to ascertain the facts and arrive at sound conclusions with regard to the subject here considered.

This has been done in the scattered intervals which have been snatched from a very fully occupied life, and no one is more conscious than I am of the imperfections which must result from those conditions. The temptation to carry the investigation further and collect more particulars has been great, but I have remembered Hallam's remark that " an author who waits till all requisite materials are accumulated to his hands is but watching the stream that will run on for ever."

My aim has been not so much to propound schemes of reform by suggesting remedies and formulating definite proposals (although I have done both) as to clear the way and prepare the ground for that necessary and desirable work by ascertaining and stating the historical and existing facts with which we have to deal, and enunciating the fundamental principles of economics and ethics by which we ought to be, and, if success is to attend our efforts, must be, guided

and governed. This involves the clearing away of a dense and tangled mass of error and misconception in which prejudice and lack of knowledge have enveloped the whole subject. Until that has been done, accurate diagnosis of the problems which confront us and the formulation of useful and wise solutions of them are alike impossible.

Students and specialists may say that much of the historical chapters is elementary. So it is; but the vast majority of those for whom I have written—politicians and the general public—either have never known it, or have forgotten it, or have acquired misconceptions with regard to it. As, in addition to this, very inaccurate and misleading statements are being strenuously promulgated in order to influence the judgment of the ordinary citizen with regard to proposals concerning the ownership, tenure, and taxation of land, it has seemed to me to be desirable that the fundamental historical facts which bear on those proposals should be summarised and clearly re-stated.

The mere counter-statement by me of these facts and the conclusions to be drawn from them would carry no more weight than the assertions which I dispute, if my contentions were not supported by references to those who are accepted as standard authorities to-day. I have, therefore, freely used and am largely indebted to the work of others. I have quoted much, because, not only are the facts and arguments stated more forcibly and clearly than I could hope to put them, but I wish the statement of them to carry the full weight of the authority which lies behind it.

I am specially indebted to the works of Professor F. W. Maitland, Sir F. Pollock, Professor P. Vinogradoff, Professor W. J. Ashley, Dr. E. A. Freeman, Bishop Stubbs, Mr. J. R. Green, Mr. Thorold Rogers, Professor E. G. K. Gonner, Mr. R. H. Tawney, Mr. Justice Scrutton, Professor E. R. A. Seligman, Professor Henry Sidgwick, Professor E. Cannan, Mr. F. A. Walker, Professor Alfred Marshall, Professor A. L. Bowley, Mr. Stephen Dowell, the late Duke of Argyll, Professor T. H. Huxley, Mr. Arnold Toynbee, M. Fustel de Coulanges, Mr. F. Seebohm, Sir Henry Maine, Mr. J. H. Round, Professor D. G. Ritchie, and Sir Robert Giffen.

In the great majority of cases the references are given, but in order to avoid burdening the pages with footnotes to an extent which might appear pedantic, I have occasionally summarised without special

reference the statement by others of views which I desired to express. I must ask them to accept this acknowledgment of my indebtedness in those instances.

January 1914.

CONTENTS

Introduction. Henry George and his proposals—John Stuart Mill and unearned increment—Schemes for the taxation of land values—The Land Value Group in Parliament—A kaleidoscopic propaganda—An inquiry into facts, history, and fundamental principles desirable.

PART I

The Ethics and Origin of the Private Ownership of Land

I. The Ethics of Private Ownership of Land. Natural Rights—No agreement as to what are "Natural Rights"—At bottom "Natural Right" is the right of force—Huxley and the "Natural Right" of the tiger—Robinson Crusoe—The Social Utility theory—Unconvincing arguments—The right to live: where?—Rights of nations and of individuals—Is labour the only title to ownership?—Huxley on "A Man's Right to Himself"—More superficial philosophy—A dilemma and an absurdity—Does labour alone produce anything?—Experience the guide—Ideas of right and wrong are a growth: slavery —The only safe appeal.

II. The Origin of Private Property in Land. Private ownership an early stage of settled conditions—Private property in land does not arise until agriculture begins and families evolve—A modern controversy—The present view—Ownership and lordship evolve slowly—The early outcome of economic and social conditions—Occupation and use the basis of possession—The importance of security—The antiquity of private ownership—England under the Romans—No substantial evidence of communal ownership—Early English estates and commons—Early traces of private estates and servile cultivators—Modern experience—Note on Babylonia

PART II

Economic Progress and the Ownership and Value of Land

I. The National Income and how it is distributed. Does material progress benefit the masses of the people?—The National Income—How it is divided—Incomes exceeding £100 a year—Incomes of £160 and less—Some comparisons with the past—Recent previous estimates—Movements in the distribution of income during the last century.

II. The Trend of Wages. Wages of agricultural labourers—Wages in some other trades—Effect of changes in grades and occupations—Mr. Wood's valuable tables—The relation of wages to prices, 1900- 1912.

III. Other Tests of Progress. Population—The death-rate—Pauperism, etc.—Expenditure—Education, etc.—Savings—Crime and drun-

kenness—Housing—Overcrowding—Improvement not only material.

IV. Value of the Land of the United Kingdom. Value of agricultural land—"The making of the land of England"—Value of the sites of houses and buildings—Total annual value of the land only—Estimates of land taxers—Estimated capital value of the land of the United Kingdom—The movements in the value of agricultural land—The movements in the incomes from land and from other sources compared—Increase in incomes from land much less than increase in other incomes.

V. Poverty and the Private Ownership of Land. "The Tramp and the Locomotive"—Poverty where land is not appropriated.

VI. Some Economic Fallacies. The effect of improvements in production and transit—Rent and the price of produce—The sources of wealth—The importance and value of business ability—Where the profits of exceptional business ability come from—Note: Speech by Sir Wm. Lever.

PART III

The History of the Ownership, Tenure, and Taxation of Land in England

I. Ownership, Occupation, and Status in Anglo-Saxon and Early Norman Times. When the Romans left—The origin of the manorial system—The constitution of the manor—Boc-land and folk-land—The system of agriculture—The open field system—Free tenants, villeins, and serfs—The growth of freedom—The customary tenants: Copyholders.

II. The Origin and Basis of Feudalism. After the break-up of the Roman Empire—Feudalism a natural and necessary stage—The services of the Roman Empire to civilisation—Where Roman law and feudalism did not reach.

III. Feudalism in England: the Military Side. The evolution of the Military organisation—The old Saxon militia—Continental and English feudalism—William I.'s policy and plan—Other tenures.

IV. Feudalism in England: the Financial Side. The King's revenue under the Saxons—Under the Normans—On whom the burdens fell—Blackstone's view—The military difficulty—Money payment instead of personal service—The commutations—Taxes on personal property—The Great Charter—Disappearance of scutage and tallage—The burden of the feudal charges.

V. Feudalism, A Transition Stage. Parliamentary control of finance emerging—Decay of the manorial system—Disappearance of villenage and serfdom—Feudalism, a changing and temporary

phase—The object and justification of feudalism—Modern methods impossible then—Professor Maitland's view.

VI. The Struggle for Constitutional Government. The struggle for Parliamentary control—The outcome of the struggle with the Stuarts—Final abolition of the feudal incidents—A great boon to the nation—Powell's view—Intolerable abuses felt by rich and poor alike.

VII. The So-called "Land Taxes" of 1692, 1697, and 1798. What the tax really was: first on personal property and income, then on real estate—The fixed assessment—Personal property slipped out again—View of the Inland Revenue Authorities—The truth of the matter—A complete misconception—Cobden's error and land taxers' adoption and circulation of it—Notes .

PART IV

Who Really Owns the Land? And Some Considerations of Honesty and Honour.

I. Who really owns the Land? What the Conqueror did—The kings and their demesne—Norman tenures were imposed by force—They had less validity than subsequent acts of kings and parliaments—If one part of the contract were restored the whole should be.

II. Some Considerations of Honesty and Honour. Confiscation by taxation—Repulsive but dangerous—Conditions of ownership—A grave injustice—The small investor—The responsibility and attitude of Parliament—A caustic exposure—Law sacred when it suits them; waste paper when it does not—Who were the original occupiers?—Who is the robbed and who the robber?—Henry VIII. and the lands of the monasteries—What has evolved through the centuries—The hardships and reward of early settlers—A breach of public good faith—Where the proposals were made—What the proposals involve and would lead to— Repudiation of public and private debts—More public pillage advocated

PART V

Enclosures

I. Commons and Common Rights. Common and rights of common—Popular ideas of "common" erroneous—The ancient legal position—A modem theory and the controversy about it—The origin of common and common rights—Sir John Sinclair's statement of the matter—The various rights of common—What enclosure really was—The legal position—The importance and position of copy-

holders—Other customary tenants—What rights of common really were—The effect of changing conditions

II. A Social Revolution was taking place. The change due to economic causes—There was a distinct movement amongst the cultivators themselves—A process of growth and extension—The Black Death and the Statute of Labourers—A new problem which is now an old one—Enclosures necessary and inevitable—Enclosure often desired by tenants—Wool-growing and manufacturing—The growth of sheep-farming natural and general—The alleged substitution of pasture for arable—Enclosure necessary and inevitable—Commons uneconomical—Other influences and considerations—The troubles of commons and waste— Inevitable.

III. The Method and Effects of Enclosure. Enclosures by agreement and Act of Parliament—Troublesome and costly—The position of the poor—The disadvantage they were under—The results as a whole—One misconception—The effect on employment and population—A painstaking investigation—Enclosure of waste would increase employment—The aim and result of legislation—Dr. Slater—The alleged depopulation—Evidence to the contrary—Professor Gonner's conclusions—Confirmation from Dr. Slater—There was disturbance and distress, but it was exaggerated—Difficulties and what was done to meet them.

IV. Some Economic Factors and their Effects. The decrease in yeoman land-owners—The advance and changes in manufacturing—The improvements in agriculture—High prices and rents during the French war, and the fall afterwards—From the fifteenth to the nineteenth century—Roads in the Stuart period—Nearly half the country waste 200 years ago—Wages and conditions in the eighteenth century —Conclusion.

PART VI

Some Difficulties and Theories in the Evolution of Taxation and Local Rates

I. The Policy and Difficulties of Medieval Taxation. Taxes in respect of land—Taxes on personal property—Taxes levied on localities—Assessments became permanent—Attempts to introduce new taxes—Another general property tax and a new assessment— The new assessment became permanent—Another assessment and another property and income tax.

II. Theories of Taxation in the Seventeenth and Eighteenth Centuries. The economic opinions of a century and a half—The incidence and effect of excise duties—High duties and low wages considered a stimulus to industry—Some theories and an objection—Taxes on

luxuries, including bricks—A single tax on houses advocated—Theories as to taxes on land—The opposite view—A bewildering medley of views—Two conclusions therefrom.

III. Local Rates. The difficulty of assessing personal property—Local rates a kind of income tax—Roads and their repair—The support of the poor—A poor rate—On whom it was to be levied—Possessions and ability to pay intended to be the basis of assessment—Acts of Parliament, decisions in the courts, and practice in the parishes. Some features and consequences—Legal divisions and the outcome—How and why land and buildings became the basis of assessment—Sir Edward Hamilton's memorandum—The intention and the fact,

PART VII
The Incidence Of Local Rates

I. Introductory

II. Rates "Onerous" and " Beneficial": "Constant and "differential". "Onerous and beneficial rates—A definition and explanation attempted—Constant and differential rates—Are rates which are equivalent to the benefit received burdens?—Sometimes they are—The incidence of onerous rates—The peculiar characteristics of land—Houses on cheap land of only agricultural value—Houses on sites which have a building value—Differential rates—Differential cost of building—The incidence of differential rates and costs—Summary of conclusions—An illustration.

III. Rates and the Price of Land. Rates which reduce the value of the land—Rates do not come off the value of the building—Incidence of rates when buildings are erected—The actual value is rent plus rates—Rates influence rents.

IV. The Opinions of Political Economists. Economic friction and diffusion—Views of taxers of land values—Another view—On the land or the owner of the land.

V. Special Points and Exceptional Cases. The value of buildings—The principles expounded apply to average buildings—Shops in Bond Street and Regent Street—Incidence of rates when property is sold or let—Existing rates fully allowed for when a bargain is made—Incidence of changes in rates during current tenancies—Incidence of changes in rates when tenancies commence or are renewed—Improvements and rates—The idea that land-owners get all the benefit of public expenditure is an error—What happens while a lease runs and when it expires—An illustration—Shifting of rates and taxes on agricultural land—Shifting of rates and taxes on building land—Some unseen effects of relieving rates on agri-

cultural land—Capitalisation of rates and taxes—Incidence of rates levied on land values—The effect on the occupier—Effect of a limited rate—The effect on land-owners.

PART VIII

The Leasehold System

I. The Leasehold System. Leasehold enfranchisement—What ground rents really are— Often they bear little or no relation to the site value—The price of leasehold property allows for giving it up at the end of the term—The land-owner's position—The Gorringe case—The facts—Would the Government or any one else have acted differently?—An interesting case— The effect of specially taxing ground rents—Mr. 8argant's view.

PART IX

The Taxation of Land Values—Various Proposals: What Is Claimed for them and what they would Accomplish— Some Contentions and Illustrations Examined

I. Some Proposals for taxing Land Values. The idea of a single tax not new—What the supporters of the proposal have to prove—"Land different from other commodities"—"Land necessary to our existence"—The true principle of property—New and Old countries—John Stuart Mill's opinion—"Rent is robbery," but it would continue—The foundations of society—Some other proposals—Some elementary considerations.

II. To what extent do Landowners pay Rates and Taxed Now?
What rates and taxes they ought to pay—What rates and taxes landowners do pay—Feudal burdens and local rates—An anomaly—A fallacious argument based thereon—Rates on improvements—On whom the rates really fall.

III. The Royal Commission on Local Taxation. The Separate Report on Rating Site Values—The outstanding features—Dividing the rates between owner and occupier—An interesting opinion of seventy years ago—Should existing contracts be violated?—Some weighty opinions—Sir Henry Campbell-Bannerman, Mr. Asquith, and Mr. Lloyd George—Mr. Ure and some other M.P.'s—Lax views of land taxers.

IV. To WHAT Extent would taxing Land Values bring Land into the Market? Agricultural land—A grievance and disadvantage—Some practical considerations—Urban land—Exceptional cases—Far more land offered than can be sold—The "monopoly" in building land—What would the effect of the taxes be?—On rural land—On urban land—An illustration—Who would buy?—An interesting

experience.—Some illustrations and calculations—The effect would be slight—View of the Surveyors' Institute—Rate of interest more important than the price of land—Conclusion—The equity of the matter—Slums—Slum houses are cheap because overcrowding is allowed—The permission of overcrowding—Houses available—Municipal dwellings—Access to land—The price of building land.

V. Some Arguments and Illustrations examined. Do rates increase the cost of houses?—The fundamental misapprehension—Two interesting cases—The offered gift of land at Eldmonton—Mr. Hemmerde, M.P., and the Hanley case—Another view—Hopeless inconsistency—Is land to be cheaper or dearer or what?—Further confusion and contradiction—Another instance—An ingenious but specious argument—Are rural parishes to be relieved at the cost of the towns?—Taxes on land values in rural areas—Faulty economics—The land taxers' dilemma—Do all taxes and rates fall on landowners now?—Then, what is all the fuss about?—Mr. Wedgwood's explanation—An absurd suggestion—Is every one to pay, after all?—What the electors are told—The outcome.

PART X

Summary of Conclusions and Some Proposals for Reform in the Taxation and Tenure of Land and Buildings Considered

I. Summary of Conclusions

II. General Principles of Taxation and Rating. Two somewhat conflicting theories—A local income tax—Local expenditure and local rates—The sound principle of local taxation—The weak point—Some suggested methods of relief—Differential rating.

III. The Incidence of Rates and some suggested Rating Changes. Local expenditure and receipts analysed—Some suggestions considered—Transfer of burdens—Two grievances—Some practicable and desirable reforms—Charges should be classified and a national fund established—A limited rate on land values—Effect of the suggested changes.

PART XI

Agricultural Wages and Problems of Tenure and Housing in Town and Country

I. Problems of Land Tenure in Agricultural Districts. The tying-up of land—An undesirable system—The rural exodus—The experience of other countries—What is our ideal?—Ownership v. Tenancy—Fixity of tenure and fair rents—Small holdings—The practical side—The need for experience and sound judgment—"Back to the

land"—Mr. Fels' object-lesson—The Hollesley Bay Colony—The lesson—Notes.

II. Agricultural Wages and Rural Housing. A century's experience—The principle of a minimum wage— Rural housing—Government cottages—Sites and wages—"Physician, heal thyself"—The wages question is fundamental— Parliamentary intervention necessary.

III. Urban Problems. Slums and overcrowding—The real slum problem—What Liverpool has done—Two other phases—A fantastic and ruinous proposal—Leasehold business premises—Repairs and dilapidations—What is required—Fair treatment for every one.

IV. Conclusion. Responsibility for the past must be accepted—Abuse of land-owners unfair and impolitic—How injury may be done—Two illustrations

INDEX

INTRODUCTION

> "Land reform covers a menagerie of aims and programmes."—J. Wedgwood, M.P.

Land and Taxation are never-failing subjects of great public interest in all civilised communities. The problems which are connected with them come home to us all very closely in the affairs of our everyday life. Land is necessary for our existence. "Man is a land animal." The conditions under which access can be had to land and a foothold maintained upon it are consequently of the greatest importance and of unfailing interest. Taxation is a burden which is practically universal and ever present. It is almost always resented and is usually avoided whenever and wherever possible. In this country for more than eight centuries, as in the ancient world long centuries before that, the laws and customs concerning land and taxation have been burning questions of public controversy. They remain to-day amongst the most pressing and difficult of the problems with which our statesmen are faced and upon which the general public feel most keenly. Land Law Reform and the Reform and Readjustment of Taxation, local and national, are shibboleths which find a place in the programmes of all political parties. The discussions of centuries and the experience of all civilised nations have failed to bring unanimity, or even an approach to general agreement with regard to them. Few subjects, theology excepted, seem to lend themselves so readily and completely to honest misconception and misrepresentation.

At the present time the complicated and difficult problems which centre round land and taxation, and particularly round that exceptionally thorny combination of the two, the taxation of land, are subjects of the keenest political controversy. For fifty years the question has been pressed upon the attention of Parliament, and every Government of both of the great political parties has promised to grapple with it thoroughly and effectively; but none of them has done so. Royal Commissions, Select Committees, Departmental Committees, Private Committees, have inquired and reported. Organisations of various kinds have carried on a more or less vigorous propaganda, in connection with which agitators and political quacks in all parties have advocated almost every method of dealing with land and taxation which the ingenuity of man could devise. There are few sub-

jects about which more prejudice and less accurate knowledge prevail. If the problems involved are to be at all satisfactorily dealt with, a little clear thinking on some elementary phases of the history, economics, and ethics of the subject is very necessary. It is well that we should from time to time clear our minds and verify the principles on which our opinions are based by examining the fundamental facts which do really govern the condition of mankind.

Henry George and his Proposals

Some thirty years ago new life was infused into, and a new turn given to the old and ineffective propaganda which had long been carried on in this country in favour of the nationalisation of the land, and to the later and far more reasonable and practical proposal for securing for the community the future unearned increase in the value of land, with which Mr. J. S. Mill was prominently identified, by the publication here of Mr. Henry George's book entitled *Progress and Poverty*.

Mr. George was a remarkable man, and he wrote an extremely able book which had and still has a marked effect on public opinion. The most diverse opinions were and are held about him and his book. To his followers he is a hero, a prophet, a genius, a saviour of mankind, who discovered and preached a new evangel. To many of his opponents he is a conceited demagogue, preaching iniquity in the form of pillage and plunder which he invites the populace to undertake in the name of justice and religion.[1]

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[1] Mr. Joseph Fels regards his book as "The Bible of the World."

Lord Bramwell said: "It is a foolish book, for although Mr. George is anything but a foolish man, his ingenuity is so perverse that his book is filled with foolishness. It is the most arrogant, self-sufficient performance ever seen."

W. H. Mallook says: "His errors, as he puts them, are diffused over so many paragraphs, adorned with so much ezdted rhetoric, and intermixed with so much excited reasoning, that their true character may escape the ordinary reader; but let them only be put into a brief and comprehensible form, and to any sane man they will sound like the ravings of a lunatic."

Professor F. A. Walker speaks of Henry George's proposals as "this precious piece of villainy," and as being "steeped in infamy."

In the House of Commons on February 27, 1891, Mr. Gladstone said: "There are persons who view the proposals of Mr. George as proposals of a very enlightened character, and who very much resent the use of hard words respecting him. I shall carefully eschew hard words; but I will say that, so far as my examination or knowledge of his proposals goes, I find it extremely difficult, and, indeed, for myself

Henry George's contention is that the great social evil of our time is the private ownership of land, and that, so long as that continues, there cannot be any hope of improving the condition of the masses of the people. He asserts that where there is most material progress, and production and commerce are most highly developed, there is the deepest poverty, the sharpest struggle for existence, and the most enforced idleness. Increased production does not lighten the burden of the toilers, it only widens the gulf between rich and poor. The tramp comes with the locomotive, and almshouses and prisons are as surely the marks of material progress as are costly dwellings, rich warehouses, and magnificent churches. He contends that the reason is that the return to labour and capital can never be more than can be obtained upon the poorest land in use, and that the owner of land can always claim as rent all the produce in excess of what the poorest land in use would yield. All progress and increased production increases the demand for land and forces down the margin of cultivation. This increases rent and lowers wages and interest, with the result that the rich tend to become very much richer, the poor to become more helpless, and the middle class to be swept away.

This is all due to the private ownership of land. To command the land is to command all the fruits of labour save enough to enable labour to exist. Nothing short of making land common property can permanently check the tendency of wages to the starvation point. Reduced taxes, education, free trade, and increased efficiency do not increase wages or interest; they only raise rent.

Private property in land is contrary to the law of Nature; it is unjust and indefensible, and must always lead to the enslavement of the labouring classes. All men have a natural right to free access to and free use of the gratuitous offering of Nature. The equal right of all men to the use of land is as clear as their equal right to breathe the air—it is a right proclaimed by the fact of their existence. It is a natural and inalienable right; it is one of the primary conceptions of mankind. No power on earth can or even could rightfully make a grant of exclusive ownership in land. If all existing men agreed to grant away their equal rights, they could not grant away the rights of those who follow them.

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altogether impossible, to exclude them or extricate them from the category of those plans to which hard words no doubt are commonly applied."

The idea that private property in land is necessary to society is artificial and baseless, a comparatively modern growth, the off- spring of ignorance. Individual ownership of land has nowhere been freely adopted. Historically, it is robbery. Nowhere can it be traced to thoughts of justice or expediency. It has everywhere had its birth in war and conquest and selfish cunning, and has only prevailed as the result of a long course of usurpation, tyranny, and fraud.

The idea of private property in land took many generations to make its way among our ancestors, and did not reach full recognition here until the time of Charles II. The abolition of the military tenures at that time was simply an appropriation of public revenues by feudal land-owners, who got rid of the consideration on which they held the common property of the nation, and saddled it on the people at large by taxation.

This is Henry George's teaching, and he says that the remedy that will right the wrong is that we must make land common property, not by purchasing it or confiscating it. It is only necessary to confiscate rent. We should abolish all taxation save upon land values, and appropriate rent by taxing land to the full amount of its value. Then wages would rise, and profits and the earnings of capital would increase; wealth would augment; poverty would be banished; crime would be lessened, and moral would be elevated.

Labour would have access to land free of rent on the margin of cultivation, and consequently would not be compelled to accept bare subsistence wages, or starve. The surplus unemployed would betake themselves to the free land, and thus the surplus would be drained off and the pressure relieved. The difficulty of finding employment arises from the difficulty which labour has in finding employment for itself, because barriers fence it off the land.

The assumed validity of public debts and titles to land rests upon the preposterous assumption that one generation may legislate for and bind another generation. If a man asked me to pay a bond which my ancestor had given to his ancestor, I should laugh at him. It is a sound deduction from the self-evident truth that the land belongs in usufruct to the living, that one generation should not hold itself bound by the laws or the defects of its predecessors. Let the parchments be ever so many, or the possession ever so long, the poorest

child that is born in London to-day has as much right to the landed estates of the Duke of Westminster as his eldest son.

The foregoing is, I believe, a fairly complete and accurate summary of the argument embodied in *Progress and Poverty*. I have given it at some length, because the assertions which Henry George makes and the contentions which he founds on them are practically, though not always avowedly, the same as those which are at the basis of the views entertained, and the propaganda carried on by the majority of those who advocate the special penal taxation of land.

John Stuart Mill and Unearned Increment

Some years before Henry George and his proposals were heard of in this country, the Land Tenure Reform Association, of which J. S. Mill became President in 1870, had as one of its objects:

> To claim for the benefit of the State, the Interception by Taxation of the Future Unearned Increase of the Rent of Land (so far as the same can be ascertained), or a great part of that increase, which is continually taking place, without any effort or outlay by the proprietors, merely through the growth of population and wealth; reserving to owners the option of relinquishing their property to the State at the market value which it may have acquired at the time when this principle may be adopted by the Legislature.

J. S. Mill, in supporting this policy, said:

> The Society are of opinion that in allowing the land to become private property, the State ought to have reserved to itself this accession of income; and that lapse of time does not extinguish this right, whatever claims to compensation it may establish in favour of the land-owners. …
>
> The Society do not propose to disturb land-owners in their past acquisitions; but they assert the right of the State to all such accessions in the future. Whatever value the land may have acquired at the time when the principle they contend for shall obtain the assent of Parliament, they do not propose to interfere with. If, rather than submit to be specially taxed on the future increase of his rent, the land-owner prefers to relinquish his land to the State, the Society are willing that the State should pay for it at its selling value. …
>
> A large margin (of the future increase of rents) should be allowed for possible miscalculation.

By the old land nationalisers, and the new Henry Georgeites these proposals were considered to be quite inadequate. They desired immediate, not prospective revenue; they also had no intention of confirming owners of land in the possession of what they now have. They desired to annex present existing land values and not merely such future increases as might accrue. Such municipal bodies as the London County Council of twenty to twenty-five years ago, the Corporation of Glasgow and others who followed their lead, wanted an immediate revenue from some new source to relieve the heavy burden of rates which they were vigorously piling up. Power to levy rates upon some one other than the ordinary ratepayer, supplemented by liberal subsidies from the Imperial Exchequer, was the ideal of the average municipal councillor. Not being troubled with much knowledge of the history or theory of local and national finance, sharing many popular hazy prejudices regarding land and its owners, and always having before his eyes the terror of the rising wrath of his constituents, the local rate-payers, he readily turned a sympathetic ear to the plausible theories propounded by Henry George, especially as they were presented in the garb of religion and outraged justice. If he did not quite see his way to the millennium which was foreshadowed, he did at least think that he saw a new source of revenue and a means of stemming the rising tide of rates. The result was that a crusade, more or less on the lines of the teaching of Henry George, received considerable impetus and support.

Schemes for the Taxation of Land Values

The United Committee for the Taxation of Land Values is a body composed of representatives of a number of Leagues and Branches in various parts of the United Kingdom which exist to circulate the writings of, and to promote the policy advocated by Henry George and his followers. It spends £10,000 a year on this propaganda, and circulates 50,000,000 leaflets a year in addition to publishing a monthly paper and many pamphlets and books. Its principles are that the rent of land should form a public fund, of which each individual would enjoy the benefit, and its policy is to make rent a public fund by the taxation of land values, and thereby remove all other rates and taxes.

The Committee frankly and openly advocate the plunder of all owners of land. Mr. Joseph Fels, who is their chief financial sup-

porter,[2] in a letter to the Times of February 29, 1912, referring to the recommendation of a Committee of the House of Commons that the State should purchase agricultural land as opportunity offered, and let it to tenant occupiers, said:

> There is no doubt that the landlords and their friends in Parliament will welcome a scheme of land purchase, but it would be an outrage upon common sense and common honesty to pour millions of hard-earned money into the pockets of this landlord class, when justice clearly shows that the proper method of procedure is to take millions from them by taxation of land values—values which the dullest intelligence knows are the fruits of the toil of the workers upon the land.
>
> What we have to insist upon is that the land monopolist shall be made to get off the backs of the toilers; that this can be accomplished by a State purchase is about as sane a proposition as suggesting that a dog can be profitably fed upon his own tail.

Later in the year[3] at a Land Values Conference over which Mr. C. P. Trevelyan, M.P., presided, and at which Mr. Ure, M.P., and others spoke, Mr. Fels said:

> I am in favour of the Taxation of Land Values and the untaxing of everything else. I am in favour of removing all taxation from labour, every kind of industry, all kinds of business and buildings. I am not even in favour of taxing the income of Sir William H. Lever. … I am in touch with some sixteen countries, and when I have been charged with spending £30,000 or £40,000 in Great Britain to help along the land taxation, let me say I am spending two and a half times that much in my own country, so you see I am entirely cosmopolitan. …
>
> I do not deny that I am a Single Tax man. I am a Single Tax man, and I believe from the bottom of my heart in the theory and economic philosophy taught by that great man Henry George as announced in that bible of the world: Progress and Poverty.

Land Values, their official organ, said:

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[2] On July 18, 1912, he said he would himself duplicate any sum which the United Committee raised for propaganda work up to £20,000.

[3] Oct. 7, 1912.

To confiscate means to appropriate to the public use, and it is true that our Leagues aim at nothing less than the complete appropriation for the public use of the land values of this country.[4]

Mr. W. R. Lester, the Treasurer of the Committee, in a pamphlet entitled *The Taxation of Land Values*, says:

The value of the bare land apart from the improvements on it is a communal value, and should therefore be shared in common. Li other words, it should be taken in taxation. If you tax it in part, then you have made a beginning with the Taxation of Land Values. If you go further and tax it so as to derive your whole public revenue from it, and at the same time abolish all other taxes, then you have the Single Tax. The Single Tax. is the logical issue of the Taxation of Land Values.

And in *Freedom through Taxation of Land Values*, he says:

To tax Land Values to the full means, in a word, to abolish every tax save that on the value of land. … The reform can be taken step by step. Little by little let the community tax rent; little by little let it abolish present taxes on industry. This is the practical policy we advocate.

Mr. Ure, M.P., then Lord Advocate for Scotland, speaking at a dinner given by the Land Values Group, said:

Some day, who could tell, a single tax might be established in this country many years hence. But let them not be too confident by talking about a single tax to-day, and so frightening those who might be their friends.[5]

Mr. J. Dundas White, M.P., in The A.B.C. of the Land Question, says:

Fiscal Reform should begin by substituting Rating of Land Values for the present system of rating: it should proceed to substitute Taxation of Land Values for the present taxes on landed property; and it should then be developed further by substituting additional Taxation of Land Values for the other taxes on industry and trade. The further these substitutions are carried, the better

[4] May 1906

[5] July 18, 1912.

shall we secure to the community what is rightly theirs. …[6] The Land Values movement leads to the SingleTax—the proposal to treat the rent of the natural elements as the source of public revenue, and to abolish all other rates and taxes. This rests on the twin principles that all the community have equal rights to the national elements, and that each individual is entitled to the products of his own industry.[7]

Messrs. G. H. Chomley and R. L. Outhwaite, M.P., in *The Essential Reform: Land Values Taxation in Theory and Practice*, say:

Save, perhaps, in cases of possible emergency, the only tax should be one upon land values, which would yield a revenue adequate for all national and municipal purposes; and we have seen that justice demands the ultimate raising of this tax to a point at which it would absorb private property in land.

Perfect taxation would abolish private property in land: there are unanswerable reasons for condemning private property in land. … All men have an equal right to live, and it follows of necessity that all have an equal right to land. … Rights to life would be unequal if one man were bound and another were not, to pay for land on which a foothold at least is a necessity of living. And this equal right to life, with its corollary an equal right to land, belongs to generations unborn as well as to those living to-day. … No sale of this right which might conceivably be alleged to have been acquiesced in by living people can be urged against the child to be born to-morrow, who has had no possible chance of selling his birthright.[8]

After this repudiation of all purchases and bequests of land, and of all laws and legal contracts authorising, compelling, or confirming the millions of transactions in land which have taken place in the past, and the thousands which take place yearly now, these gentlemen find no difficulty in passing on from their proposal to "abolish private property in land" by confiscating "the whole rental value," to elaborate a scheme for seizing a large proportion of the property of railway companies, gas companies, water companies, electric light-

[6] P 47.
[7] P. 49
[8] Pp. 38, 39.

ing and power companies, tramway companies, telephone companies, and dock and wharf proprietors.[9] Their theory is that the value of the land which these undertakings own, or over which their lines, pipes, or wires pass, is not its clear un-improved site value, but is the difference between the value of these undertakings as a whole, as going concerns, and the value of their premises and plant. They express it thus: "The difference between the value of a monopolistic business and the value of the tangible property belonging to it is the measure of the land value possessed by the owners of undertakings of this class."[10] They propose to acquire the whole of this so-called land value by taxing it at its full value arrived at on that basis. They explain how they think this would work with regard to railways. They say that the value of the shares of the railway companies is the value of the land plus the value of the rolling stock, rails, stations, etc., on it. They would arrive at the value of the land by deducting the value of the rolling stock, rails, stations, etc., from the total value of the capital of the company.[11] They would then levy land value taxes on this so-called land value, and gradually increase them until the nation had "resumed" that value. Their first step would, however, be to buy out the companies at their capital value, and pay the interest on that portion of it which they call land or monopoly value by levying a special land tax on all the land values of the country. They put the capital value of the railways at about £1,200,000,000, of which, they say, probably one-half is monopoly or land value. The amount to be raised by the special land tax to pay interest on this sum at 4 percent would, therefore, be £24,000,000. By this means they suggest that they could raise wages and lower freights to the extent of £24,000,000 a year.[12]

In addition to this, "great national roads" for "motor traffic at a high rate of speed," and "great waterways" (canals) "made free to all users" are to be constructed, the interest on all these undertakings being raised by taxes on land values.[13]

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[9] Pp. 17, 20.
[10] p. 19.
[11] P. 111.
[12] P. 113.
[13] Pp. 114, 115.

That is to say, land values are to be confiscated, and out of the proceeds of the plunder all rates and taxes are to be abolished, "save perhaps in cases of possible emergency," half the cost of purchasing the railways is to be paid, and "great national roads" and "great national waterways" are to be constructed and "made free to all users"!

Speaking in the House of Commons on March 13, 1913, Mr. Outhwaite said that "buying out the land-owners and creating a debt of thousands of millions upon which vast interest will have to be paid "is" going the wrong way to deal with the land monopoly." The right way was "to take the rent fund by the simple process of taxation."[14]

Mr. F. Verinder is the Secretary of the English League for the Taxation of Land Values which was formerly known as the English Land Restoration League. When the change in the name was made in 1902, it was stated that it "involved no change of front nor change of principles." What its "front" and "principles" were was thus stated in a Manifesto which was issued by the English Land Restoration League and signed by Mr. Verinder:

> We propose to increase taxation on land until the whole annual value is taken for the public benefit, and, finally, to make the English people themselves the landlords of England. As a first step to this end, we shall demand of our representatives in Parliament a re-imposition of the tax of four shillings in the pound on the current value of land, irrespective of whether it is rented, used, or kept idle by the holder. And we shall also demand, at the same time, a measure giving all local governments the power to collect rates from an assessment upon the value of land, exclusive of buildings or improvements, and irrespective of use. We propose to achieve our end—the complete restoration of English land to the English people—as rapidly as may be.

The Land Values Group in Parliament

As one of the preliminary steps towards the consummation of this policy, a memorial to the Government was promoted by the Land Values Taxation Committee in May 1911. That Memorial urged:

[14] In the course of the speech the following episode occurred: Mr. Outhwaite: "We take for the community what is the worker's own, the value of the land, and we do not pay a penny piece for it." Sir A. Markham: "Why don't you say steal?"

(1) Hastening the completion of the valuation of all land, apart from improvements, provided for in the Budget of 1909-10.
(2) Making that valuation accessible to the public.
(3) Empowering Local Authorities to levy rates on the basis of that valuation.
(4) Levying a budget tax on all Land Values, to be applied
(a) In providing a national fund to be allocated toward the cost of such services as Education, Poor Belief, Main Roads, Asylums, and Police, thereby reducing the local rates; and
(b) In substitution of the duties on tea, sugar, cocoa, and other articles of food.

And IB stated to have been signed by 176 Liberal and Labour M.P.'s.

A Memorandum submitted to the Departmental Committee on Local Taxation, in 1912, by Mr. G. L. Davies and Mr. P. W. Raffan, M.P., on behalf of "The Land Values Group of Members of Parliament," stated the arguments which they consider justify and support these proposals. For the most part that Memorandum is merely a restatement of many of the difficulties, inequalities, and injustices which characterise our present system of rating and taxation. These have been common ground amongst all parties for half a century. The practical question is. How can they best be rectified and adjusted?

The proposal of the Land Values Group is that there should be a local and a national tax upon land values. "The whole of local expenditure should be charged upon the owners of site values," and "so much of the cost of such services as Education, Poor Belief, Main Roads, Asylums, and Police, as is properly a national charge, should be raised by a national tax on land values."

The arguments adduced in support of this proposal are largely those propounded by Henry George. They are that land value is public value, which has been created by, and therefore should belong to the public: that a tax on that value cannot be shifted: it would not trench on capital, or interest, or wages: by it no one would be deprived of the return due to his own labour or outlay: every one would contribute to the public revenue in exact proportion to the natural advantages with which he was entrusted by the community, that is, in proportion to the value of the land which he held: each citizen would

contribute to the revenue of the State in proportion to the benefit he received from the State.

It is further urged that the present system rewards the land withholder and penalises the land-owner, and that land taxation would stimulate and indeed compel the fullest remuneration and advantageous use of land, whereby progress and development would be encouraged, employment increased, and wealth created: that the imposition of heavy burdens of rates as soon as land is built on and the houses are occupied, delays and prevents building, and thus makes houses fewer and dearer, and keeps men out of work who would be employed if improvements and extensions were not taxed: that taxing land values would not only promote the use of land, but would also lower its price by bringing it into the market, and making its owners anxious to sell or let: that, consequently, houses and business premises would be cheaper, rents would be lower, and the rates and many of the taxes which are now paid would be abolished. Another advantage claimed is, that it would redistribute the burden of rates as between different districts, as regards the local tax the levies on central properties where the site values are highest would be increased, and in the suburbs and on the outskirts, where it is desirable to encourage building, they would be diminished: as regards the national tax, it would relieve agricultural and purely working class districts, and increase the payments of central city and high-class residential districts.

A Kaleidoscopic Propaganda

At different times, in different places, different advocates of specially taxing land accentuate and attach importance to different phases of the policy, and the results which they think would follow its adoption. More or less vaguely most of them skip gaily from phase to phase, and enunciate the most contradictory arguments with bewildering rapidity and inconsistency.

As an indication of the hallucinations which some people are under, and the kind of rhapsody into which they speedily lapse, we may quote from *A Hundred Reasons for Taxing Land Values*, by Chapman Wright and Arthur Wilby, a few of the advantages which it is alleged would follow the adoption of this policy:

Accidents to workers diminished.

Antiquarian remains preserved (by taxing them so heavily that their owners would be compelled to give them up).
Art encouraged.
Beautiful landscape scenery preserved.
Capital no longer harmful.
Charities made genuine.
Church disestablishment if desired.
Civic responsibility aroused.
Cruelty to children diminished.
Disfiguring advertisements diminished.
Eight-hour day if desired.
Factory Acts unnecessary.
Food adulteration checked.
Gambling diminished.
Gas, Trams, etc., municipalised.
Hospitals benefited.
House of Lords abolished, if desired
Human nature unchanged.
Imperialism on sane lines.
Insanity diminished.
Interest made fair.
Inventions encouraged.
Milk-supply improved.
Millionaires impossible.
Municipal corruption checked.
Rivers for the nation.
Shop hours made reasonable.
Street noises diminished.
Trusts impossible.
Waste of labour stopped.
Worry lessened.

The only sound and sensible statement in this list is that human nature would be unchanged. We can only wonder why they do not tell us that freckles would be abolished, snub noses would dis-appear, the weather would always be what was desired, cats would cease from caterwauling, and babies would squall no more.

An Inquiry into Facts, History, and Fundamental Principles desirable

It is clearly desirable that some effort should be made to elucidate the welter of confusion in which all questions affecting the ownership and taxation of land have been involved. That there are important problems in connection therewith, for which a solution is urgently needed, is not doubted by any one who has given attention to the subject. That there are grievances, inequalities, and injustices, is universally admitted. The difficulty hitherto has been to agree upon the remedy. Proposals for what is called Reform are numerous enough, but some of them would do little more than accentuate existing troubles or create others as bad or worse. No real progress is made if we merely substituted a new injustice for an old one.

It is essential to the formation of a sound judgment on this, as on all other subjects, that we should have accurate knowledge of the facts and history of the matter, and clear views as to the fundamental principles by which we ought to be guided in dealing with it. Our first step, therefore, should be an endeavour to separate the true from the false, the wheat from the chaff, by making an effort to ascertain how much of the assertions and contentions which we have been considering is sound, just, and accurate, and how much is fallacious, inequitable, and untrue. This involves an inquiry into the origin and history of property in land more especially in this country, and also into those theories of natural right which are expounded as the foundation of the claim which is made that much which has been done and allowed in the past should now be reversed and ignored. Some study of the history of taxation, its origin, object, character, and growth, and of the opinions which at various periods have been held with regard thereto, will be necessary. The origin and history of the feudal system, its rise and its fall, its aim and its results, and especially its bearing upon the subjects of our inquiry—the ownership and taxation of land—must be examined with some care. The economic history of the country for several centuries, and the industrial revolution which has characterised the last two hundred years, must also be looked into, in order to ascertain what has in fact been the effect of progress, inventions, and great material prosperity upon the masses of the people. It is further necessary that an effort should be

made to determine as precisely as possible what is the real incidence and effect of rates and taxes which are levied on real property.

When this has been done, we shall have cleared away some misconceptions which prevail as to matters of fact, we shall have brought forward other factors and considerations which are generally over-looked, and we shall be able to consider some of the proposals which are made in the light of what expediency suggests, sound economic principles teach, and justice demands.

Part I
The Ethics and Origin of the Private Ownership of Land

It is not to be forgotten that what we call rational grounds for our beliefs are often extremely irrational attempts to justify our instincts."—Huxley.

"When you have no case according to the law of the land, appeal to the Law of Nature."—Aristotle (Rhetoric).

"The doctrine of 'natural rights' is the fulcrum upon which Henry George, like a good many other political philosophers during the last 130 years, rests the lever wherewith the social world is to be lifted away from its present foundations and deposited upon others."—Huxley.

"What are these natural laws which nobody has made and which everybody supposes at his fancy?"—Bentham.

"We can only allow natural rights to be talked about in the sense in which natural rights mean those legal or customary rights which we have come to think or may come to think it most advantageous to recognise."—Prof. Ritchie.

"The distinction between Natural Law and Positive Institution is one of the very deepest subjects in all philosophy, and there are many indications that Mr. George has dipped into its abysmal waters with the very shortest of sounding lines."—Duke of Argyle.

Chapter I
The Ethics of Private Ownership of Land

From the time of Rousseau to Henry George, and those who are at the present time more or less imbued with the spirit of his teaching and policy, there have always been representatives of a school of thought which propounds the doctrine that private property in land is unmoral and pernicious, a violation of natural rights and contrary to the law of nature. Consciously and avowedly, or tacitly and unconsciously, the ideas and attitude of mind from which this teaching emanates are the foundation and starting-point of much of the policy and propaganda of the present time with regard to land and its taxation. As usual, Henry George states the alleged principle far more frankly, clearly, and concisely than any of his more or less diluted followers:

> The equal right of all men to the use of land is as clear as their equal right to breathe the air—it is a right proclaimed by the fact of their existence. For we cannot suppose that some men have a right to be in this world and others no right.
>
> If we are all here by the equal permission of the Creator, we are all here with an equal title to the enjoyment of His bounty—with an equal right to the use of all that nature so impartially offers. This is a right which is natural and inalienable; it is a right which vests in every human being as he enters the world, and which, during his continuance in the world, can be limited only by the equal rights of others. There is in nature no such thing as a fee simple in land. There is on earth no power which can rightfully make a grant of exclusive ownership in land. If all existing men were to unite to grant away their equal rights, they could not grant away the right of those who follow them.[15]

It is desirable, therefore, at the very outset of our inquiry, that we should ascertain what these "Natural Rights" really are and what recognition of them involves.

Natural Rights

What people really mean when they talk of "Natural Rights" is often very difficult to discover. Frequently they talk very loosely, and are

[15] *Progress and Poverty*, p. 240.

obviously confusing natural rights with moral rights and legal rights, and, in the course of any argument which they profess to base on natural rights, they are found tripping gaily from natural rights to moral rights, and then to legal rights, and back again to natural rights, just as it seems to suit their purpose.

In his work entitled. Remarks on the Use and Abuse of some Political Terms, Sir George Cornwall Lewis says:

> We hear of original rights, natural rights, indefeasible rights, inalienable rights, inherent rights where there is no pretence of legislative sanction; indeed, the only object of using these names is to induce the Legislature to convert these supposed rights into real rights by giving them the sanction of law. … All that these persons mean is that, in their opinion, the claims which they call rights ought, in sound policy, to be sanctioned by law. It is the duty of such persons to show that sound policy requires what they require; but as this would require a process of reasoning, and as reasoning is often both hard to invent and to understand, they prefer begging the question at issue by employing some of the high-sounding phrases just mentioned.[16]

The words 'nature' and 'natural' are constantly bandied about in controversy as if they settled quarrels, whereas they only provoked them by their ambiguity. Slavery has been condemned as an 'unnatural' institution, and has been defended on the ground of the 'natural' inferiority of some races to others. The equality of the sexes is asserted and denied on the ground of 'nature.' The 'natural' goodness and the 'natural' badness of mankind have been maintained with like earnestness and sincerity."[17]

No Agreement as to what are "Natural Rights"

When people appeal to nature they appeal arbitrarily to what they happen to like or approve. Different peoples at the same time, and the same peoples at different times, and various sections of the same community, may and often do hold different views as to particular rights and duties, and there is no law-court to which an appeal can be made, from which a binding decision can be obtained. The only

[16] P. 31.

[17] Prof. Ritchie, *Natural Rights,* p. 20.

sanction or otherwise of an alleged moral right is the approval or disapproval of private individuals—that is of public opinion.

If the Law of Nature really represented the consent of the human race it would determine many long-standing controversies; but it has not done so: it has rather promoted some of them. The opinions which have been held amongst different peoples at all ages about two such vitally important matters as slavery and marriage, upon which, if on any subjects, the law of natural rights would speak uniformly and with authority, illustrate the difficulties which there are in interpreting the voice of nature.

If there were a "Law of Nature" to which we could appeal to determine the natural rights of individuals, it would no doubt be very convenient. We could then easily determine what their moral rights were and deduce therefrom what their legal rights should be. There is, however, no universal agreement as to what natural rights are. They usually mean those rights which, in the opinion of the person who is asserting or claiming them, would be recognised by the public opinion of his ideal community, and would be respected by its laws. In a word they are merely the rights which he thinks ought to be recognised. Views as to natural rights vary as much as views as to theology, and the most contradictory assertions are made and defended with equal confidence and authority.

In primitive conditions people regard as natural rights those rights which they have been accustomed to have or which they, rightly or wrongly, believe they once possessed. "Custom is primitive law, and custom determines primitive notions of obligation." To the Greeks and Romans and other ancients slavery was a natural institution. They knew nothing of any society, civilised or other, without it. Turks, Chinese, Germans, and Americans have different ideas as to the position of women. Each thinks the one to which he is accustomed is the natural, right, and proper one.

Some people regard an appeal to "Natural Rights," or the "Law of Nature," as an appeal from law or general custom to the natural instincts and feelings which Nature has implanted in our breasts. This appeal to "the voice of God and Nature in the heart of every man," which is regarded as a universal revelation of the will and intention of the Deity, is really an appeal to the conscience of each individual. It is an appeal to an internal as against an external authority. It sug-

gests the existence of an infallible Pope in the breasts of mankind. Unfortunately, the decisions of this conscience, these instinctive feelings, differ much at different times, at different places, and in different persons. The view of the individual and of the multitude is certain to be very largely a reflection of the environment to which they have been accustomed. Professor Bain said, "Conscience is an imitation within us of the government without us." Revolts against existing conditions always show strong traces of the influence of the environment that has created them.

It would help many people to clear their minds on this question of "rights" if they would attempt to state clearly and concisely what they really mean when they speak of "natural rights." Do they mean the rights which men and animals have in a state of nature? Are there any differences between the natural rights of men and animals, and, if so, of what do those differences consist, and how and when do they arise?

Is natural right the unlimited right of all to everything that is provided by nature? Has natural right anything to do with justice or injustice? Do they make any serious and carefully reasoned attempt to distinguish between natural rights, legal rights, and moral rights?

A legal right is any privilege or immunity conferred by law. A legal right is not necessarily a moral right. A legal right is a claim of an individual upon others which is recognised by the law-courts, that is by the State in which the right is claimed. A moral right is a claim of an individual upon others which is recognised by society irrespective of whether it is or is not recognised by law.

At Bottom "Natural Right" is the Right of Force

Sovereignty—ultimate legislative and administrative authority and power—in any nation or community rests with those who have the control and support of those who are the strongest, and consequently have power to enforce their will. They are by no means necessarily the majority. "Legally speaking, the State is almighty," so far as its own subjects are concerned, up to the limit of its power to enforce its decisions and commands. As Sir George Cornwall Lewis put it, "All governments subsist by force, and that force is ultimately the sole check on wrongdoers."

Government is based upon the natural law that the stronger rules. One of the bonds of social cohesion is the dependence of the weak

upon the strong, from which evolves obedience on the one hand and protection on the other.

The existence and administration of a criminal law are necessary to the existence of a state; and no criminal law can be carried into effect without the means of applying physical constraint to those who infringe it. Nevertheless, the knowledge that force may, if necessary, be applied induces offenders to submit without resistance. … The cases, therefore, in which force is actually applied are not many; and as the effect of the law authorising the use of force is to render its use unnecessary, it has been thought that force is of little benefit in civilised societies, and might be banished from the resources of government, although it is, in fact, the keystone on which all government must ultimately rest.[18]

In the community of nations the first appeal is to physical force. In communities of men forms of government serve to put off the appeal, and often render it unnecessary. But it is still open to the oppressed or the ambitious.[19]

At bottom and in reality "natural right" is simply the right of might and force. Man is not born with any natural rights, as distinct from legal rights, any more than an animal is. He is born with instincts and potential capacity and powers. The "right" which nature gives to men and animals is the right to do, get, and keep what they can. Man's natural liberty is "unlimited right to everything he is able to obtain." It means the reign of selfishness and brute force, and is individualism in its purest and most extreme form. To base an argument on an appeal for equity and justice, sympathy and brotherhood, and an effort to ameliorate the condition of the people on "natural rights," indicates a confusion of thought which is as absurd as it is hopeless.

Huxley and the "Natural Right" of the Tiger

The theories which are often based on what are very loosely and inaccurately described as "Natural Rights" have never been dealt with more trenchantly than by Professor Huxley, and no one has more clearly indicated the fundamental distinction which separates "Natural Rights" on the one hand from Moral and Civil Rights on the

[18] Sir Geo. C. Lewis, Use and Abuse of some Political Terms, p. 162.
[19] *Edinburgh Review*, vol. I. (50) p. 111.

other than he has in two illustrations, which I will here summarise largely in his own words.

He tells the story of a tigress which carried off a man to her cubs and allowed them to worry and maul him, while she from time to time quieted him by cuffing him with her sharp-clawed paw. The tigress and her cubs were afterwards shot.

That tigress had a "natural right" to do what she did, and that she was justified by the "law of nature" is unquestionable. It is their nature to, "for God hath made them so." It is the "nature" of tigers to prey on other large animals, men included. They are eminently adapted for the operation, and they must perish if they fail to perform it. To deny the right of tigers to torment and devour men would be to impeach the order of nature. If we base our claim to do anything on "natural right," whence comes our competence to deny the exercise of their natural rights to other beings who stand upon the same foundation of natural right as ourselves? To be, and to have a natural right to be, to possess a faculty, and to have the natural right to exert it, are all one.

The important point is: is a "natural right" a right which ought not to be interfered with—a right which men and animals ought not to be prevented from exercising? The answer to that question will do much to clear the air as to what natural rights really are, and what they really involve.

It is admitted that a tiger has a natural right to eat a man; but if he may eat one man he may eat another, so that a tiger has a right of property in all men, as potential tiger-meat. Men are as much the "gratuitous offering" of nature to tigers for their subsistence, or part subsistence, as fruits are to men. But any one tiger has no more natural right of property in men than any other tiger. All tigers are free to eat any man they can seize. So that we may safely enunciate the conclusion that all tigers have an equal natural right to eat all men.

The use which is frequently made of the doctrine of "natural right" and the interpretation which is often put upon it, would really require the further admission that, as tigers have a right to eat men, it is wrong of men to put obstacles in the way of their having their rights by refusing to be eaten. Those who claim that "natural rights" ought not to be interfered with make a convenient, though unwarrantable, jump from one sense of the word "right" to another—from "natural

right" to "moral right" when they contend that the existence of a "natural right" creates a moral obligation to permit it to be exercised. No doubt, he who hinders or refuses to admit a moral right is morally wrong—unjust, or, if you will, wicked. But very little consideration will show that hindrance or denial of "natural rights" may not only be far from wrong, but is, in fact, a necessary consequence of the existence of such "natural rights." Grant that the tiger kills and eats men in the exercise of his natural right to preserve his own existence, it is no less true that men kill tigers in the exercise of their equal natural right to preserve their existence. If the tiger is entitled by the law of nature to use his claws and teeth and soft-footed, stealthy cleverness for the purpose of his self-preservation, the man may employ his hands and weapons, and use his still greater cunning, in tracking and stalking tigers to the like end.

"Thus," continues Huxley, "the natural rights of tigers and the natural rights of men, though quite indisputable and alike safely founded on the 'Law of Nature,' are diametrically opposed to one another. It follows, therefore, that they are rights to which no correlative duties correspond—rights of which the exercise may be impeded or prevented without the perpetration of wrong. And that is just the difference between 'natural laws and rights' on the one hand, and 'moral and civil laws and rights' on the other. Moral laws and civil laws are commands of an authority which may be disobeyed; but the sanctioning authority threatens and visits with penalties those who disobey. … The proper object and effect of moral and civil laws are to benefit all who are subjected to them by bringing about a state of peace and mutual confidence—the laws restraining each individual from acts which are hurtful, and encouraging those which are beneficial to the polity of which he is a member. On the contrary, the 'Law of Nature' is not a command to do, or to refrain from doing anything. It contains, in reality, nothing but a statement of that which a given being tends to do under the circumstances of its existence; and which, in the case of a living and sensitive being, it is necessitated to do, if it is to escape certain kinds of disability, pain, and ultimate dissolution. The natural right deduced from such a law of nature is simply a way of stating the fact; and there is, in the nature of things, no reason why a being possessing such and such tendencies to action should not carry them into effect."

Robinson Crusoe

Huxley next takes the case of Robinson Crusoe before the advent of man Friday, and, after remarking that "No one would deny that he had a natural right to take possession of his cave; to cut down the trees that suited his purpose; to gather fruits; to kill any of the wild goats for his subsistence; to shoot any number of the cannibal visitors, who would otherwise kill him for their subsistence," proceeds to ask what would have happened if another Crusoe had been cast ashore on the opposite side of the island, and both had stalked the same goat from opposite sides. If each insisted upon exerting the whole of his natural rights, it is clear that there would be nothing for it but to fight for the goat. On the other hand, if the two men followed the dictates of common sense, they would agree to unite in peaceful co-operation with each other for their mutual comfort and protection. And that would be possible only if each agreed to limit the exercise of his natural rights. This is to say, the two men would, in reality, renounce the law of nature, and put themselves under a moral and civil law, replacing natural rights, which have no wrongs, for moral and civil rights, each of which has its correlative wrong.

The Social Utility Theory

Henry George's proposals are based on two fundamental theories—one as to the basis of private property, and the other as to the basis of the taxation of the individual citizen. The first theory is that individual labour alone gives a complete right and clear title to property. This theory is based on the doctrine of natural rights.

Hobbes[20] says, "Nature hath given to each of us an equal right to all things." "In a state of nature every man has a right to do and take whatever he pleases; whence the common saying that Nature has given all things to all men, and whence it follows that in a state of nature utility is the rule of right." That is to say, in early times the universal rule was that the use of a thing, the occupation of land, gave the right of possession.

The theory of property which is accepted by modem jurisprudence and political philosophy is what has been called the social utility theory. It is based upon the practically universal experience of civilised mankind extending through the centuries until the light of his-

[20] De Cive.

tory becomes dim and uncertain. Just as order, justice, law, and private and social ethics are the outcome of human experience and social and economic conditions, so private property is justified by the simple fact that it is the last stage of the outcome of a prolonged social evolution. As the result of the gradual progress of economic and social forces, private property came to be recognised in all civilised countries as the condition most calculated to promote the well-being of the whole community.

Of course, this does not mean that further progress is unthinkable, and that a change is impossible. What it does mean is that experience and universality count for much, and that when we are asked to entirely reverse the progress of centuries, and revert to primitive conditions which every nation that has become civilised has discarded a very strong case indeed is required to be made out, and that theories of what are called natural rights will furnish a very inadequate foundation for such arguments and proofs as will be required.

At best "Progress is only from one partial and one-sided expression of the whole truth which hovers before us as an ideal to another expression of it which may be equally, and sometimes even more, partial and one-sided, and which at the best is only less in- adequate than that which replaces." Nevertheless, "durable institutions and widely diffused practical beliefs must have had in them some element of truth and value for the very reason that they flourished."[21]

"The tendency of careful economic study," as Professor Marshall*[22] says, "is to base the rights of private property, not on any abstract principle, but on the observation that in the past they have been inseparable from solid progress; and that, therefore, it is the part of responsible men to proceed cautiously and tentatively in abrogating or modifying even such rights as may seem to be inappropriate to the ideal conditions of social life."

Unconvincing Arguments

Mr. George says that the comparatively small number of people who own the land of the United Kingdom might exclude all the rest of the people from it. If no one is to own anything that he might misuse no one ought to have a gun or a knife, because he might shoot or stab

[21] Ritchie, *Natural Rights*, p. 17.
[22] *Principles of Economics*, p. 48.

some one. No one ought to own a cartload of bricks, because he might throw them at some one. A man ought not to be allowed to go about, because he might assault others. As Mr. W. H. Mallock puts it: "The Duke of Westminster might make Belgravia a desert. Mr. George when he was in England might have stabbed the Duke of Westminster. But it no more follows that the Duke has no right to his land, than it follows from hence that Mr. George ought to have gone about London in hand-cuffs." On the face of it, the suggestion that the land-owners could expel all the inhabitants of these islands is preposterous, for the simple reason that those inhabitants would never allow them to do it. If these things were probable or even possible, the law would provide against them. Land is held, as other things are owned, subject to laws which protect the interests of the whole community. The use which men can make of what they own is strictly limited. All Henry George's comparison of the exclusive ownership of land with exclusive ownership of the air is unconvincing, in view of the fact that under his scheme land would be permanently owned and occupied by a very limited number of people, subject to the payment of a tax. He does not propose to prevent exclusive, permanent personal occupation, an occupation that would as effectually exclude all others from the land occupied as the present system does. If the exclusion of people from the land now is blasphemous against God and Nature, it would be quite as much so under the system of private ownership and exclusive occupation which his scheme of taxation would permit, and indeed involve and necessitate.

The Right to Live— Where ?

"Every man has a right to live." Where? In his own country or only in his own part of it—where he was born? Does his right cease if he goes to another part of the country? Has he a right to live in any part and in any spot he likes? If not, who has the right to determine where he shall live? Is the land to be divided and subdivided to an unlimited extent? Is it only that every man has a right to live somewhere? If so, who is to decide where that "somewhere" is? Have any number of people, however many may be born there, the right to live on a Scotch island—say one of the Hebrides—even if they become so numerous as to reduce the whole population to poverty and the verge of starvation? If they go away from there, say to Glasgow, have they a right to live there? If so, what right; they were not born there? Have

they a right to live in London? On the other hand, have, say Londoners or Yorkshiremen, the right to demand to live on an over-crowded Scotch island?

Is the right limited to a man's own country? Even so, why should some people have a fertile soil and minerals and others barren hills and moors? Is not this instituting ownership, at any rate of groups or communities as against other groups or communities?

If men from the Hebrides may demand the right to live in Edinburgh or London as a natural, God-given right—as one of the rights of man—have they not an equal right to live in France, Italy, or China? Have not the Chinese a right to live in Australia or in England? What right have the people of England to its coal as against the German, the Russian, the Chinaman, or the Requimaux? The boundaries of nations are artificial and temporary.

Is it not the simple fact, that by the immutable laws of our existence the rights of men with regard to the surface of the earth are and always have been and always must be distributed unequally and arbitrarily? What then comes of the doctrine of "equal rights" and how could it be enforced and given effect to ? As Mr. Mallock truly says:

> Unless it were recognised, with regard to the surface of the earth, that the rights of men to it are distributed, not equally, but unequally; that some men without any personal merit of their own have an exclusive right to its richest and most delightful parts, whilst others have a right only to the parts that are most barren and miserable; that for some is the healthy hill-side, for others the pestilential plain; for some the harbours and the navigable rivers, for others the iron-bound coast and the rock-strewn mountain torrent; for some the perennial spring, for others the perennial winter; for some the fields of corn, for others the fields of ice; unless this were recognised as the order and rule of Nature no progressive civilisation of any kind would be possible; and mankind would consist of nothing but a multitude of warring and wandering tribes, perpetually either plundering or being plundered.

Rights of Nations and of Individuals

If the right to live in a particular country may properly and justly be limited to and vested in one group or nation, or in one section of a race of people, and not in mankind as a whole, on what principle of natural right, natural law, or natural justice can it be contended that a

section of that special group, nation, or section of a race may not equally, properly, and justly possess special rights as owners of the land in that country—rights which in principle and character are not more exclusive as regards the other inhabitants of that country than are the rights claimed for those inhabitants as against the rest of humanity? If a nation may appropriate a country and claim it as their exclusive property why may not an individual appropriate a part of it? Or, if an individual may not own a portion of a country, on what principle and by what law of natural right may a group, or tribe, or race claim and own a portion of the earth's surface to the exclusion of others and their equal right of ownership?

Australians refuse to Chinamen even free admission to their country. By what right do they do it? What greater right have they to assert that prerogative of ownership, which is sounder or greater than the right of the settler or purchaser there, to his particular portion of the land of Australia?

By what right did Henry George's own countrymen in the United States, when they were a mere handful of people, claim and assert their ownership of and their right to exercise absolute authority over a very large portion of the earth's surface—an authority which extends to claiming power to exclude from it the whole human race except on the conditions which those who are already there determine? Does Henry George denounce this claim to exclusive ownership? Not a bit of it. Quite the opposite. He condemns his government and his countrymen because they ever consented to part with it.

Who or what gave this exclusive ownership and authority to this group of people at the time when they claimed and asserted it—a group so small that it was impossible for them to effectively occupy more than the merest fraction of the vast territory they had seized? Was it conquest, or occupation, or mere assertion of possession? If so, may not it and other land be acquired with equal justice by any one else who is strong enough to seize it and hold it? Ownership has always been obtained and established in this way, and when so obtained and established has been dealt with as those establishing it have deemed best and most convenient.

Is Labour the only Title to Ownership?

The contention which is built up by Henry George is that land and all that it contains is the creation of God, and is not the result of any man's labour; that it was intended for the use and benefit of the whole of mankind in all ages, and therefore no one has a right to own it; and that its value is entirely due to the growth, expenditure, and efforts of the community, and therefore every one has a natural right to that value. It is further contended that "Nature acknowledges no ownership or control in man, save as the result of exertion"; and that "as Nature gives only to labour, the exertion of labour in production is the only title to exclusive possession." From this it is alleged that "if production give to the producer the right to exclusive possession and enjoyment, there can rightfully be no exclusive possession and enjoyment of anything not the production of labour, and the recognition of private property in land is wrong."[23]

Henry George's contention that labour is the only title to the exclusive possession of anything is based on his assertion of the right of a man to himself and to the enjoyment of the fruits of his own exertions. "As a man belongs to himself, so his labour when put in concrete form belongs to him."[24] "What other right exists from which the right to the exclusive possession of anything can be derived, save the right of a man to himself?"[25]

This may seem very clear, and sound, and quite incontrovertible to those who do not look below the surface of high-sounding phrases; but if the argument involved therein be subjected to critical examination, and carried to its logical conclusion, it will be seen that it is merely superficial logic-chopping based on assertions which ignore or contradict the plainest and best known facts of life.

Huxley on "A Man's Right to Himself"

As Huxley very forcibly puts it:

> If labour is the only title to exclusive possession how in the world does a man come by the "right to himself"? I have paid a good deal of attention to those branches of natural history which treat more especially of man, but never yet have I come across even the smallest grounds for believing that a man has ever been

[23] *Progress and Poverty*, pp. 237-238.
[24] Progress and Poverty, p. 234.
[25] Ibid, p. 237.

known to make himself, or to endow himself by his own labour with the powers he exerts.

No doubt it may be said, with justice, that a man who learns diligently and strives hard to do right, bestows labour on himself, and does so far fulfil the necessary conditions of self-ownership laid down in *Progress and Poverty*. But, on the other hand, might not his teachers, on the very same ground, claim possession of the fruits of their labours in him? Might not the mother, who not only bore him, but bore with him, day and night, for half-a-dozen years, fed him, clothed him, nursed him in sickness, taught him the rudiments of civilisation—might not she rightfully appeal to this wonderful labour-test of ownership?

It is only a very small part of a man which can in any sense be said to be the product of his own labour. His physical and mental tendencies and capacities, dependent to a very large extent on heredity, are certainly the "gratuitous offering of Nature"; if they belong to anybody, therefore, they must belong to the whole of mankind.

Further, the very existence of society depends on the fact that every member of it tacitly admits that he is not the exclusive possessor of himself, and that he admits the claim of the polity of which he forms a part, to act, to some extent, as his master.

More Superficial Philosophy

The fact is that when Henry George propounds as two fundamental, indisputable, and self-evident propositions: first, that labour is the "only" title to exclusive possession; and the second, that the foundation of this title lies in the right of a man to himself—that is to say, to the exclusive possession of himself; and attempts to base each upon the other, he puts forward two inconsistent and mutually destructive theories, the unsoundness of which is only partially obscured by the ingenious logic-chopping with which he supports them, and the high-sounding platitudes in which he envelopes them.

His contention is that the real and natural distinction between things which are rightfully property, and the subject of exclusive ownership by individuals, and things which are the common possession of the whole of the human race, is the distinction "between things which are the produce of labour and things which are the gratuitous offerings of Nature. … These two things are in essence and

relations widely different. … The essential character of the one class of things is that they embody labour, are brought into being by human exertion, their increase or diminution depending on man. The essential character of the other class of things is that they do not embody labour, and exist irrespective of human exertion and irrespective of man."[26]

To the superficial reader this again may appear to be very precise and accurate, but, as a matter of fact, it is loose and slip-shod; and when the statement is to be made the basis on which an argument is to be constructed, the adoption of which would involve vitally important and fundamental consequences, a careful examination of it will show that it is really fallacious and absurd.

A Dilemma and an Absurdity

In strict accuracy it cannot be said of anything that it can be "brought into being by human exertion." The original material of which anything is made, be it a brick, a hatchet, a window, a pair of boots, a chair, a pen or a watch-spring, is "a gratuitous offering of nature." Some articles embody more human labour than others, but that is not a question of principle; it is only a difference of degree. The raw material of nature is always there, and without it all the labour expended would have produced nothing.

If the expenditure of labour on turning clay into bricks, trees into doors and chairs, iron into knives and hatchets, and copper, zinc, and iron into clocks and watches, rightfully makes those articles the property of those who expended or paid for the expenditure of the labour upon them, by what process of justice of logic is not a piece of land which has been reclaimed from the waste, and by expenditure of labour and capital been transformed into a field of valuable pasture and arable land, also the rightful property of those who have made it what it is?

"In the state of nature," says Huxley, "I doubt if ten square miles of the surface of the chalk downs of Sussex would yield pickings enough to keep one savage for a year. But, thanks to the human labour bestowed upon it, the same area actually yields, one way or another, to the agriculturist the means of supporting many men. If labour is the foundation of the claim to several ownership, on what

[26] Pp. 238-9.

pretext can the land, in this case also, be put upon a different footing from the steel pen?"

Clay, wood, iron or copper, and zinc are "the gratuitous offerings of nature"; "they exist irrespective of human exertion and irrespective of man." Yet labour applied to them makes them rightfully the exclusive property of individuals; but labour applied to land creates no right of property in the soil. To make the absurdity complete, Henry George says:

> But it will be said: There are improvements which in time become indistinguishable from the land itself! Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in the common right. It is the greater that swallows up the less, not the less that swallows up the greater.[27]

Make a swamp into a farm and in course of time the improvements will be "indistinguishable from the land itself," and the individual will lose his right to them in the common right of the whole people to the land; but turn the land into bricks, tools, ships or houses, and while it is true again that the "improvements" become "indistinguishable from the land" of which they are made, in this case the individual does not lose his right to the improvements. The human race loses its right to the land which the improver took away in the form of clay, iron ore, trees, etc.!

Does Labour alone produce Anything?

The truth is, all articles of human production are parts of the material universe. None of the original raw material out of which either the rude weapon or tool of the savage or the delicate chronometer, machine, or mathematical instrument produced by the most highly-skilled labour can be made by man. His most consummate art is but a moving into certain places of the parts of the material universe with which Nature supplies him at least as gratuitously as she supplies land.[28]

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[27] *Progress and Poverty*, p. 243.

[28] "Men do not create material things. They do not 'produce' them. They produce utilities. They change the form or arrangement of matter to adapt it to the better satisfaction of wants. They readjust matter as when they make a log of wood into a table, or they put it into the way of being made more useful by nature, as when they sow seed."—Marshall's *Principles of Economics*, p. 63.

The fallacy of Henry George's argument is similar, if we test it from the point of view of his contention that the value of land is entirely due to the existence, effort, and expenditure of the community, and that therefore it is the common property of all, and every one has a natural and indefeasible right to it. The value of everything, and indeed the power of individuals to do and produce anything, is largely due to the existence of the community and the work it does for each member of the community as part of the whole. Professor Seligman puts this point thus:

> Mr. George bases his defence of private property in commodities other than land, on the labour theory. Yet individual labour, it may be said, has never by itself produced anything in civilised society. Take, for example, the workman fashioning a chair. The wood has not been produced by him. It is the gift of Nature. The tools that he uses are the results of the contributions of others. The house in which he works, the clothes he wears, the food he eats (all of which are necessary in civilised society to the making of a chair) are the result of the contributions of the community. His safety from robbery and pillage—nay, his very existence—is dependent on the ceaseless co-operation of the society about him. How can it be said, in the face of all this, that his own individual labour wholly creates anything? If it be maintained that he pays for his tools, his clothing, and his protection, it may be answered that the land-owner also pays for the land. Nothing is wholly the result of unaided individual labour. No one has a right to say: This belongs absolutely and completely to me, because I alone have produced it. Society from this point of view holds a mortgage on everything that is produced.[29]

As has already been observed, it is not the labour theory, but the social utility theory, which is the real justification of private property as it is of governments and laws. If the basis of Henry George's argument were sound, the conclusions to be based upon it would go much farther than he carries them. The difference between property in land and property in other things, from the standpoint of the fundamental original material of all of them being "gratuitous offer-

[29] Essays on Taxation, p 60.

ings of Nature" and of individual as distinguished from social effort, is clearly purely one of degree and not of kind.

Experience the Guide

Is not the truth of the whole of this question of so-called "Natural Rights" this—that we must determine right and wrong by reference to experience, and not by any so-called inner light which any and every man may claim to possess and be guided by in arriving at most inconsistent and contradictory conclusions? "Natural Rights" as generally expounded, are really what some individuals or group of individuals happen at the moment to claim as harmonising with their private notions of what they ought to have.

"In the chaos of conflicting individual impulses, instincts, desires and interests, we can find no stable criterion. We must go beyond them to the essential nature of things. But what part of the nature of things is here relevant? Is it not simply—human Society? If there are certain mutual claims which cannot be ignored without detriment to the well-being, and in the last resort to the very being, of a Community, these claims may in an intelligible sense be called fundamental or natural rights. They represent the minimum of security and advantage which a community must guarantee to its members at the risk of going to pieces, if it does not with some degree of efficiency maintain them."[30]

Theologians avoid the difficulty of ascertaining what the law of nature is by falling back on the authority of revelation. The revelation to which they appeal—and different teachers in different countries and at different times appeal to different revelations—may or may not be a final authority, but clearly it is another and an external authority, and does not help those who discard or ignore the authority to decide what is the law of nature and what are so-called natural rights. When a man appeals to what he terms the law of nature and natural rights, he is appealing to something other than, and different from, the teaching of the particular religious belief that he holds.

Ideas of Right and Wrong are a Growth—Slavery

We shall obtain a much sounder and also a much more hopeful outlook if we approach the study of past and present conditions and institutions with the conception of development and advance—

[30] Ritchie, *Natural Rights*, p. 87.

evolution—in our minds than if we attempt to apply to every people in every age the same unvarying code of right and wrong under the impression that there are iron-bound "natural rights" which are applicable at all times and under all conditions. Professor D. G. Ritchie, one of Scotland's ablest thinkers, considered that—

> To the scientific student of human history it seems almost certain that slavery was a necessary step in the progress of humanity. It mitigated the horrors of primitive warfare,[31] and thus gave some scope for the growth, however feeble, of kindlier sentiments towards the alien and the weak. It gave to the free population sufficient leisure for the pursuit of science and art, and, above all, for the development of political liberty; and in this way slavery may be said to have produced the idea of self-government. By contrast with the slave the freeman discovered the worth of freedom. Thus slavery made possible the growth of the very ideas which in course of time came to make slavery appear wrong. Slavery seems to us horrible: it is contrary to nature, it violates the feelings that God and Nature have implanted in our breasts, and so on. It used not to seem horrible or contrary to nature, even to many people who talked loudly about the inalienable right of liberty. There are probably many things existing now which will seem "horrible" some day, but which now seem quite "natural" to most persons. Science must have no prejudices, and, therefore, we must admit that there was a stage in human development when slavery, being useful to the progress of mankind, was not contrary to what could then have been considered "Natural Rights," although, when slavery is no longer an institution of progressive societies, it becomes contrary to what people now consider "Natural Rights."[32]

Bondage in some form or other was universal in the whole of the ancient world of which we have historical knowledge.[33] It was the

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[31] Not only did the introduction of the practice of making slaves of captives diminish the ferocity of war, but, as Sir H. Maine points out, "one consequence of the decay and abolition of slavery was an increase of bloodshed."—International Law, p. 134.

[32] Ritchie, *Natural Rights*, p. 104.

[33] Among the Romans, under the Republic, and at the beginning of the Empire, manual labour was almost exclusively slave labour. During the Empire it was mainly slave labour, and the labourers who were not slaves were largely freedmen, men who had been slaves.

alternative for slaughter in the case of prisoners of war. It prevailed amongst the Jews, and Christianity found it existing everywhere and never expressly condemned it. Aristotle said that slavery was written "in the constitution of the Universe."

As has already been observed, what are called "natural law" and "natural rights" by those who propound this doctrine are really not natural rights at all, but simply and solely what certain people at a particular time think law and rights ought to be. This misnamed doctrine of natural rights may be said to represent the ideal of the philosophers of the period. As to what is really desirable and expedient, opinions will vary, and that will be especially so at different stages of the world's history. The propounders of the natural rights' theory attempt to exalt their ideals (which are often wrong) at particular times into eternal and immutable laws of right and wrong.

The Only Safe Appeal

If the phrase "Natural Rights" has any intelligible meaning at all, it means those rights which ought to be recognized; and what those rights are can only be determined from the point of view of society. It is true that society has no existence except as a body of individuals. It is also true that individuals, as human beings with rights and duties, can only be understood in reference to a society. They are the product of a society, and "the rights of the individual must, therefore, be judged from the point of view of a society as a whole, and not the society from the point of view of the individual."[34] Questions of right and wrong cannot properly be considered without regard to the past that produced them and the future that is even now amongst us. As Professor Ritchie well puts it, "the adults of a community are only the trustees inheriting every moment from the old who are dying and obliged to take into account the interests of those who are being born."

The only safe appeal is an appeal to what is socially good and useful, account being taken not only of immediate convenience to the then members of a particular community, but of the future welfare of the community, not overlooking its relation to humanity as a whole. An appeal to social utility is an appeal to something that can be tested not only by individual instincts, desires, and feelings, but by

[34] Ritchie, *Natural Rights*, p. 101.

experience. "History is the laboratory of politics. Past experience is indeed a poor substitute for crucial experiments, but we are neglecting our only guide if we do not use it."[35] It means trying to discover from what followed under past conditions what is likely to result from similar or different conditions now.

"The only 'law of nature' to which we can listen must be such as will commend itself to our reason as a statement of the principles of a coherent and orderly society which will not throw away the hard-won achievements of man in his struggle with nature and with barbarism, and which will at the same time be progressive, in the sense of being capable of correcting its own faults. Any 'natural rights' which are incompatible with such a society are only another name for anarchy. "Nonsense upon stilts' Bentham called them."[36]

[35] Ibid. p. 103.
[36] Natural Rights, p. 106.

Chapter II
The Origin of Private Property in Land

The precise nature of the processes by, and the exact conditions under, which private and corporate ownership of land was originally brought about in various part of the world are not known. "Every one of the foundation stones of civilised society had been laid long before history was born, and nothing recorded by history, and nothing observed within our time, enables us with any certainly to clear up the mystery which surrounds the first beginnings of our race."[37] The truth is that, as Mr. Leacock puts it, the institution of the State is not to be referred back to any single point of time. Nor is it the outcome of any single idea, example, movement, or plan. The State is not an invention; it is a growth, an evolution, the result of a gradual process running through all the known history of man. "The proposition that the State is a product of history means," says Professor Burgess, "that it is a gradual and continuous development of human society out of a grossly imperfect beginning through crude but improving forms of manifestation towards a perfect and universal reorganisation of mankind."

Private Ownership an Early Stage of Settled Conditions

So far as we have knowledge, it seems clear that almost everywhere, as soon as anything like settled conditions were reached and wandering tribes attached themselves to definite spots, and specified areas became worth owning, land was held as personal or family property, and not as the property of a nation or even of the whole community, still less of the whole human race.

Whether there ever was a time or a country with a settled people who could in any real sense be said to own the land they occupied or claimed jurisdiction over, of whom it could be said that they owned it in common, it is impossible to say. Common occupation and common use for hunting and pastoral purposes there undoubtedly was, but common ownership in anything approaching what we understand by proprietorship has, I think, not yet been historically proved.

An idea has from time to time taken possession of the imagination of men like Rousseau, Henry George, and a certain class of minds,

[37] Duke of Argyll, *The Unseen Foundation of Society*, p. 101.

that property in land is contrary to nature, and that communal ownership is natural. In support of their view they have built up an imposing structure out of a series of historical errors and misconceptions largely originated and elaborated out of their own preconceived theories. Common ownership by the family has been assumed to be national communism, tenure in common has been confused with ownership in common, and village commons have been magnified into agrarian communism.

Minds which are under the influence of this idea will never allow that property may be a primordial fact, contemporaneous with the earliest cultivation of the soil, natural to man, produced by an instinctive recognition of his interests, and closely bound up with the primitive constitution of the family. They will always prefer to assume that there must first have been a period of Communism. This will be with them an article of faith which nothing can shake; and they will always be able to find authorities which can be made to support it.[38]

Private Property in Land does not arise until Agriculture begins and Families evolve

The evolution of the modern State cannot be ascribed to the operation of any one force. States probably usually developed from savage "packs"—Shaving no more permanent family life than animals have—to families—households,—exemplifying it by the control of fathers over their children, then to the control of a patriarch over his descendants. From this grew tribes of kindred descent, then nations. Force, conquest, rapacity played their part all along, and strengthened and extended the power and domination of the strongest. In the early stages of family life which developed from the "packs," where the usual relations of husband and wife did not exist, various forms evolved at different times, among different peoples, in different places—the polygamic, the polyandric, the exogamic, the endogamic, and the monogamic. The last has tended to become the dominant form, although others still prevail among the least advanced peoples.

Land does not become property until it is worth possessing, and practically particular defined portions of land are not worth possess-

[38] Goulanges, *Origin of Property in Land,* p. 150

ing, that is to say they are not worth any more than any other piece of land (and in savage conditions there is abundance of land available) until cultivation begins. In the infancy of the human race, agriculture, in our sense of the term, did not exist. The people lived by hunting and fishing, and afterwards by pastoral pursuits. Civilisation has never begun until agriculture commenced and private ownership or individual occupancy arose and gave security that those who cultivated the soil would reap the crop.

Nor does the idea of property in land develop until the family evolves. In the most complete forms of savagery the horde or clan is everything, and the savage is so identified with it that his individuality does not manifest itself either in the family or in properly. In many of these hordes or tribes there existed no family, not even the matriarchal one. The children belonged to the whole tribe.

In those conditions the idea of individual possession, at any rate, of such a thing as land does not exist. Indeed, the savage then has no conception of individuality as distinct from the horde or tribe of which he is a part. The horde has no idea of property in land. It occupies a portion of the earth's surface. It not infrequently moves from place to place and has no idea of "owning" anything but the spot on which it is for the time being. The thought of "property" in land in anything like its modern sense does not exist. When the tribe ceases to lead a nomadic existence and erects permanent separate dwelling-houses and the family system develops, the idea of private property becomes clearer and expands as agriculture is introduced. Paul Lafargue in *The Evolution of Property* (p. 49) says:

> The family, wherever or however constituted, invariably breaks up the communism of the clan or tribe. At first the clan was the common family of all its members: afterwards there came to exist private families, having interests distinct from those of the clan considered as an aggregate of a number of families: the communal territory of the tribe was then parcelled out so as to form the collective property of each family.

In those days the family was a larger group than the father, mother, and children which are usually meant by the modem use of the word. It consisted of the father, the recognised head of the family, of his wife or wives and his concubines; of his children, his

younger sons, with their wives and children, and his unmarried or unallotted sisters, altogether a considerable number.

When Cæsar landed in Kent he found that the Britons had much the same customs as the Gauls. They did not till the land: they lived on milk and flesh, and were clad in skins. They painted themselves blue and had wives in common in groups of ten or twelve, including brothers, fathers, and sons.[39]

All our sources of information as to Celtic antiquities show us the people living chiefly on the produce of their herds. Every household, even that of the low-standing Welsh taeog, is supposed to possess cows. Sheep, pigs, and goats are also constantly mentioned. … By the side of this chief calling appear pursuits connected with the forest and the stream—hunting, fishing, tending of bees. It would be impossible to say when the cultivation of the soil arose, and to what extent it was carried. … It played everywhere a more or less subsidiary part in contrast with the prevailing grazing husbandry.[40]

During the occupation of England by the Romans great progress was made in material culture. Comparing the time of Constantine with that of Cæsar, Dr. Vinogradoff says: "Instead of being the dwelling-place of pastoral and hunting tribes, with a small fringe of agricultural occupation on the south-eastern border, it is extolled as an area of prosperous farming."[41]

As social life advanced and civilisation in a rude form began to dawn, the family, as we now know it, evolved, and individual property took the place of family property. When the men, on marrying, left the collective dwelling for a home of their own, landed property began to be divided amongst the various branches of the family and was held in severalty.

A Modern Controversy

One of the controversies of the last thirty years amongst scholars has been the dispute as to whether in the early years of English history, after the Romans left and invading tribes from the Continent largely took possession of the country, the population consisted of free men holding land in common as the property of the community as a

[39] De Bello Gallico V., Sec. 14.
[40] Vinogradoff, *The Growth of the Manor*, p. 16.
[41] Ibid p. 44

whole, or it consisted of serfs and tenants of large individual landowners who were chiefs or lords.

According to those whose teaching was generally accepted from thirty to sixty years ago, all land in the beginning was common land and belonged to all: it was held and cultivated in common before it became the private property of a family or an individual: private property grew up afterwards out of this ancient common ownership. It was further held that the people who came over here were mostly free men of varying ranks, with a few slaves who came from parts of Europe where free communities held land in common. It was held that they continued the same system here, and that manors and the manorial system of Anglo-Saxon times was the result of the subsequent gradual and forcible subjugation of the free communities by powerful neighbours who seized the communal lands and reduced the people to a condition of serfdom and servile dependence.

That theory and the supposed facts upon which it was based were, however, severely shaken some thirty years or more ago by the researches of M. Fustel de Coulanges of Paris and Mr. Seebohm in this country. Their views have been strongly confirmed by subsequent research and discussion, and now what is known as the "mark" theory is largely, if not entirely, discredited as an explanation of the condition of things generally prevailing throughout Northern and Western Europe and England before the growth of the manorial and feudal systems.

It has come to be pretty generally admitted that there is no documentary evidence of the existence of free village communities in early England, and such allusions and reference in later records, and such traces of customs and laws as were supposed to support arguments in favour of the belief in the existence at one time of such communities, are found to be practically worthless, and to be capable of other interpretations when they are carefully examined in the light of the further information which more complete research and study have brought to light.

The Present View

In his Presidential address to the Economic History Section of the International Congress of Historical Studies held in London in April 1913, Professor W. J. Ashley commented on the change which has taken place in the views of scholars as to the early history of the

ownership and tenure of land in England since Kemble, Stubbs, and Green wrote. The work of Fustel de Coulanges, Seebohm, Maitland, and Vinogradoff has shown how theories generally held as firmly established forty years ago are now untenable. From Professor Ashley's summary of what he thinks may be taken as the conclusions which have now been arrived at, we extract the following:

From the earliest historical times, in Gaul and Germany, very much land was owned individually, and wealth on the one side and slavery on the other were always very important factors in the situation.

Even in Germany, communal ownership of land was never a fundamental or generally pervasive social institution; there was something very much like large private estates, worked by dependents and slaves, from the very earliest days of Teutonic Settlement.

As to England, it is highly probable that we shall not find anything that can fairly be called a general communal system of land-owning, combined with a substantial equality among the majority of the people, under conditions of settled agriculture. To find it in any sense we shall have to go back to an earlier and "tribal" condition, if, indeed, we shall find it there.

Professor Ashley points out that the idea that English freemen had sunk into serfdom, and land-owning communities had fallen into subjection to manorial lords, and that the problem which the historian had to solve was how these things had come about, was an importation from Germany. "Nothing of all this had suggested itself to English historians so long as they confined themselves to English evidence: no trace of it is to be found, for instance, in the pages of Hallam."

Thus during recent years those theories as to the original ownership of land, upon which many politicians who are not also students are still basing arguments in support of their policy, have been exploded and discredited. In an interesting article Professor J. H. Morgan referred to the discussions of the authorities on this subject:

> For a generation the obsession of race and its prerogatives had brooded over historical studies. Round the theory of the mark there raged a controversy as bitter as it was assiduous; the Germanists saw modern corporations of freemen in early Teutonic village communities. Parliaments in folk-moots, juries in Saxon

doomsmen, and good in everything provided it was Teutonic. The racial controversy found its echo in this country; Stubbs and Freeman boasted our German pedigree, traced all our civilisation to its source, and refused to admit the Celtic bar sinister upon our escutcheon. Then came a reaction: Fustel de Coulanges took a terrible revenge, and in a series of brilliant monographs smote the Germanists hip and thigh, going far to prove that the early Teutons, no less than the Celts, had succumbed to the yoke of Roman institutions, and that nine-tenths of our modern villages descended in a direct line from the great Roman estates. Seebohm followed suit over here, and in a memorable monograph suggested to our ruthless Teutons that "more things went to the making of England than were imported in the keels of the English invaders."[42]

Ownership and Lordship evolve slowly

As has already been remarked, the question of property in land does not usually really arise, and certainly does not become a matter of any practical importance, in a country until its people become sufficiently settled and civilised to lead them to systematically cultivate the soil. Until they become more or less an agricultural people they are usually hunters or fishermen or both, and possibly also to a limited extent keepers of sheep and cattle. Population is then sparse and unoccupied territory is plentiful, and questions of the ownership of particular tracts of land do not concern them. What does concern them is their ability to defend themselves and such possessions as they have from attack, and incidentally their power to pillage and plunder others. It is only when they take definitely and extensively to agriculture and they become permanently attached to precise areas, which they have cleared and cultivated at the cost of much labour and time, that the idea of property in land, as we understand it, takes shape and develops. Even then it develops very slowly, because so long as unoccupied and unused land is plentiful, that which is used has little or no value. Value is an essential condition of property, and nobody troubles to claim rights of property, as we understand them, in anything which is so plentiful that everybody can have all he wants of it.

[42] *Westminster Gazette*, April 4, 1913.

There is no doubt that the source of individual ownership of land was some definite personal effort with regard to it, such as cultivation or occupation, or some original pre-eminence in the battle of life—it may be centuries ago—which was recognised and admitted by society, and has ever since been acknowledged as legitimate. It has been handed down by inheritance or transferred by purchase through generations often reaching back through many centuries, until its history becomes dim.

Primitive custom recognises certain rights in and over land: the right of the first clearer to regard the land as his own family holding; the right of a chief or freeman to a share in the territory which he helps to defend against outsiders; the right of a chief to levy tribute of those who hold land under his protection.

When the state comes into existence the family loses some of its importance; the individual chief or house father is not merely the administrator of the common inheritance: he is owner of his land; it is a thing he can sell or mortgage or dispose of by will; absolute ownership is the basis of the Roman law of ownership and possession.[43]

Earle in *Land Charters* says:

> Of all principles of military requirement there is none as necessary or so elementary as this, that all men must be under a captain, and such a captain as is able to command prompt and willing obedience. Upon this military principle I conceive the English settlements were originally founded, that each several settlement was under a military leader, and that this military leader was the ancestor of the lord of the manor.[44]

In the Saxon and Danish period as in the Norman, the chief or thane or lord was not merely the military leader. He was the local representative of authority and government; he was the local ruler and lord, the civil as well as the military head and chief of the people and of the district; and as the principle of "no land without a lord" became more and more clearly and firmly established and enforced in order that it all might be made to contribute its quota of men and means for national defence and general national purposes, the local lordship

[43] Article "Land" in Palgrave's *Dictionary of Political Economy.*
[44] P. 55.

and sovereignty of the man in each district who was held responsible for the contribution of men and means from the area under his control, and for the maintenance of order and the administration of local justice therein, became more and more identified with ownership, and all land not definitely belonging to some one else was regarded as his, in the same way as all land over which there was no such lord and owner was regarded as the property of the king. The view was that the lord was the original owner of the whole territory occupied by the manor, and portions which did not belong to any one in particular were taken to belong primarily to him.[45]

From the very first stages of the English occupation of the island we have to reckon not merely with small landowners joining in townships on the shareholding system, but also with great landowners possessed of larger tracts of land and utilising them according to their wishes and notions.[46]

The Early Outcome of Economic and Social Conditions

M. de Laveleye, in *Primitive Property,* shows how personal and family property and private holdings would gradually grow up in the abundant waste land amongst which the widely scattered nomadic communities ultimately settled. Any enclosed land round their permanent dwellings, and any land outside the settlement which was cleared, reclaimed, and cultivated, or occupied with cattle by individuals or families, was recognised as their personal property. Only those who were industrious, enterprising, and courageous enough would clear, occupy, retain, cultivate, and defend waste land. They would become personal owners of cattle, and would gradually acquire wealth which would enable them to employ others and still further improve their position. As their power increased, and as population grew, the bravest, wealthiest, and most capable fighting men amongst them would become chief's or a species of nobles, and the force of circumstances, often no doubt aided by force and fraud, would eventually make them the land-owners of the greater part of the district, with the more or less willing acquiescence and consent of the community amongst whom they lived and to whom they extended their protection.

[45] Vinogradoff, *The Growth of the Manor*, p. 311.
[46] Ibid. p. 221.

In this way the no doubt communal ownership, so far as it ever existed anywhere, gradually broke down and went to pieces, and was superseded by individual ownership, especially as agriculture developed. Private property was the inevitable outcome of economic and social conditions, and the differing faculties and force of character possessed by the leading men who, from time to time, came to the front and founded territorial families.

Durgan, "one of the acutest of explorers," tells us that ownership of land by individuals is to be found at a much lower grade in the scale of civilisation than that at which communal ownership makes its first appearance. Maitland says: "There is a sense in which English law may be said to have known a full ownership of land long ages before it knew a full ownership of chattels."[47]

Occupation and Use the Basis of Possession

The right of property is usually in its origin based on occupation or on labour. The theory which bases property on the occupation of what was previously unoccupied represents the actual conditions of the most primitive states of human society so far as we have knowledge of them. Possession is nine points of the law, with animals as with men. So long as other food, other articles, other locations are to be had by making an effort, it is simpler for men and animals to find what is wanted for themselves than to undertake the risk and trouble of fighting one who has got it for possession of it. When numbers increase and settled communities are formed the rights of each are settled by society, and until they are so settled there are no rights except the right of force—the power to keep what has been taken possession of,—that is to say, rights do not exist until something of the nature of organised society does.

In many of the relations of every-day life, in connection with matters in which the fundamental rights of all are equal, we recognise the right of the first occupier.

"All persons who ride in street-cars," says Mr. Arthur Eitson, "have an equal right to a seat. But they have not all an equal right to one particular seat. The popular sense of justice recognises that the first man or woman who enters the car has the right to occupy the best seat. And the last comers accept the condition of having to

[47] *Domesday Book and Beyond*, p. 347.

stand, or of taking the least desirable seats, as right and proper. A man who would try to enforce his claim to a seat by ejecting another would be regarded as a violator of justice, and would be universally condemned.[48] In all ordinary affairs regarding the rights of men, public sentiment recognises the prior claims of first occupancy and use as just."

The right of the first occupier has been recognised as a basis for the valid holding of the property, because communities have realised that it was socially convenient and beneficial that they should do so. Nations recognise the wisdom of this in their relations to each other. International law recognises the right of the first effective civilised occupier of territory which has not heretofore been occupied by another civilised power. The primitive law of nature is the law of force, and that law is modified as communities and society as a whole realise what is more beneficial and conducive to the general well-being.

The theory which bases the right of property on labour really depends in the ultimate resort on the right of possession and the fact that it is socially expedient, and is therefore upheld by the laws of society. Grotius, discussing this in the old Roman days, pointed out that since nothing can be made except out of pre-existing matter, acquisition by means of labour depends, ultimately, on possession by means of occupation.

The Importance of Security

Professor L. T. Hobhouse in Liberalism says:

The basis of property is social. … It is the organised force of society that maintains the rights of owners by protecting them against thieves and depredators. … Many people forget that without the organised force of society their rights are not worth a week's purchase.

They do not ask themselves where they would be without the judge and the policeman and the settled order which society maintains.[49]

This is true of the middle and poorer classes, but as regards the well-to-do and powerful is not the truth quite as much, if not more,

[48] If there be no seat available they may have to walk and do without a ride altogether. They do not think they ought to be able to take the place of persons who were already in the car if they offered to pay an extra penny for the seat.

[49] P. 189.

the other way? Without "the organised force of society" the wealthy could and would organise to defend themselves, but the poor could not do so. Conditions analogous to those of the middle ages would prevail, and great barons would dominate the country. The poorest and weakest are the least able to protect themselves, and consequently benefit the most from the maintenance of law and order. In this connection it is important to remember that "the rightfulness of possession, on the one hand, and the sacredness of contract between individual possessors on the other, are among the very first of those foundation-stones on which society reposes."[50] A Celtic proverb ran: "There are three periods at which the world is worthless, the time of a plague, the time of a general war, the time of a dissolution of spoken promises."

The Antiquity of Private Ownership

That private property in land is a very ancient institution is quite certain. It did not originate with the feudal system and was not introduced into this country by William the Conqueror, as some people seem to imagine. According to the Book of Genesis land was privately owned in ancient Egypt. In the time of the famine, when Joseph was governor of the land, he bought all the cattle of the Egyptians and in return kept the people for a year. At the end of that time, the famine still continuing, the people requested him to buy them and their land for Pharaoh, and keep them, and he did so. "Buy us and our land for bread, and we and our land will be servants unto Pharaoh; … and Joseph bought all the land of Egypt for Pharaoh; for the Egyptians sold every man his field, because the famine prevailed over them: so the land became Pharaoh's." (Genesis zlvii. 19, 20). The Old Testament contains numerous commands and exhortations to respect private property m land: "Thou shalt not remove thy neighbour's landmark " (Deut. xiz. 14). "Cursed be he that removeth his neighbour's landmark" (Deut. xxvii. 17). Job regards as exceptionally wicked the man "who removes the landmarks" (Job xxiv. 2).

There are numerous tablets among the recovered ruins of Babylon and Assyria which represent the title-deeds of property in land, giving security of possession to individual men. Others record contracts

[50] *Unseen Foundations*, p. 459.

for the letting and the sale of land.[51] When Greek emigrants made settlements on territory either previously unoccupied or conquered by them, their practice was to immediately found a town and divide up and distribute the land.

The Romans had very clear and precise conceptions of the right of private property, and did as much as any other ancient people to define and protect it. Rome was one of the youngest cities of the ancient world, and, at the date of its birth, private property had long held sway in Italy.

> "It appears to me,"[52] says De Coulanges, "exceedingly rash to maintain that the Romans had at first a system of common ownership of land. Such a statement is not supported by any ancient authority. On the contrary, early writers describe a partition of land which takes place at the very time when the city is founded; and the land thus divided becomes complete and hereditary property. Some years later the city conquers fresh territory; and again, with but little delay, it is divided into private property."

At the first division the property was allotted to and belonged to the family: at the second it belonged to the individual. De Coulanges says: "Thus, then, the two kinds of proprietary right that the ancient world recognised are seen, one after the other, with an interval of but forty years between." The Romans were one of the first nations to substitute individual for family property. Plato says: "Our first law must be that no man shall lay a hand on the boundary-mark which divides a field from his neighbour's field, for it must remain unmoved." (*Laws*, viii.).

England under the Romans

It seems probable that it was during the three and a half centuries of Roman rule that England became an agricultural country. There are many indications that during that time corn was grown in considerable quantities, and it is recorded that in a.d. 360 the Romans built 800 vessels to carry corn from Britain to the cities on the Rhine which were suffering from famine.

We know that under the Romans there was private property in land, and that it was cultivated by dependants and slaves. We also

[51] See Note, p. 40.

[52] *Origin of Property in Land*, p. 105.

know that the manorial system of the Continent in the Middle Ages is considered by many authorities to have been a direct continuation of the conditions which had prevailed under Roman rule. It is reasonable to conclude that the Romans established in England the system of private property to which they were accustomed, and that it continued here after they left, as it did on the Continent.[53] There is certainly no evidence to the contrary, while it is pointed out that one characteristic of the English manor—the dividing of the estate into land in villenage and land in demesne, the latter being cultivated by the tenants of the former, but kept in the lord's hands—was common to the medieval manor and the Roman domain or village. Another characteristic of the English manor was the three-field system. Neither of these two characteristics was found in North-Western Germany and Jutland, where the English invaders of Britain came from. But the three-field system was found in South-West Germany which was the most Romanised part. From this it seems possible that the English invaders did not bring the manorial system with them and impose it upon a country in which communal ownership prevailed; but that they found a system of a manorial character here, and that it dated from the period of Roman rule, and that finding it they adapted it to their own methods, customs, and requirements.

Be that as it may, Maitland tells us that: "So far back as we can see, the German village had a solid core of individualism"; and "to say the least, we have no proof that among the Germans the land was continuously tilled before it was owned by individuals, or by those small groups that constituted the households. ... To all appearance, so soon as the village was formed and had ploughed lands around it, the strips into which those fields were divided were owned in severalty by the householders of the village."[54]

Two things are clear. One is that there are no definite traces of free communities here, and the other is that there are unmistakable traces of what is afterwards called the manor, within 200 years after the English conquered the coimtry. That there was a large population which was not free is also certain. In the seventh century, when land

[53] "One very important result of the Roman occupation was undoubtedly its powerful influence in furthering private property and private appropriation of land."—Vinogradoff, *The Growth of the Manor*, p. 53.

[54] *Domesday Book and Beyond*, pp. 346-8.

was transferred by grants, the cultivators on the soil were transferred with it as a dependent population evidently in some form of serfdom. Numerous slaves also went with it.

No Substantial Evidence of Communal Ownership

The theory of the German "mark" which was assumed to mean a free community owning and cultivating its land in common, and which was further assumed to have been brought here by the Continental invaders who settled here and took possession of the country after the Romans left, has been shown to be based on a misconception. The "mark" did not mean the community, or the domain, or village, or manor. It meant a boundary, and usually the boundary of a private property. The truth is, as Professor Ashley puts it, that "early German law is throughout based on the assumption of private property in land, and not upon that of common ownership whether by a whole people or by a village group; and that whatever traces there may be of earlier conditions point to rights possessed by the family and not by any larger body."

"The history of the mark," says Professor Ashley, "has served Mr. Henry George as a basis for the contention that the common ownership of land is the only natural condition of things; to Sir Henry Maine it has suggested the precisely opposite conclusion, that the whole movement of civilisation has been from common owner-ship to private. Such arguments are alike worthless, if the mark never existed."

> We must never lose sight of the fact that history is based upon documents and not upon hypotheses or flights of the imagination. When M. de Laveleye says that "the English manor has destroyed the old village community" he makes an entirely hypothetical generalisation. To imagine the manorial lord of the Middle Ages as a warrior who has forcibly set himself over a community of free men is to show that one knows nothing of the documents from the fifth to the tenth centuries, and that one has an altogether childish idea of the origin of feudalism.[55]

Ownership of land in common by a family is an entirely different thing in principle and fact and results from ownership in common by all in a community or by a whole nation. Ownership by a family is

[55] Coulanges, p. 129.

co-proprietorship which is complete, absolute, and hereditary to the conclusion of all others. When it was undivided it was because the family was undivided. Legally it was in the hands of the head of the family. He was the real owner and he did what he liked with it, within the customs and usages of the community in which he lived.

Even if the evidence for anything like communal ownership in settled communities were more substantial than it is, and if there be any disposition to rest any argument against private ownership, and in support of the theory of the universal right of the whole human race to the land of the earth, on the distinction between communal or corporate ownership and individual ownership, it must be pointed out that if no man can justly appropriate any portion of the earth's surface without the sanction of all other men, because all those other men have an equal right to it, it follows that a group of men are equally debarred from monopolising and appropriating as their joint property any special area of land. "It is obvious that all the arguments against individual land ownership apply to corporate land-ownership. If the rights of A, B, and C are individually nil, you cannot make any more of your 0 by multiplying it by three."[56] If each member of the community is a usurper, if he occupies land as his own, the community of which they are members must also be a usurper if it occupies a particular portion of land as its own and to the exclusion of other similar communities.

It is also very necessary to distinguish between tenancy, occupation, and cultivation of land in common on the one hand, and ownership in common on the other. They are and were two entirely different things. Confusion of one with the other, and the assumption that common occupancy meant common ownership has led many writers on this subject into error.

In the English manors or townships the land belonged to an individual owner and not to the community. It was a private estate, and the group of peasants who cultivated it in common were the more or less servile tenants. The only thing about it that was collective was the cultivation. It has been made quite clear, as we show in another chapter, that the terms "common," "common wood," and similar phrases, which occur frequently in documents of the ninth and following centuries, refer to a customary right of use enjoyed by tenants

[56] Huxley, p. 84.

in common over land belonging to a lord; and that there is no evidence that the tenants were ever joint owners of the land over which they enjoyed such rights.

Early Traces of Private Estates and Servile Cultivators

The English evidence sustains the conclusion that very soon after the Conquest of Britain by the English, if not indeed before that, the manor was the prevailing type of social organisation. Under the Romans the masses of the people in conquered countries were held as slaves. Indeed, it is probable that when the Romans came here they found the greater part of the people in a condition of serfdom and slavery to the more powerful. Cæsar tells us that this was the condition in Gaul, and Professor Ashley reminds us that "when the unconquered tribes of Ireland and Wales come within the ken of history we find among them a Urge class of servile cultivators below the free tribesmen."

There is much that is far from clear in the early history of dependent and servile tenures and service in England. What does appear to be clear is that there were domains or estates, the property of chiefs or nobles, on which were various grades of occupiers, tenants, or serfs, some more or less free but bound to the soil, others undoubtedly slaves. The further research is carried the more probable does it appear that Mr. Seebohm's view was correct, that the lord of the manor, instead of being a late intruder, was from the first, so far as England was concerned, the owner of the soil and the lord of those who lived on it and cultivated it; that the development has been in the main and from the first an advance from servitude to freedom, and not an elevation after long centuries of increasing degradation.

The Welsh documents which give us information as to the conditions which prevailed in the early Celtic occupation of the country show that there were free and unfree tenants of the land, and that both were bound to perform certain duties and payments; showing quite clearly that there were ownership and tenancy and rent-paying there in the very earliest time of which we have anything like historic record.

The vague idea which is sometimes asserted as an ascertained fact, that any condition lower than absolute freedom was altogether exceptional in early England is a complete delusion. Professor Ashley says: "We can hardly turn over the old English laws without seeing

that this could not have been the case. Not only are there frequent references to slaves, but manumission occupies as prominent a position as in the Continental codes, was accomplished by ceremonies of a similar character, and brought with it the same consequence in the abiding subjection of the freedman to his former master. As on the Continent also, the Church interfered for the slave's protection, and endeavoured to secure for him a property in the fruits of his labour."

Theoretically, no doubt, collective ownership of land and its subsequent development successfully and in the best interests of the community is possible. Practically, it has never been done on anything approaching a considerable, still less a national, scale.

Modern Experience

Even in those vast portions of the earth which have been taken possession of and colonised by Europeans during the last century and a half, and especially during the last half or three-quarters of a century, no attempt has been made to retain possession of the land for the community as a whole. This has not been because the doctrines that land belongs to the human race as a whole; that all have an equal right to it; that it is as indefensible to part with it and give individuals exclusive rights over it as it would be to sell the right to let out for use light and air,—it has not been because these doctrines have not been industriously and persistently proclaimed. They have not been adopted and acted upon because in every case the people in those countries where effect might have been given to these principles have invariably found, when faced with the realities of the position and the problems they had to solve, that the path of progress, of general well-being, as well as of common sense and general convenience, lay in adopting and continuing the system of individual ownership of land which unbroken experience of the world has shown to be the real basis of a civilized community.

All the new countries of the world which have had exceptional opportunities for putting these ideals and theories into practice have not only refused to touch them, but have gone to the other extreme. They have not only sanctioned individual ownership of land: they have given it away. Indeed they have gone further and paid people, by subsidising their passages, to go out and occupy it. They have spent large sums in appointing agents and maintaining offices and

representatives, and circulating literature in order to persuade people to go out and take their land from them as a gift.

It is altogether beside the mark to talk about the ownership of land being conferred by landlord parliaments. As a matter of fact it was not. It existed long before parliaments. Indeed, it is obvious that there could not be land-owning parliaments or land-owning authorities of any kind until there existed land-owners and private ownership. In the vast territories in America, Australia, and Africa which have been newly settled during the last century and a half, private ownership of land has been established under the most democratic auspices the world has ever known.

NOTES

The conditions which prevailed in Babylonia with regard to the personal status of the people and the ownership and tenure of land and houses were in many important particulars similar to those which existed in England two thousand years or more later. Slavery and serfdom was part of the foundation upon which Babylonian society rested. In times of famine and stress men would sell themselves to pay a debt or obtain subsistence. The slave was always fed and clothed: the free labourer could at times get neither food nor clothing.

There were various kinds of agricultural tenure. Sometimes the tenant farmed the land, found implements, seed, and manure, and paid the landlord half the produce. Sometimes the owner found implements, oxen, and seeds, and the tenant received an agreed percentage of the profits. The most common form of tenure, however, seems to have been that in which a third of the produce went to the land-owner. In those cases, according to the terms of the lease, the tenant kept the farm-buildings in repair, and even erected them if necessary. The labourers were partly slaves and partly freemen who hired themselves out at so much a month.

House property was valuable, especially if it included shops. Records of leases and agreements for letting houses are numerous. The tenant usually undertook the repair and maintenance of the premises. Most of the houses were inhabited by single families; but there were tenements or flats also.

The value of land depended on the amount of grain that could be grown upon it, and in the early days of Babylonia the owner was paid

in grain by the tenant or purchaser. Later a metal currency became general, and in course of time rent was rarely paid in kind. Nearly 5000 years before the Domesday survey of William the Conqueror a cadastral survey of Babylonia was made to ascertain the valuation and ownership of the land and property for purposes of taxation. See Babylonians and Assyrians (The Semitic Series), by Professor A. H. Sayce.

"In European Russia village communities did not exist in the olden time; they originated and developed only out of private property, and since the sixteenth and seventeenth centuries."—Ian St. Lewinski, in *The Origin of Property and the Formation of the Village Community*.

Part II
Economic Progress and the Ownership and Value of Land

"Nothing can be clearer than the proposition that the failure of wages to increase with increasing productive power is due to the increase of rent."

"Unpleasant as it may be to admit it, it is at last becoming evident that the enormous increase in productive power which has marked the present century and is still going on with accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil"—Henry George.

"It is an instructive fact as to the power of abstract fallacies over the human mind, that the glaring disparities between many of the most notorious facts of life, and these theoretical conclusions, should not have awakened the illogical dreamer to suspect, and to detect, the verbal fallacies on which alone his theory reposes."—Duke of Argyl.

"There is need to guard against the temptation to overstate the economic evils of our own age, and to ignore the existence of similar and worse evils in earlier ages. … The pessimistic descriptions of our own age, combined with romantic exaggerations of the happiness of past ages, must tend to the setting aside of methods of progress, the work of which, if slow, is yet solid; and to the hasty adoption of others of greater promise, but which resemble the potent medicines of the charlatan, and while quickly effecting a little good, sow the seeds of widespread and lasting decay."—Prof. Alfred Marshall.

Chapter I
The National Income and How It Is Distributed

Does Material Progress benefit the Masses of the People?

A STATEMENT which is very commonly made by propagandists who are of opinion that the whole social fabric of the present age is constructed on a wrong basis, is that under modem conditions the rich are growing richer and the poor are growing poorer, and that this must continue and become more and more accentuated, unless and until the particular fundamental change which they advocate is made. Some of them make this assertion the foundation of an attack upon what they describe as "capitalism." Others make it the starting-point of a crusade against land-owners and the private ownership of land.

Henry George tells us that:

> Land being necessary to labour, and being reduced to private ownership, every increase in the productive power of labour but increases rent—the price that labour must pay for the opportunity to utilise its powers; and thus all the advantages gained by the march of progress go to the owners of land, and wages do not increase.[57]
>
> Wages tend constantly to fall, the rich to become very much richer, the poor to become more helpless and hopeless, and the middle class to be swept away.[58]
>
> The ultimate effect of labour-saving inventions, and of all improved processes and discoveries, is to enable land-owners to demand and labour to pay more for the use of land. … The wages of labour do not increase; on the contrary, if there is any margin for possible reductions they may be absolutely reduced.[59]
>
> The enormous increase in productive power … has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. It simply widens the gulf between Dives and Lazarus.[60]

Karl Marx says:

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[57] Progress and Poverty, p. 200.
[58] Ibid. p. 376.
[59] Social Problems, p. 186.
[60] Progress and Poverty, p. 5.

> The poor have been growing and must continue to grow poorer—the rich have been growing and must continue to grow at once fewer and richer; whilst persons of medium income have been constantly decreasing in number, and must ultimately become extinct.

These and similar statements are constantly repeated by Socialists and others. Speaking in the House of Commons,[61] Mr. Philip Snowden, M.P., said:

> The working people are getting poorer. The rich are getting richer." And again, "The rich are getting richer every day. They are getting enormously rich. They are getting shamefully rich. They are getting dangerously rich."

Mr. Harold Storey, writing in 1913, said:

> "Rent is a maximum charge upon the production of wealth. The amount of it depends upon what people have left when they have met the other necessary costs of life at the accepted standard. The land-owner gets all the surplus." And "Once labour and capital have received the minimum that will suffice to keep them afloat, there is no limit to the amount that land can appropriate—except the limit of the wealth produced. It takes all the rest, however much that may be."[62]

On the other hand, Mr. F. W. Hirst, editor of the Economist, in his edition (1912) of Porter's Progress of the Nation, says:

> It is still true, as Sir Robert Giffen said in 1883: "The rich have become more numerous, but not richer individually: the poor are to some smaller extent fewer, and those who remain 'poor' are, individually, twice as well off on the average as they were fifty years ago. The poor have thus had almost all the benefit of the great material advance of the last fifty years."[63]

Professor Alfred Marshall says:

> It is doubtful whether the aggregate of the riches of the very rich are as large a part of the total national wealth, even in the United States or in England, now as they have been in some earlier

[61] December 13, 1911.
[62] *Economics of Land Value*, pp. 40, 41.
[63] P. 167.

phases of civilisation. The diffusion of knowledge, the improvement of education, the growth of prudent habits among the masses of the people, and the opportunities which the new methods of business offer for the safe investment of small capitals: all these forces are telling on the side of the poorer classes as a whole relatively to the richer. The returns of the income tax and the house tax, the statistics of consumption of commodities, the records of salaries paid to the higher and the lower ranks of servants of Government and public companies, tend in the same direction, and indicate that middleclass incomes are increasing faster than those of the rich; that the earnings of artisans are increasing faster than those of the professional classes, and that the wages of healthy and vigorous unskilled labourers are increasing faster even than those of the average artisan.[64]

Mr. W. H. Mallock says:

> The overwhelming majority of the inhabitants of this country, instead of growing ever poorer and poorer under existing industrial conditions, have been exhibiting a steady advance in respect of the means of subsistence and of comfort, which a hundred years ago would have been beyond the dreams of the wildest Utopians, and which is without a parallel in the past history of the world.[65]

What we want to know is, which of these two types of diametrically opposed assertions is correct; or if neither of them is an accurate statement of the facts of the case, what is the truth of the matter?

The National Income

The Final Report of the First Census of Production of the United Kingdom (1907) provides us, for the first time, with a large amount of extremely valuable information with regard to the output and production of this country, which renders it possible to form more detailed and accurate estimates of the income and capital of the nation than was practicable before this information had been obtained and published. It is exceedingly satisfactory to find that this great mass of entirely new official information, and the estimates which the very

[64] *Principles of Economics,* p. 687.

[65] *Statistical Monographs*, No. 6, March 1911, p. 4

able director of the census, Mr. A. W. Flux, has been able to base upon it, do, to a very large extent, broadly confirm the estimates which the leading statistical authorities amongst us had from time to time made of the income and capital of the country. Their estimates were based upon such information as was available at the time they were made. The detailed statistical material which this census supplies enables us to approach the estimation of the nation's income and capital in an entirely different way, and from an entirely different point of view from that which was possible before. It is, therefore, the more remarkable that estimates which have been built up by entirely different processes, in which altogether different material was used, should produce substantially similar results. That the results are substantially similar not only tends to confirm their broad and general accuracy, but also enables us to use the previous estimates for purposes of comparison with a degree of confidence which would have been impossible had the more recent estimates, which were made on the same general lines as the previous ones, been shown to be fallacious and unreliable.

The Director of the Census of Production estimates that for the year 1907 the total income of the United Kingdom was somewhere between £1,918,000,000 and £2,158,000,000, and suggests that the amount may be put approximately at about £2,000,000,000. It would occupy too much space and take us too far from our immediate purpose, if we were to yield to the temptation to analyse and discuss in detail the very elaborate and extremely instructive and interesting tables and comments thereon, which are comprised in this voluminous Report. We can only commend a study of it to those who are interested in the subject. They will speedily be convinced that the main conclusions therein arrived at are very far from being rash guesses, and that the claim made for them that they "are believed to lie within a range from which gross inaccuracy is excluded," is quite justified. For our purpose the most valuable figures are those which give the estimated income of the United Kingdom. They provide us with a basis and starting-point for the calculations and conclusions which here follow.

The figures of the Report are summarised thus:

	Million £.
Goods consumed or exchanged for services by classes engaged in production and distribution	1248 to 1408

Qoods consumed or exchanged for services by classes engaged in supplying services	350 to 400
Savings and investments of all classes	320 to 350
Total . .	1918 to 2158
Middle figure	£ 2038

How It Is Divided

Incomes exceeding £160 a yea/t

This middle figure of £2,038,000,000 represented what I shall take to be, in what follows, the estimated total net income of all the people in the United Kingdom in the year 1907. It will be interesting to endeavour to ascertain how it was divided. The Annual Report of the Commissioners of Inland Revenue is a mine of information with regard to incomes assessed for Income Tax. From it we learn that the gross income of all kinds, brought under the review of the department in the year 1907-8 (which will best represent the year 1907) was £980,117,000. This represented the gross income of those who were supposed to have an income exceeding £160 a year. This is not the amount on which tax is paid. The Inland Revenue officials throw their net over a wide area, and at the first cast of it they get into its meshes a considerable amount of income which they have to release later. That is to say, the gross amount of income which they review is liable to deductions. For the year in question those deductions amounted to £308,804,000, leaving the net amount of income on which tax was received at £671,313,000.

These deductions are of two kinds. One class consists of (1) income belonging to persons who are not liable to tax because their total income does not exceed £160 a year; (2) income which has been over-assessed or included in error; (3) allowances for cost of repairs of property and wear and tear of machinery and plant; and (4) income of charities, hospitals, friendly societies, and municipal bodies, which are exempt from the tax. The other classes of deductions consist of (1) abatements or allowances which are made on a graduated scale on the smaller of the taxable incomes; (2) allowances in respect of insurance premiums; and (3) income on which the tax has not been recovered.

The amount of the first group of these deductions must be deducted in order to ascertain the net amount of the income of those who are liable to income tax. The second group gives the allowances in reduction of tax which are made, mainly in favour of small incomes, by reducing the amount of the income on which tax is charged. Included in this group are also what may be termed the "bad debts" of the department.

It has been necessary to mention and briefly describe these deductions in order that it may be seen that they have not been overlooked. We need not, however, further refer to those which are abatements and allowances made for the purpose of graduating or otherwise relieving the burden of the tax in certain quarters, because they are not deductions which we can make when we are endeavouring to ascertain the amount of the actual income, and not how much of that actual income is or should be taxed.

The deductions allowed by the Department which we must make from the gross amount of income which came under the review of the Inland Revenue Commissioners, in order to ascertain the real or net income of the United Kingdom which was received in the year 1907, by persons whose total income exceeded £160 a year, are as follows:—

Exemptions in respect of incomes not exceeding £160 a year	£57,200,000
Repairs—lands and houses	39,522,000
Wear and tear of machinery and plant	20,000,000
Empty premises, over-assessments, adjusted on appeal or otherwise .	52,603,213
	£169,225,213

We now get the net amount of the income of persons, etc., whose income exceeds £160 a year, thus:

Gross amount of income reviewed by the Commissioners	£980,117,000
Deductions as above	160,226,213
	£810,891,787

In order to arrive at the amount which persons with incomes exceeding £160 a year receive, we must also deduct the sums which are included in the gross figures for the incomes of Charities, Hospitals,

Friendly Societies, and Municipal bodies.[66] For the year 1907 the amounts of income under these heads which were included in the gross income reviewed for tax were:

Charities, Hospitals, and Friendly Societies, etc.	£11,678,787
Local authorities	20,246,586
	£31,825,373

After making this further deduction of £31,826,373 from the sum of £810,891,787 already arrived at, we get a net amount of £779,066,414 as the income of individuals in 1907, whose income exceeded £160 a year and was reviewed by the Inland Revenue Commissioners.

It may be said that some addition should be made to this figure for income which escapes assessment either through under-assessment or evasion. On the other hand, it is alleged that many people pay on a larger income than they really receive. It is unquestionable that, in the assessments, an insufficient allowance is made for depreciation of premises, machinery and plant, and that what is really return of capital is assessed as income in such cases as lease-hold investments and annuities which have been purchased. A further consideration is that, as was pointed out by Sir H. Primrose to the Committee on the Income Tax in 1906, there is a large amount of income, such as the property of clubs, institutions, and special trusts, which is assessed and taxed but is not distributed to individuals as income. These two groups of income—one consisting of income which is under-assessed or not assessed at all, and the other of return or replacement of capital which is assessed as income, and of income that is assessed but is not the income of individuals, might probably quite fairly be set off against each other. So far as it is possible to estimate them, I am disposed to think that they do about balance. We might, therefore, ignore them; but in order that we may err on the safe side, if we err at all, I propose to add about £21,000,000 to the total net income tax, income at which we have arrived, to allow for such income as may escape assessment in excess of the amounts which are over-assessed or are not the incomes of individuals, as explained above.

[66] Of course, the income of these bodies which comes under the review of the Inland Revenue Authorities does not include subscriptions, Friendly Society contributions, or local rates.

This will give us the sum of £800,000,000 as the income of individuals whose income exceeds £160 a year.

Reverting to our original figure of the total income of the United Kingdom for 1907, as given in the Report of the Census of Production as £2,038,000,000, we now get the following division of that income:

Total income of the United Kingdom .	£2,038,000,000
Income of individuals whose income exceeded £160	800,000,000
Remainder	£1,238,000,000

If we deduct from this remainder the amount of the income of Charities, Hospitals, and Friendly Societies, together with the income of Local Authorities, as shown above, amounting in all to £3l,825,373— say £32,000,000— that remainder will be reduced to £1,206,000,000, and this is the portion of the total national income of £2,038,000,000 a year which was received by those whose incomes are £160 a year or less. Strictly we probably ought to include in this income that portion of the income of Friendly Societies, etc., which comes under the review of the Inland Revenue Authorities and has been deducted above. It may also perhaps be contended that the income of Charities and Hospitals goes to benefit the poorer members of the community practically entirely, and should also be allotted to them. On the whole, however, we think it best to treat the whole of the £31,825,373—say £32,000,000—as a separate item which need not be allocated to any particular group.

Incomes of £160 and less

All those whose incomes do not exceed £160 a year are not working people in the ordinary acceptation of that much misused term: that is to say, they are not manual workers. They are, however, either manual workers or people who have working-class incomes, and the vast majority of them are persons who are either now working for their livelihood or are elderly people who have in the past been workers.

Several attempts have been made to separate this section of the Community into two groups—those who are manual workers and those who are not manual workers, and are sometimes described as the lower middle-class—small trades-people, clerks, and other salaried persons, and people of independent means—and to estimate the

total income of each of the two groups. For the purpose for which this book is written, it is not really necessary that those who have incomes not exceeding £160 a year should be divided into groups, and have the precise income of each group estimated. To divide the nation into those who have incomes above £160 and those whose income is £160 or less, would be sufficient for our purpose. It is, however, of some interest to note that the investigations of those who have devoted attention to this subject point to the conclusion that the income of those who are below the £160 limit but are not manual workers was about £325,000,000 a year;[67] from which, according to the figures given above, it follows that the income of those below the £160 limit who are manual workers was about £881,000,000.

The national income in 1907 would thus appear to be divided somewhat as follows:

Incomes exceeding £160 a year	£800,000,000
Incomes not exceeding £160—	
Intermediate class not manual workers	325,000,000
Wage-earners	881,000,000
Income of charities, hospitals, friendly societies and local authorities	32,000,000
	£2,038,000,000

When we are comparing the proportions of the national wealth which go to the two or three great classes into which we have divided the people, there are some farther considerations which must not be overlooked. One is that of this total income of £2,038,000,000 something like £240,000,000, say £238,000,000, represented interest on capital invested out of the country and earnings of companies, firms, and individuals in other parts of the world. That income was not in any sense earned by work-people or employees of any kind here. When, therefore, we are considering what portion of the income of the people of this country goes to this or that class, we ought to confine ourselves to that income which is produced in this country. If we do that we shall see that the income produced here in 1907 was not £2,038,000,000 but £1,800,000,000, and that of that sum £1,200,000,000, or two-thirds, went to persons whose total income did not exceed £160 a year.

[67] See p. 65 for figures two years later.

The second consideration is that a considerable portion of the increase in the income which has gone to the income-tax-paying classes during the last 26 or 60 years has been an ordinary return of interest on the enormous increase in capital which has been invested by them in houses and business premises, machinery and plant, railways and numerous other undertakings during that time.

The third consideration is that a large number of those who are now in the income-tax-paying classes commenced their lives as working people, and have made their way upward in the social scale as the result of their efforts and ability. Their reward and success is really part of the reward and success which people of the working class have secured. It is not fair to take out of the class those who have won prizes and then say that the class does not get its share of prizes.

These three points are all important, and might with advantage be elaborated and discussed. I must, however, content myself with merely mentioning them, so that they may be borne in mind.

Same Comparisons with the Past

It will now be useful and interesting to tabulate the more important of the estimates of the income of the country, and the proportions in which it was shared by various classes, which have been made by statistical authorities from time to time.

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1 Revised estimate in 1913 before Report of Census of Production was published.

2 Including £32,000,000 income of Charities, Friendly Societies, and Local Authorities, which is excluded from the subdivisions into which the total income is afterwards divided.

Recent Previous Estimates

The great value of the Census of Production with regard to its bearing on the question we are considering is that it provides us with material for ascertaining and gives us an official estimate of the total income of the whole nation from all sources, based on entirely new information which has been supplied in returns officially obtained from practically every producer in the country. The only persons from whom returns were not obtained were extremely small people, the enormous majority of whom were workers on their own account.

The net value of the output of these workers is estimated and included in the total.

We thus get a far more reliable figure representing the total income of the nation than has been available before, and if we take that as our starting-point, we are on fairly firm ground. The figures supplied by the annual reports of the Inland Revenue Commissioners, supplemented by explanations and estimates which officials of the department gave before the House of Commons Committee on the Income Tax which sat in 1906, do not leave much scope for manipulation and difference of opinion as to the total amount of income which is received by persons whose income exceeds £160 a year. When we get that figure a simple sum in subtraction supplies us with the total income of those whose incomes are £160 or less.

Nevertheless, able statisticians who approach these returns with strong preconceived opinions are apt to strain the facts in their own favour. Two illustrations of this may be given because it will afford an opportunity of explaining the difference between the figures here arrived at and those of some other recent estimates.

Mr. Chiozza Money and Mr. W. H. Mallock have, in recent years, dealt fully and frequently with this question of the nation's income and its division amongst the various classes of which our population consists. They approach the question from precisely opposite points of view; and the very different conclusion which each of them derives from the same facts and figures, indicates how opinions influence judgment.

For instance, Mr. Money estimates that in the year 1907-8 the net income of persons whose income exceeds £160 was £909,000,000. Mr. Mallock on the other hand, using the same returns, arrives at £672,000,000 as the correct amount.

Mr. Money expands his figures by adding 85 millions to the Inland Revenue returns as his estimate of under-assessment and profits which escape tax, while he omits to set off against this amount the over-assessments the tax on which is not recovered by those who pay it, the insufficient allowance for depreciation, the inclusion of replaced capital as income, and the income of Charities, Hospitals, Local Authorities, Institutions, Public Trusts, etc., which are not incomes of individuals.

Mr. Mallock cuts down his figures by deducting for repairs and renewals of all kinds the sum of £165,000,000, whereas the sum shown under these heads in the Inland Revenue returns is £58,500,000. A very large proportion of the difference between these amounts had been included in the accounts of the various individuals, firms, and companies before the gross amount of their income, which came under the review of the Commissioners, had been arrived at. The balance may very well be set off against under-assessment, etc., which Mr. Money adds, and Mr. Mallock does not.[68]

It is not unusual for the errors and exaggerations on opposite sides to so nearly counteract and balance each other that the truth lies almost exactly midway between the two. It appears to be so in this instance. The mean of the two widely different amounts arrived at by Mr. Money and Mr. Mallock in their estimates of incomes exceeding £160 in 1907 is £790,000,000. The figure at which I have arrived, as shown in the preceding pages, is £800,000,000.

As the result of the publication of the complete returns of the Census of Production, Messrs. Money and Bowley now have to deal with a total income for 1907 at least £200,000,000 larger than they estimated, and as they had already stretched the amount which they put down to incomes exceeding £160 beyond what seem to be legitimate limits, it is difficult to see how they can avoid adding the extra £200,000,000 to their estimate of the income of those whose incomes do not exceed £160. If they do that their figures will approximate much more closely to those at which I have arrived.[69]

That Mr. Bowley and Mr. Money estimated the amount paid in wages much too low when they fixed it at £700,000,000 for 1907, is

[68] Mr. Money adds the items which will increase the amount of his estimate of the Income Tax paying classes and omits to deduct the items which would counterbalance the addition. Mr. Mallock reverses that procedure and deducts a very large amount which ought not to be deducted, while he omits additions which might be made.

[69] In the Economic Journal for March 1913, Prof. Bowley gave a revision of his 1910 estimate for 1907. He added £100,000,000 to the income of the intermediate class—below £160 and not manual workers— as the result of the inquiries of the Committee of the Britisj Association of which he was a member. He also increased his estimate of, the income of manual workers by £40,000,000. This was before the Report of the Census of Production had appeared. That Report suggests the necessity for a further addition.

indicated by the fact that Mr. Bowley himself estimated the amount at £705,000,000 in 1901. Six years of growing population and improving trade would make a great difference. In 1903 the Board of Trade estimated the then wages bill at between £700,000,000 and £760,000,000, according to the state of employment, and, as we have just stated, the Census of Production discloses the fact that a much larger total income than was then anticipated has to be accounted for. As the income of the income-tax-paying classes is now pretty thoroughly investigated and ascertained by the Inland Revenue Authorities as the result of long and widespread experience and very complete organisation, it is practically certain that it is the income of the non-income-tax-paying classes which has been under-estimated, and that the figures at which I have arrived do not leave room for serious error.

A special Committee of Statisticians and Economists appointed by the British Association to investigate the amount of the income of the people, other than wages, below the Income Tax exemption limit reported[70] in the autumn of 1910. They arrived at the conclusion that in 1909 this intermediate group contained 4,000,000 to 4,100,000 persons whose aggregate income from all sources was between £300,000,000 and £370,000,000 a year, and they thought the most probable estimate for that year was £335,000,000.

This estimate indicated that, allowing for the difference in date, Mr. Bowley's estimate of the income of this class in the year 1907 at £220,000,000 and Mr. Money's for the same year, at £232,000,000, required increasing by about 50 per cent.

Movements in the Distribution of Income during the Last Century

Reliable, detailed, and complete estimates of the income of the nation at the beginning of last century are not available: but there is a good deal of partial and varied information in existence upon which an approximation to the broad facts of the position at that time, may be based. Sir Robert Giffen thought that the total income in 1783 could not exceed £200,000,000. Mulhall publishes an estimate of the income in 1800 which places the total income at £230,000,000, of which £78,000,000 is estimated to be the income of the wage-earning classes. Another estimate in 1805 gave the total income as

[70] *Journal of the Statistical Society*, Dec. 1910.

£250,000,000. The income-tax schedules for 1803 gave a total income for Great Britain above £60 a year, which was then the limit of exemption, of £115,351,000. Calculations based on the known rates of wages at that time indicate that the income of those who had less than £60 a year would be about £75,000,000. This would give a total income of £190,000,000 for Great Britain. If we add one-fifth to this for Ireland we get a total of nearly £230,000,000. If, to be on the safe side, we make allowance for under-assessment and under-estimates, and place the total income for the United Kingdom in 1800 at £250,000,000, of which we take £120,000,000 to be incomes above, and £130,000,000 to be incomes below, £160 a year, we shall probably not be far from the mark.

From Sir Robert Giffen's figures for 1835-40 onward, we have a number of more complete estimates from which we may select the following for representative periods:

	Total Income	Above tax Exemption limit	Below tax Exemption limit	Divided into Inter-mediate class	Wage earning class	Population
1800	250	120	130	…	…	15,8
1835-40	515	250	265	94	171	20,9
1851	646	272	374	132	242	27,4
1867	961	423	538	120	418	…
1883	1270	602	668	118	550	35,4
1907	2038 *1	900	1206	325	881	43,7

*1: £32,000,000 income of Charities, Friendly Societies, and Local Authorities is included into the total, but is not included in any of the subdivisions.

We can now test the accuracy of the statement that the rich are growing richer and the poor are growing poorer.

Comparing 1835-40 with 1907 the increase in the total income of the nation was 295 per cent. The increase in the incomes not exceeding £160 was 355 per cent. Comparing 1883 with 1907 the increase in the total income was 60½ per cent, the increase in incomes of £160 and less was 80½ per cent.

The incomes of £160 and less increased at a far greater rate than did those above £160. Between 1840 and 1907 the larger incomes increased 220 per cent, the smaller ones increased 355 per cent. Between 1883 and 1907 the larger incomes increased 33 per cent, the smaller ones increased 80½ per cent.

In 1835-40 the incomes of £160 and less were as much in total amount as the income of the whole nation was in 1800.

In 1867 these smaller incomes were as much as the total income in 1836-40.

In 1883 these smaller incomes were more than the total income m 1867.

In 1907 the smaller incomes were as much as the total income in 1881.

Between 1841 and 1907 the total population increased 109 per cent, the incomes below £160 increased 355 per cent.

Between 1883 and 1907 the population increased 23 per cent, the smaller incomes increased 80 per cent.

The incomes of the people with £160 a year or less increased at a vastly greater rate than the population did: which, of course, is only another way of saying that the income per head of that part of the population increased very considerably.

Another way of illustrating the meaning of these figures is to state them in the form of the average income per head and per family. We are not able to give the number of persons whose incomes were respectively above and below £160. We can, however, exclude altogether the income of those who have more than £160 a year, and divide the income of those who have £160 or less amongst the whole of the population. The average amount this will show per head and per family will, of course, be much less than the actual average income per head and per family received by those who have £160 or less, because by this calculation we are spreading the income of the smaller people over a larger number of persons than actually receive it. The real position is, therefore, much better than the one these figures disclose. Though much understating the position, they are of value because they indicate the nature and the proportions of the progress that has been made.

The following table, therefore, shows the average amount per person and per family which the total income which was received by those whose incomes were £160 or less would have given if it had been divided amongst the whole population instead of being limited to those who really did receive it:

Year.	Per Head.	Per Family
1800	£8 4 0	£36 18 0

1840	£12 13 0	£66 18 0
1883	£18 17 0	£84 16 0
1907	£27 12 0	£124 4 0

(For the purposes of this calculation, the average family throughout has been taken to consist of 4½ persons.)

Chapter II
The Trend of Wages

In the discussion upon which we are now engaged, we are not concerned with the movement of wages and incomes or the lack of such movement during short periods. We are looking at broad general tendencies and results and not at temporary and intermediate fluctuations. What we desire to know is—has the great increase in the wealth of this country, which has taken place in the last 100 or 125 years, gone almost exclusively to the rich or to the poor or to the middle class, or has it been pretty generally spread over all classes, and if any class has had a larger proportionate share than the others, which class is it that has had this advantage? Nor are we concerned just now to discuss the equity of the distribution of the wealth which has been created. Our object, first and foremost, is to ascertain the facts; to learn and state, as far as possible, precisely what has taken place.

We have seen that an examination of the information available with regard to the income of the nation as a whole, and that portion of it which is received by persons who have more than £160 a year, shows that the income of persons who have less than £160 a year has not only increased very much during every quarter of the last three-quarters of a century, but has also increased at a greater rate than the population, and at a greater rate than the incomes of those who have more than £160 a year. What we desire to know now is—does the other information which we possess with regard to the position and condition of the great mass of the people sustain and confirm or throw doubt upon or disprove this conclusion?

The fact that wages have increased very much during the last 60 or 70 years is notorious, and the evidence for it is overwhelming. The movement has, however, varied much. In some trades it has been much greater than in others. The particulars which follow relate to England and Wales unless otherwise stated.

A criticism which is sometimes made of comparisons which show the increases in wages during the last 60 or 70 years is, that we are taking as a starting-point a period of extreme depression and distress—"the hungry 'forties." It is true that the period from 1790 to 1860 was abnormal. The French wars and the resulting heavy tax-

ation and the bad harvests during the first thirty years or more of that period produced conditions of stress and poverty which it took another thirty years to recover from. During the greater part of that period everything was so abnormal that the statistics of it are of little value for comparative purposes; and most of those which I give begin when the clouds were lifting and better times were dawning. It is true, therefore, that the comparison of present conditions is made with times that were bad. It is also the fact, however, that bad though things were in the 'forties, they were better than they were in the 'twenties; and if the comparison be carried further back it will be found that such information as we have shows that as compared with the period, say 1760 to 1790, the conditions in 1860, where most of our comparisons begin, shows a great improvement. Mr. Bowley*1 thinks that wages generally increased from 60 per cent to 100 per cent between 1780 and the battle of Waterloo.*2 After that there was more or less stagnation, with times of severe depression, for forty years. Then an upward torn came, and it has been permanent and largely continuous. Mr. Bowley*3 thinks that the following index numbers—taking 1890-99 as 100—vindicate the movement of money wages generally between 1780 and 1900:

1780-90	40
1790-1800	45 to 50
1800-10	55 to 65
1810-20	65 to 70
1820-30	65
1830-40	60
1840-60	60
1850-60	65
1860-70	75
1870-80	95
1880-90	90
1890-99	100

From the point of view of the immediate purpose for which I have collated the facts and figures which follow, the criticism to which I have just referred is irrelevant. The statement, the truth of which I am investigating, is that material prosperity does not increase wages, does not benefit the working classes, but only increases the value of land and adds to the wealth of land-owners; that the rich become richer and the poor become poorer. The thirty years from 1815 to 1845 were a bad time for everybody. Land-owners, farmers, agricul-

tural labourers, and the people of the industrial manufacturing districts all suffered severely. But taking it as a whole the period from 1850 to the present time has been one of great material progress and prosperity. That is the time then during which we can test the accuracy of the statements which are under consideration. Is it or is it not the fact that during that period material prosperity has only increased the wealth of the land-owners, and that the working classes have, as the result of it, become actually or relatively poorer?

Wages of Agricultural Labourers

Of the great industries agricultural wages are the lowest, and over the century probably show the least improvement. Agricultural produce reached high prices during the great French war, and wages rose rapidly from 7s. 6d. per week in 1767-89 to 12s. 9d. in 1811-15—70 per cent in 21 years. After that prices fell heavily, labour was plentiful and distress and disturbance prevailed very widely. The lowest point was touched about 1822 when wages fell to 7s. 6d. The conditions were intolerable, and poverty, pauperism, and poor rates increased in every direction. As the country gradually recovered from the cost and drain of the great war and manufacturing industries increased, the demand for labour grew and agricultural wages slowly rose again. The following were the average rates:—

1834	9s. 4d.	1892	13s. 5d.
1837	10s. 4d.	1898	14s. 5d.
1860	11s. 7d.	1902	14s. 8d.
1867-71	12s. 3d.	1908	15s.

These wages do not include such allowances as garden, cheap cottage, etc. The Board of Trade, which made extensive investigations and published elaborate reports, estimated that if allowances for cottage, garden, etc. were included, the average agricultural wages in 1902 would be in England 18s. 4d., Wales 18s., Scotland 19s. 7d., and Ireland 11s. 3d. per week.

It is sometimes said that agricultural wages are less now in proportion to the necessaries of life than they were in the fifteenth century, and that the position of labourers is worse now than it was in the time of Henry VII. In the first place it must be remembered that for a century or more after the population had been decimated by the Black Death, conditions were special owing to the scarcity of labourers, and that a comparison with that abnormal period is somewhat mis-

leading. In the second place these comparisons are based on Thorold Rogers's very valuable researches, and in some respects his estimates and conclusions from the facts which he published are open to criticism and qualification. If wages be measured by the labour value of wheat—that is by the amount of wheat that the pay for a day's labour would purchase—there has been an improvement since Henry VII.'s time. Professor Alfred Marshall says:

> It would appear that agricultural wages have been generally below a peck of wheat a day; but that in the first half of the eighteenth century they were about a peck, in the fifteenth century a peck and a half, or perhaps a little more, while now [1907] they are two or three pecks. Professor Rogers's estimates for the middle ages are higher; but he seems to have taken the wages of the more favoured part of the population as representative of the whole. In the middle ages, even after a fairly good harvest, the wheat was of a lower quality than the ordinary wheat of to-day; while after a bad harvest much of it was so musty that nowadays it would not be eaten at all; and the wheat seldom became bread without paying a high monopoly charge to the mill belonging to the lord of the manor.[71]

In the generation preceding the Revolution agricultural wages were generally 4s. a week and in some districts 6s. The wages of men in the staple manufactures was 6s. a day. Gregory King estimated that half the working people had animal food twice a week, and a half of them not oftener than once a week. King and Davenant thought that nearly one-fourth of the population was in receipt of poor relief.

Pepys tells us that in 1663—two years before the plague—at the Lord Mayor's Banquet in the Guildhall in the City of London, only the Lords of the Privy Council and those at the Lord Mayor's table had knives. The other guests had neither knives nor napkins.

They drank out of earthen pitchers, and had wooden dishes, and there was no change of trenchers.

Sir John Caird said that in 1878 as compared with the time of Queen Elizabeth wages had increased sixfold, while the price of bread had only doubled. In 1770 the farm labourer's wages were 1s. 2d. a day, and the price of wheat was 46s. a quarter. In 1878 wages

[71] *Principles of Economics,* p. 676.

were 60 per cent higher than in 1770 and wheat was the same price. "In other words, the labourer's earning power in procuring the staff of life cost him five day's work to pay for a bushel of wheat in 1770, four days in 1840, and two and a half days in 1870."[72]

These figures are confirmed by the following, which Mr. Bowley gives for Sussex,[73] in which he translates the labourer's weekly wage into pecks of wheat at the market price of the year:

	Wages	Pecks of Wheat Purchaseable
	s. d.	
1770	8 6	6-7
1793	9 6	60
1796	10 6	4-6
1813	13 0	4-0
1821	9 0	6-0
1822	8 0	6-6
1824	9 6	4-7
1827	10 0	6-4
1830	11 0	6-6
1831	12 0	6-8
1833	10 0	60
1834	10 0	7-0
1836	10 0	6-6
1840	10 0	4-8
1851	10 6	9-0
1860	11 7	7-0
1870	12 2	8-3
1872	13 4	7-3
1880	13 6	100
1886	13 6	130
1887	12 0	12-0
1892	12 0	12-7

This table emphasises the badness of the times from 1795 to 1840. Miserable wages and high prices created starvation conditions. After that there was some improvement; but there will have to be a considerable advance in many districts before the conditions can be contemplated with any approach to satisfaction.

Professor Leone Levi in 1886 said that in 1831 a single hind in Northumberland got 11s. a week; in 1880 he got 18s. a week.[74]

[72] *The Landed Interest*, p. 66.
[73] *Wages in the Nineteenth Century*, p. 40.
[74] *Income of the Working Classes*, p. 10.

The late Mr. Wilson Fox, in summarising the results of the most prolonged and painstaking official investigation that was probably ever made in this country into the wages and conditions of life of the agricultural labourers, and comparing the position in 1903 with 1850, said that in 1903 their wages were higher and their employment more regular. They were better off than when they had the assistance of their wives and children, and had to sacrifice the comfort of their homes and the education and prospects of their children. The necessaries of life were cheaper in 1903 and rents were scarcely any higher, though their houses were better. Their homes were better furnished and they and their families were better fed. Their work was less arduous, education was free.[75]

Wages in some other Trades

In *A General Description of all Trades*, by Mr. T. Waller, which was published in London in 1747, the following rates of wages and hours of work in the building trades are given. We add to them the corresponding rates and hours for London in 1912. The average provincial rates of wages would be about 10 per cent less:

Table not reproduced /pma

Mr. Bowley[76] gives the wages of Manchester carpenters, brick- layers, and labourers thus:

Table not reproduced /pma

Professor Leone Levi, writing in 1885, gave the movement of wages in the cotton trade among the classes of workers named, as follows:[77]

Tables not reproduced /pma

In a paper which he read before the Social Science Congress at Birmingham in 1884 he estimated that, taking the total income ol the family, the working classes were in receipt of 30 per cent more in 1884 than in 1867.

Comparing the earnings of the working classes in 1883 with those in 1835-40, Sir R. Giffen,[78] writing in 1886, estimated the number and income of the manual labour class as follows:

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[75] *Journal of Statistical Society*, June 1903, p. 309.
[76] *Wages in the Nineteenth Century*, pp. 60, 62.
[77] *Income of the Working Classes*, p. 63.
[78] *Essays,* second series, P. 483

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In the results of a prolonged and careful investigation published in the Journal of the Statistical Society three or four years ago, Mr. G. H. Wood showed that wages in the great Lancashire Cotton industry had doubled during the last 70 years, and the hours of work had been reduced by 30 per cent. In the Manchester district the wages of spinners rose from 21s. 8d. in 1841 to 41s. 5d. in 1906. Those of piecers more than doubled and weavers' wages nearly doubled. In Oldham spinners rose from 24s. to 41s. 10d. In Bolton weavers rose from 10s. 1d. in 1851 to 186. 4d. in 1909. The average wage of all occupied in the trade rose between 1833 and 1906 from 10s. 7d. to 19s. 5d. in Ashton, from 10s. 11d. to 19s. 2d. in Stockport, from 8s. 3d. to 18s. 6d. in Preston, from 8s. 9d. to 20s. 8d. in Blackburn, and from 9s. 2d. to 19s. 6d. in Rochdale, Bury, Bacup, and Todmorden.

Mr. P. W. Hirst, of the Economist in Porter's *Progress of the Nation* (1912),[79] gives the following table of the index numbers of wages in various occupations, taking as the standard of 100 the wages paid in the years 1898-1902. The last column in the table shows the average of all the trades named after adjusting the figures to the proportion of the numbers employed in each trade:

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These figures show an increase in the average wage of 60 per cent in fifty years and 17 per cent in twenty-five years.

In 1908 Mr. W. T. Layton gave the results of an interesting inquiry he had made into the movement in the wages of domestic servants during the previous 80 years. Taking the average wage in 1900 as 100, the index numbers based on the average wage in previous five-year periods came out as follows:

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This shows an increase of roughly 145 per cent in 80 years, 76 per cent in 60 years, and 33 per cent in 30 years.

The Labour Department of the Board of Trade publishes the following index numbers of the rate of wages in various trades, from which the course of wages in the United Kingdom from 1874 to 1912 may be seen. A column is added of the index numbers of the prices

[79] P. 51.

of forty-five representative commodities adjusted to the Departments' estimate of their consumption. The wages and prices of 1900 are taken as the base year and equal 100:

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The Labour Department of the Board of Trade published returns giving the average wages of adult men for a full week's work, which showed that between 1886 and 1906 the wages in the trades named below had increased at the following rates per cent:

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With regard to meat, clothing, and housing. Professor Marshall says that the working classes now probably consume more meat than at any other time in English history; that clothing is much cheaper; and that the popular belief that house rent has risen appears to be due to an imperfect acquaintance with the way in which our forefathers were really housed.[80] Of course this does not mean that there is not much that is terribly unsatisfactory now, and that improvement is not urgently needed. For the moment we are only dealing with the question of comparative conditions.

The modem suburban artisan's cottage contains sleeping accommodation far superior to that of the gentry in the middle ages; and the working class had then no other beds than loose straw, reeking with vermin, and resting on damp mud floors. But even these were probably less unwholesome when bare and shared between human beings and hve stock than when an attempt at respectability covered them with rushes, which were nearly always vile with long accumulated refuse.[81]

Effect of Changes in Grades and Occupations

When rates of wages are being considered in connection with the progress of the nation, and the conditions and position of the masses of the people at various periods, there are other points than the actual rates of wages paid in given trades for specified grades of work, and the cost of living, to be borne in mind. During the last half-century there has been a great change in the standard of occupations in which the people have been employed. In all trades there are grades of em-

[80] *Principles of Economics*, pp. 676-7.
[81] Ibid. p. 676

ployment and wages. If the proportion of the total number employed is larger in the higher and better-paid grades and smaller in the lower and worse-paid grades than it was, there will be a considerable increase in total and average earnings, even if there has been no advance in the rate of wages in each grade. The result is the same if the proportion of persons employed in the better-paid trades has increased and the proportion in the less well-paid trades has diminished.

This is what has taken place: the increase in the number of workers in the higher classes of trade has been such as to cause the average wage of all labour to rise much faster than the average of representative wages in each trade. Professor Marshall illustrates this by taking the case of 1000 persons working in the numbers stated at the wages named:

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If the trade changes and develops so that the numbers in the various grades become as follows, the result will be:

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There would be an increase in the average wage of Ss. 6d. per week without any increase being made in the rate of wage of any grade.

There are fewer persons in proportion to the whole engaged in the poorly-paid occupations and more in the better-paid ones than was the case half a century ago. The following particulars are for the years 1881 and 1901, thus covering a period of 20 years. The figures give the number of males of 10 years of age and up- wards out of every million males of those ages who were employed in the industries named in 1881 and 1901, in England and Wales:

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From Table I. we leam that out of every million males of 10 years of age and upwards there were in the occupations there named 86,000 more employed in 1901 than in 1881.

From Table II. we learn that out of every million there were 70,000 fewer employed in the occupations there named.

As the total number of males of 10 years of age and upwards in England and Wales in 1901 was 12,134,259, we may multiply the above figures by twelve in order to ascertain, roughly, the number of persons employed in each group of occupations. We shall then find

that the number of persons employed in the occupations named in Table I. in 1901 was 1,032,000 (86,000 x 12) more than it would have been if the proportion of the males of the country so employed had been the same as it was in 1881. We shall also find that the number of persons employed in the occupations named in Table II. in 1901 was 840,000 (70,000 x 12) less than it would have been if the proportion of the males of the country so employed had been the same as it was in 1881.

What the facts illustrated by these selected occupations really mean is that during the 20 years 1881-1901 a very large number of people or their children left or never entered such poorly paid occupations as agriculture, fishing, and general labouring, and became engaged in some one or other of the more remunerative occupations, similar to those named in Table I. That transfer alone meant a considerable increase in earnings, apart altogether from the increase in the rate of wages which was obtained in practically all those industries.

The tables we have given illustrate the movement which took place in 20 years. It has been going on for three-quarters of a century—indeed, we should not be wrong if we said it had been noticeable for 125 years. It has, however, been particularly marked and important during the last 40 years. No mere tabulation of the rates of wages paid in various grades of particular trades over stated periods, and no index numbers based merely on those rates, covers or discloses this extremely important phase of the wages problem. Unless we have particulars of the number of persons employed at each different rate at the various periods which we are comparing, mere statements of the rates paid in the various grades and in the various trades are of limited value, and may easily prove quite misleading.

Mr. Wood's Valuable Talks

Mr. G. H. Wood has published[82] the results of an exceptionally elaborate and painstaking attempt to ascertain the average rate of "real" wages of manual workers in a number of the principal trades of the country combined, for quinquennial periods from 1850 to 1902.

The "real" wage is obtained by adjusting the actual money wage to the changes which took place in its purchasing power. That is to say,

[82] *Journal of the Statistical Society*, March 1909.

the cost of food, rent, and other necessaries is taken into account. The "real" wage is the actual money wage expressed in the price of the commodities it would purchase.

Another important adjustment is made in order to show the effect which the "grading up" of labour has had on wages. The average rate of wages is based, first, on the supposition that the same proportion of the total number of workers was employed in the same grade throughout the whole period; and, second, on the actual numbers employed in the various grades during the five-year periods.

Mr. Wood further calculates these wages on two other bases: one on the supposition that full time was worked, and the other after allowance has been made for the average lost time in each trade. In each case the result is given in money wages and in index numbers. The average wage actually earned in 1860 is assumed to have been 20s. a week; and for the index numbers that wage is taken to represent 100. Mr. Wood publishes elaborate tables, and the following is a summary of the result of his investiga- tions and calculations:

[Table not reproduced /pma

Mr. Wood concludes that between 1850-54 and 1900-2 the net advance in the average wage of those whose grade remained unchanged was 50 per cent; and that the improvement in the standard of comfort due to the "shifting up" of industrial employment was 30 per cent, making 80 per cent in all.

The reduction in the cost of food, etc., was, in Mr. Wood's opinion, almost balanced by the increase in the cost of house rent.

Mr. Webb has since roughly calculated the wages and prices since 1900 in order to bring Mr. Wood's index numbers down to 1911, and he gives the result thus:

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While these figures are very important they must be used with caution, because the wage movements they represent are based on very limited figures, and do not include, for instance, railway servants and transport workers, both of whom have had consider- able increases in wages in 1912. All the same the figures are useful because they bring out a point to which a good deal of attention has been directed. It is that, owing to the rise in the price of commodities, and therefore of the cost of living, the real purchasing power of nominal wages was less during the last two or three years for which the tables give par-

ticulars than it was in say 1895-96 and 1897. This does not, however, mean, as some writers and speakers have alleged, that the working classes have now ceased to share in material progress; that the steady upward tendency of the latter half of the last century has been reversed; and that their position is now becoming worse rather than better.

What it does mean, and what has long been well known to all careful observers, is that wages do not rise and fall with all movements in prices; and also that in times of very good trade nominal wages do not rise to the same extent as trade booms, just as in bad times they do not fall to the same extent as trade is depressed. Nominal wages are much more stable and regular than trade or prices. If we take the index numbers of the last table it will be seen:

1. That the years 1895-97 and 1910-12 are not fairly representative years with which to make a comparison. They are years of exceptionally low and exceptionally high prices.

2. That if the comparison be taken over 25 years, that is from 1885 or 1886 to 1910 or 1911, it will be seen that, while the cost of living was as high in 1886 as in 1910, wages were 17 per cent lower 25 years ago.

3. That over the 34 years covered by the table wages had risen nearly 23 per cent, and the cost of food and drink had decreased nearly 14 per cent.

The truth is that the years 1894, 1895, and 1896 were years of depression and bad trade. The result was that prices were low; whereas recent years have been years of booming trade and prices have been high. As nominal wages do not rise and fall immediately and exactly with prices, except in a few industries, the comparison made is a fallacious one for the purpose for which it is used.

An important factor that is usually overlooked is that in slack times, though the nominal wage fells little, if at all, the actual receipts of the working class are much less, taking them as a whole. There is more unemployment and a good deal of short time. Whereas in times of good trade there is far less unemployment, and not only is practically every one employed full time, but a very large number are working overtime. The result is that even if the nominal rates of wages were the same at two such different periods, the actual amount of money earned in good times would be very much greater than in

bad ones. The index numbers are to that extent somewhat misleading, in so far as they deal with nominal rates of wages and not actual amounts of earnings.

The fundamental considerations, therefore, are, first, that as wages do not fully rise with prices in booming times, so they do not fall with them in bad times, and consequently if working people do not appear to be getting the full advantage of good times, they have not to bear the full brunt of bed times in a reduction in rates of wages corresponding to the fall in prices. The second consideration is that nominal wages and actual earnings are different things, and in good times actual earnings are much greater than in bad times.

When slack times come again, as they must, prices will fall, and these index numbers will show then that, as compared with prices, wages are much better than they are now. That will not mean that conditions are really better; but those who have been using the present figures to prove that conditions now are worse than they were will find themselves in a difficulty.

I am not now suggesting that wages have risen as much as they ought to have done during the period of good trade which we have had, nor do I wish to imply that the increased cost of living is not a serious matter, especially to those whose wages are small. Far from it. My personal opinion is that, at any rate in the low-wage occupations, there ought to be, and there will have to be, a substantial and permanent increase in wages; but I cannot discuss that subject here and now. I must therefore content myself with pointing out that wages do steadily, though at times slowly, rise; and that, while exceptional times, like those of the South African War and the present boom in trade, produce exceptional conditions, the general trend is clear. Mr. Bowley's table, given above, demonstrates that. In spite of variations the average wages—nominal and real—of the last 15 years are much higher than those of the previous 16 years.

Chapter III
Other Tests of Progress

Population

A GLANCE at the growth of population in England and Wales during the past 800 or 900 years is very instructive. Until 1801 there were no reliable censuses. We have to rely on estimates made by the best authorities based on such information as is available. The figures may, however, be regarded as sufficiently accurate for purposes of comparison, and to indicate the broad general movement. The following estimates (up to 1750) are usually regarded as fairly reliable:

England and Wales.

Year.	Population
1086	2,000,000
1348	4.000,000
1377	2,000,000
1500	3,000,000
1630	4,000,000
1700	5,476,000
1750	6,467,000
1801	8,892,000
1861	17,928,000
1901	32,627,000
1911	36,076,000

Rogers think that the population was less during the Middle Ages than is stated above, and that it doubled between 1600 and 1700; but that seems improbable. The enormous decrease in numbers between 1348 and 1377 was, of course, due to the Black Death, which decimated the population. The condition of things in those times is indicated by the fact that it took nearly 600 years—from 1086 to 1630—for the population to double. Even if we exclude the effects of the terrible plague of 1349—although these sweeping destructions of the people by plague and pestilence were by no means uncommon in olden times—it took nearly three centuries for the population to double—between 1086 and 1348, and again between 1377 and 1630. What this meant in poverty, disease, famine, ignorance, and war, it is impossible for us to realise. The suffering and misery which kept the population down like this must have been terrible. Whatever was the cause of this poverty and disease, it certainly was not lack of land or

of access to it. Only a small part of the country was cultivated. Uncultivated land lay all round in every direction, and there is no trace of any indication that there was any difficulty in the way of any than obtaining land to cultivate.

The change which resulted from the inventions and discoveries of the eighteenth century, and the mechanical, scientific, and commercial progress made since then, has been remarkable. Instead of taking nearly 300 years to double, the population of England and Wales doubled between 1801 and 1851, and again between 1851 and 1911. It is now more than four times as great as it was in 1801. Whereas, in the Middle Ages, the population took three (and indeed we might say six) centuries to double, it has quadrupled during the last 110 years. It is impossible to picture the enormous change for the better in the food, clothing, housing, health, means, and general condition of the people which those broad striking facts indicate.

The change that has taken place in the manufacturing districts has been immense. Until the seventeenth century Lancashire and the West Biding of Yorkshire, now the wealthiest of our great industrial areas, were the poorest counties in England. Where agricultural wages are now amongst the highest they were once the lowest.

The Death-rate

The evidence of the great advance that has been made is cumulative. We can only very briefly indicate what it is, again remarking that, unless otherwise stated, the figures given refer to England and Wales.

The death-rate per 1000 persons was:

	Males.	Females.	Children		
			Under 6	5 to 10	10 to 15
1841-60	22-2	21-0	66-0	90	5-3
1861-70	22-3	20-4	68-6	8-0	4-5
1881-90	19-7	17-6	66-8	6-3	3-0
1901-1910	16-4	14-4	67-7	4-3	2-5
1911	15-3	13-3	43-7	3-4	2-1

The death-rate in 1910 was only 60 per cent of that recorded in the later "forties." The number of deaths in England and Wales in 1910 was 483,000. Had the deaths been in the same proportion to population as they were on the average between 1841 and 1870, the number in 1910 would have been 776,000, or 293,000 more than they were.

The year 1686 was not an unhealthy one, but more than 1 in 23 of the people of London died. That was a death-rate of 43-5 per 1000.

Probably no one class of statistics so clearly and accurately indicates the material position and home condition of the masses of the people as the death-rates of women and children. A steady and persistent decline in their death-rate means better health as the result of more pay, more food, better clothes, less ignorance, and health—houses and surroundings. Between 1841-60 and 1910 the death-rate of females fell 40 per cent, and the death-rate of children under 5 years of age fell 48 per cent; between 6 and 10 years of age 68 per cent; and between 10 and 16 years of age 66 per cent.

Consumption has been described as "a disease of poverty." The description is not quite accurate, as a large number of comfortably circumstanced people die of the disease, but there is no doubt that poor people much more readily fall victims to it. The deaths from phthisis among young people under 26 years of age have fallen 70 per cent in the last half-century. The deaths from tuberculosis were 3637 per million of the population in 1851-56 and 1434 per million in 1910. Sixty years ago the death-rate from consumption was the same in both sexes. Now it is 26 per cent lower amongst women than amongst men.

The improvement in the total death-rate from all causes is really greater than the mere figures show. During the last 60 years there has been a great change in the proportion of the population living in towns. In 1851 the population of urban areas was approximately 50 per cent of the whole, in 1911 it was 78 per cent of the whole. As the death-rate in urban districts is 4 per 1000 more than in rural districts, a great improvement in general health conditions in the towns would have been indicated if, with the much larger proportion of the people living in towns, the total death-rate had remained the same. That it has gone much beyond that, and actually diminished 37½ per cent under the less favourable conditions as regards density of population, is as remarkable as it is satisfactory.

Pauperism, etc.

The mean daily number of paupers per 1000 of the population relieved in the years named was as follows:

1850	56-6	1890	24-5
1860	40-4	1900	21-7

1870	44-1		1910	22-3
1880	29-2		1912	18-0

There has been a great change, not only in the numbers, but also in the proportions of the components of pauperism. Comparing 1849 with 1908, we find that while aged and infirm adult paupers have very largely decreased (about 44 per cent) in proportion to the population, they have become a larger proportion of the number of paupers. On the other hand, adult able-bodied paupers and children have diminished enormously (about 74 per cent) in proportion to population, and have also become a much smaller proportion of the number of paupers. The real character of by far the greater part of the pauperism which we have now under normal conditions, is shown by the fact that in 1908 rather more than 86 per cent of aggregate pauperism of England and Wales consisted of persons (children or adults) who receive public assistance on account of physical or mental disability.

The treatment of paupers has been much improved. In 1850 all classes of poor to whom outdoor relief was not given were maintained in the workhouses. Now there are six or seven kinds of establishments for the various classes of indoor poor. As outdoor relief is now very largely limited to the aged and infirm, it has become possible to make more liberal grants of relief to them than was formerly the case. The effect of these improvements in the treatment of the poor is seen in the increased cost per head of indoor and outdoor paupers, as shown in the following table:

Cost of Relief per Head

	1856-7.	1906-7
Indoor paupers	£16 12 0	£29 5 0
Outdoor paupers	4 13 0	7 1 0

The cost of lunatics in asylums is not included in these figures.

The number of blind people in proportion to the population has steadily diminished from 1021 per million in 1861 to 778 per million in 1901.

Expenditure

The consumption of tea, sugar, currants and raisins, and tobacco, in pounds per head, has increased as follows:

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Broadly speaking, those who were comfortably off had as much of these articles as they desired 70 years ago. Apart from the changes due to custom and fashion, a very large proportion of this increased consumption is due to the ability of the masses of the people to purchase more owing to their increased spending power on the one hand, and the reduced price of most of these articles on the other.

Education etc.

The progress of the people in education is indicated by the number who are unable to write their names when they get married. The number per 1000 who signed the register by a mark was:

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The number of scholars in average attendance at public elementary schools in England and Wales was:

1868	1,060,000
1880	2,750,000
1911	5.400,000

Far fewer young people are employed under 15 years of age than was formerly the case. Of boys and girls between 10 and 15 years of age, 56| per cent were employed in 1861 and 34 per cent in 1901.

In the first quarter of last century, in cotton factories, half of all the persons employed were under 16 years of age, and one-sixth were under 9 years.

Savings

The deposits in Savings Banks of the United Kingdom increased from £29,000,000 in 1860 to £45,000,000 in 1866, £94,000,000 in 1885, and £257,000,000 in 1911. The number of depositors increased from 1½ millions in 1860 to $3^3/_4$ millions in 1880 and 14½ millions in 1911.

The amount of money invested as share and loan capital in societies in England and Wales in which working people are mainly interested is indicated in the following table, which contains such information as is available:

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A striking indication of the improved condition of the working classes is afforded in the extent to which they now have their annual holiday and pay a visit to the seaside. Every year hundreds of thou-

sands of them have outings and holidays, such as their fathers fifty years ago did not have once in a life-time. This year the *Manchester Guardian*[83] made inquiries in a number of Lancashire towns in order to ascertain how much money was drawn by the working people from the various clubs and societies which abound there, for the purpose of the annual holiday. From the information obtained the conclusion was arrived at that the amount withdrawn for the summer holiday this year in the various Lancashire towns was £1,100,000. A large proportion of this, though not all, would be spent in a visit to the seaside or even farther afield. The Editor says:

> In the beginnings of the factory system it was not usual for operatives to have holidays at all except odd days now and then. Their earnings, however, have enabled them by degrees to adopt a more cheerful method of living. Pooling the odd days, and perhaps adding a few more, by arrangement with the employers, they now get a week or ten days, and make the most of it. In the aggregate they spend a very big sum, but not the full million. Many of the older operatives leave a margin towards the purchase of a house or of shares in a cotton mill which they think will give a good return, while others increase the comfort of their dwellings or make an equally sensible use of the money in other ways.

A correspondent in the same paper adds:

> The savings are laid out with a keener spirit of economy and frugality than one would assume from some accounts that appear in the press. …

But what one ought most to remember is that the holiday savings of the Lancashire operatives only represent a percentage of the total savings of the year. And even some of that which was intended to be spent on pleasure is brought back to be reserved for other purposes. …

Two other points are worth mention—one feature of the crowded Lancashire holiday resorts is the absence of drunkenness, as compared with former times, and another is the improved appearance of dress in the streets. This is particularly remarkable.

[83] August 30, 1930.

Crime and Drunkenness

The number of persons tried for indictable offences, at Assizes, Quarter Sessions, and summarily in England and Wales was:

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The number of persons tried for drunkenness was:

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Housing

Interesting evidence confirming the view that there has been a very marked general "moving up" in the condition and financial position of the people, especially of those of smaller incomes, is furnished by the statistics of the rental value of the private houses in Great Britain, which are supplied in the *Annual Reports of the Inland Revenue Commissioners*. Those figures are available in detail since the year 1890-91, and therefore now cover a period of twenty years. During that short time the movement has been striking and unmistakable. Here are the figures:

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These figures indicate a great improvement in housing. During the 20 years the population of Great Britain increased 23,6 per cent. The number of private houses increased 34,2 per cent, showing that there was a much greater supply of houses, and therefore a better choice, and also suggesting that a large proportion of the people had homes of their own. But the most striking and interesting facts revealed by these figures are (1) that there was no increase, but really a small actual decrease, and in proportion to the population a large decrease, in the number of the smallest and poorest houses; and (2) that the smallest increase in actual numbers, which was really a decrease in proportion to the population, was in the number of houses the annual value of which was more than £80 a year, houses which would be occupied by persons whose incomes were £800 or £1000 a year and more.

The great increase was in houses of from £10 to £40 a year rental, exclusive of rates and taxes. Clearly the working people are better housed, are able to pay better rents, and now live in much larger numbers in £10 to £16 houses, where they used to live in £6 to £10 houses. Equally clearly, there has been a large increase, far larger than the increase in population, in the number of people who can and

do live in houses the rental value of which is from £15 to £40 a year. This increase largely represents the advance of the manual labour class into the intermediate or smaller middle class. It means that the sons and daughters of manual workers are in a very large number of cases clerks, commercial travellers, foremen, managers, salesmen, teachers, and the like. They are in better positions than their parents were, and are earning larger incomes and living in better houses.

The teaching of these figures is confirmed by the returns of the various censuses with reference to the housing of the people. The following table, which gives the figures for England and Wales only, is very interesting:

Houses and Persons

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These figures show that the people were more than three and a half times as thick upon the ground in 1911 as they were in 1811; but the supply of houses more than kept pace with the growing population. In proportion to the total number of houses there were twice as many empty ones to choose from in 1911 as there were in 1811. The people were also less crowded together in their houses. There were fewer persons per house, although, as the previous figures we have given show, the houses in 1911 were larger and better than in 1811, and, consequently, there would have been less crowding than there was then if there had been the same number of persons per house.

That there has been a substantial decrease in overcrowding is shown by the following table, which gives the amount of technical overcrowding there was in England and Wales in the years named. There is technical overcrowding when the number of persons in a house or tenement is more than two per room.

Overcrowding—Per cent of the Total Population

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The great improvement which has taken place in the condition of the working classes has not been at the cost of the middle class. One of the absurd and entirely unfounded statements which Mr. H. George makes is that:

> Wages and interest tend constantly to fall, rent to rise, the rich to become very much richer, the poor to become more helpless and hopeless, and the middle class to be swept away.[84]

Nothing could be farther from the truth. The houses in which people live are a fair indication of their position and condition. Mr. George says that the rich are getting all the benefit of progress, and that the poor are becoming poorer. If that were true, we should find that the two classes of houses which increased most in number would be the smallest and poorest on the one hand, and the largest and best on the other. We have seen that the precise opposite is the fact. The houses which have not increased at all are the smallest and poorest, and next to them the houses which show the smallest increase, and show an actual decrease in proportion to the population, are the largest and best, those which are occupied by the rich.

As to the middle class, we may take it that the great majority of them live in houses the rentals of which range from £20 to £80 a year. They will largely represent people with incomes of from £160 to £800 or £1000 a year. They may be said to represent the smaller and medium middle class. Certainly they are not a decreasing portion of the community. They are not being swept away. Any one whose memory carries him back over the last 40, 50, or 60 years knows better than that. One of the most striking features of the progress of the last two generations has been the enormous increase in the suburbs, not only of our great cities, of every town of every size, and especially in the industrial districts, in the number of villas and terraces of houses obviously occupied by middle-class people. The figures we have already given show that in Great Britain, between 1890-91 and 1910-11, the number of houses the rental of which was from £20 to £80, exclusive of rates and taxes, increased 80 per cent, while the population only increased 23,6 per cent. It is quite clear that large numbers of the working classes have moved up in the social scale and are now in the middle class.

Improvement not only Material

Nor has the progress been material only. It has been moral also. Professor Marshall reminds us that public feeling is much more humane and sensitive. A hundred years ago school-boys and servants and

[84] *Progress and Poverty*, p. 375.

wives were systematically and often brutally beaten. Criminals were executed for numerous offences, and that and other punishments, like the pillory and whipping at the tail of a cart, were inflicted in public amidst the jeers of the populace. Gentlemen took parties to Bridewell to see women whipped. Brutal prize-fights were common. Prisons were pest-houses and breeding-grounds of crime and horror. Society regarded all this misery and brutality with indifference. We live in a more merciful age, in which far more is done to protect animals against cruelty than was then done to prevent inhumanity to human beings. As Macaulay said: "Every class doubtless has gained largely by this great moral change; but the class which has gained most is the poorest, the most dependent, and the most defenceless."

In 1810 death was the penalty for more than 40 offences. Juries were unwilling to convict. Between 1805 and 1810 only 59 per cent of those committed were convicted. Yet in 1817, 1302; 1820, 1236; 1831, 1601; and in 1832, 1449 were sentenced to death. In 1908 only 25 were, and in 11 cases the sentence was com- muted to penal servitude.

Nothing has been said here of the great benefits which working people have derived, and very properly so, from the shortening of the hours of labour and the improvement in the conditions under which work is done in factories and workshops and on board ships, and of the provision which has been made for compensating them in case of accident. All these are directions, in addition to mere increases in money wages, in which they have shared in the material progress of the last century, and especially of the latter half of it.

In the face of the bare facts and statistics which have been adduced here, with very little comment, it is useless for any one to contend, as Henry George and Karl Marx did, and as their followers today do, that "wages tend constantly to fall, the rich to become very much richer, the poor to become more helpless and hopeless, and the middle class to be swept away." The facts are against them. The evidence is cumulative. Any single part of it may be minimised, and possibly to some extent explained away, by ingenious controversialists, but the trend and teaching of it all, when taken together, is too clear and obvious for any casuistry or sophistry to controvert or obscure. Great progress has undoubtedly been made, and the masses of the people have shared largely in it. Much remains to be done; but

those who would persuade us that we are altogether on the wrong track, and that the social structure has been built up on an entirely false foundation, are in conflict with the plain facts of life and of modem history. The truth is that much of the unrest and discontent of the present day is the result and proof of the progress that has been made. New desires, new hopes, new aspirations, and new needs have been aroused and created by the education of the people, the development of their faculties and powers, and the opening of their minds to the possibilities which are within them and around them.

Chapter IV
Value of the Land of the United Kingdom

We may now proceed to ascertain the annual value of the land of the United Kingdom. Upon that we may base an estimate of its capital value. Then we shall be able to compare such information as is available with regard to the annual value of the land of the country at various periods during the last one hundred years, and thereby obtain a general and fairly accurate indication of the increase that has taken place in that value. After that we can proceed to compare the annual value of the land at various periods with the total income of the people from all other sources. Thus we shall ascertain the relative rates at which the various classes of income have grown, and thereby see how much, if any, truth there is in the assertion that the rent of land absorbs the whole or even the greater part of the results of material progress.

What is the rental value of the land of the United Kingdom, meaning thereby the value of the land in its natural condition, before anything has been spent upon it—in a word, what is known as its "prairie" value? The income-tax returns give us the annual value of almost the whole of the land in the country as it stands to-day, together with the buildings upon it.

The gross assessment of the annual value of lands, houses, etc., for the year 1910-11 was:

Agricultural land and farm-buildings	£52,294,614
Houses and other buildings, including the sites thereof	222,233,301
Other landed property, including some tithes and sporting rights	1,294,998
	£275,822,913

From this gross amount there were deductions for errors in assessments, empty property, and repairs and renewals as follows:

Errors in assessment	£10,294,738
Empty property	7,971,701
Agricultural depression	296,010
Repairs and Renewals—	
- Lands	7,223,769
- Houses and Buildings	34,682,941
	£60,468,149

As the deductions for over-assessments and empty property are not allocated between lands and buildings, we may divide them proportionately between the two main items. We shall then get this result:

Gross assessment of agricultural land and buildings		£52,294,614
Less over-assessment and empty property	£3,478,227	
Repairs, etc.	7,223,769	
Agricultural depression	295,010	
		10,996,996
Net value of agricultural land and buildings		£41,297,618
Gross assessment of houses and buildings, including sites		£222,233,301
Less over-assessment and empty property	£14,788,212	
Repairs, etc.	34,682,941	
		49,471,163
Net value of houses, buildings, and sites .		£172,762,148

Value of Agricultural Land

In order to ascertain the unimproved value of the land of these properties, we must now proceed to ascertain how much of the net value we have arrived at represents buildings and improvements. We will take first the agricultural land. How much of the annual value represents interest on the capital value of the farm-houses, the farm-buildings, reclamation of the land from the waste, drainage, fencing, roads, etc.? Eighty years ago Mr. M'Culloch, the economist, estimated that at least half the rent of agricultural land represented interest on the capital value of the buildings and improvements. In a paper read before the Statistical Society in December 1907, Mr. R. J. Thompson estimated that the average capital expenditure on permanent improvements on agricultural land—buildings, draining, fencing, making roads, etc.—was about £12 an acre.

In his evidence before the Departmental Committee on Local Taxation, Mr. Trustram Eve, a well-known surveyor, and Secretary of the Farmers' Club, expressed the opinion that the average unimproved value of the land of ordinary farms in England is about £8 an acre, and that the value of the worst land that is capable of being cultivated without involving loss in England is £2 an acre. Mr. J. H. Sabin, another experienced surveyor, estimated that, on the average, farm-houses and buildings represent three-sevenths of the total value of a farm.

The suggestion that this figure is too high, rather than too low, is supported by some further estimates and calculations which Mr. R. J.

Thompson made in the paper above referred to. As the result of his inquiries and investigations he estimated that, on the average, 36 per cent of the gross rent of agricultural land goes in repairs, management, and outgoings of all kinds, and sinking fund for new buildings, drainage, fencing, etc. Taking the average rent of agricultural land throughout the Kingdom at 20s. an acre, this deduction of 36 per cent would be 7s. An allowance of 3½ per cent per annum on the £12 per acre which he estimates to be the outlay which has, on the average, been made on permanent improvements—reclamation, buildings, drainage, fencing, roads, etc.—gives a further 8s. 6d. per acre to be deducted, which leaves 4s. 7d. per acre as the average economic rent.

Indeed, I am satisfied that the rent of a very large proportion of the farms of this country is not more than 6 per cent on what would be the cost of reclaiming the land from its natural state and equipping it with house and buildings, roads, fences, etc. The "prairie value" is really nil. Cottages have often to be provided for labourers, and let at less than an economic rent. The provision of these cottages at an unremunerative rent is part of the cost of the equipment of the farm. It must be remembered that originally the forest had to be cleared before the field could be set out, rivers had to be embanked, fens to be drained, roots of trees and under-wood had to be rooted and grubbed. Then the land had to be cleared of stones, and broken up and ploughed, and sown to grass. Roads had to be made, fences erected, and drains put in. Such operations as warping, claying, and marling were necessary. All this took time and involved much expenditure.

"The Making of the Land of England"

"There is, it may be broadly asserted," said Mr. Albert Pell, M.P.," but a small portion of rural England, the present value of which is not due wholly or in a very large part to the costly operations which have been conducted wholly at the charge of the successive owners of the soil."

In *The Making of the Land of England* Mr. Pell gives a number of examples of the cost of reclaiming and equipping land in this country. One case is that of 666 acres of the best part of a moor in the north of England. Before it was improved, it was worth 1s. a year per acre. The work of improving continued over 14 years, and the cost was:

Draining	£5,587 4 0
Timing	8,255 16 4
Fencing	616 7 5
Water-weiring	224 2 2
Cattle-sheds	517 4 1
Sundries	790 0 3
	£15,990 14 3

The cost of these simple operations was £24 : 7 : 6 per acre. Some years afterwards it was let at 6s. 8d. per acre, which was 5s. 8d. for the improvements, or a little more than 1 per cent on the outlay.

Mr. Squarey, in an article on "Farm Capital," in the Journal of the Royal Agricultural Society (1878), estimated that the cost of house, farm-buildings, and cottages alone on a dairy farm would be £12: 15s. per acre; on a mixed arable and pasture farm £8 per acre; on a mixed upland farm £6 : 7s. an acre; on an average for the whole of £9 an acre for buildings.

On the Holkham estate, excluding the Park and Domain, the Earls of Leicester spent on buildings, repairs, fencing, and drainage between 1776 and 1883 the sum of £881,986 and on the purchase of land £145,224, giving a total of £1,027,210. In 1882 the gross income from the estate was £52,285, and the outgoings £26,875, leaving a net return of £25,410, which was about the average annual return for the preceding 50 years.

In a discussion on the taxation of land values at the Surveyors' Institute on March 11, 1912, a letter was read from Mr. Smyth- Richards of Barnstaple, in which he gave the following particulars about a farm in a North Devon agricultural parish:

Area—122 acres 2 roods 18 poles.

Rent £110—landlord paying tithe £12: 6: 8.

Valued by District Valuer—original gross value £2467, which is considered a very full price. He deducts £308 for tithe and £606 for buildings.

Original gross value £2467, less tithe £308 = £2169.

Mr. S. Richards gives the value of owner's improvements as follows:

Cost of erection of dwelling-house	£454 6 0
Cost of erection of out-buildings	666 17 8
338 chains of fencing at 30s.	507 0 0
46 gates, posts, and ironwork, at 22s. 6d.	51 15 0
1640½ chains, draining, at 4s.	328 2 0
24½ chains occupation roads at £5	122 10 0
282 apple-trees, 4s.	56 8 0
	£2186 18 8

Nothing is included for clearing 120 acres of land and laying down about 40 acres of it to meadow, pasture, and orchard, which he estimates would cost another £750.

Here, then, we have a farm which is now worth £2159, while the cost of reclaiming the land and draining, fencing, and equipping it and erecting the farmhouse and outbuildings on it, if it had to be done now, would be £2936. That is to say, if this land were now in its natural state the owner would be some £800 better off if he left it as it was, than he would be if he reclaimed it and equipped it as this farm is equipped.

The President of the Surveyors' Institution, a well-known practical agriculturist, who has kept accounts for the last twelve years over an area of three thousand acres, stated last year (1912) in his presidential address: "So far as agricultural land is concerned, it is well known to most of us that if a fair and just estimate were made of the expenditure by owners on the improvement of the land, and this were allowed as a deduction in arriving at the unimproved value, there would be few cases where any value would remain upon which to assess taxation."

Mr. Chiozza Money, in an estimate he has made, deducts £10,000,000 as the value of the buildings, and then; deducts half of the balance as the value of the improvements, and reaches the conclusion that the rental value of the unimproved, or prairie value of the agricultural, land of the country cannot be put higher than £17,500,000. I am not prepared to say that this figure is too low; but, in order to be on the safe side, I will fall back on M'Culloch's estimate, which is certainly not an excessive one, and assume that the average value of the buildings and improvements is half the net rent of the properties. This would give £20,648,809, or say £21,000,000, as the annual value of the land only.

Value of the Sites of Houses and Buildings

Then we come to houses and buildings and their sites. We desire to ascertain the unimproved value of the sites alone. Let us be quite clear as to what this is. In the case of leasehold property, it is not the amount of the ground rent, even if it has just been created. In a large proportion of cases the ground rent bears little relation to the value of the land. It is frequently created after the buildings have been erected, and it is an arbitrary sum, fixed by agreement, secured as a

first charge upon the whole property. Often in the same street, with the houses all exactly alike, and all built at the same time, some of the ground rents will be twice as much as others, and sometimes three, four, and five times as much. It is not unusual to fix the ground rent to suit the purchaser of the leasehold. The more he is prepared to pay in cash, the less will the ground rent be made, and vice versa. There is no greater source of misconception and error amongst those who write and talk on this subject without really understanding it, than the assumption that the ground rent of a house represents, or ever did represent, or ever was intended to represent, the value of the site without any building on it.

Again, there are often two ground rents—one behind the other. There is a freehold ground rent and then, what is called an "improved" or a "leasehold ground rent." The leaseholder of the building, when he pays the ground rent, does not know whether there are two ground rents or one. Out of the ground rent which he pays, the receiver of it may have to pay a ground rent to some one else. Neither of these ground rents may represent the true value of the land. It is practically certain that the two together will be far more than the value of the land.

Further, it is not unusual for land to be sold for building purposes subject to a very small ground rent—say £2 or £5 for several acres. This ground rent may not amount to more than a few pence per house. It bears no relation to the value of the land. In such cases a leasehold ground rent is usually created, and that is a purely arbitrary sum and may bear no relation to the value of the land.

All attempts, therefore, to arrive at the value of sites by ascertaining what the ground rents are will be misleading.

Nor does the value of the cleared site—that is the site with the buildings cleared off it—give the unimproved value of the land. The cost of levelling and preparing the site and making the roads and footpaths and constructing the drainage, is great. Something must also be allowed for interest on this capital outlay, and the profit of the man who makes the venture and incurs the risk. The unimproved value of the site is its cleared value, less the value of these improvements. In the case of large quantities of building land, these improvements cost as much as the land. Where the land costs less than

£300 an acre, it may be taken that the cost of the roads will be greater than the cost of the land on which the houses stand.

In the London area, or its immediate vicinity, if a building area of about 4 acres, so favourably situated as to have frontages to two existing roads, and so favourably shaped that roads could be constructed at right angles to those roads, and the whole of the area could be utilised—conditions by no means always secured—were developed for moderately small houses with roads 40 feet wide, the following results could be obtained:

If the building plots were given a depth of 105 feet each, the cost of road-making at 50s. per foot run would be £1750, or about £437 an acre, and 16 per cent of the total area would have to be given up for roads.

If the building plots were given a depth of only 63 feet, in order to get more houses on the estate, there would be more road construction, and the cost of the roads would be £2625 or about £656 per acre, and the area occupied by roads would be 24 per cent of the total.

There is no official or accurate information as to what is the unimproved value of the sites of the houses and other buildings in the United Kingdom. Some years ago (1896) the Valuer to the London County Council estimated that the gross site values of the land of London were about one-third of the gross value of the whole properties—land and buildings. He estimated that, taking the City alone, the gross site value of the City properties was £3,923,000, and the total gross value of the land and buildings was £5,423,018. That meant that the site values in the City were 72 per cent of the total value. Dr. David Murray says: "In the case of tenement property in Glasgow, the value of the building is from 8 to 15 times the value of the land, and in the case of private residences the value of the building is from 10 to 20 times the value of the land."[85] Mr. Muspratt estimated that the land rent in Liverpool was $6^2/_3$ to one. Mr. Tomlin calculated that in Wood Green, near London, it bore a relationship of 7½ to one; Birmingham five to one; Portsmouth seven to one; Glasgow less than ten to one.

Mr. Trustram Eve stated to the Departmental Committee, 1912, that he and the Rating Surveyors' Association were of opinion that

[85] *The Land and Finance Bill,* p. 53

the cleared site value of the country excluding farms, etc., does not exceed one-third of the total value—land and structure combined. And Mr. J. H. Sabin, another surveyor, estimated that ground rent values—allowing for increases, since old leases were granted—taking the country as a whole, are about one-third the total value. He explained that these ground rent values include outlay for streets and other improvements, and said that if these were deducted the value of the site would be about one-fourth of the total value.

I am of opinion that one-fifth of the gross rental value, or one-fourth of the net rental value of this property—taking the country as a whole, outside London—is a very full estimate of the unimproved site value. It is certainly excessive rather than otherwise. One-fifth of the gross rental of the whole country, including London, is £44,446,660; one-fourth of the net rental is £43,190,537. We may take £44,000,000 as the figure; and adding £6,000,000 as the extra site value of London beyond the amount given, by taking the average of one-fourth the total net value of site and buildings, we get £50,000,000 as the annual unimproved value of the sites of houses and other buildings in the United Kingdom. That figure is possibly 20 per cent too high.

There are two items in this estimate which must not be overlooked. Unoccupied property is omitted from the assessment on which we have based our calculations; and the land of properties which are assessed at annual values which do not adequately represent the real value has been estimated on the basis of the assessed value. The annual value of the land of the under-assessed properties, beyond the amount at which it has already been taken, can only be guessed. There is no information on which a reliable estimate can be based. At a venture I put the figure at £5,000,000; and the sites of empty buildings at £2,000,000.

The "other landed property," the annual value of which is £1,294,998, is mainly land, and the unimproved land value may be put down at £1,000,000 a year.

The property with which we have been dealing is that which 18 assessed under Schedule A for the income-tax, and this comprises nearly all the land of the country. There is, however, some which is not included in that schedule. Railways, canals, docks, mines and quarries, and certain fishing and sporting rights are all assessed under

Schedule D. Part of all these properties and undertakings is land. We have very little information as to the unimproved value of this land. Mr. Money estimates its total value at £12,100,000. I shall adopt his estimate and call it £12,500,000.

Total Annual Value of the Land only

Bringing our various items together, we get the following total:

Agricultural land	£21,000,000
Sites of houses and buildings	60,000,000
Land of empty properties	2,000,000
Extra value of land of under-assessed properties	5,000,000
Other property, including sporting rights	1,000,000
Land of mines, quarries, railways, canals, docks, etc.	12,500,000
Total annual land value of the United Kingdom	£91,500,000

Mr. Arnold Toynbee, in 1883, estimated that the unimproved value of the whole of the land of the United Kingdom in 1880 was about £60,000,000 a year.

Mr. Chiozza Money, M.P., made an estimate[86] of the land values of the United Kingdom, taking as his basis the official returns of income for the year 1910-11, and he arrived at the following result as to annual values:

Agricultural lands	£17,600,000
Urban land, being houses, etc., London	16,400,000
Urban land, rest of United Kingdom	43,200,000
Other landed property, including sporting rights	800,000
Railways	5,000,000
Canals and docks	500,000
Mines and quarries	6,400,000
Fishing and sporting rights	200,000
	£90,000,000

It should be noted that, so far as urban land is concerned, Mr. Money's estimate is apparently of cleared site values and not unimproved site values. Elsewhere he says: "I should not have serious quarrel with an estimate of £80,000,000; certainly £90,000,000 is a liberal estimate."[87]

[86] *Daily Mail Year Book,* 1913, p. 23.
[87] *Westminster Gazette*, October 12, 1912.

Estimates of Land Taxers

Land taxers estimate the value of the land of this country at much higher figures than those at which we have arrived. The methods, and consequently the results, of their estimates and calculations—like almost all their statements, arguments, and statistics—are, however, quite fallacious and altogether misleading. Mr. Max Hirsch made an estimate of the land values of the United Kingdom, based on the Inland Revenue Returns for 1905-6, and he arrived at the conclusion that the "total ascertainable rental value of the land in the United Kingdom" was £264,208,396. He said, however, that this "does not represent its total rental value," and by another process he calculated that the "total rental value of land (economic rent) was £275,762,799."[88]

Messrs. Chomley and Outhwaite adopted this estimate in 1909, and arrived at the conclusion that the capital value of the land of the United Kingdom was £6,600,000,000. They added: "In order to err on the side of moderation rather than that of extravagance, we are here assuming the land value of the United Kingdom to be only £6,000,000,000 which is considerably less than the figure which our calculations give."[89] Mr. Hemmerde, K.C., M.P., estimates that a tax of 1d. in the £ "would bring in something between £15,000,000 and £30,000,000,"[90] from which it appears that his opinion as to the capital value of the land of the United Kingdom—and he says "we have obtained our estimates from the best available sources"[91]—oscillates between £3,600,000,000 on the one hand and £7,200,000,000 on the other.

Their estimate abounds in blunders, two of which may be mentioned as illustrations of their methods. One is that all the figures they take are gross figures and they make no allowance for errors which were adjusted on appeal or for repairs and wear and tear, etc. Were these deductions made, as they were made by the Inland Revenue Commissioners, and as they must be made in order to arrive at actual net values, their total annual value would be reduced by some £54,000,000 at a stroke.

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[88] Land Vahue Taxation, by Chomley and Outhwaite, pp. 238 and 242.
[89] Ibid. pp. 146, 147.
[90] Letter in *The Nation*, October 26, 1912.
[91] Ibid. November 16, 1912.

Another blunder is a double one. In the first place, they assume that the proportion which the value of the land bears to the total value of land and buildings, etc., is the same in this country as in America, New Zealand, and Australia. They next assume that the proportions which they have arrived at hold good for annual value as well as for capital value. Each of these assumptions is inaccurate and fallacious, and the conclusions based upon them are, consequently, erroneous.

In New Zealand and Australia the number and value of the buildings in proportion to the amount and value of the land is vastly less than it is here. The buildings are for the most part altogether different in quality and character, the great majority of them being merely wooden structures. That being so, the pro- portion which the value of the land bears to the value of the whole property is, of course, much greater than is the case here. So far as America is concerned, the comparison is based on the proportion- ate values in a few cities there, with the result that the land value is a much smaller proportion—nearly 12 per cent less—of the total value than it is in New Zealand and Australia, where the figures cover both town and coimtry. In American cities, buildings are far less substantial and permanent in character—many are wooden—than they are here. If they were here, they would, as a rule, be worth much less than our buildings are. They are also far more readily pulled down and replaced by larger structures, with the result that they are regarded as more temporary and are more rapidly depreciated in value than ours are.

The second mistake is in applying the assumed capital value proportions to annual values. Messrs. Chomley and Outhwaite assume, not only that because in America, New Zealand, and Australia, land value is about 60 per cent of the total capital value, it will be 60 per cent of the total value here, but also that 60 per cent of the total annual value will represent land value. That is a gross blunder. The land is worth 26 years' purchase, while the buildings are not worth more than 15 years' purchase, and many of them are not worth that. Consequently, if the land and the buildings were of equal annual value, the capital value of the land as compared with the buildings would be as 26 to 15.[92]

[92] Mr. Harold Storey fall into similar errors, and, estimating that the value of the land is 50 per cent of the combined value of land, buildings, etc. arrives at the con-

Another feature of this estimate is this—60 per cent of the amount collected as inhabited house duty, income tax (Schedule A), income tax (Schedule D-3), local rates, and the whole of the land tax, and the local revenue from tolls and dues—put down as a total annual sum of £61,163,886—is added to the annual value of the land of the country, and capitalised at 26 years' purchase, and the capital value of the land is increased £1,279,096,650 thereby.

Estimated Capital Value of the Land of the United Kingdom

Taking into account the value of the land, the present income return from which does not at all adequately represent its capital value, my estimate of the total unimproved capital value of the land of the United Kingdom is that it is about £2,500,000,000 to £2,750,000,000. That is, of course, not the cleared site value. It is the unimproved value. The cleared site value, which is the value which we shall get very generally in the National Valuation which is being made by the Inland Revenue authorities, is a very different and much higher value and will probably run up to £3,500,000,000 or more, as it will include a vast amount of expenditure on reclamation, drainage, roads, development and improvements of all kinds, short of actual buildings.

In this connection it is interesting to note that in a paper read before the Surveyor's Institute in February 1912, Mr. Edwin Savill, F.S.I., estimated "the site value of all the land in the United Kingdom" at £3,000,000,000.

In a reprint of a series of articles entitled "A Penny Tax on Land Values" the *Daily Chronicle* in February 1909 estimated the annual land value thus:

England and Wales	£102,000,000
Scotland	13,000,000
Ireland	11,000,000
	£126,000,000

and on this basis arrived at the conclusion that the capital value of the land of the United Kingdom was £3,150,000,000. Both these estimates refer to cleared site value, and not to unimproved site value, which would, of course, be much less.

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clusion that "the total capital unimproved value of all the land of the country may be estimated to be about £5,000,000,000."—*Economics of Land Value*, p 108.

The Movements in the Value of Agricultural Land

It will be interesting at this stage to ascertain as nearly as is practicable to what extent the value of land has increased or decreased over a long period, and during recent years; and also what proportion such increase as there has been bears to the total wealth of the country and the increase there has been in it.

In that connection the following figure, which show the movement in the average rent per acre of agricultural land during the latter half of the last century, are useful:

	S. d.
1861-55	20 0
1877-80	27 6
1866-60	23 1
1881-83	26 9
1861-66	23 7
1884-86	24 11
1866-70	24 8
1887-92	22 11
1871-74	28 10
1893-94	21 8
1875-77	20 4
1896-96	21 1

A similar movement in capital values is shown by the following particulars of the average price per acre obtained at all the auction sales in London of estates of over 30 acres:

Period. Price per acre	
1781-1800	£33 16 0
1801-1820	36 4 0
1821-1840	26 14 0
1841-1860	36 8 0
1861-1870	43 0 0
1871-1880	51 16 0
1893-1896	26 10 0

The following particulars of the average rent per acre of agricultural land on a number of farms in two groups of about 70,000 and 120,000 acres each, in various counties, were given by Mr. R. J. Thompson in a paper read before the Statistical Society in December 1907:

	Group 70,000 acres.	Group 120,000 acres.

	s. d.	s. d.
1801	11 8	…
1810	12 3	…
1820	15 5	18 8
1830	15 3	18 4
1840	15 7	19 1
1850	16 3	20 6
1860	18 0	23 0
1870	18 9	24 0
1880	18 5	21 4
1890	15 7	19 6
1900	14 7	17 2

These were cases where the actual rent of the same land could be ascertained from carefully kept records extending over the periods named.

The Movefmenls in the Incomes from Land and from other Sources compared

We have in the *Income Tax Statistics* information as to the annual value of the lands and houses assessed for tax in the early part of last century, while an income tax was levied, and again since 1842, when it was revived. The information given in the earlier periods is not nearly so full and detailed as that which is now published. The returns have been gradually amplified from time to time. The result is that we are not able to ascertain from the earlier returns, with the same precision as we can from the later ones the net amount of the income derived from particular classes of property under the various headings under which they are grouped. The gross assessments in each class under each heading are given, but the net assessments are only given for each group as a whole and not for each class in each group as is the case in the returns now issued by the Inland Revenue Commissioners. Further, deductions for repairs were not allowed under Schedule A until 1894. Consequently, we could only estimate what ought to be deducted for any year prior to that date. We must, therefore, be content with the gross figures and they will suffice for our purpose, because the deductions which would have to be made for repairs, over- assessments, etc., even if they could be ascertained, would not vary very materially at different periods in proportion to the total assessments. Further, it will be seen that the conclusions to be drawn from the figures are so obvious and striking that any possible modification of the relative proportions of the amounts of in-

come under each head that could be made if we had the information in greater detail, and were able to give net instead of gross figures, could not seriously affect those conclusions.

Prior to 1853 income tax was not levied in Ireland, and it was not until 1862 that the published returns were sufficiently complete to render possible the comparison we desire to make. We can, therefore, only make the longer comparison for Great Britain; from 1862 we can make it for the United Kingdom. The gross assessments for income tax for Great Britain in the years named from

1. Lands, Manors, Tithes, and Fines,
2. Houses and Buildings, including their sites,
3. All sources liable to Income Tax,

were as follows:

	Lands, etc.	Houses, etc.	Total, all Sources
1814-15	£ 42,426,822	£ 16,259,400	£ 137,621,309
1845-46	48,053,788	39,536,320	252,971,094
1862-63	51,752,772	58,590,395	328,147,667
1869-70	56,841,648	77,879,548	439,416,145
1889-90	48,212,101	134,934,230	632,159,035
1910-11	43,893,955	216,957,081	1,005,174,389

Keeping to gross and not attempting to ascertain net values, we may for this purpose take the value of the land on which the houses and buildings stood as one-fourth of the total value of the buildings and sites. We shall then get the value of the land alone as follows:

Gross Value of Land and Sites in Great Britain			
	Lands, etc.	Sites of Buildings.	Total
1814-15	£ 42,426,822	£ 4,064,850	£ 46,491,672
1845-46	48,053,788	9,884,080	57,937,868
1862-63	61,752,772	14,647,599	66,400,371
1869-70	54,997,570	19,469,887	74,467,457
1880-90	48,212,101	33,733,557	81,945,658
1910-11	43,893,955	54,239,270	98,133,225

It will be convenient if we now give similar figures for the United Kingdom for the last 50 years:

Gross Value of Lands and Houses and of all Incomes assessed FOR Income Tax in the United Kingdom

	Lands, etc.	Houses, etc	Total Income, all Sources.
1862-63	60,775,875	61,924,178	£ 351,745,241

1869-70	65,007,018	81,519,153	444,914,228
1889-90	58,153,900	138,491,662	669,358,613
1910-11	53,589,612	222,233,301	1,045,833,775

Gross Value of the Land and Sites in the United Kingdom

	Lands, etc.	Sites of Buildings	Total
1862-63	£ 60,775,876	£ 15,481,049	£ 76,256,924
1869-70	65,007,018	20,379,788	85,386,806
1889-90	58,153,900	34,622,815	92,776,816
1910-11	53,589,612	55,558,325	109,147,937

We may now bring together the gross annual values of the lands and sites and the total income from all sources assessable to the income tax, and show the percentage which the income from land was of the total income at the dates named:

	Land and Sites.	Total Income.	Proportion of Land to Total.
Great Britain,	£	£	Per cent.
1814-16	46,491,672	137,621,309	$33\frac{3}{4}$
1846-46	57,937,868	262,971,094	23
1862-63	66,400,371	328,147,667	$20\frac{3}{4}$
1869-70	74,467,467	439,416,146	17
1889-90	81,946,668	632,169,036	13
1910-11	98,133,226	1,006,174,389	$9\frac{3}{4}$
United Kingdom			
1862-63	76,266,924	361,746,241	$21\frac{3}{4}$
1869-70	86,386,806	444,914,228	19
1889-90	92,776,816	669,368,613	14
1910-11	109,147,937	1,046,833,776	104

These figures alone are sufficient to expose the glaring inaccuracy and utter absurdity of Mr. Henry George's statement that as the result of progress, civilisation, invention, and increasing population, land-owners get a constantly increasing, and labour and capital a constantly diminishing, share of the aggregate wealth created; or, as he puts it, in other words, that progress tends to give a larger and larger proportion of the produce to the owners of land and a smaller and smaller proportion to labour and capital. The facts are, of course, precisely the opposite, and very little knowledge of them or very little investigation of them would have prevented Mr. George from falling into this colossal blunder. It lies at the foundation of much of his argument, and the exposure of the ludicrous inaccuracy of his

statement knocks the bottom out of the contention which he bases on it and supports by it.

Increase in Incomes from Land much less than Increase in other Incomes

The figures we have just given show that in Great Britain, between 1814 and 1911, while the gross annual value of the land rather more than doubled, the gross total taxable income of the country increased more than sevenfold. In the United Kingdom, between 1862 and 1911, while the value of the land increased 43 per cent, the total gross income increased 197 per cent.

Put in another way, they show that a hundred years ago the income value of all the land of Great Britain was one-third of the total income-tax paying income. Now it is only one-tenth of the income-tax paying income.

Nor does this state the position quite fully. In order to make a proper comparison we must compare the increase in the total income (liable to income tax) from sources *other than* land with the increase in the value of land. These are the figures:

	Values of Land Sites.	Other Income.
Great Britain,		
1814-16	£46,491,672	£91,129,637
1862-63	66,400,371	261,747,296
1910-11	98,133,225	907,041,164
United Kingdom,		
1862-63	76,256,924	275,488,317
1910-11	109,147,937	936,685,738

In Great Britain between 1814 and 1911 the annual value of land increased 111 per cent; but the income (liable to income tax) from other sources increased 895 per cent, or 8 times as much.

In the United Kingdom, between 1862 and 1911, the gross income from land increased 43 per cent; but the gross income from other sources increased 240 per cent, or nearly 6 times as much.

Thus far we have limited our comparison with the income from land to the income from other sources which are liable to income tax. We may now extend the comparison to the total income of the nation, and especially to that portion of it which is below the income-tax limit. In doing so we must be content to deal with percentages and proportions, as the additional income figures which we are now

bringing in are net figures, while the others are gross. The percentages of increase in the net income figures vary considerably from those of the gross income figures, and so far as that is so, the comparison we are about to make shows a larger comparative increase in the value of land than would be shown if we could also give the net figures of the income from land.

We have already shown that the percentage of increase in the gross income from land between 1862 and 1910-11 was 43 per cent. The increase in the total income of the nation from all sources between 1862 and 1907 was:

Increase in total income	155 %.
Increase in incomes above the tax exemption limit	120 %
Increase in incomes below the tax exemption limit	176 %

Thus, while the gross income from land increased 43 per cent—and the net increase was much less—the net increase in the total income of the country was 155 per cent, and the net increase in the income of the smaller people amongst us—those whose income does not exceed £160 a year—was 176 per cent. It is clear, therefore, that Mr. Henry George's contention that the land-owners secure all the increased wealth that results from progress, and that their share of the total earnings of the community continually increases while the share of capital and labour constantly diminishes, is a monstrous fallacy and an absurd delusion.

Chapter V
Poverty and the Private Ownership of Land

Henry George says that private ownership of land causes poverty because rent goes into the pockets of the land-owners instead of into the coffers of the community.[93] Of course people are poorer because they have to pay rent, just as they are poorer because they have to pay for other things. If we could have food, or clothes, or houses, or land for nothing, which we now have to pay for, we should be that amount better off than we now are. If we are poor, we may say it is because we have to pay for these things. In that sense and in that sense alone is poverty the result of having to pay rent.

"The Tramp and the Locomotive"

But Henry George does not propose to relieve us of the payment of rent. We are still to pay it, but we are to pay it to the community. What the contention really amounts to is that people are poor not because they pay rent, but because they pay it to private individuals and not to the Government. This, it appears, makes all the difference; and he tells us that as the result of it:

> The "tramp" comes with the locomotive, and almshouses and prisons are as surely the marks of "material progress" as are costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas and patrolled by uniformed policemen, beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.[94]

He might just as well say that the grocer's shop begets flies, or a circus the crowd of children which gathers around it. Populous places, and places where wealth is which railways render accessible, attract the tramp, the loafer, and the beggar, the idle, the incompetent, the dishonest, and the thriftless. Why do we not have the professional thief—the burglar, the pickpocket, and the card- sharper—in rural districts, except when a race meeting is being held? Simply because there is no scope and opportunity for him.

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[93] Did he? /pma

[94] *Progress and Poverty,* p. 4. 104

He says the tramp "comes" with the locomotive, etc. Just so. He was not there before a happy, prosperous, industrious, law-abiding citizen. Material progress does not turn a prosperous population into tramps. It makes them more prosperous; so much so that tramps, loafers, and the like "come" and develop. It does not create them any more than cheese creates mice, or butcher's meat creates blue-bottle flies.

Poverty where Land is not appropriated

So fax from it being true that poverty, misery, and degradation are the result of private ownership of land, we know that in quite recent times nearly the whole of Africa, large parts of North and South America and of Central Asia and Australia, together with most of the lands of the Pacific, were regions where land was not appropriated as private property, and that there, amongst the negroes of Abyssinia, Ashantee, and Central Africa, the Zulus and Kaffirs of South Africa, the Indians of North and South America, the Aborigines of Australia, the Cannibals of the Pacific and the Tartars of Central Asia, there was savagery, misery and degradation, slavery, polygamy and barbarous tyranny and cruelty far more horrible, widespread, and unmitigated than anything that can be found under the worst conditions where private ownership of land prevails.

In the countries of the Red Indians of North America, the Zulus of South Africa, the Maoris of New Zealand, and the wandering Tartars of Asia, there was no progress in civilisation until land was privately appropriated.

So far from it being true that misery, poverty, and degradation have originated in the private ownership of land, it would be true to say that human misery is greatest and progress has been least where land is not appropriated, and human happiness and well-being have been most advanced where land is held as private property.

The Duke of Argyll said that when he was connected with the Government of India he could not fail to observe that the portion of that country which had most grown in wealth was precisely that part of it in which the Government had parted with its power of absorbing rent by having agreed to a Permanent Settlement.

It is stated that China has a land system under which every one holds from and pays a fixed rent to the State. The holdings are small, the average being 7 acres, and estates of more than 200 acres are

very rare.[95] This has not prevented China from being the most stagnant nation in the world. There is no country where there is more poverty, and where the struggle for existence is more severe. The overcrowding exceeds anything to be found elsewhere, and the deaths from infanticide, suicide, and starvation are appalling. The people live and work under conditions which a British workman would regard as unbearable. Their food he would regard as little better than garbage, and the filth of their villages defies description.

[95] "La Famille chinoise," article in *La Nouvelle Revue*, March 1883.

Chapter VI
Some Economic Fallacies

In *Progress and Poverty* H. George devotes much space to an elaborate discussion of the then current theories of political economists as to wealth, capital, and wages, and to the propounding of some theories of his own with regard thereto. He considered it necessary to demonstrate what he deemed to be the unsoundness of the current views, as a preliminary step to supplanting them by substituting for them his own theories and explanations. I have refrained from following him through this part of his dissertation, not because it would not be interesting and instructive to do so, but because it was not really necessary and considerations of time and space had to be borne in mind. It was unnecessary, because if it could be shown that the basis of alleged facts on which he built up the whole framework of his argument was unsound and inaccurate, and that the ultimate conclusion at which he arrived and the policy which he propounded as the legitimate and logical deduction from them were not only untenable and impolitic, but also dishonest and immoral, there was little more to be said about his distinctive proposals; and the result of embarking on a discussion of the other interesting points which he raised, would only be to confuse the really important issues and divert attention to what are largely irrelevant considerations, so far as the one definite practical proposal which he made, which his whole book led up to, and with which alone I have dealt, is concerned.

Throughout this discussion my object has been to refute the theories we were considering by a constant and extensive appeal to facts and experience. There are, however, one or two points with regard to which some brief reference may appropriately be made to the conclusions to which the teachings of political economy lead us.

The Effect of Improvements in Production and Transit

H. George's contention is that "eliminating increase of population," improvement in the methods and powers of production tend to increase the proportion of the aggregate produce which is taken in rent, and to reduce that which goes as wages and interest.[96] His argument runs thus:

[96] *Progress and Poverty*, Preface.

The effect of labour-saving improvements will be to increase the production of wealth. Now, for the production of wealth, two things are required—labour and land. Therefore, the effect of labour-saving improvements will be to extend the demand for land, and wherever the limit of the quality of land in use is reached, to bring into cultivation lands of less natural productiveness, or to extend cultivation on the same lands to a point of lower natural productiveness.[97]

Rent will advance, while wages will fall. Of the aggregate produce, the landholder will get a constantly increasing, the labourer a constantly diminishing, share.[98]

It has already been shown that, as a matter of fact, these statements are simply untrue, and that might be regarded as sufficient. But it may be useful to point out that an increase in the production of wealth does not necessarily involve any increase in the demand for land, and also that many improvements and developments tend to lower rent rather than raise it.

An increase in the production of wealth often increases the demand for labour. When that is so, the larger number of people employed will increase the demand for land, for food, houses, clothing, etc.; but H. George expressly excludes the demand for land owing to increase of population. He says "eliminating increase of population," "irrespective of increase of population."

If there is no increase in the demand for labour, an increase in the production of wealth will not necessarily increase the demand for land. Indeed there may be a great increase in the production of wealth, and in the demand for labour, with little or no increase in the demand for land in the process of producing wealth. Finer materials, more highly finished goods, more elaborate and intricate machines employ vastly more labour without any increased consumption of raw material. Fine cotton, woollen or silk goods, costly furniture, expensive dinners, beautiful carriages, expensive pictures, employ much more labour than coarser, commoner and cheaper articles of the same kind, but there is no more raw material in the expensive than in the low-priced articles. There is as much raw steel in a blacksmith's or joiner's chisel as would make hundreds of watch-springs. Clearly, therefore, increased production of wealth, through improved

[97] Ibid. p. 173.
[98] Ibid. p. 246.

manufacturing processes, does not always increase the demand for land, but in the great bulk of cases it does increase the demand for labour.

Improvements in transportation, more, quicker, and cheaper train and shipping communication enormously diminish the dis- advantages of distance and bring into the market produce which was excluded before. This throws out of cultivation less favourable land, by enabling the better soils at a distance to take their place. That raises the "margin of cultivation" and thereby reduces rents. The opening up of the United States, Canada, and the Argentine by railways and improved shipping communication has had this effect here. Improvements in tools and machines which save labour in cultivating the soil reduce rent. Improvements which increase the produce of the soil for the same labour reduce rent still more. They all raise the margin of cultivation. Increase the height of buildings, concentrate a town on a less area, and the tendency will be to diminish site values.[99]

Rent and the Price of Produce

Another equally old and elementary fact which appears to require restating is that rent forms no part of the price of agricultural produce. Rent is the remuneration received by landowners for the use of the natural advantages of the land, whether those advantages arise from the quality of the soil or from its position. "Rent arises from the fact of varying degrees of productiveness in the lands actually contributing to the supply of the same market, the least productive land paying no rent or a rent so small that it may be treated as none. The rent of all the higher grades of land is measured upwards from this line, the rent of each piece absorbing all the excess of produce above that of the no-rent land."[100]

Rent is the surplus of the crop above the cost of cultivation on the least productive lands contributing to the supply of the market." "That surplus, necessarily, so far as economic forces are concerned, is left in the hands of the landlord. There, so far as economic forces are concerned, it must remain."[101] "The amount received from a far-

[99] Marshall *Principles of Economics,* p. 837.
[100] F. A. Walker, Land and its Rent, p. 21.
[101] F. A. Walker, *Political Economy,* p. 203.

mer as rent is not paid either by the agricultural labourer or by the consumer of the produce."[102]

The price of wheat is fixed by the cost of producing that portion of the supply which is required in that market which is produced at the greatest disadvantage, that is, on what is practically no-rent land.

If the price of the whole crop of wheat is to be fixed by the cost of raising it on the least productive soils actually cultivated, then rent is not a part of the price of agricultural produce, since the least productive soils pay no rent: and therefore rent cannot be a part of the price of the wheat raised therefrom; and if not of this wheat, then of no wheat, since, as we have seen, the price of the whole crop is fixed by the cost of that portion which is raised on the no-rent land.[103]

As Ricardo put it: "Corn is not high because a rent is paid: but a rent is paid because corn is high." If rent were remitted by the landowner, the tenant would get the same price for his wheat unless he voluntarily gave part of it to the miller, and then the miller would get as much for his flour as before, and so on to the baker.

As the pressure of population requires the cultivation of less and less favourable soil, the price of produce must rise in order to render such cultivation profitable: that will increase the rent of the more favourable land. On the other hand, improvements in communication bring in produce from lands which are so much more productive than the poorest land here that the produce can bear the cost of transportation and still undersell the produce of that poorest land. This will lower rents because that poorest land will be thrown out of cultivation, and the less poor land will become the standard no-rent or very low-rent land.

As the means of production and transit are improved by the investment of capital, the share of the total produce which goes to capital increases. One result of the increase of production resulting from enterprise and capital naturally is that profits and interest take a much larger proportion of the total product than the increase of rent does. "Rent is always the difference between the produce obtained by the employment of two equal quantities of capital and labour" (Ricardo).

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[102] Ibid, p. 236..

[103] F. A. Walker, *Land and its Rent*, p. 29

The Sources of Wealth

Another fallacy is the teaching that labour, in the ordinary sense of the term, is the sole source of value and wealth. In that early and rude state of society which precedes both the accumulation of stock and the appropriation of land, it undoubtedly is so; but labour is the sole source of value in that rude state of society only. Under the conditions of modem civilisation and development, the accumulated knowledge of individuals, their intellectual capacity, their moral power and their organising ability, their courage and their enterprise are our greatest material assets.

The agents of production are commonly classed as Land, Labour and Capital. By Land is meant the material and the forces which Nature gives freely for man's aid, in land and water, in air, light and heat. By Labour is meant the economic work of man, whether with the hand or the head. By Capital is meant all stored-up provision for the production of material goods, and for the attainment of those benefits which are commonly reckoned as part of income. It is the main stock of wealth regarded as an agent of production rather than as a direct source of gratification. Capital consists in part of knowledge and organisation: and of this some part is private property and other part is not. Knowledge is our most powerful engine of production: it enables us to subdue Nature, and force her to satisfy our wants. Organisation aids knowledge. … The distinction between public and private property in knowledge and organisation is of great and growing importance; in some respects of more importance than that between public and private property in material things; and partly for that reason it seems best sometimes to reckon Organisation apart as a distinct agent of production.[104]

The Importance and Value of Business Ability

It is quite possible to overestimate the importance of capital. Business ability, that combination of mental capacity and moral power with executive and organising ability, which makes a first- class captain of industry, finance, and commerce, is far more valuable and important and much more rarely possessed than capital. Professor Marshall has very truly observed that in developed industrial communities the possession of capital is not the sole, or even the main,

[104] Marahall, *Principles of Economics*, pp. 138, 139.

qualification for employing labour. The labourer does not look to the employer merely to furnish wages, tools, and materials; he expects him also to provide technical skill, commercial knowledge, and powers of administration: to assume responsibilities and provide against contingencies: to shape and direct production and to organise and control the industrial machinery. Those who possess the ability to discharge these important and difficult duties can usually obtain capital.

The employer thus rises to be the master of the situation. It is no longer true that a man becomes the employer of labour because he is a capitalist. Men command capital because they have the qualifications to employ labour. To men so endowed, capital and labour alike resort, for the opportunity to perform their several functions and to entitle themselves to share in the product of industry.[105]

We have seen that under modern conditions wealth increases rapidly—the quantity and the value of goods produced increases out of proportion to the increase in the number of labourers, and the amount of their labour. To what is that increase due? To machinery and organisation, i.e, to capital and the employer. It is invention, discovery, thought, patience, ingenuity that have increased the output of labour enormously. Labour does not necessarily produce wealth. It may be wasted. It may be used to dig a hole and fill it up. It may be unwisely directed and consequently produce meagre results. Genius, courage, and great organising skill may direct it, and thereby increase the value of its output. The increase—the larger output—is not due to labour, but to the qualities which have organised, guided, and equipped it. Those qualities are possessed and exercised by the few, and it is the few who are strikingly successful. They are successful—not by defrauding the workers, but by making their work more productive.

Sir John Lawes, at Rothamsted, found that after land had been continuously used for wheat-growing, in the one case nature being unassisted by manure, and in the other the land being suitably and scientifically manured, the average crops in the last 12 years of the 30 were:

[105] Marshall, *Principles of Economics*, p. 234.

	Corn.	Straw.	Total.
Without manure	730	1120	1860
With special manure	2342	4828	7270

The result showed a profit of 100 per cent on the expenditure of manure. The whole of the extra produce was due to capital and knowledge—not to land or labour.

Where the Profits of Exceptional Business Ability come from

The product of industry is divided into four shares: rent, interest, profits, wages. The employer's profits represent what is left after rent and wages and interest on capital have been provided for. Those profits are the earnings of and the reward for the employer's knowledge, energy, and ability, as distinct from rent and interest. They are not obtained through any deduction from the wages of mechanical labour, nor do they constitute a part of the price of manufactured goods. They are drawn from a body of wealth which is created by the exceptional abilities of those employers. Professor Alfred Marshall says: "The earnings of management of a manufacturer represent the value of the addition which his work makes to the total produce of capital and industry." That employers who make large profits do not make them by cutting wages or by obtaining higher prices for their goods than others do for similar articles of the same quality—that is, that they do not squeeze their profits out of either their workpeople or their customers—is proved by the fact that they do not pay lower wages or charge higher prices for goods of equal quality than less successful traders and manufacturers. They owe their success to superior ability, energy, economy, courage, judgment, and prudence. Their profits consist of wealth created by themselves, over and above the wealth which would have been produced in similar industrial enterprises by the same labour and capital under the control of employers of less efficiency.

Professor Marshall says great American fortunes were sometimes "earned mainly by the supreme economising force of a great constructive genius working at a new and large problem with a free hand: for instance, the founder of the Vanderbilt family, who evolved the New York Central Railroad system out of chaos, probably saved

to the people of the United States more than he accumulated himself."[106]

The more inventions and discoveries accumulate, the more complex society becomes, the more civilisation advances, and the more wealth increases, the greater are the risks which commercial and industrial enterprises have to face and the more important and valuable do those who can accurately and successfully anticipate and guide the public demand become. Many enterprises fail. Works are constructed, buildings are erected, plant is put down, and the thing fails. The workmen were paid their wages. If they had shared the profit only, they would have got nothing; as it was the capitalist lost. A canal from Lough Corril to Lough Mask was cut through limestone, which proved to be porous and the water ran through it into the earth, the result was that the canal was a costly failure. Many undertakings—some railways, for example—pay little or no interest or dividend, but they pay wages.

The conceiving mind which initiates the enterprise is always at the root of the whole result, the constructive mind which thinks out the details and designs the structure comes next: the capitalist, who risks his money in the venture, and that other class of capitalists who undertake the actual work of digging or of building, come third and fourth in order: whilst the manual labourers, with their skill and experience in the use of their own muscles and in the handling of tools, come last of all—last in point of time, and in order of merit, and in efficiency of causation, but nevertheless as indispensable as any other.[107]

Most of the greatest fortunes of modern times have been made by men who were neither land-owners nor capitalists, although, as the result of their success, most of them ultimately became both land-owners and capitalists. Brassey, Morrison, Lister, Coats, Holden, the Rothschilds, Aird, Fumess, Brunner, and Wills in this country, and Vanderbilt, Gould, Morgan, Rockefeller, Carnegie, Harriman, Marshall Field, and Wanamaker in America, did not originally make their money out of land. They made it by superior management, which was the outcome of superior knowledge and ability, sound

[106] *Principles of Economics* p. 686.
[107] Duke of Argyll, *Unseen Foundations of Society*, p. 441.

commercial and financial judgment and great courage and tenacity, combined with exceptional organising capacity.

Amidst it all, "it is doubtful," says Professor Marshall, "whether the aggregate of the riches of the very rich are as large a part of the total national wealth even in the United States or in England now as they have been in some earlier phases of civilisation. The diffusion of knowledge, the improvement of education, the growth of prudent habits among the masses of the people, and the opportunities which the new methods of business offer for the safe investment of small capitals—all these forces are telling on the side of the poorer classes as a whole relatively to the richer. The returns of the income tax and the house tax, the statistics of consumption of commodities, the records of salaries paid to the higher and the lower ranks of servants of Government and public companies, tend in the same direction, and indicate that middle-class incomes are increasing faster than those of the rich; that the earnings of artisans are increasing faster than those of the professional classes, and that the wages of healthy and vigorous unskilled labourers are increasing faster even than those of the average artisan."[108]

NOTE

Speaking in London in June 1912, Sir William Lever, of Port Sunlight, said:

> We have in all productive enterprises three factors. There is first a supply of the raw materials which are required. These vary in value and in price according to harvests of plenty and harvests of scarcity, and the finished product, according to the law of demand and supply and consumption the world over also varies in value. That is a variable quantity. There is no fixity about it. No manufacturer can tell on the 1st of January what his raw materials are going to cost him through the year to the 31st of December. With skill and foresight and knowledge he may be able to form a very accurate judgment, but even then, however accurate his skill may be, he cannot exactly tell what his raw material will cost. Now, on the other hand, he has in labour and in interest on capital a fixed quantity. If raw materials are dearer he cannot pay any less to labour, nor can he pay any less interest on capital. Those are fixed.

[108] *Principles of Economics*, p. 687.

Therefore when you have a variable manufacturing cost and a varying market value, and fixed charges in the form of interest and wages, rates and taxes, repairs and renewals, depreciation and so on, you must have a variable remainder. It may be a profit or a loss, but it will always be variable. You have variable values for your raw materials and for the article you produce. You have fixed charges, and you are bound to have a variable remainder in the profits. There is no getting away from that. Now, this variable remainder is produced not, I venture to say, by capital in a sense other than that a business must be equipped with the right and full amount of capital, just as an engine must be supplied with the full pressure of steam; but this variable quantity or remainder is affected by the skill of management, and I have always resented any one who has talked about Capital and Labour as if they were the only two causes and the only two elements in the productiveness of industrial undertakings. They have always left out the third, which is management. Now, it is management that is going to produce a profit in the variable remainder. By bad management there may be not only no remainder profit, but actual loss. By extremely good management there may be profits in one industry and actual losses in other less well managed industries of the same class and at the same time.

It is management, therefore, that produces the variable remainder which we call profits or losses. I have equally resented the doctrine that was preached by some economists a century ago that labour is the source of all wealth. It is the successful management of labour, and only the successful management of labour that can produce any wealth.

PART III
THE HISTORY OF THE OWNERSHIP, TENURE, AND TAXATION OF LAND IN ENGLAND

2" The roots of the present lie deep in the past, and nothing in the past is dead to the man who would learn how the present came to be what it is."—Bishop Stubbs.

"Let us remember that our materials for the legal history of the long age which lies behind Domesday Book are scanty. A long age it is, even if we measure it only from the date of Augustin's mission. The Conquerer stands midway between Æthelbert and Elizabeth."— F. W. Maitland.

"When historical information begins, the landed estate is found to exist with many of the features of the fully-developed manor."—Palgraves's *Dictionary of Political Economy*.

"The Theories of the past must be judged in relation to the facts of the past, and not in relation to those of the present. History seems to be proving that no great institution has been without its use for a time and its relative justification."—Professor Ashley.

"The growth of landed aristocracy is partly to be explained by the influence of capital and of patronage in times of severe social struggle and recurring devastation."— Dr. Vinogradoff.

"Our land system is commonly called feudal, sometimes by persons who use the word as a disparaging epithet without any clear notion of what it means. … The statement and the belief implied in it are so inadequate as to be misleading."—Sir Fredrick Pollock.

"To imagine the manorial lord of the Middle Ages as a warrior who has forcibly set himself over a community of freemen is to show that one knows nothing of the documents from the fifth to the tenth centuries, and that one has an altogether childish idea of the origin of feudalism."—Fustel de Coulanoes.

" Some germs of manorial institutions may be found in the Celtic age: the Roman occupation of the island had undoubtedly a powerful influence on its economic arrangements; the Old English period is marked by the full development of the rural township; the feudal epoch finds the Manor at its height; the dissolution of the Manor forms one of the processes by which modern commercial intercourse was brought about, and survivals of the Manorial system and of its component elements may still be observed all over England."—Dr. Vinogradoff.

Chapter I
Ownership, Occupation, and Status in Anglo-Saxon and Early Norman Times

When studying the introduction and growth of particular institutions, laws, and customs, it is essential that we should understand what the previously existing institutions and social and legal structure were, and what were the changes in the political, economic, and social conditions which rendered that growth possible and necessary.

In early times in Europe, when independent tribes ceased to be nomadic and became fixed settled communities, probably the whole of the land of the settlement that was occupied or used belonged to the chiefs or nobles and the freemen. Below the free-men there were slaves and probably an intermediate class who were not fully slaves.

The tribal system continued in Wales, Ireland, and the West of Scotland long after it had disappeared in England as the result of the Roman, Danish, and Saxon invasions and conquests. Whether the manorial system here grew out of the Roman land system and was the result of the natural evolution of the times here as on the Continent, or was introduced by the Saxon invaders, is a disputed point which need not detain us. In either case it was a stage in the progress from the tribal system through private ownership and feudalism to individual freedom. "The settled serfdom of a servile tenancy, theoretically at will but practically for life, succeeded a condition of barbarism and general slavery." Under the manorial system Saxon freemen, like the Greek and Roman citizens, had below them a considerable number of bondmen who were really slaves. It was an early stage of the advance which slowly but steadily continued and developed.

When the Romans left

Under the Romans this country had been prosperous. There were a large number of cities, fine main roads, aqueducts, buildings, and public works. The mineral and agricultural resources were fairly developed in many parts of the country. When they left in the early part of the fifth century a retrograde movement set in; trade and agriculture declined, towns decayed. For many centuries afterwards land outside the towns—which soon became few and small—was worth little. There was abundance of it, and the population was sparse.

What was of value to the people was their freedom, such as it was; their homes, such as they were; their cattle, and their crops. Their enemies were marauders at home and pirates and invaders from abroad. To protect themselves against these it was necessary for them to band themselves together and seek the protection of some powerful chief or noble or king.

The country was torn by intestine quarrels between the heads of the numerous kingdoms into which the island was divided. There were continual internal feuds and wars, in addition to inroads by the Picts and raids and invasions by predatory Norsemen, Danes, Saxons, and others who gradually effected settlements here. The various invaders drove the ancient inhabitants into remote or unattractive districts or made them their serfs or slaves. Some of them in their turn suffered a similar fate at the hands of subsequent invaders. Those who thus established themselves spent much of their time in either attacking or defending themselves against their neighbours and rivals more or less distant. They were rough times, in which the strong arm was supreme and might very largely held the place of right. The bond which held communities or groups together was the necessity for mutual protection. The smaller folk supported the noble in his quarrels and expeditions and rendered him services on his estate, according to their rank and station, and he in turn upheld and defended them. It was an arrangement for mutual benefit and support.

When parts of the country were occupied by successful invading forces, some of the land was usually given to those who had formed the invading force in portions according to their status and importance, while the remaining portion of the occupied territory was retained by the king or chief. From this demesne he derived his supplies, the work being done by ser& and non-free labourers and smaller workmen and tenants. All were banded together more or less loosely for defence and plundering expeditions. When one ruler established his authority over the whole of the country the organisation extended and improved, but it was the same in kind and essence. Defence was secured by personal service, and as the country became more settled and towns and commerce developed, levies were made to provide funds.

The Origin of the Manorial System

The origin of lords of the manor is to be sought in the growth of personal dependence and private jurisdiction rather than in any direct development of economic relations. Recent research has made it clear that we must put it back to a remoter date than was implied in much of the current teaching of the authorities thirty years ago.[109]

Neither the term manor nor any corresponding designation occurs in Saxon times, and there were important differences between the land law and practice of the old epoch and the new. Nevertheless Domesday Book supposes that there were manors in full growth in Edward the Confessor's time, and even before. Vinogradoff says that if we do not find actual manors in Anglo-Saxon times, "we do find several institutions working each by itself, but combining in practice to produce the inchoate manorial system which Domesday supposes everywhere.[110] The institutions of landlordship, which were the root of the manorial system, were in full work in the last two centuries of Saxon rule.

The consolidation of the petty monarchy wielded in after times by the lord of the manor may have taken place in various ways, and most likely did, according to circumstances, take place in all of them. In some townships a chief house might become richer and more prosperous than the others, until its head possessed a commanding influence and the poorer members were glad to become his dependents. But the man who had thriven and become a lord in his own township would be sought as a protector, sooner or later, by strangers also. There were times of warfare between kingdom and kingdom, and later of Danish harrying and general disorder, in which old bounds and usages were overridden, and the bonds of society loosened. There were times of distress, too, when freemen were ready to

[109] How what was thought to be known, and the old views, have been modified and adjusted, is indicated by Sir Frederick Pollock's preface to the third edition of his little book on *The Land Laws*. The first edition was published in 1883, the second in 1887, and in the preface to the third edition in 1896 he said: "I have found it necessary to rewrite a good deal of the chapter on early customary law, to alter much of the Appendix, and to add a wholly new note on the Origins of the Manor, in order to keep the antiquarian part abreast of the present state of scholarship." Since that was written research has modified the views which were current in 1850-1883 still further.

[110] *English Society in the Eleventh Century*, p. 340.

"bow their heads for meat" to any who would support them, insomuch that the neediest of them were driven to become not merely dependents but bondmen. Thus the dominion of the stronger landholders, once set on foot, was increased by the submission of many sorts of people, now singly, now, perhaps, collectively. Grants of public jurisdiction and revenues from the king completed the strength and pre-eminence of the lords; and this process, repeated all over the country, had long before the Conquest made England into a land of great estates, cultivated partly by personally free dependents and partly by bondmen.[111]

Anglo-Saxon documents, when they do go into detail, show us the tillers of the soil in a condition not materially different from the villenage of the thirteenth century. The labour dues, well known in post-Norman inquests and court rolls, are there; a lord to whom they are rendered is there; the highly artificial system of common-field cultivation, though not described in terms, is plainly there too when one has learnt to trace it. Free communities are not visibly there, only sup- posed survivals of ancient freedom, which, after all, may be regarded as ambiguous.[112]

Whatever the precise conditions were prior to that time—and there is still much obscurity about it and considerable difference of opinion among authorities—it appears that when England had become one kingdom something like the manorial system was in existence. In the manorial rolls in which franchises are enumerated "there are English words of immemorial antiquity which had their technical meaning centuries before the Conquest, and which the Norman lawyers, only half-understanding them, thought it prudent to leave untranslated."[113]

The Constitution of the Manor

The characteristic of the manor was that the area embraced in it was subject to the authority of a "lord of the manor," who owned absolutely a considerable part of the land and had rights of rent or tribute (which in those days was paid in services or produce and afterwards in services and money, and finally in money, until in a large proportion of the cases all rent ceased) over the other portions of the manor.

[111] Pollock, *The Land Laws*, p. 35.
[112] Ibid. p. 204.
[113] Ibid. p. 11.

The manor of Norman times was similar to the "ham" or "tun" of Saxon times. It was the estate of a lord with a village community in villenage upon it. In Saxon times there was the same division under different names of the land of the "ham" and "tun" into the lord's demesne and the land in villenage as in Norman times. The lord of the manor was a theme and the demesne was the "thane's inland." The villeins were gemots, and the land in villenage was geneats-land. The smaller tenants on the land were geburs and cottiers. Beneath these were the theows or slaves. Some of the theows were slaves by birth. But it seems to have been a not uncommon thing for freemen to sell themselves into slavery under the pressure of want. "Theows were bought and sold in the market and exported from English ports across the seas, as part of the commercial produce of the island."

New manors were from time to time created, sometimes by life tenures of forest and waste land being granted by the great earls and the king, on which communities were gathered together and villages built. Young thanes built up new "hams" which gradually extended and were in time created into manors.

The Saxon kings, as did their Norman, Plantagenet, Tudor, and Stuart successors, rewarded services and friendships by grants of lands from the royal demesne. The abbots and monks were also continually wheedling grants out of the king and other large land- owners for monastic purposes. Bede complained bitterly that these profuse grants had already in his time seriously weakened the king's power of using the royal estates legitimately as a means of keeping up his army and maintaining the national defences.

Boc-land and Folk-land

Land was for the most part either Boc-land or Folk-land. The view which was generally held, until recently, was that the land which had become the private property of the king, or a monastery, or a private person, was "boc-land"; that all other land was folk-land or public-land; and that this land became attached to the petty kingships as they established their power and asserted their authority and, when the country came under one king, the folk-land was absorbed in the royal demesne and belonged to the people as a whole. Dr. Vinogradoff, however, upset this theory, and proved that folk-land was land held without written title or documents, but under the common or customary law. Professor Maitland says, "What is folk-land? A

few years ago the answer that historians gave to this question was this: 'It is the land of the folk, the land belonging to the folk.' Dr. Vinogradoff has argued that this is not the right answer. His argument has convinced us."[114]

> Bookland is land held by book, by a royal and ecclesiastical privilegium. Folk-land is land held without book, by unwritten law, by the folk-law. … The holder of folk-land is a free landowner, though at an early date the king discovers that over him and his land there exists an alienable superiority. Partly by alienations of this superiority, partly perhaps by gifts of land of which the king himself is the owner, book-land is created.[115]

Spelman held this view two centuries ago, and he was right. Sir Frederick Pollock, in the third edition of *The Land Law*s, says:

> For many years all or nearly all scholars, including myself, accepted Allen's explanation that "folk-land" was *ager publicus*, land held by the nation for public purposes. But it has been shown by Mr. Vinogradoff that this brilliant and plausible interpretation really raised more difficulties than it solved; and the restoration of Spelman's opinion has been accepted, so far as I know, without an expression of dissent in any quarter.[116]

We may take it, therefore, as settled that "Folk-land" was land held by folk-right or custom, as distinct from land held by written document, charter, or "book." Different persons might own folk-land. It might belong to private citizens; it might belong to the king for his private use; it might belong to the State. It did not belong to the community as such; it was not, as was once supposed, public land held for public purposes. Land held by anybody was folk-land unless it had been turned into book-land by a written grant or confirmation.

The System of Agriculture

We have seen that at the time of the Norman Conquest agriculture in England had been carried on under the open field system by village communities in villenage, a system of Saxon serfdom; and that system prevailed throughout all that part of the country which the Sax-

[114] *Domesday Book and Beyond*, p. 244.
[115] Ibid. p. 267.
[116] P. 23.

ons had thoroughly conquered, with some exception in Danish districts where freemen and free tenants were found.

At the time of the Domesday survey the whole of the country was practically manorial or royal demesne. Both in the manors and in the royal demesne the division of the land into two distinct portions—the lord's demesne and land in villenage—was practically universal.[117]

At that time by far the largest part of the country was forest and waste: uncleared and undrained moor, wood and marsh-land. There were 9250 manors, of which about two-fifths were arable or pasture and three-fifths were uncultivated waste.[118] The demesne of the manor was cultivated by the lord except such portions as he let off to tenants on free tenure at money rents. The land in villenage was held by tenants in villenage, at the will of the lord and at customary services.

The Open Field System

The land was in open fields—in strips—divided into three portions, which were cultivated on the rotation principle. A common holding in villenage was a house with a "virgate," or a half-virgate or "yardland." A virgate comprised about 30 acres—10 acres in each of the three rotation fields—in ½ acre or 1 acre strips scattered all over the manor, to which were added 2 or 3 acres of pasture.

Sometimes villein tenants of virgates or half-virgates also held other land in the lord's demesne as free tenants, but they remained tenants in villenage for their virgates. There were also smaller cottage holdings, the holders of which were lower in the social scale than the two grades of holders of virgates and half-virgates, who in torn were inferior to the free tenants of portions of the lord's demesne.

The homesteads of the villeins were in the villages, and the bundles of scattered strips in the open fields went with them. Below the villein tenants were the cottiers with small holdings, and below them the *servi* or slaves, who, after the Domesday times, gradually became merged either among the cottier class, or as household servants or

[117] Seebohm, p. 84

[118] Gibbins, *Industrial History of England*, p. 11

labourers on the lord's demesne.[119] In Domesday serfs have no holdings or tenements in the proper sense of the word.*4

These holdings of the villeins were held subject to the customary services, but within the restraints of the villenage there was a measure of freedom. There were woods and commons outside the demesne in which the tenants of the lord had rights limited by custom. In some cases there were additional payments for rights of grazing cattle, etc.

The open fields as well as the lord's demesne were for some centuries ploughed in common, and the amount of the fields—the number of strips—thus allocated to each villein tenant seems to have been in proportion to his contribution to the common stock of work. Eventually the system of common tillage died out, and the villein tenant occupied the scattered strips permanently and cultivated them himself.

Apparently the villein tenants were entitled to certain services from the village artificers and others who were, so to speak, officials of the village or manor. The blacksmith, the carpenter, the keeper of the pound, the chief husbandman who supervised and arranged the ploughing, etc., of the land as the representative of the tenants, each had his house in the village and his share of the open fields, and he held them free of the customary tenant's services in consideration of their special duties.[120] In the bishopric of Durham, in the twelfth century, the pounder, the carpenter, and the smith generally occupied about 12 acres as remuneration for their services to the manor, and the common ploughs of the manor. In other cases the records show that the parish constable, the churchwardens, the parish hayward, and the parish reeve had holdings in virtue of their office.[121]

How holdings came to consist of a number of scattered strips is explained by Seebohm[122] to be due to the way in which the produce of the common holding was allotted to various tenants. His view is, and it is supported by interesting evidence, that each man's share was

[119] "If we turn to the old English charters we shall have to recognize that, up to the eleventh century, slavery and manumission from slavery are playing a most important part in social life."—Vinogradoff, *English Society in the Eleventh Century*, p. 465.

[120] Seebohm, p. 70.

[121] Slater's *English Peasantry*, p. 34-

[122] *The English Village Community*.

in proportion to his contribution of oxen, ploughs, etc., to the common tillage, and that, when tilled, the land was allotted in strips of 1 acre or ½ acre as the case might be, as follows:—The first acre ploughed went to the ploughman, the second to the plough irons, the third to the outside sod ox, the fourth to the outside sward ox, the fifth to the driver, the sixth, seventh, eighth, ninth, tenth, and eleventh to the other six oxen in order of worth, and the twelfth for the maintenance of the woodwork of the plough. The number of groups of 12 acres in which a tenant would get one or more strips of an acre would depend on the number of oxen, etc., he contributed to the tillage, and his total holding would be scattered according to the number of separate groups of tillage to which he had contributed oxen, ploughs, or men.

The "common field" system and cultivation in England obtained in Scotland and in Ireland, and was known there as "Runrig" and "Rundale" respectively.

This semi-communal method of cultivation had nothing whatever to do with the idea of any communal ownership of the soil. The cultivators were simply joint tenants for which they all paid rent in kind, or in service, or in money, to the owner of the estate of which this land was a part.

Free Tenants, Villeins, and Serfs

Long before the Conquest a great part of the cultivation of land in England was done by persons who occupied it by agreement with or permission of the owner, and paid for its use in kind, labour, or money, and sometimes in all three. This land was known as *læn-land*— loan-land—and it was said to be held on *læn* or loan.

Under feudalism, the tenant not only paid the owner for his land in money, kind, and labour, but he owed him personal service, and allegiance, and attendance at his court. The tenant's lord might be similarly bound to an over-lord, and he again to another above him.

> Mere villenage is that which is so held that the tenant in villenage, whether free or bond, shall do of villein service whatever is commanded him, and may not know at nightfall what he must do on the morrow, and shall ever be held to uncertain dues; and he may be taxed at the will of the lord for more or for less … yet so

that if he be a free man he doth this in the name of villenage and not in the name of personal service.[123]

The state of villenage and of serfage was practically the same in principle; the difference was one of degree. Both were bound to the soil and both were subject to a master. Serfs were not slaves as we understand the term. At the time of the Norman Conquest slaves formed about 9 per cent of the population mentioned in Domesday Book, and within a century after that they appear to have been merged in the cottars.

At this time there were also a number of "socagers" or "sokemen." They were free tenants. They held in fee simple by services to their lord. Their rent was fixed and unalterable. Nor were they fixed to the soil. They were bound to give military service when called upon by their lord. They were of greater independence and of better standing than the villeins. They were much more numerous in the eastern parts of the country than elsewhere. There they were from one-fourth to nearly one-half the population. Taking the country as a whole, however, they were only 4 per cent. The number of free tenants was, however, constantly increasing. Tenants in villenage often commuted their services into money payments when the lord preferred to have money so that he could employ any one he wished. Sometimes also a lord would prefer to let his own demesne land for a fixed rent, rather than cultivate it himself. Thus the villein might become a free tenant.

The majority of the rural population were probably unfree as late as the thirteenth century, but how great a majority we cannot say. Below the villeins were other personally free tenants described by various names, the lowest of whom were little better off than bondsmen. Certainly a large number of bondmen existed. "Probably most of them were descendants of the British population who had been spared in the Conquest. At all events they were personally in their lords' power, and were at their mercy in everything short of life and limb. Whatever they held of land or goods was held only by the lord's permission and might be recalled at his will."[124]

[123] Bracton, folio 208b.
[124] Pollock, p. 46.

Personal servile status and land held subject to servile services were two distinct things. An unfree man might hold free land, but that would not make him personally a free man. A free man might hold land on a servile tenure, but that did not make him personally unfree. As Bracton put it: "The tenement changes not the condition of a free man any more than of a slave. For a free man may hold in mere villenage, doing whatever service thereto belongs, and shall none the less be free, since he does this in regard of the villenage, and not in regard of his person."[125]

The Growth of Freedom

Towards the end of the fourteenth century the restraints were far less than they had been, but a measure of serfdom remained. Villeins by descent, as distinct from freemen, were bound to render the customary services, and were bound by regulations and liable to fines on marriage or selling an ox without licence from the lord, or if their daughters lost their chastity. If they left the manor without permission, they were pursued and arrested and brought back. The actual services, however, had been almost entirely commuted for money payments; but at times some lords tried to enforce the older and stricter rules. It was this that created discontent and provoked the resentment and revolt which led to Wat Tyler's rising.

Meanwhile, as slavery disappeared and peasants of all grades obtained more or less practical freedom, the wage system naturally and inevitably grew up. The more favourably placed and richer villeins became small farmers and often needed labourers. The lords and large farmers dispensed with servile services, and received or paid money in lieu of them. The poorer villeins and cottars with little or no land were employed by the lord and others who had larger portions of land under their own cultivation.

After the Great Plague of 1348-49 the amelioration of the conditions of the villeins proceeded rapidly. Those who did not become free tenants—and the circumstances of the time enabled many of them to do so—became customary tenants, that is what we now know as copyholders. Thus the great class of yeomen was created and built up. From the freemen, the servile tenants, and the serfs

[125] Folio 26a.

sprang the freeholder, the copyholder, and the free wage-earning labourer.[126]

The Customary Tenants—Copyholders

In the old days the lord of the manor was "a kind of small sovereign prince, possessed of his own courts, and doing justice according to his own procedure and customs." His powers and jurisdiction have been shrivelled by the changes of centuries, until now they are next to nothing and only the names remain.

It is generally held that copyholders are the successors and descendants of villeins who held villein land, and copyhold tenure is villein tenure with the manorial customs protected by law and upheld by the courts. In course of time the greater part of the base tenure and villenage became copyhold on favourable terms, and ultimately was completely enfranchised and became freehold. The conditions of the tenure varied much because the manorial customs on which they were based varied at different times and in different places. As Mr. Tawney puts it, "villeinage was the pit from which copyhold tenure was digged."

As feudalism died out and the customs of which it consisted weakened, two results ensued. On the one hand the tenants of lands (copyholds) which were subject to them, but had largely shaken them off, were relieved of odious and burdensome obligations, and were left far freer to pursue their business and push their fortunes in their own way. On the other hand their title and tenure being a customary one, the weakening of custom weakened their hold and diminished their protection, while the advent of greater freedom brought with it competition, commercialism, rack rents, and market prices.

Technically, with the Conquest the old order of land-owning collapsed, and a clean sweep of old titles was made. Where Englishmen still held land it was by express grant from the king, and if they resumed their old estates the title under which they held was the new one of a grant from William I. Heavy payments had to be made for these resumptions.

[126] Freehold was the relation of a free tenant to his lord. Copyhold was the outcome of the relation of a villein to his lord.

Chapter II
The Origin and Basis of Feudalism

The fundamental basis of feudalism arose out of the conditions which prevailed throughout Europe in the later Roman times and the early medieval period. In those days the great and universal need was protection. When the Roman Empire was decaying and the German settlement was chaotic the safety and protection which a settled and powerful government should provide were wanting. On every hand was felt the need of protection against the attacks of oppressive neighbours, invading tribes, or revolting peasants, and sometimes against the oppression and exactions of governments and their offcials. The smaller and weaker freemen and land-owners

> … were exposed to attack in almost every relation of life and on every side. As they could not obtain the protection which a government ought to supply, they were driven to obtain it where they could find it on the terms on which they could get it.
>
> This is the great social fact—the failure of government to perform one of its most primary duties, the necessity of finding some substitute in private life—extending in greater or less degree through the whole formative period of feudalism, which explains the transformation of institutions that brought it into existence.[127]

After the Break-up of the Roman Empire

The Roman Empire had been an Empire of settled law and order and of security of individual possession—a dominion of far-reaching civilisation which endured longer than any other of which we have knowledge. It was overwhelmed by hordes of prolific and hungry barbarians, who conquered in order to seize, settle, and possess. "Probably no period in the history of mankind has been so full of misery, or of misery so widely spread, as the long and dark centuries during which the Roman provinces were sinking under the recurring waves of barbarian invasion."[128]

Those centuries began with the migration of the Goths into the Eastern Roman provinces in 376, and may be said to have continued

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[127] Dr. O. B. Adams, Professor of History, Yale University, article "Feudalism," *Ency. Brit*,, 11th ed.

[128] Duke of Argyll, *Unseen Foundations of Society*, p. 196.

to the Norman invasion of England in 1066—seven centuries during which new possessors were subjugating and taking possession of the old Roman provinces, with the result that during all that time there were few parts of Europe where the people could feel any security of possession in their homes. Compact masses of barbarians overran Europe: in the East the Goths and Huns; in the North and West the Scandinavians; in the South the Arabs. When they conquered a country they sacked the towns and either put the inhabitants in the country districts to death or became their lords and made them their serfs. When these barbarians had lost their nomadic habits and become more or less civilised, bands of armed men overspread the country, plundering and ransacking and levying tribute on every side. When the war between England and France ceased after the battle of Poictiers, the soldiers of the two armies coalesced and made war on their own account. They formed bands and went off north and south ravaging the country. At Avignon the Pope regaled the leaders and gave absolution and 500,000 ducats to their followers.

For centuries people lived in continual terror. Fortified towns and country castles and strongholds were an absolute necessity. The castles required courtyards protected by moats and drawbridges so that the peasants could shelter their crops and cattle. The castle, or lord's or chiefs house and its surrounding defences, was the place of common defence to which all resorted in time of danger. It was maintained for the common good by the labour and service of all. When agriculture became more general and conditions became more settled, the peasants commuted their services into payments. The nobles did the same with the kings, and eventually the king, as the representative of the nation, took over the responsibility of defence and the maintenance of internal order, and the cost was borne by all in proportion to their means and ability.

The barons themselves were often a source of trouble and terror to their neighbours. They were apt to carry on warfare amongst themselves in order to enlarge their territories, fill their coffers, and extend their power. Sometimes they and their followers were little better than highwaymen and brigands. They were rough times, and the higher clergy were often no better than the barons. "The Archbishop of Narbonne, at the end of the twelfth century, strolled about the fields with his canons and archdeacons, hunting the wild beasts,

plundering the peasants, and violating the women. He had in his pay a band of Argonese *routiers* whom he employed to ransack the country."[129]

The smaller barons were largely crushed out by having their territory seized by more powerful neighbours, or they were compelled to seek the protection of the strong by giving them their allegiance and becoming their vassals. In this way the great barons established dukedoms, principalities, and little kingdoms. As the smaller barons disappeared and strong kings and great feudatories emerged, petty brigandage and warfare between neighbouring barons gradually ceased. Then agriculture improved and spread and commerce developed. Gradually the special need for the military basis of feudalism ceased and in course of time the system faded away. In some parts it perished by warfare, and it has been said, in reference to those cases, that its destruction was brought about by the very qualities which had justified its existence. The old feudal barons and their castles were largely wiped out in England during the Wars of the Roses.

Feudalism was ever changing according to the character and power of the respective kings and their barons and the economic and social conditions which from time to time prevailed in the countries in which it existed. The result was that while different feudal systems in different countries and at different times have been similar in general character, they have varied much in detail because they started from different forms of government and social organisation and have developed in different ways under different conditions. "Feudal history was always a becoming, always a gradual passing from one stage to another, so long as feudalism continued to form the main organisation of society."[130]

Feudalism a Natural and Necessary Stage

One of the great gifts bequeathed by the Roman Empire to those who overwhelmed it was its Law. The fundamental principles of the Roman system of jurisprudence were adopted and adapted by the barbarian conquerors, with the result that the principles of equity and order and respect for individual rights which had been the strength of

[129] Lafarque, p. 101.
[130] Professor G. B. Adams.

the Roman Empire were continued and formed the foundation upon which were ultimately built the liberties which we now enjoy.

The feudal system has been commonly regarded as something new and unique. In some respects of detail and form it was: in principle it was neither. The right of every nation that exists to-day, or ever has existed, to the exclusive use of its territory rests on no other foundation than its power to take, hold, and defend it. Where barbarism has been supplanted by civilisation and progress it has frequently been as the result of conquest, seizure, and subjugation, and in such parts of the earth as Central Africa and the islands of the Pacific, where the aboriginal inhabitants were left to themselves, hideous brutality, degrading superstition, and terrible misery were, and in some parts are yet, tide chronic condition. The conscience of mankind has never recognised any obligation on the part of civilised nations to leave these peoples in sole possession of the lands they have drenched with blood and cursed with lust and cruelty.

Every community holds and always has held its possessions on a more or less direct military tenure. Military service is the price of secure possession. The more imminent the danger and the less powerful and complete the other organisations for defence, the more obvious and pressing the necessity for personal service. "The northern races—to whom the outward and settled forms, at least, of military tenure had been unknown in their own country—were all speedily compelled to adopt it when they became the conquerors of other men, and the possessors by conquest of other lands. They neither brought those forms with them out of the lands from which they came, nor did they find them pre-established in the lands which they invaded. Nothing can show more clearly than this indisputable fact that feudal tenures were nothing but the natural expression of insuperable conditions of actual life."[131] Written laws are accepted doctrines systematised and crystallised. Those doctrines are based on custom and experience, which in turn are the outcome of the necessities of the conditions which prevail. The process of building up structures of property, civilisation, and jurisprudence is a slow one. The feudal system of law took 500 years to develop. During rough and rude ages it supplied the place of regular government and enforced the legal doctrines upon which all property and rights depend.

[131] *Unseen Foundations,* p. 211.

In those times every one knew that the possessions of all had been acquired by military strength and rested upon it for continual defence. This power was to them the origin of all existing rights, and the ever-present necessity of protection to enable them to hold and enjoy any property was always before them. "When barbarous invaders were ever in sight, or were actually thundering at the door, men must have borne in perpetual remembrance the allegiance and the services which were due to those who could hold the gates, and when those gates were all in succession forced, and the invading hosts came in like a flood, all those among the conquered races who were allowed to retain their lands could only, and did only, expect to do so on condition of tribute and dependence."[132]

The feudal system was in its time the method by which security was maintained, property defended, and civilisation and progress rendered possible. It grew out of the conditions under which the village communities, manors, and townships evolved. The feudal barons and their men-at-arms formed a permanent defence force, maintained by the people on the estate which they protected and ruled. After the Norman Conquest every incident of feudalism was saturated with the requirements of battle. The tenure of the poorest servant and that of the greatest noble depended upon and were controlled by a similar polity. "What the tenant-in-chief rendered to his king, what his vassals in turn rendered to himself, and what each villein rendered to the vassals, were all, so to speak, the various parts of the warrior's armour."[133]

The Services of the Roman Empire to Civilisation

A form of society which gives security of possession and a system of law which defines, limits, and defends the various and competing rights of persons are fundamental and essential conditions of civilisation and progress. The further research is carried the more do we realise how much Europe and the civilised world owe to Roman Law, Roman Institutions, and Feudalism. A recent writer in a London evening paper[134] said:

> The truest indication of what the Roman Empire was is the sigh for its restoration that Europe heaved for nearly a thousand years.

[132] *Unseen Foundations*, p. 221.
[133] Garnier, *Annals of the British Peasantry*, p. 11
[134] *Pall Mall Gazette.*

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The autocracy that cleaned out the canals in Egypt, planted flax and encouraged pottery in Gaul, irrigated Africa and taught agriculture to the Moorish nomads, set the wild Iberians to mining and weaving, built aqueducts and roads everywhere, established a postal system, and policed land and sea so effectively that a man might fare from York to Palmyra, or from Trier to Morocco, "with his bosom full of gold," may be tyranny governing in its own interests, but it is an institution for which the world has every reason to be grateful.[135]

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Take it for all in all, the Roman Empire was the greatest and most beneficent organization of human life and force that the world has ever seen. That it fell after five centuries is surely not a very damning indictment, as the world goes. … The profound sense of tragedy which haunted its orphaned provinces for so many centuries is its best and its sufficient epitaph.

Where Roman Law and Feudalism did not reach

As to Feudalism, the Duke of Argyll very forcibly pointed out that—

> We find in the history of Europe the remarkable fact that wealth grew most steadily, civilisation advanced most rapidly, in those nations in which the feudal system reached its highest form; whilst, on the other hand, in those countries in which its essential character was so marked by imperfect growth that even the very existence of it is sometimes denied, the worst economic evils of insecure possession attained their maximum development. This is well seen in the condition during many centuries of those branches of the Celtic race which had been planted beyond the boundary of the Roman provinces, and were thus isolated from the various nfluences which together determined the main stream of European civilisation.[136]

The Duke refers at length to the early history of Celtic Ireland in illustration of this view. He quotes Montalembert as—despite his

[135] "In such matters as transit, public health, police, water supply, engineering, building, and so forth. Borne of the second century left off pretty much where the reign of Queen Victoria was to resume."—Mr. Stobart.

[136] *Unseen Foundations*, p. 230.

enthusiastic sympathy with the "Monks of the West"—recording, with reluctance and a shudder, the unbroken tale of savage ferocity which is the monotonous burden of the story of the tribal stage of society as exemplified among the Irish Celts from their earliest settlement in the country down to times which elsewhere in Europe were days of much civilisation. It is a dreary record of human degradation and utter savagery, internecine strife, chronic hatred, and continuous slaughter, ravaging, and devastation, interspersed with visitations of pestilence.

The Duke[137] contends that the long immunity of the Irish Celts from foreign conquest, owing to their geographical position, proved to be, economically, not a blessing but a curse. The foundations of order and of law had never been laid there, as they had been laid elsewhere in Europe, by the masterful dominion of the Roman Empire. There did not come in an effective form until the sixteenth century that contact and conflict with the superior branches of the Indo-European stock out of which came all the higher civilisations of Europe. Within historic times Ireland had not been conquered, as the other countries of Europe were all conquered, by a fresh and invading race. The Romans never landed on it. The heathen Norsemen did for a time occupy portions of it; but they were driven out. When the Normans at last came to it, they did not effectively occupy it. Ireland was not invaded and subdued by the Normans as England was invaded and subdued by them. Henry II. did not attempt to conquer it. He accepted a proffered fealty. He left no garrison, he did not build a single castle or establish a single stronghold. "There was no happy break in the unhappy continuity of old Celtic customs. No Roman colonists had introduced into Ireland the most fruitful of all the gifts inherited by the nations of modern Europe—the gift which the rest of the northern nations had long enjoyed—the great conceptions and traditions of the Roman law."[138]

Regarding Scotland, the Duke of Argyll says: "Those parts of Scotland which were for centuries behind the rest of it, and some of which are still the most backward, were precisely those districts in which the clan system lasted longest, and in which its everlasting intertribal wars—hardly less bloody and devastating than those of

[137] Ibid. p. 238.
[138] *Unseen Foundations*, p. 242.

Ireland—wasted the country and often more than decimated the people."[139]

[139] Ibid p 263.

Chapter III
Feudalism in England

The Military Side

In the earlier Saxon period in England military service was a personal obligation. "The host was originally the people in arms: the whole free population, whether land-owners or dependants, their sons, servants, and tenants." Later, this national levy, the *fyrd*, as it was called, was an array not of the whole able-bodied population, but of representatives of all the households of the country. It was emphatically the host of free men, and in times of necessity it must have included representatives of all the free households of the country.

With regard to the origin of the connection between land-holding and military service, Stubbs says: "In process of conquest, land was the reward of service: the service was the obligation of freedom, of which the land was the outward and visible sign. But very early, as soon, perhaps, as the idea of separate property in land was developed, the military service became, not indeed a burden upon the land, but a personal duty that practically depended on the tenure of the land."[140] Attendance at the *fyrd* became attached to land-holding (not merely land-owning) because it was necessary that the soldiers should be men of some substance and status. "A man without a firm hold on a unit of husbandry, represented by a tenement, could not meet the expenses and requirements of the fyrd in regard to equipment, food, and necessary loss of time and labour. It was not merely as a fighting man that he had to appear on the scene, but as a self-supporting householder; and the *fyrd* had to be considered as much from the point of view of the drain on his resources as from that of personal prowess and possible bodily danger. In accordance with this, we find that the duty to serve in the *fyrd* is spoken of as one of the normal incidents of land-tenure."[141]

The Evolution of the Military Organisation

Gradually the system of the military organisation consisting of all householders, though not completely abandoned, passed into the stage where there was a special class of fighting men out of which

[140] *Constitutional History*, vol. i. p. 190.
[141] *English Society in the Eleventh Century*, p. 29.

the feudal system evolved. With the development of more efficiently trained and equipped soldiers and heavily armoured knights the old national levies were insufficiently trained, armed, and organised. As progress in civilisation was made and cultivation became more regular and extensive, it was necessary that a large proportion of the people should settle down to a quieter life. The result was the definite settlement of the armed force on the land as a means of providing for the necessary outfit and training of the soldiers of the time. Society was thus organised on a distinctly military basis with a military privileged land-owning class differentiated from and politically and socially superior to the rest of the population.

Dr. Vinogradoff's view as to the evolution of the military institutions of Anglo-Saxon, Anglo-Danish, and Anglo-Norman social systems is that husbandry provided the broad ground on which the social structure was based. Consumption of produce on the spot was the rule. Commercial dealings were exceptional, and no permanent military system could be formed on commercial lines by hiring mercenaries. Land tenure necessarily became the main condition of military service. Warriors had to be settled and be given means of existence in the shape of tenements of some kind. In the disturbed times out of which feudalism arose an aristocratic military system naturally evolved, because the separation of a class permanently engaged in agricultural work from a class permanently engaged in warlike pursuits became necessary. The professional warrior required special and costly armour and outfit, and a good deal of leisure for warlike occupations. This involved a revenue not derived from his own productive labour. The inevitable result was that the position of the professional soldier became one of political superiority to that of the labourer, and he became the lord of the labourer.

Prior to the adoption of the feudal system of military service, there existed in this country the old Saxon national militia, based on the ancient duty of joining the king's expedition against an enemy. This was a duty which was not only prior to, but it was quite distinct from, and was never in the feudal military service. In 1181 Henry II. issued an Assize of Arms to enforce the old duty, under which all freemen were required to provide themselves with arms and armour according to their means.

As Dr. Stubbs says, "the service was the obligation of freedom, of which the land was the outward and visible sign," and it became "not indeed a burden upon the land, but a personal duty that practically depended on the tenure of land." This was a different thing from the feudal military tenure. In Saxon times freedom and the tenure of land were practically synonymous; *but the duty of military service was not an obligation of the tenure of land. It was an obligation of freedom, and as the bounds of freedom were extended, and men became free who were not owners or cultivators of land, they were liable all the same to service, or its equivalent payment as free men.* The institution of feudal military service in its more definite and stringent form as part of the system and condition of holding land direct from the king was the result of the Norman Conquest.

Continental and English Feudalism

Dr. Adams's view[142] is that Feudalism, in any such form as it afterwards prevailed, or in the Continental form of the system and sense of the term, did not exist in England before the Conquest. Certain forms of personal commendation did develop; certain forms of dependent land tenure came into use; but he considers that it was not even the early stages of feudalism.

It is no doubt true that to some extent the feudal system gradually evolved here as in Europe generally. It arose out of the conditions and necessities of the times. It is also true that something like some phases of it had been growing up in England before the arrival of William I., but it had not developed to anything like the extent to which it had been carried on the Continent; and it was in important particulars and consequences entirely different from the system which prevailed there. The Norman Conquest so accelerated, extended, and intensified the system, and introduced new features here as lands were confiscated and granted to Norman followers, or to Saxon and other leaders and land-owners who submitted and swore fealty, as to really create conditions which were entirely new in practical working, and, indeed, in important respects, in fundamental principle.

While William I. distinctly turned the system of holding land here in the direction of a military tenure, and the circumstances of the

[142] Article "Feudalism" in *Ency, Brit*.

time promoted the growth of that kind of tenure and of the whole class of ideas connected with it, he did it gradually, and in several important particulars the system differed from the Continental one. He was careful to avoid those features of the Continental[143] system of feudalism under which the great vassals became rivals of the king. He made the land a grant from himself, and established the doctrine that the military service of the holders of land was due direct to him.

> The Norman kings ruled in a twofold character—they were all that their English predecessors had been and something more. The Norman king was chief of the State. He was also the personal lord of every man in his kingdom. In one character he could call out the military force of the State: in the other he could call on his tenants for the military service due from their lands. As chief of the State he levied the ancient taxes due to the State; as lord he levied the new- fangled profits, which, according to the new-fangled ideas, were due to the lord from his tenants. In short, William brought in the side of a feudal doctrine which helped to strengthen the crown and kept out the side which helped to weaken it. The doctrine that a man was bound to follow his immediate lord had destroyed the royal power in other lands. William, by making himself the immediate lord of all his subjects, turned that doctrine into the strongest support of the crown.[144]

The Norman king "was both king and lord of all within his realm. To the English he was in the first place king; to the Normans he was in the first place lord. Each race had need of him, and the Norman kings knew how to play off each race against the other."[145]

He had given the Normans their positions and lands. On the other hand he could and did protect the English against local oppressors, with the result that his successors were often supported by the English against the Norman barons. When the Norman barons revolted in

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[143] "It was the essence of a fief (Continental) that its tenant owed fealty to his immediate lord, and not to the state or the sovereign. The king might be the immediate lord; but in this case obedience was due to him, not in his capacity as sovereign, but in his feudal capacity as lord. Thus, during the height of the feudal system in France, the tenants of the immediate vassals of the crown never hesitated to follow their lord's standard against the king,"—Taswell-Langmead's *English Constitutional History*, p. 66.

[144] Freeman, article "England," *Ency. Brit*., 9th edition.

[145] *Constitutional History,* vol. i. p. 268.

favour of William's son Robert as against William Rufus, it was the English who enabled William II. to hold the throne. "Both William Rufos and Henry I. were raised to the throne by the English in the teeth of Norman opposition." Stubbs says that "all the troubles of the kingdom after 1075 in his (William I.) son's reign, as well as in his own, proceeded from the insubordination of the Normans, not from the attempts of the English to dethrone the king. … They are invariably found on the royal side against the feudatories."

William I's Policy and Plan

Professor E. Jenks, in his History of English Law[146] summarises very clearly what William's plan was, and why it was what it was. The Norman conqueror realised that, except at the risk of certain revolution, he could not attempt to treat the whole of England as his private possession. William's followers wanted their share of the conquest. Many of the English had accepted his authority on promises of good treatment. The Church had to be rewarded for supporting William's claims. "Nevertheless, William and his officials were quite determined not to ignore the obvious fact that the country was his by the universally admitted right of conquest. Prudence might counsel him to reward his followers with gifts of good things, and to allow those English who had made their peace with him to remain undisturbed in enjoyment of their ancient rights. But somehow or another William meant to be a rich king instead of a poor duke." He also meant to render it impossible for his vassals to render his life a burden by their independence and readiness to rebel.

William, therefore, evolved his scheme, out of which emerged a new national law, some of it based on immemorial native usage, some of it imported from abroad, and "not a little imposed by the sheer command of a new and immensely stronger central government." He determined that "every man, noble and simple alike, should hold his land as a pledge of good behaviour. His duties to king, lord, and neighbour, should be settled once and for all; and if he failed in them, he should be turned out of his home and left to starve. It was a drastic scheme; but a conqueror holding a conquered country by the force of the sword cannot afford to be squeamish."

[146] Pp. 27 and 28

"The scheme is embodied in Domesday Book. Much of its details are, no doubt, obscure; it may well be that we shall never understand them fully." But much is clear. "The universal formula: *A tenet de B* expressed the new bond of society." The great noble held his manors of the king. His under vassals, down to the lord of a petty manor, held of him. Below him came the group of peasants who from time immemorial had ploughed and reaped the fields of the township within the manor.[147] They owed dues and services to their superior with the result that the ceorl of Saxon England became, in a sense, an "unfree man," because a substantial part of his time had to be spent in labouring on his lord's domain, because he could not sell his land or even desert it without permission, and his rights as a land-holder were only protected by custom and his lord's court, and not by common law and the royal tribunals.

Military tenants had to provide a knight for every 4 or 5 hides of land—500 to 600 acres—held by them to give personal service in arms if required for 40 days in one year. Military service was personal, variable, and uncertain, and applicable only for and in emergencies.

Dr. Stubbs[148] expresses the opinion that before the Norman Conquest all land-holders, having been bound to the duty of national defence, and a certain quantity of land having customarily furnished a fully-armed man, the old rate of military obligation was in all probability continued in the case of the new grantees after the Conquest; and he regards it as improbable that gifts of lands by William I. were made on any expressed condition or accepted with a distinct pledge to provide a certain contingent of knights for the king's service.

Other Tenures

All land was not held on ordinary military tenure. In addition to and side by side with it there were other tenures—frankalmoign, burgage, socage, and sergeanty. Some held on "free-socage" and some on "burgage." These were permanent tenures subject to a definite rent. Others held subject to rendering certain services as tradesmen, or to plough lands, cart materials, manure crops, etc. Blackstone says:

[147] *Hist. Eng. Law*, p. 28.

[148] *Constitutional History*, vol. i. p. 261.

It seems probable that the socage tenures were the relics of Saxon liberty; retained by such persons as had neither forfeited them to the king, nor been obliged to exchange their tenure for the more honourable, as it was called, but, at the same time, more burthensome, tenure of knight service.

Tenure in burgage was really tenure in socage in boroughs, and was considered by Blackstone to be "plainly a renmant of Saxon liberty."[149] Concerning the "Socagers " Professor E. Jenks[150] says:

Probably they were substantial ceorls who, because they kept clear of rebellion, could not be deprived of their lands, and who, because they were too wealthy, could not be treated as serfs. They were probably persuaded to go through some form of "commendation" or nominal surrender of their land to the king or other lord, from whom they received it back in terms which satisfied the principle of tenure, but left the tenant very free. It was not inconsistent with socage tenure that the tenant should render personal service to his lord; but such service must not be of a military character, for that was reserved for knightly tenure, nor must it be of a degrading character, such as that which too often bound the serf.

It seems to have been speedily commuted into a fixed money rent. After a while it ceased to be worth collecting and the socager became practically the absolute owner of his land.

[149] *Commentaries*, vol. ii. pp. 81, 82.
[150] *Hist. Eng. Law,* p. 29.

Chapter IV
Feudalism in England

The Financial Side

Dr. Vinogradoff considers that one of the most remarkable features of the history of England is the early development of taxation here. "While other European states were slowly struggling to evolve taxation for common purposes, and while their sovereigns were still almost entirely dependent on the scanty revenue of feudal aids and occasional subsidies, England presented comparatively a very advanced system of direct taxes."

The King's Revenue under the Saxons

The Saxon king had (1) his private estate of land which he could dispose of by will; (2) the demesne of the crown-land, palaces, cities, and boroughs upon old royal estates. These he held as king, and the consent of the Witenagemot was required to their alienation.

In addition to tolls and market dues, coinage revenue, proceeds of justice, and fines for non-attendance, there were three sources of public revenue:

1. Customary payments in kind and money, such as food, rents, carriage service, housing and quartering duties, which represented providing for the needs of the king and Ids household, and for the lord.[151]

2. Ordinary levies on houses and holdings, which were local taxes collected through the lord.

3. Extraordinary impositions—the gelds levied by the king. These gradually became the main common tax of the realm. The two taxes or gelds which were levied in times of special danger were "Shipgeld" and "Danegeld," the latter being intended to repel the Danes. It was levied on all occupiers of land. In the later Saxon times it was levied when there was no invasion, with the result that it was very

[151] In Saxon Britain, as in Frankish Gaol, the king and his chief nobles levied on the produce of their estates, not by drawing half-yearly rents and converting them into money, to be spent in their own distant palaces, but by moving about from tun to tun, from vill to vill, and calling upon their tenants for supplies of food which were consumed upon the spot by themselves and their retainers, doubtless with much wassail and jollity."— Political History of England, vol. i. p. 226.

unpopular and difficult to collect. It was abolished by Edward the Confessor, but was revived by William I. and continued till 1163.

Before the Conquest land held by churches, monasteries, or lords for their own sustenance was the inland of the owner, and was usually free from taxes because it provided for the maintenance of the knights or clerics who performed military services or religious functions for the king and the public. The other land held from them by their tenants, whether free or servile, was the warland, and had to pay all the dues and taxes.[152] The idea was that the demesne land of the military and clerical class should be free from geld, and that the other land should bear the burden of dues for it, the object being to provide a class of men who should fight and pray, and another class who should pay. They were not, however, free from danegeld and extraordinary taxation of that nature.

The *trinoda necessitas*, from which neither thane nor ceorl was exempt, was the threefold obligation of all free men to serve in the national army, to build and repair fortresses, and to build and maintain bridges.

The view of the early and middle ages was that the long should live and administer his kingdom on his hereditary revenues and the income from his estate. As we have just stated, prior to the Norman Conquest and more fully developed and strictly enforced afterwards, the king's revenue was mainly derived from the royal demesne (or public land), which was of vast extent; from fines, taxes, and trade dues, and from special levies.

Under the Normans

Under the Norman regime the king's tenants-in-chief, in addition to military service, were also bound to give an "aid" to the king when his eldest son was knighted, when his eldest daughter married, and to ransom him should he be taken captive. Dowell says that, except on these three occasions, "the king had no right to put his land upon the purse of a military tenant."[153] There were, however, many other fees, incidents and casualties—all sources of revenue—under the feudal system. There were payments on the death of a tenant-in-chief, wardships when the heir was a minor, fees on the alienation or taking up

[152] Vinogradoff, *English Society in the Eleventh Century*, pp. 186-9.
[153] Vol. i. p. 23.

the inheritance on lands. In these we see resemblances to the Death and Stamp Duties of our times.

For several centuries no distinction was made between property held and administered by the king in right of the Crown and on behalf of the nation, and property belonging to him as an individual. After the Conquest whatever was found in the king's hands was thrown into one mass with what had come to the Crown by forfeitures and confiscations, and the whole was registered in Domesday as *Terra Regis*.

A large part of the demesne consisted of (1) land held by rural tenants; (2) land held by town tenants—most of the cities, boroughs, and towns had been founded on public land; (3) royal forests, and (4) the waste land attached to (1) and (2). From the tenants of these lands the king received rents which were collected by the sheriffs. After a time most of the cities and towns were granted charters, and the rents were commuted for a definite fixed annual payment. All the tenants, rural and urban, were liable to contribute according to their means to assist the king on occasions of special expense.

From fines for crimes and offences committed, and for privileges, charters, and monopolies granted, a considerable revenue was obtained. Customs and trade dues were levied at ports and towns, and tolls and dues at markets. The king had also rights of purveyance—that is, the right to be supplied with horses and conveyances in any part of the country; and of pre-emption—that is, the right to purchase what was required for the royal household on special terms. Special additional levies were made on all classes of owners and occupiers of land, and on towns as occasion required, to repel invasions and raids.

At first William I. appropriated merely the public and private royal demesne and the forfeited estates of those who had taken up arms against him. Keeping an immense estate for himself he divided the balance amongst his comrades in arms. At first he re-granted the estates of the majority of the English landholders to them; but as insurrections followed insurrections in various parts of the country, he confiscated the estates of the rebels and conferred them on his Norman followers, in feudal tenure.

On Whom the Burdens fell

The feudal burdens, dues, and incidents were not levies and burdens borne by the barons and lords of manors only. They were, so to

speak, collected from or rather through them, but they descended right through the social scale. The barons and lords of the manor imposed similar burdens, dues, and incidents on their vassals and dependents as the king did on them. Thus the ramifications of the feudal system extend from the top to the bottom of the social structure.

Under William Rufus the feudal rights of the king and the procedure of the Courts were turned into instruments of pecuniary extortion, and of arbitrarily taxing tenants-in-chief under the colour of exacting a legal due. The system then fixed upon the tenants of the king was naturally and, indeed, necessarily extended by them to their sub-tenants.[154]

It is needless to observe that the actual burden of the feudal imposts as well as the older taxation fell on the English: for the Norman lords had no other way of raising their reliefs, aids, tallage, and the rest than from the labours of their native dependents. The exaction may have been treated by them as a tyrannical one, but the hardship directly affected the English.[155]

In William II.'s time—"On the body of the people in the first instance fell the burden of the imposts laid on their feudal masters. It was from them, by similar exactions of reliefs, wardship, marriage, and forfeiture that vassals raised money to redeem their own rights: every wrong that the King inflicted on his vassals they might inflict on theirs."[156]

The sub or inferior feudatories or tenants held from their superior on terms of service, money, or com and cattle, as their superior held from his superior or the King.[157]

By Henry I.'s Charter—inter alia—the laws of King Edward with the Conqueror's amendments were restored to the English people: the feudal innovations, inordinate and arbitrary relief and amercements, the abuse of the rights of wardship and marriage, the despotic interference with testamentary dispositions were renounced: and as a special boon to tenants by knight service, their demesne lands were freed from all demands except service in the field. The like reliefs

[154] Taswell-Langmead, p. 81.
[155] Stabbs, vol. i. p. 279.
[156] Ibid. Vol. i. p. 301.
[157] Blackstone's *Commentaries*, vol. ii.. p. 57.

were to extend to the vassals and men of the barons and tenants-in-chief.[158]

Blackstone's View

Blackstone says that the aids, benevolences, reliefs, fines, wardships, fines on marriages, alienations, which were levied in addition to military service and socage by the Norman longs, were not originally intended and understood by our ancestors when they subjected themselves to them. "By consenting to the introduction of feudal tenure, our English ancestors probably meant no more than to put the Kingdom in a state of defence by establishing a military system; and to oblige themselves (in respect of their lands) to maintain the King's titles and territories, with equal vigour and fealty *as if* they had received their lands from his bounty upon those express conditions, as pure proper, beneficiary feudatories. But, whatever their meaning was, the Norman interpreters, skilled in all the niceties of the feudal constitutions, and well understanding the import and extent of the feudal terms, gave a very different construction to the proceeding: and thereupon took a handle to introduce, not only the rigorous doctrines which prevailed in the duchy of Normandy, but also such fruits and dependencies, such hardships and services, as were never known to other nations; as if the English had, in fact as well as in theory, owed everything they had to the bounty of their sovereign lord."

"Our ancestors, therefore, who were by no means beneficiaries, but had barely consented to this fiction of tenure from the crown, as the basis of a military discipline, with reason looked upon these deductions as grievous impositions and arbitrary conclusions from principles that, as to them, had no foundation in truth."[159]

This led to friction and difficulty between the king and the barons, and they were continually in a condition of more or less passive or active revolt. We have seen that, so soon as the year 1100, a Charter was obtained from Henry I., which had been described as "the first limitation which had been imposed on the despotism established by the Conquest." The unlimited demands made by both the Conqueror and his son Rufus on the barons were exchanged for customary fees, and the barons were bound down to do justice to their under-tenants

[158] Stabbs, Vol. i. p. 306.
[159] *Commentaries*, vol. ii. p. 61.

and to renounce tyrannical exactions from them. As cultivation of the land spread and improved, tenants of the greater barons subdivided their holdings and received under-tenants on condition that they rendered them similar services to those which they themselves rendered to their lords. In this way the feudal profits of the new under-tenants, the fees and fines of wardship, reliefs, and the like, went to the superior tenants and not to the barons.[160]

The towns speedily rid themselves of the most oppressive incidents of the newly-imposed feudal tenures. "Charter after Charter during Henry's reign raised the townsmen of the boroughs from mere traders, wholly at the mercy of their lord, into customary tenants, who had purchased their freedom by a fixed rent, regulated their own trade, and enjoyed exemption from all but their own justice."[161]

The Military Difficulty

Another difficulty was that the possessions of the Norman kings on the Continent were more extensive than their kingdom here. As they were involved in frequent wars there, and they attempted to enforce strictly the obligation of personal service in arms in them upon the nobles and knights and their subordinates here, continual objection and friction arose.

On Henry II.'s accession, there were three kinds of military force—all more or less ineffective or burdensome.[162]

1. The Standing Army of mercenaries he had promised to disband.

2. The tenants in chivalry who were divided amongst the feudatories who had each been fighting for himself, and at best their service was only for a limited term.

3. The national fyrd or militia, which had little discipline and could not be used abroad unless the individual soliders volunteered and were paid.

The king met the difficulty by keeping the mercenary force abroad and using it there. As regards the feudal tenants, he desired to weaken the power of the great feudatories by disarming their vassals and obtaining resources under his own control. The introduction of scutage in lieu of military service achieved that object.

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[160] Green's *Short History of the English People*, p. 173.
[161] Ibid. p. 93.
[162] Stabbs, vol. i. p. 687, etc.

Money Payment instead of Personal Service

In the second year of the reign of Henry II.—1156—this system of a money payment in lieu of personal service was introduced, and in 1159—less than a century after the Battle of Hastings—the principle of a payment in commutation of personal service was definitely established. This payment or tax, which was termed "Scutage" or shield money, was levied on the knights' fee of the military tenants of the king when he was at war. One was levied in 1159, in 1172, and in 1186. When scutage was paid by the military tenants, a corresponding tax, termed a "Tallage," was levied on the towns and on the rural freeholders and the non-military rural tenants.

The Assize of Arms in 1181 supplied a national force to resist invasion and attack at home. The requirements were that the owner of a knight's fee must possess a coat of mail, a helmet, a shield, and a lance: the freeman owning 16 marks of rent or goods must have the same: the owner of 10 marks in rent or goods must have a hauberk, a headpiece of iron, and a lance: and all burghers and freemen must have a wainbois, headpiece, and lance: while the smaller men of less substance were only called upon to provide themselves with a bow and arrows. This was in effect a levy according to "means and substance," that is to say, according to ability to pay.

The Danegeld, which had been abolished by Edward the Confessor, was revived by William I. in 1084, and was maintained as a regular impost for nearly 80 years; but it always led to friction and difficulty, and when scutage and tallage were systematically adopted, danegeld was dropped. When danegeld was levied on the counties a corresponding aid or auxilium was required from the towns.

The Commutations

In the latter part of the thirteenth century, in the time of Edward I., "scutage" was levied on all the military tenants according to their holding. A "Knight's fee" was usually 4 hides: a hide was usually 4 virgates: and a virgate was usually 30 acres. That is, 480 acres for a knight's fee. A normal "scutum" was 40s. for one knight's fee. That was equal to 1d. per acre, and the charge was made on the tenants at that rate. The "scutage" on a virgate of 30 acres was 2s. 6d. Really the extent of a virgate and a hide varied somewhat in different parts of the country. An acre or strip was supposed to represent the amount of land which could be ploughed in a day, and consequently it varied

according to the heaviness or otherwise of the soil. Ultimately the term "carucate" or "the land of a plough team" was used instead of "hide."[163]

By the latter part of the thirteenth century the customary services of villenage had also largely been commuted for money payments in some parts of the country, and 16s. to 20b. was a usual payment in Beds and Bucks.[164] In other parts the services were still rendered, while in others again, while the services to be rendered were set out in great detail in Hundred Rolls, the money value assigned to each of them was stated. The principal services of the villein tenants were 2 or 3 days a week ploughing, reaping, and carting, with certain occasional and extra services which the lord was entitled to require. In addition there were quarterly payments in money or kind: ecclesiastical dues: and the assessment for their share of the manor's tax in the shape of tallage and scutage. Cottiers had similar but less services to render and smaller contributions in kind to make.

The object of these changes was quite as much to strengthen the power of the king and weaken that of the barons as to relieve the tenants. By allowing the tenants and towns to commute their personal service in the field for a money payment, Henry II. obtained means which enabled him to maintain a force of mercenary soldiers who were entirely at his own disposal, and at the same time he diminished the military power of the barons. After a revolt of a number of the barons in 1173-74, the king in 1181 restored the national militia of Saxon times, to which reference has already been made. He thus replaced the feudal organisation by the older obligation of every freeman to serve in defence of the realm. Every knight, every freeholder, every burgess, and every poorer freeman was bound to respond to the king's call, armed according to his position and means. The power to levy an armed nation wholly at its disposal for purposes of defence relieved the Crown from its dependence on the barons and their feudal retainers. This national militia was again reorganised by Edward I. in 1285 by the Statute of Winchester, under which every man was bound to hold himself in readiness, duly armed, for the king's service in case of invasion or revolt.[165]

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[163] Seebohm, p. 39.
[164] Ibid. p. 41.
[165] Green's *Short History*, p. 172.

Taxes on Personal Property

We have observed that Henry II., in the Assize of Arms in 1181, took a long step towards taxing rent and chattels by obliging the owner of such property to equip himself with arms according to the amount which he possessed.[166] In Henry III.'s time also an Ordinance of Arms exacted the possession of proper equipment for militia service from every independent householder who could be rated for the possession of chattels worth over 20s.[167] This would mean freemen, as, according to feudal law, the chattels of serfs would be deemed to belong to their lords. This step and the introduction of the tax on movables indicates the development in the material wealth of the country which followed the reforms of Henry II., and the change in the method of raising the revenue and forces of the Crown which naturally and necessarily followed thereon. "The Scutage affects the tenants in chivalry: the donum or auxilium, hidage or carucage, affects all holders of land: the tenth, seventh and thirteenth, all people in the realm."[168] As a rule all these taxes were not levied together. It was only on special occasions or for special needs that they were all levied in one year. "The Knights paid aid or scutage, the freeholders carucage, the towns tallage: the whole or each part bore the name of an auxilium."[169]

In 1188 a new form of general tax was introduced by Henry II. It is usually described as a tax on movables, but it was more than that; it was really a general property or income tax. In the first instance it was levied for the Second Crusade to deliver Jerusalem from Saladin. It was known as the Saladin tithe. Every freeman, rural and urban—land-owner, tenant, or townsman—was required to contribute one-tenth of his rents, cattle, crops, stock-in-trade, and chattels unless he personally took the cross and served in the expedition.

Another tax was instituted by Richard I. in 1194. It was termed "carucage," and was levied on ploughed land at rates which usually ranged from. 2s. to 5s. per 100 acres. It was practically a revival of danegeld, and was objected to on the same grounds and was abandoned in 1224.

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[166] Stubbs, Vol. i. p. 581.
[167] *English Society in the Eleventh Century*, p. 26.
[168] Stubbs, Vol. i. p. 682.
[169] Ibid. Vol. i. p. 683.

The Great Charter

Amongst the grievances which led to the revolt of the barons which ended in the grant of the Great Charter in 1216, were the facts that Richard and John had raised the rate of the scutage, restored the danegeld, taxed movables as well as land, and imposed aids, fines, and ransoms at the pleasure of the king. The Great Charter provided that "no scutage or aid shall be imposed in our realm save by the Common Council of the realm," and, as Green points out, the rights which the barons claimed for themselves they claimed for the nation at large. "The under-tenants or farmers were protected against all lawless exactions of their lords in precisely the same terms as these were protected against the lawless exactions of the Crown."[170]

The tax on movables continued. It was levied at various rates according to necessity. It was more frequently resorted to than any of the other direct taxes, and gradually danegeld, scutage, tallage, and carucage were merged in it. The grants of these taxes sometimes included rent from land, and sometimes were limited to particular descriptions of movables; but, generally speaking, these taxes were levied outside the towns upon the cattle and crops of the landholders, and in towns upon the capital value of stock-in-trade and chattels.

Disappearance of Scutage and Tallage

Scutage, in lieu of personal military service, was levyable by the great landlords upon their military tenants. It led to much friction and ill-feeling between the king and his barons, and between them and their knights. Disputes as to liability and as to conditions of tenure were frequent. The tax became difficult to collect and the yield steadily diminished. It was one of the causes of discontent which led to the crisis which culminated in the grant of the Great Charter by John. Scutage finally disappeared as a tax about 1320.

Tallage, which, it will be remembered, was the corresponding tax to scutage, and was levied on the towns and the non-military rural tenants, fell into disuse, and was abandoned in 1332, a system of general parliamentary grants having been substituted for one of negotiation with separate sections of the community.[171]

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[170] *Short History*, p. 129.

[171] Dowell's *History of Taxation*, vol. i. p. 76.

The Burden of the Feudal Charges

The burden and annoyance of the services and payments of the feudal system were by no means solely or even chiefly felt by the great land-owners. They oppressed and harassed all classes of the people in every grade of the social structure. Even when the system had been considerably modified and was, in fact, breaking down, there were anomalies and abuses which were burdensome and exasperating. "We sometimes find, even in England, that Knights' service is due, at least what is called Knights' service is due, to a lord who owes no Knights' service to the King, or that more Knights' service is due to the lord than he owes to the King."[172] Lords, especially ecclesiastics who held lands on a tenure on which they did not owe military service, insisted that lands held by their tenants were held on military tenure; they claimed payment in lieu of service and enforced reliefs, wardships, fees on marriage, etc.[173] In the thirteenth century the king would sometimes exact scutage from the tenants of his tenants-in-chief, although these tenants-in-chief were already rendering service or payment for the land. Thus he got the service or payment twice over.[174]

Serfs paid fines and annual taxes to their lord for leave to live away from the manor. Serfs paid fines on the marriage of their daughter. Other fines were paid if men married daughters in other manors. Fines were paid to the lord for permission to go to the schools or to enter the church.[175] Small tenants in socage often paid scutage as well as rent, and their tenures were often nominally and technically military—the same as those by which the knight held his manor. "When we get among the holders of small plots we constantly find that they must pay scutage while they also owe substantial rents."[176] Tenants' sons paid fines on succeeding to the father's cottage. Dr. Savine estimates that there were still some five hundred villein families as late as the accession of Henry VII., and about half that number in the reign of Elizabeth. There is an instance of the legal surrender of an escaped villein as late as 1561.

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[172] Pollock and Maitland, p. 233.
[173] Ibid. p. 244.
[174] Ibid. p. 249.
[175] Rogers, Six Centuries of Work and Wages, p. 46.
[176] Pollock and Maitland, p. 257.

The popular idea, continually repeated in speeches and pamphlets, that under the feudal system the great land-owners bore all the burden of the financial and military requirements of the State, is the result of a complete misapprehension of the facts. The burdens of the feudal system, and all its oppressive incidents, fell upon all classes in every grade of the social scale, and those who rendered military service were largely relieved of other payments because they rendered that service.

Chapter V
Feudalism, a Transition Stage

The Great Charter of 1216 specifically provided that all the rights secured by the barons as against the Crown shoidd be equally secured by the people as a whole as against the barons. Stubbs says:

> Clause by clause the rights of the commons are provided for as well as the rights of the nobles: the interest of the freeholders is everywhere coupled with that of the baronis and knights: the stock of the merchant and the wainage of the villein are preserved from undue severity and amercement as well as the settled estate of the earldom or barony. The knight is protected against the compulsory exaction of his services, and the horse and cart of the freeman against the irregular requisition even of the sheriff.[177]

This proves, if any proof were wanted, that the demands of the barons were no selfish exaction of privilege for themselves: it proves with scarcely less certainty that the people for whom they acted were on their side.[178]

Maitland enforces the same interesting and important point:

> Henry I.'s Charter carefully stipulates that his behaviour to his tenants is to be the model for their behaviour to their tenants. They are to take no more than a just and lawful relief, and are to be content with such rights of wardship and marriage as suffice for the King. The rising, again, which won the Charter of 1215, was distinctly a national rising and the rights which were secured to the tenants in chief as against the King, were secured as against them for their tenants.[179]

Parliamentary Control of Finance emerging

The truth is that parliamentary institutions were slowly emerging and the foundations of control of the tax-payers over the public purse were being laid. When military service had been commuted for a money payment the next step was that prelates, baronage, and commonalty combined to demand that they must be consulted before the king was competent to levy the military tax. This was done in 1216,

[177] Stubbs, vol. i p. 531.
[178] Ibid. vol. i p. 531.
[179] *Constitutional History of England*, p. 160.

and the principle of popular assent to all extraordinary taxes was affirmed in the Great Charter and gradually developed.

Many of the controversies between the kings and Parliament, especially during the thirteenth, fourteenth, and fifteenth centuries, were due to the different views which the two parties took as to what dues, fees, and taxes the king was entitled to levy without the express sanction of Parliament. A continual source of dispute was as to whether the right of the king to tallage demesne towns and lands had been renounced by Edward I. in the Confirmation of the Charter in 1297. The last attempt to levy tallage was in 1332, and a Statute of 1340 seems to have abolished the royal prerogative of tallaging demesnes. According to Coke no scutage was levied after the eighth year of Edward II. The impost was expressly abolished by Statute 12, Charles II.

"The disappearance of these ancient taxes is not to be attributed either to the opposition of the Parliament or to the good faith of the King so much as to the fact that they were being superseded by other methods of exaction, which were at once more productive and more easily manipulated, the subsidies on movables and the customs on import and export."[180]

The tax on movables became the principal source of revenue. In it was merged the scutage, which was the land tax on the knights' fee, and tallage, the corresponding impost on towns and the royal demesne, and all other forms of direct taxation. Dowell tells us that this tax on movables reached the land-owner through his cattle, farming stock, com, and other produce of his lands, and the burgher, or townsman, through his furniture, money, and stock-in-trade. The nature of this single tax on movables, and the way in which it reached all classes in the most minute and inquisitorial fashion, is illustrated by some extracts which Dowell gives[181] from the Colchester assessment rolls which were made for levying the taxes of 1296 and 1301:

> *Edward de Berneholte, the sea-coal dealer*: Had 30 qtrs. of sea-coal at 6d. a qtr.; 12½ qtrs. of salt, at 5s. a qtr.; a brass caldron, value 2s. 6d.; a cup of mazer (hard wood), value 3s.; 4 silver

[180] Stubbs, Vol. ii p. 522.
[181] *History of Taxation,* vol. i. appendix ii.

spoons at 10d a spoon; 2 silver cups, value 12s., etc.—Total Assessment, £6:3:4.

Henry Pakeman, the tanner: Had a mazer cup, a silver buckle, 4 silver spoons, 2 tablecloths, two towels, and other goods, including movables in house, granary and larder; bark, skins, and utensils for tanning, etc.—Total Assessment, £9: 17: 10.

These were men of substance.

Saman, the carpenter: Had a tunic, value 2s. 6d.; an axe, value 2s. 6d.—Total Assessment, 5s.

William de Tendring, the tailor: Had an old cloak, value 3s.; a bed, value 2s. 6d.; a brass pot, value 1s. 6d.; a pair of scissors, value 3d.—Total Assessment, 7s. 3d.

Gilbert, the Taselere: Had an old supertunic 1s. 3d.; a sheep 12d. and a lamb 6d. Total assessment, 2s. 9d.

Walter the Weaver: Had "a surtout, valued at 2s. 8d.—nothing more."

The idea that the large land-owners provided all the revenue in those early times is clearly a complete delusion.

During the Hundred Years' War with France many taxes were resorted to with more or less success—poll taxes,[182] house taxes, land taxes, graduated income taxes. Some of these were largely instrumental in fomenting the discontent which led to the peasants' insurrection under Wat Tyler in 1381 and under Jack Cade in 1450, the ultimate outcome of which was that the "villeins" or tenants of the manor threw off their tenure of service to the lord of the manor in the cultivation of his land and commuted it for a money payment, as the barons and tenants of the king had commuted theirs. In 1362 the right to purveyance, which had always been a ground of complaint, was curtailed and limited so that it should only be exercised on behalf of the king or queen and that payments should be made in ready money.[183]

Decay of the Manorial System

An important development was that of the lords of the manor letting their demesne to tenants to cultivate as free tenants at a fixed rent of money or kind. They found this more convenient and profitable than

[182] In 1377 Parliament granted the king a poll-tax of 4d. a head on all lay persons over fourteen years of age.

[183] Stubbs, Vol. ii. p. 416.

cultivating it themselves. The more prosperous of their villein tenants were glad to avail themselves of this opportunity of improving their position and freeing themselves from servitude by putting an end to their personal dependence on their lord.[184] The villeins themselves had become copyholders holding their tenancies, not on mere custom and oral tradition or the whim of their lord as to the services they should render and the payments they should make, but on the definite conditions carefully inscribed on the court-roll of the manor.

Then came the Black Death of 1349, and the scarcity of labourers and the consequent paralysis of agriculture which followed it. The Statute of Labourers was passed to compel men to work and at the wages paid before the shortage, and to fix prices in accordance therewith. Attempts were also made to return to the feudal conditions as to personal service from the tenants and labourers. Both combined to resist. The villein tenants whose freedom from manorial service was questioned required the work of the labourers whom they were willing to pay, and they supported and aided them in organised resistance to efforts of the lords of the manors to return to labour service.[185] Canon Knighton of Leicester, who lived shortly after that time, says: "They who had let lands on labour rent to tenants, such rents as are customary in villeinage, were compelled to relieve and remit such labour, and either to utterly excuse them or to rehabilitate their tenants on easier terms and less payments, lest the loss and ruin should become irreparable and the land lie utterly uncultivated."[186]

The manorial system was crumbling away. The labourer was becoming a free man. The wealthier farmers were making a demand to be recognised as the owners of the part of the demesne which they held on lease, and the copyholders were endeavouring to become freeholders. The absolute slavery of the theows had practically ceased. Writing of the period 1377-81, Mr. Green[187] says:

> The rise of the free labourer had followed that of the farmer, labour was no longer bound to one spot or one master; it was free to hire itself to what employer, and to choose what field of employment it would. At the moment we have reached, in fact, the lord of

[184] Green's *Short History*, p. 246.
[185] Green's *Short History*, p. 249.
[186] Ibid, p. 260.
[187] Ibid. p. 247.

the manor had been reduced over a large part of England to the position of a modern landlord, receiving a rental in money from his tenants, and dependent for the cultivation of his own demesne on paid labourers.

Disappearance of Villenage and Serfdom

The terrible suffering of the Black Death period had had one advantage. By enormously curtailing the supply of labourers it had made the tenants and labourers very largely the masters of the situation. The levying of the poll tax of 1380 fanned into flame the discontent which had been smouldering for nearly thirty years, and the Peasants' Revolt broke out in 1381. The demand of the Essex and Hertfordshire contingents who joined Wat Tyler's Kentiamen was adopted by the allies as their programme. "Their cry was for the abolition of the service of tenure, the tolls and other imposts on buying and selling, for the emancipation of the native or born bondsmen, and for the commutation of villein service for a rent of fourpence an acre."[188]

The king at Smithfield, on June 15, yielded the demands of leaders of the revolt and gave them the charters of emancipation, but before the end of the month he had repented, and on July 2 he annulled the charters of freedom and pardon. The lords, knights, prelates, and monastic corporations were alarmed and declined to recognise the right of the king to deprive them of the services of their tenants, vassals, and villeins. The prisoners taken in the revolt were punished with great severity. All the same a vital blow had been struck at villenage.

> The landlords gave up the practice of demanding base services; they let their lands to leasehold tenants, and accepted money payments in lieu of labour; they ceased to recall the emancipated labourer into serfdom, or to oppose his assertion of right in the courts of the manor and the county. Rising out of villenage the new freemen enlarged the class of yeomanry and strengthened the cause of the Commons in the country and in Parliament; and from 1381 onwards rural society in England began to work into its later forms.[189]

[188] Stubbs, vol. ii. p. 457.
[189] Ibid.vol ii p. 460.

A great social change was consummated. The scarcity and higher price of labourers and the revolt against and the gradual disappearance of the old conditions revolutionised the whole agricultural system of the country. Sheep-farming was largely developed and villenage died away.[190] The lords adopted the system of letting their demesne lands to smaller tenants who would pay rent for the land and cultivate it themselves. At first the lord supplied them with stock and charged an inclusive rent, until they were able to stock the holdings themselves and become tenant farmers of the modern type.[191] Half a century later when Jack Cade headed the revolt of 1450 and presented the "Complaint of the Commons of Kent," the grievances of the people had become political rather than social. Green says, "The question of villeinage and serfage finds no place in the 'Complaint' of 1450. In the seventy years which had elapsed since the last peasant rising, villeinage had died naturally away before the progress of social change."[192]

Feudalism, a Changing and Temporary Phase

It follows from the summary which we have given of its history that feudalism meant different things in different places at different times, and views as to what powers a king had, and overlords under him, and what the rights and position of vassals were varied much and depended largely on the strength or weakness of lord and vassals respectively, and on the stage of development which had been reached at the time which is being considered.

The rights of sovereignty shade off into rights of property; the same terms and formula cover them both; the line between them is drawn rather by force than by theory.[193]

To say then of the Norman law of William's day that it was feudal law is to say very little.[194]

In some of our modern books military tenure has a definiteness and a stability which it never had elsewhere. When, however, we look at the facts all this definiteness, all this stability, vanish. We see growth and decay; we see decay beginning before growth is at an

[190] Green, *Short History*, p. 258.
[191] Rogers, *Six Centuries of Work and Wages*, p. 280.
[192] Green, *Short History*, p. 282.
[193] Pollock and Maitland's *History of English Law*, p. 46.
[194] Ibid. p. 46.

end. Before there is much law about military tenure it has almost ceased to be military in any real sense.[195]

We also see that feudalism was a temporary phrase, a comparatively short stage in the economic, social, and political development of the country. It was not the beginning and foundation of society and the private ownership of property. It was rather a system of government imposed for a time upon conditions of ownership and tenure which existed before. In its turn it passed away and the system of government was gradually transformed, and eventually parliamentary government, more and more as we understand it, was evolved. Throughout it all the fundamental basis of the private ownership of land remained unchanged.

Soon after the Conquest a process begins whereby the duty of service in the army becomes rooted in the tenure of land. This goes on for a century: but before it is finished, before the system of Knights' fees has been well ordered and arranged, the Kings are already discovering that the force thus created is not what they want, or is not all that they want. …

The King would rather have money; he begins to take scutages. This practically alters the whole nature of the institution. Another century goes by and scutage itself has become antiquated and unprofitable; another, and scutage is no longer taken. Speaking roughly, we may say that there is one century (1066-1166) in which the military tenures are really military though as yet there is little law about them, that there is another century (1166-1266) during which these tenures still supply an army though chiefly by supplying the pay for an army; and that when Edward I. is on the throne the military organization which we call feudal has already broken down and will no longer supply either soldiers or money save in very inadequate amounts.[196]

While it is becoming little better than a misnomer to speak of military tenure ... the tenant will really neither fight nor pay scutage, but there will be harsh and intricate law for him about the relief and wardships and marriage that his lord can claim because the tenure is military. Thus in speaking of tenure by Knights' service as it was

[195] Ibid. p. 230.
[196] Pollock and Maitland, p. 231.

before the days of Edward I. we have to speak, not of a stable, but of a very unstable institution.[197]

No really serious war could be carried on by a force which would dissipate itself at the end of forty days.

As to scutage, in the whole course of our history this impost was levied but some forty times, and we cannot be certain that the method of assessing and collecting it remained constant.[198]

Military service and payment in lieu thereof were always resisted and evaded as much as possible, and by the end of the thirteenth century the whole system was becoming obsolete.

If tenure by Knight service had been abolished in 1300, the Kings of the subsequent ages would have been deprived of the large revenue that they drew from wardships, marriage and so forth: really they would have lost little else.[199]

The Object and Justification of Feudalism

The objects of the feudal system were the same as those of all systems of government, viz.: to secure the maintenance of law, order, and justice at home, and to protect the people and the realm against aggression from abroad. In order to do this it was necessary to provide the king with the means of maintaining his authority and defending the realm against rebellion at home or attack from without. The basis on which the State rested under the feudal system was mutual protection. From the king to the humblest subject, through each grade, it was the personal obligation of the vassal to protect and aid his superior in battle, and it was the duty of the superior to protect the property, rights, and liberty of his vassal.

In Anglo-Saxon times citizenship was derived from tribal and local association and it succumbed with them. In the thirteenth century and onward a citizenship was developing protected by the central government, and gradually obtaining for itself a direct share in the central power and its councils. "Between the two epochs stands again the doctrine, and to a certain extent the practice of feudalism, which throws local and provincial self-government into the shade, but con-

[197] Ibid. p. 231.
[198] Ibid. p. 231.
[199] Ibid. p. 266.

siders the central organisation itself as a federation of feudal potentates and the country as a territorial union of baronies."*1

Feudalism was a distinct and, under the circumstances of the time, probably a necessary and almost inevitable stage in the march of progress from the period of darkness and reaction which followed the downfall of the Roman Empire.

When conditions so changed that government could free itself from its dependence on the baron, when a professional class arose to form the judiciary, when commerce and towns grew up, when increasing wealth and the circulation of money made regular taxation possible and enabled the government to pay for military and other services, feudalism disappeared as the organisation of society.

"Nevertheless Feudalism had performed a great service, during an age of disintegration, by maintaining a general framework of government, while allowing the locality to protect and care for itself. When the function of protection and local supervision could be resumed by the general government the feudal age ended. In nearly all the states of Europe this end was reached during, or at the close of, the thirteenth century."*2

Modern Methods impossible then

In days when there was little commerce and less money, and every one was more or less either occupied on the land or directly connected with it, the wealth of the country, such as there was, consisted of the land and such stock, houses, and implements as there were upon it. The means of the people were the produce of the soil. Under those conditions modern systems of government and taxation were impossible. Revenue could not be raised in the modern way to enable the government of a state to administer its * affairs, maintain order, keep an army and support the dignity and household of the sovereign. Taxes as we know them were few, because they were largely impossible. As such trading as there

^ English Society in the Elevenih Ceniury, p. 213. * Dr. Adams, article *' FendaliBm,'* Ency. BriU, llih edition.

1 64 OWNERSHIP & TAXATION OF LAND rr.m

was, was for the most part barter, and such payments as there were, were made in kind or personal service, so what was then the equivalent of our modern revenue was provided by personal service and payments in kind. These conditions and the difficulties of com-

munication over considerable distances rendered it necessary also that the organisation of the state and its defence should be almost entirely local. The Saxon Earls or Thanes and the Norman feudal nobles were of the nature of sub-sovereigns. They had their own local courts of law and their military forces. Their allegiance and services due to the king were similar to those which their retainers, tenants, and serfs owed to them. Services really took the place of taxes, and they were arranged and, so to speak, collected locally. As civilisation advanced and conmierce developed, and wealth increased, other sources of revenue became available. Payment in place of service became possible, and new classes of citizens grew up who were justly called upon to contribute in proportion to their means to the general expenses of the community and the State.

As the transition from the tribal to the feudal system, with the changes which it involved in the personal position of the various grades and classes of the people, was slow and gradual, except in so far as a great and rapid change was made by William I. and his immediate successors, so the transition from the feudal to the parliamentary system, and the great changes in the method of supplying the needs and forces of the state which accompanied it, and, indeed, rendered it possible, was also slow and gradual. In fact, it was spread over something like 600 years, from Henry II. to Charles II.

Professor Maitland's View

"There are indeed historians who have not yet abandoned the habit of speaking of feudalism as though it were a disease of the body politic. … But if we use the term, and often we do, in a very wide sense, if we describe several centuries as feudal, then feudalism will appear to us as a natural and even a necessary stage in our history. … If we use the term in this wide sense then feudalism means civilisation, the separation of employments, the division of labour, the possibility of national defence, the possibility of art, science, literature and learned leisure; the cathedral, the scriptorium, the library, are as truly the work of feudalism as is the baronial castle. When, therefore, we speak of forces which make for the subjection of the peasantry to seignorial justice and which substitute the manor with its villeins for the free village, we shall—so at least it seems to us—be speaking not of abnormal force, not of retrogression, not of disease, but in the main of normal and healthy growth. Far from us in-

deed is the cheerful optimism which refuses to see that the process of civilisation is often a cruel process: but the England of the eleventh century is nearer to the England of the nineteenth, than is the England of the seventh—nearer by just 400 years."[200]

[200] Maitland, *Domesday Book and Beyond*, p. 223.

Chapter VI
The Struggle for Constitutional Government

In the struggle of the fourteenth century for constitutional government as against royal authority and prerogative, and in the successful effort to develop the principles embodied in and the advantages gained by the Great Charter in the early part of the previous century, Stubbs points out that it was the knights of the shires who bore the burden of the fight and were the effective champions of popular rights.[201]

In the Middle Ages the theory was that the king should "live on his own"—that is to say, that the revenues of his estates and the feudal incidents thereof, together with the hereditary revenues of the crown and the receipts accruing from the power to grant privileges, charters, monopolies, etc., should provide him with sufficient revenue for the ordinary purposes of state—and that further taxes for special expenditure should not be levied without the consent of the representatives of the people.

The principle that the king should "live on his own" was a double-edged one. If his income was sufficient for him to rule without special taxation, except in case of war, he was independent of control and, if a strong man, might be a despot. If in order to avoid control he curtailed his expenditure and thereby limited his power, his superiority to and his authority over the wealthiest and most powerful of his barons might disappear and he would become, as many continental sovereigns did under the feudal system, especially in its decay, merely the nominal first and lord among equals, the result of which would be to establish the rule of a territorial oligarchy.

Another result of requiring the king to live on his own, and of pressing control and opposition to the point of resistance on the part of the sovereign was that the king was likely to obtain funds or to secure partisans and friends by alienating portions of the royal demesne by making grants to them. In the course of the long struggle for constitutional government based on financial control the estates of the crown were largely alienated in this way and for this reason. The impoverishment of the crown was really the depletion of the

[201] Vol. ii p. 513.

sources of public revenue and inevitably, in the long run, necessitated further taxation of the people.

The Struggle for Parliamentary Control

The object of the wiser heads during the long constitutional struggle and development, therefore, was not to impoverish the king nor to unduly restrict proper royal and national expenditure; but to develop popular freedom, to prevent the waste of national resources, and to secure the proper adjustment and limitation of taxation by extending the control and power of Parliament. In order to do this it was necessary, not so much that the king should "live on his own," as that he should owe his income more and more to parliamentary grants. Parliament accordingly from time to time curtailed the customary and hereditary revenues of the crown, and made specific grants from public money to supplement them.

The extent to which the king could require military service for wars in connection with his French kingdom was doubtful. The service was also limited in duration, 40 days in the year, too short a term to be of any real value for warlike operations on anything like an extended scale, especially abroad, and as in those times the army was slowly gathered and disorganised and untrained. An enlisted army, paid by the king and properly drilled, was permanent and much more effective and readily available.

The commutation of service for payment suited both the king and his subjects. But it had far-reaching results. It soon united the Normans and the English in the common bond of a common policy based on common interests. While it strengthened the king's military power it weakened his civil power. It increased his power to engage in foreign expeditions, but it did not increase the willingness of his people to pay for them. It united all classes of them in a desire to curtail the power of the king to make levies on them, and within 60 years after the adoption of commutation and the institution of payment of scutage and tallage, the whole nation—churchmen, nobles, burghers, and peasants—united against the king and his mercenaries and forced the Great Charter from him.

The struggle for control of finance which characterised the thirteenth and fourteenth centuries and was the foundation of parliamentary representative government, was overshadowed and placed in abeyance by the Wars of the Roses and the weakness resulting from

the feuds of the nobles, followed by the strong rule of the Tudor monarchs; but the precedents and principles established provided the basis on which the parliamentary party successfully opposed the excesses of prerogative of the weaker Stuart kings in the seventeenth century, and placed the control of the purse by the House of Commons on a firm footing.[202]

The monarchs desired to have revenue free from the control of Parliament. Parliament and the people desired to protect the country against excessive and oppressive levies, and also to secure and maintain that control over the policy of the Government which the power to grant or refuse supplies gives.

The Outcome of the Struggle with the Stuarts

After the experience with the Tudor and Stuart monarchs the undesirability of leaving the king with a large revenue which was outside the purview of Parliament, and tempted arbitrary rulers to strain their powers in order to avoid calling Parliament together at all, had become very evident. The next great step, therefore, was taken when Charles II. returned after the Commonwealth. The principle was then adopted of voting the king at the commencement of each reign a fixed revenue from specified sources which were estimated to produce sufficient to defray the expenditure of the Government in times of peace. This was followed in the time of William III. by the appropriation of the revenue voted to be used for defraying specified expenditure.

The grants of Crown lands made by Charles II., James II., and William III., led to popular agitation from time to time for a reversal of these grants and a resumption of the lands, with the result that on the accession of Anne in 1702 an Act was passed which secured the grantees of Crown lands in their possession of them by recognising what had been done; but prohibited any future alienation, and provided that any grant for more than 31 years or three lives should be void.

Step by step afterwards, the expenditure which the king was required to meet out of his revenues was reduced and the amounts voted at the commencement of each reign for the Civil list were curtailed, until nothing was left to be provided for in that way but the

[202] Rogers, article "Finance," *Ency. Brit*.

expenditure incidental to the maintenance of the king and the royal family. At the same time the various revenues which had accrued to the king from his estates, his royal prerogatives, were, one by one, transferred to the State, until now only those arising from the Duchies of Cornwall and Lancaster go direct to the royal family.

Final Abolition of the Feudal Incidents

After the disappearance of scutage and tallage about 1320 practically all that remained to the king of the old revenue from the incidents of the feudal tenure were the fees and fines charged on relief, wardships, alienation, and other incidents, and the grievous and detested prerogatives of purveyance and pre-emption. In the time of James I. an effort was made to get rid of these feudal dues and incidents—the scandals and abuses of which had become an intolerable grievance—by granting the king a permanent revenue from taxes in their place, but it was not carried through. The result was that in the years 1629-40, when Charles I. was governing without a Parliament and had to resort to every possible device to raise money, his officers strained to the utmost and revived as far as possible anything that was left of the possibility of revenue from wardship and the incidents of the feudal tenures. They did not amount to much but they were very irritating. Benevolences (forced gifts and loans) monopolies, and traffic in honours were all made the most of.

Under the Commonwealth the Long Parliament by a resolution of both Houses in 1645 abolished the Court of Wards and Liveries, and converted all tenures in chivalry into free and common socage. In 1666 by an Act of the Commonwealth these resolutions were confirmed b^ legislative enactment. The Commonwealth also introduced a new excise and customs tariff, which included many new taxes, among which were duties on beer, cider, and spirits, both home and imported. At the Restoration in 1660 Charles II. desired to ignore this legislation as illegal and of no effect. At that time the financial position was that during the Commonwealth the revenue of the State had been raised from subsidies—which were really an income tax and a tax on property, real and personal—and from customs and excise duties.

Personal military service on the knights' fee, which had only existed for about a century, had been abolished 600 years (1169). The payment of scutage, which had been substituted for it, had ceased

more than 300 years (1322). Tallage, which had been the corresponding levy on the non-military tenants in towns and counties, had been abandoned since 1332. "During the Commonwealth the vexatious emoluments derived from the military tenures had been suspended, and at the Restoration the feeling was unanimous in favour of abolishing those intolerable Feudal burthens which had so long survived their *raison d'etre*."[203]

By 12 Charles II. c. 24 all the feudal incidents and all fines for alienation, tenure by homage, etc., were abolished. The rights of purveyance and pre-emption were also permanently abolished in response to the demands of the yeomanry and peasantry.[204] "All sorts of tenures held of the King or *others* were turned *into free and common socage* (freehold) save only tenures in frankalmoign, copyholds and the honorary services of grand serjeanty."[205] As Vinogradoff puts it, "Commutation, the enfranchisement of copyholds, and the abolition of military tenures in the reign of Charles II., led to a gradual absorption of socage in the general class of freehold tenures."

A Great Boon to the Nation

The immediate and direct benefits of this Act were great boons to the nation at large. Indirectly the nation gained by the simplification of tenure and especially by the curtailment of the vexatious prerogatives of the Crown, which had long been a terror and an inspirer of awe. Most of the feudal incidents of fines and personal service levied on and required from the smaller tenants and peasants under their tenures from their landlords and feudal superiors had been abolished and commuted for ordinary tenancies some 250 years earlier. The system had been dead for centuries, and only the minor but by no means the least irritating incidents remained. The greater part of the latter had long fallen into abeyance, and after the complete freedom from them which had been enjoyed during the Commonwealth, and the spirit which had been manifested with regard to arbitrary fines and levies, it was clearly impossible to revive these antiquated and unpopular sources of royal revenue.

"Though the rights of the Crown over lands held, as the bulk of English estates were held, in military tenure, had ceased to be of any

[203] Taswell-Langmead's *History of English Law*, p. 639.
[204] Article "Knighthood," *Ency. Brit*, p. 116.
[205] Taswell-Langmead's *History of English Law*. p. 640.

great pecuniary value, they were," says Green, "indirectly a source of considerable power. The rights of wardship and of marriage above all enabled the sovereign to exercise a galling pressure on every landed proprietor in his social and domestic concerns. Under Elizabeth the right of wardship had been used to secure the education of all Catholic minors in the Protestant faith; and under James and his successor the charge of minors had been granted to Court favourites or sold in open market to the highest bidder. But the real value of these rights to the Crown lay in the political pressure which it was able to exert through them on the country gentry. A Squire was naturally eager to buy the goodwill of a Sovereign who might soon be the guardian of his daughter and the administrator of his estate. But the same motives which made the Crown cling to this prerogative made the Parliament anxious to do away with it."[206]

Referring to the abolition of feudal incidents Macaulay says: "In the course of ages whatever was useful in the institution had disappeared, and nothing was left but ceremonies and grievances." The statute of Charles II. abolished the very same class of abuses, the sweeping away of which was promised in the great charter of Henry I., which was the forerunner of Magna Charta.

Dowell's View

Dowell says: "The reasons for the existence of the feudal incidents had long ceased to be; and indeed the whole feudal system had long been practically obsolete. The strict enforcement of the incidents under Elizabeth had been the cause of serious complaints. So unpopular had they been found under the administration of James I. that the difficulty of finding taxes in substitution for the feudal revenue had alone prevented the execution of Salisbury's plan for its total abolition in 1610. … The Court of Wards and Liveries, in which this revenue was enforced, did not long survive the commencement of the civil war. It ceased to sit from February 24, 1645; and, eventually, wardship, livery, primer-seizin, ouster-lemain—all the feudal incidents, and all tenures by homage, and all fines, licences, seizins, and pardons for alienation had been abolished, and all tenures *in capite* and by Knights' service of the King or any other person and all

[206] *Short History*, p. 619.

tenures in socage in chief, had been turned into free and common socage, that is, ordinary (freehold) tenure.

"In the same manner, purveyance and pre-emption, royal prerogatives so unpopular that a volume might be filled with excerpta from county histories of complaints regarding these 'insupportable grievances to the people' had as such also been abolished by the Parliament. All the King's Officers called purveyors, victuallers, buyers, takers or caters; his commissioners by warrant and commission who 'at will and pleasure had seized and taken the carts, waggons, carriages, and horses of the people for the removal of the King's household and for other purposes,' had ceased to be. And the people were secured against all 'seizures and takings of their hay, straw, oats, com, cattle, victual, flesh, fish, food, timber and other chattels for provision of the King's household, at a price fixed at the pleasure of the King's officer,' or, as frequently happened, without any payment in return.

"These unpopular prerogatives it was clearly impossible to revive, while it was acknowledged that the courts of wards and liveries and tenures by Knights' service and the consequents upon the same had been found by experience more burdensome, grievous and prejudicial to the Kingdom than they had been beneficial to the King, and that it was impolitic, if not impossible, to revive them."[207]

Intolerable Abuses felt by Rich and Poor alike

The practice was much abused by the king's courtiers and servants and the right was even claimed by the constables of the king's castles.

The prerogatives of purveyance included, besides the right of preemption of victuals, the compulsory use of horses and carts and even the enforcement of personal labour. In the midst of ploughing or harvest the husbandman was liable to be called on to work and to lend his horses for the service of the court, or of any servant of the King who had sufficient personal influence to enable him to use the King's name. Nor did the abuse end here; not only individuals, but whole counties, were harassed by the same means: on one occasion the sheriff is ordered to furnish supplies, beef, pork, com for the

[207] *History of Taxatian*, vol. ii. p. 20.

coronation festival or for the meeting of Parliament: on another he is directed to levy a supply of corn to victual the army.[208]

Frequent ordinances were issued against it and statutes were passed forbidding the extortion, but:

> No legislation however seems to have been strong enough to check it; it fills the petitions addressed to the parliament; not only the King but his sons and servants everywhere claim the right; it is the frequent theme of the chroniclers; and it is the subject of ten statutes in the reign of Edward III., by the last of which, passed in 1362, the King declares that of his own will he abolishes both the name and the practice itself; only for the personal wants of the King and Queen is purveyance in future to be suffered, and the hateful name of purveyors is changed for that of buyers. It is probable that this statute really effected a reform; legislation, however, though less frequently required, was occasionally called for; in the times of civil war purveyance was revived as a terrible instance of oppression, and was not finally abolished until Charles II. resigned it along with the other antiquated rights of the crown.
>
> Wherever the King or the court went there went a crowd of purveyors, taking the provisions of the husbandman, or demanding his services and paying either at nominal prices or not at all. Every old woman trembled for her poultry, the archbishop in his palace trembled for his household and stud until the King had gone by.[209]

Archbishop Islip, writing on these prerogatives in Edward III.'s time, speaks of "a King whose people fly from his approach."[210] Bacon, speaking in James I.'s first Parliament, said the purveyors had become "taxers" instead of "takers." They extorted from the people annual fines of money, sometimes in gross and sometimes in the nature of stipends, in lieu of their oppressive demands. If they were refused they defaced and despoiled mansions and houses and destroyed ornamental timber or favourite shrubs. They would seize the poor man's hay and poultry, and mulct him in poundage over its payment, which was neither assessed nor attested according to law. Though produce on the highways was exempted and the hours of purveyance was limited to sunlight, they ignored those regulations of

[208] Stubbs, vol. ii. p. 589.
[209] Stubbs, Vol. ii. p. 403.
[210] Ibid. vol. ii. p. 876.

the statute book, and no one knew when or where he might not be visited with their unwelcome presence, or, since they refused to exhibit their authority, by whom he was despoiled.[211]

When the feudal incidents were abolished by 12 Charles 11. c. 24, "the whole landed interest rejoiced, not only its gentry but its inferior classes also. … The labouring classes romped on the village green, toasted the King at its tavern, and omitted to grumble at the increased price of their tipple in the thought that the royal purveyors would trouble them no more."[212]

To compensate the king's revenue for his surrender of all his rights and privileges under these feudal tenures a set of excise and customs duties on beer, spirits and other liquors of half the amount charged on these beverages under the Commonwealth was granted to the king, his heirs and successors. The other half of these duties, bringing them up to the amount levied under the Commonwealth, was voted as part of the ordinary revenue. It is quite clear from the writings of those who discussed this question in the latter half of the seventeenth century that the general property tax—which has become known as the land tax—was intended to be a general tax according to ability. It failed and became a land tax only. Excise was resorted to because it was believed to be a better way of obtaining the result originally intended.

[211] Bacon, *Works*, vol. iv. pp. 805-6.
[212] Garuler's *History of thr English Landed Interest,* p. u351.

Chapter VII
The So-Called "Land Taxes" of 1692, 1697 And 1798

As has already been stated, in 1663 the old Tudor subsidy was levied for the last time. Dowell says, "It was now acknowledged that the subsidy was effete as a method of taxation." The Commonwealth form of monthly assessments was continued for nearly 30 years longer, but as they were levied at the old proportion of charge fixed long before, and "moveable property had slipped out of the assessment,"[213] it was ultimately abandoned and Parliament returned to a pound rate in 1692. The pound rate of 1692 granted to William III. was a tax of 4s. in the pound levied on the annual rent or value of all real estate; on the salary of all public offices; and on the assumed income from personal property, goods and chattels calculated at 6 per cent on the capital value of the property. As had been the case so frequently before with taxes of this kind, loose assessments and fraudulent returns caused a steady decline in the produce of the tax and the old method of fixing the total amount to be raised and apportioning it to the various towns and counties was reverted to in 1697. Within the towns and counties the assessment was divided out between the various parishes or districts according to the assessment of 1692.

What the Tax really was—first on Personal Property and Income, then on Real Estate

It is interesting and important to note that this tax of 1697 was first a tax on goods, merchandise and personal property, and income from offices and employments. The residue of the sum to be raised was obtained by a pound rate on the rent or annual value of real estate.[214] Dowell says:

In the assessment of the various tax-payers, it happened that as the tradesmen and others assessed in respect of their personalty died off, or departed from the particular district, the assessors charged their quota upon the land, adding it to the previous charge upon the landowners; so that the tax, which was intended to rest in the first instance on goods and offices, the residue only being charged on the

[213] Dowell, vol. iii p. 92.
[214] Ibid. vol. iii pp. 95 and 96.

land—intended for a general tax on property, gradually became, in effect, a tax on land.[215]

This was the more unfair because personal property and the wealth of the towns were increasing more rapidly. Dowell again emphasises the point thus:

> This property tax of William III. originally intended to bear in the first instance on personal property and offices, subsequently, *when personal property again slipped out of assessmen*t, was described as "an aid by a land tax," and in fiscal expression "The annual Land Tax!"[216]

This so-called "Land Tax" continued to be levied until 1798 at 2s., 3s. and 4s. in the pound as circumstances required. In that year it was recast by Pitt. It was separated into three taxes. That portion which had become a land tax was made a fixed perpetual charge on the various districts specified in the act. Provision was made to enable persons to redeem the tax if they wished to do so. The amount yielded by the tax at that time was about £2,400,000 a year. Since then much of it has been redeemed, and the net yield in 1912-13 was £687,173.

The Fixed Assessment

As we have already seen, the levying of this tax on a fixed assessment, which had not been and was not afterwards revised, was quite in accord with custom and precedent—"this ancient and continuous precedent" as Thorold Rogers describes it. It was not, as it is so commonly represented to have been, a device of the land-owners of the time to escape their fair share of public burdens. As a matter of fact, so far as there was evasion and shifting of burden it was done by the owners of property other than land and the recipients of incomes other than those derived from real estate.

The essence of contracts for the occupation of land, if these ancient tenures could be called contracts, was that the liabilities of the tenant should be fixed and unchangeable. This idea of a fixed rent in an estate of inheritance pervaded all relations of landlord and vassal. It affected the subsidies granted to the Crown, the county valuations of which appear to have been unchanged from the days of the Plan-

[215] Vol. ii. p. 63.
[216] Vol. iii. p. 97.

tagenets to the days of the Stuarts. So with the fee farm rents paid by the freeholders, the labour and subsequently the commuted rents paid by the copyholders. The principle that a tax should be unchanged was adopted in William III. land tax, an assessment which has never been revised after the lapse of nearly two centuries.[217]

Personal Property slipped out again

When Pitt recast the "land tax" in 1798 personal property had almost entirely slipped out of assessment, and only about £150,000 was in that year obtained from the tax on personal property and offices. The portion then derived from personal property at that time was fixed and so to speak stereotyped at that figure, as the land tax was, by ascertaining the amount which had been charged in each district upon "estates in ready money, debts, goods, wares, merchandise or personal estates," and then charging it upon the district to be collected at an equal rate in the pound upon all who possessed personal property in the district. This tax continued but steadily diminished in yield until 1833, when it was repealed.[218]

That part of the old "land tax" which had been levied on offices and employments was also ascertained and levied annually. In 1826 it was limited to offices and pensions which were charged under the Act of 1798. Although it was made perpetual in 1836 its yield diminished until it only produced £822 in 1868. It was repealed in 1876.[219]

Well may Dr. Cannan, after summarising the history of the Land Tax, say:

> If the provisions of these annual acts had been faithfully carried out, it is plain that in many places land would either at once or very soon have been exempted from the "land tax," since 4s. in the pound on incomes from other sources would have been sufficient to raise the specific sums demanded. What actually happened, however, was that the 4s. in the pound was not levied from personalty, and almost the whole burden was placed upon landowners. In 1797 this practice was legalised and perpetuated.[220]

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[217] Professor Rogers, *The Economic Interpretation of History*, p. 16.
[218] Dowell, Vol. iii. p. 101.
[219] Ibid, vol. iii p. 102.
[220] *History of Local Rates,* p. 116.

At that time only £150,000 was levied from property other than land; and in 1833, when all taxation on personalty was abolished by statute, the amount was only £6214.

View of the Inland Revenue Authorities

"Nothing can be more certain," says the Report of the Commissioners of Inland Revenue, 1870,[221] "though but little known, that the so-called land tax was in fact a property and income tax, and, moreover, that personal estate was quite as much the object of the charge as land, if not more so. The first Act, that of 1692, shows this very clearly."

The principal Acts after 1692 were those of 1697 and 1797. Concerning them the Report says: "Now it is a remarkable circumstance that these acts of 1697 and 1797 appear to mark more strongly than before the taxation of personal estate as the primary object of the law." After remarking that for the year 1823 "we are presented with the ludicrous result of a tax of one per cent on the capital value of the personalty of Great Britain," the Report continues: "It seems almost incredible that year after year an Act should have been passed containing the most minute directions for the assessment of personal estate, that year after year assessors should have been sworn to carry those directions into effect, and yet that nothing which could be called an assessment should have been made. If indeed there had been no return at all under this head it would have been less startling than that there should be such a return as that for 1823."

The Truth of the Matter

"The vague popular idea that the land of England belongs to the people of England, in the sense that the nation has a right to the whole or part of the rental, and that a special tax on land-values is only the assertion of this just claim, is in the light of history an absurdity."[222]

"Land taxes are as old as the cultivation of land. But the point is that as soon as personal property became of sufficient importance to attract the attention of the tax-gatherer, all these land taxes were merged in a general system of taxation which applied equally to movables."[223]

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[221] Vol. i.
[222] Professor Nicholson, *Rates and Taxes*, p. 49.
[223] P. 50.

The income tax is really the successor to the old so-called land tax, which was imposed as and intended to be a property and income tax as our income tax now is. When in the time of William III. a new assessment of the old tax was made it was not even called a land tax. The Act of 1692 which imposed it described it as "an aid of 4s. in the £ for carrying on a vigorous war against France."

When Pitt took the matter in hand a century later he made another fresh start. He stuck to and stereotyped the then existing 4s. in the £ payable on land on the old valuation, and then he instituted the income tax which was levied on all incomes above £60 a year, from all sources, land included, so that land not only paid the old 4s. tax, but it paid the new income tax in addition. That income tax continued until the close of the great French War in 1815, when it was repealed, only to be reimposed by Peel in 1842.

A Complete Misconception

We are now in a position to understand how entirely inaccurate is the popular view of the history of the taxation of land, and to appreciate the extent to which the oft quoted statement of Richard Cobden was based on a complete misconception of the facts. Speaking in the House of Commons on Dec. 17, 1845, Cobden said:

> For a period of 160 years after the Conquest the whole of the revenue of the country was derived from the land. During the next 150 years it yielded nineteen-twentieths of the revenue—for the next century down to the reign of Richard III. it was nine-tenths. During the next seventy years to the time of Mary it fell to about three-fourths. From this time to the end of the Commonwealth land appeared to have yielded one-half the revenue. Down to the reign of Anne it was one-fourth. In the reign of George III. it was one-sixth. For the first thirty years of his reign the land yielded one-seventh of the revenue. From 1793 to 1816 (during the period of the Land Tax) land contributed one-ninth. From which time to the present (1845) one twenty-fifth only of the revenue had been derived directly from land. Thus the land, which anciently paid the whole of taxation, paid now only a fraction, or one twenty-fifth, notwithstanding the immense increase that had taken place in the value of the rentals.

The United Committee for the Taxation of Land Values circulates the same misrepresentation in a leaflet of which the following is a copy:

Diagram—The Landlords Threw Off Their Taxes
As Follows:1216 1360 1483 1553 1653 1714 1760 1795 1815 1845
Not reproduced / pma

> The above diagram shows that up to the year 1216 the landlords shifted none of their just burdens. But, commencing in the year 1216, they shifted them off their land on to the labourers as the diagram shows. The clear columns show the increasing share of the tax burdens unfairly lifted from their own backs to those of others. The shaded columns show the lessening proportions at those periods still borne by the landlords. As rentals grew taxes on rentals were legislated away, the landlords being the lawmakers.
>
> This process must be reversed. Taxes and rates must be removed from labour and from industry until the rent of land again becomes the direct source of all public revenues. This is what is meant by the Taxation of Land Values and the Un-Taxation of Industry.

As a matter of fact it is not correct to say that the whole of the revenue of the country was derived from land during the early part of the period referred to; and in so far as it was very largely derived from the land it was so because almost everybody was engaged upon the land, and it was the chief source of income and livelihood, and there was little or nothing else that could be taxed. The aim and object was not to assess and tax owners and occupiers of land as such, and to exempt other people, but to assess and tax everybody according to his possessions and his ability to pay. In those early times the simplest way of doing this was to assess them according to the amount of land they occupied, and that was what was done. As the position of the country improved and other possessions accumulated, and especially as towns grew up and trade developed, the value of the land which a man owned or occupied became less and less an accurate standard of his wealth and ability to pay. Consequently from a very early time, commencing in 1181, personal property—movables, as it was called—was also taxed. What the decrease in the proportion of the total revenue derived from land means is not that

land-owners "threw off their taxes," but that land was becoming a smaller proportion of the total wealth of the nation, as other kinds of wealth developed and accumulated. So far from it being true that the landlords "unfairly lifted an increasing share of the tax burdens from their own backs to those of others," the history of taxation for several centuries is a record of the continual and successful effort which was made by the general taxpayers to evade their share of the tax burdens by lifting them from their own backs to those of the landholders. Again and again, when the taxes were levied on all property and income including stock-in-trade and salaries, the result was that personal property gradually slipped out of the assessment until the tax practically fell entirely, or almost entirely, on land and buildings. Well might Thorold Rogers say that if the historian would examine the records he would sweep away many ancient delusions as to persons and events which seem to be permanently embedded in the popular histories.

NOTES

Mr. Chiozza Money, M.P., has very interestingly pointed out, that not only was the so-called Land Tax of 1692 really an income tax, but that the income tax introduced by Pitt in 1799, and revived by Peel in 1842, and continued to the present day, was and is practically a revival of the old 1692 tax in an effective form. Mr. Money says:

> "Pitt did not invent a new tax called the income tax. In 1799 the income tax was already hoary with age in this country. Pitt found the income tax of 1692 still absurdly levied upon imperfect assessments and bringing in very little revenue. What he actually did was to reform the income tax and give it a new name. He began in 1798 by commuting the old 'Land tax,' as we have seen. Having cleared it out of the way, and made it a fixed charge, he re-enacted an income tax with a better system of assessment. In doing so, however, he closely adhered to the old schedules.
>
> "Section 2 of the 'Land Tax' became Schedule D of the new property and income tax. Section 3 of the old Act became what we now call Schedule E. Section i of the old Act became what we now call Schedule A.
>
> "So far from land-owners escaping by Pitt's reform, they began to make a larger contribution to the national exchequer. The old absurd charge remained, and a new one, better assessed, was

added to it. Thus we see that while the old 'Land Tax' was a property and income tax, the new income tax was also a land tax, as it now remains."

It is interesting to note here also the practical experience of Walpole who, speaking nearly two centuries ago, said that it was safer to tax real than personal estate, because "landed gentlemen are like the flocks upon their plains, who suffer themselves to be shorn without resistance; whereas the trading part of the nation resemble the boar, who will not suffer a bristle to be pluckt from his back without making the whole parish to echo with his complaints."[224]

[224] Sinclair, *History of the Public Revenue,* vol. iii., App. p. 79.

Part IV

Who Really Owns The Land!
and
Some Considerations Of Honesty And Honour

Statemente which arise unbidden to the lips of everyone always contain a foundation of truth, but very often we proceed to build upon this foundation a superstructure composed almost entirely of fiction."—The Spectator.

"First recognise what is true; we shall then discern what is false, and properly never till then."—Thomas Carlyle.

"To examine and reject a fallacious hypothesis is often a means of arriving at the truth."—Leacook.

"In the long run that which is unjust can never be expedient."—Aristotle.

"In the interests of a people rising so rapidly into the possession of wealth and capital, it is expedient rather to confirm the traditions of property than to overthrow them."—Professor W. Smart.

"To take the land without compensation would be robbery: to take it with compensation would be folly."—W. E. Gladstone.

"History records many things which ought to make us hate evil actions; but neither history nor morals, nor policy can teach us to punish innocent men on that account."—Edmund Burke.

Chapter I
Who Really Owns the Land ?

We are sometimes told that in strict law land in this country is not the subject of absolute property, that no man is in law the absolute owner of land. He only holds an estate in it, and that estate he holds under the Crown. That is the legal fiction no doubt, but it is nothing more than a legal fiction, embodied though it be in deeds and law. For all practical purposes there is ownership, and when the law says that there is not absolute ownership the term is used to mean something altogether different from what ordinary people understand by ordinary language.

The Crown does not own the rents, nor is there anything in the nature of a rent charge reserved to it. The Crown neither exercises nor claims any of the attributes of ownership.

When on this very unstable and dubious foundation an attempt is made to build up a contention that the land belongs to the Crown, and that the Crown owns it as the representative of the community, and, therefore, the land belongs to the people, we have an argument which is full of fallacies and flaws.

In the first place, land does not belong to the Crown in any real sense. In the second place, when the Crown did as Conqueror seize and exercise the power to dispose of land in this country, it was not only an act of pillage based on force but it was a personal act. No rights of the community as such were recognised or thought of. The exercise of the power claimed was always resented and often disputed, and in course of time the Crown was compelled to relinquish its claims and so-called rights. Those rights were relinquished not to the community, but to the individuals over and upon whom they had been arbitrarily and despotically exercised, only so long as they could be maintained by force.

What the Conqueror did

When William the Conqueror claimed and exercised the power, and therefore the right, to dispose of the land of England amongst his followers and those of the native nobles and land-owners who accepted his sovereignty, he did not do it at the request of, on behalf of, or in the interest of, the community. He thought nothing of or about them. He did it as a personal act on his own behalf and in his own

interest. It was essentially arbitrary and despotic in character and fact like any other despots and chiefs of bands of marauders, brigands, and pirates, he could only maintain his power and position by, to some extent, conciliating the more powerful of his followers, and sharing some of the plunder with them. Just before the battle of Hastings, William, addressing his troops, said, "Fight bravely and put all to death: if we win we shall all be rich: what I get, you shall get: If I conquer, you will conquer: if I obtain the land you will obtain it." He did this on condition that they in turn served and supported him and maintained his sovereignty and supremacy. All this was personal. The King was looking after his own interest and that alone: he was only concerned with the interests of others in so far as they were subservient to and necessary to maintain his own. With his immediate and more powerful followers the position was the same. Nor was it different with those of the native men of power and position, who gave the Conqueror their allegiance. None of them cared or thought about the community as such, apart from themselves. Such a thing as the land belonging to the community—to the people as a whole—was never dreamed of. If it had been suggested it would have been laughed at. The new King claimed that it belonged to him, and that he could and would do what he liked with it. He based his right on his position as conqueror and on his power to maintain it: in a word, on the strength of his own right arm, so to speak.

For a time the immediate followers' of the Conqueror submitted to and upheld these conditions because their own position as conquering usurpers of other people's property depended on their so doing. But as weaker kings succeeded the Conqueror, and as the position of the nobles as lords and owners became established by flux of time, they joined hands with the native nobles and landowners, and made common cause to free themselves from the King's personal claims and the burdens which accompanied them. The Crusades and the Wars with France gave them their opportunities and enabled them not only to rid themselves of many burdensome incidents of personal despotic sovereignty but also to secure for Parliament, as representing the community, that financial control which laid the foundations of English liberty and representative government.

The king required more money than his demesne yielded. He required more military service than the conditions of feudal service supplied. The nobles and Parliament realised the power which these needs gave them, and they used it. They made grants of revenue, but they did it on terms, and the terms always involved a diminution of the king's personal power and a surrender of some or other of the onerous conditions which the Conqueror had imposed upon the people. So long as this was the position, kings were naturally unwilling to go to Parliament for renewed or new powers of taxation, if they could possibly avoid it, and when they did go they desired to have special friends and supporters there. This in turn led to the diminution of the royal demesne through the kings selling parts of it in order to raise money without going to Parliament and giving other parts to friends, favourites, and supporters in return for services rendered. Dowell tells us that

> Originally the ancient demesne, consisting of lands that had belonged to Edward the Confessor and were considered to have belonged to the Heptarchic Kings, was regarded in the nature of national property. And on that ground Parliament, should the King, by grants of ancient demesne, impoverish himself to such an extent as to compel him to resort to a request for a subsidy, might nullify and cancel the immoderate grants. While the demesne not ancient, and all accretions to the King by escheat and forfeiture, were regarded as the property of the King, which he could alienate without any fear of the subsequent interference of Parliament.

Both kinds of demesne were largely alienated by Henry VIII. and his successors. Elizabeth sold portions freely in order to avoid applications to Parliament, and James I. and Charles I. reduced it still further until at the commencement of the Civil War the revenue from the demesne was only about £120,000. Under the Commonwealth what was left was sold. After the Restoration there was some resumption of the lands which had been parted with, but in 1663 the revenue from the demesne was only £100,000 a year.

One result of the gradual alienation of the demesne was that it brought the kings more and more under the control of Parliament, and enabled it to increase its authority and power in proportion as the king, owing to the diminution in his ordinary personal sources of

revenue, became more and more dependent on Parliament for supplies, to meet the cost of government and any wars in which he might be involved.

Norman Tenures were imposed by Force

The conditions which William the Conqueror imposed were imposed by force and as the result of conquest. As soon as possible they were restricted and ultimately practically abolished. They never belonged to the community. They were imposed by the king for his own personal advantage and in order to enable him to maintain and retain his personal position as sovereign and overlord. When the position of the kings was assured to them and the continuance of these conditions became unnecessary and indeed dangerous to the maintenance of the king's position, the burdensome yoke of despotic personal rule was gradually removed and constitutional government, under which the revenues of the state were raised and controlled by Parliament, was as gradually established.

The feudal tenures and the incidents appertaining thereto were burdens imposed by a conquering power. They were not the conditions of grants of land by or for the community to individuals. They were the conditions of grants by the king of lands which belonged to others and which he had seized by force, not for the community, but for himself and his followers. They were not services or payments due to the community and received by the king on behalf of the community. They were services and payments demanded and enforced by the king for himself, at the point of the sword, and when the successors of those on whom they were imposed succeeded in throwing them off one by one, century after century, it was not the community but the Crown that was deprived of the produce of burdens which had originally been imposed by force, and used against the community to enable the king to establish his authority over it. Incidentally in this process of re-adjusting the relative positions of the Crown, the land-owners, and the community as a whole, considerable burdens of taxation were placed on land-owners.

They had less Validity than Subsequent Acts of Kings and Parliaments

The conditions imposed by William the Conqueror upon landowners and their tenants and others under them were the arbitrary acts of a military despot. Greater authority and validity cannot be attached to

the action imposing these conditions than to the actions of his successors and the Parliaments of the day by which those conditions were modified and eventually abandoned in favour of other arrangements which were deemed more equitable and satisfactory. There is no justification for ignoring and treating as null and void the one set of transactions, and attempting to insist on the others as sacred and inviolable. The decisions, the results of which it is desired to get rid of, were at any rate arrived at in a more constitutional manner than those which it is desired to maintain. They were not the personal arbitrary act of a military conqueror. They were the deliberate decisions of the Parliament of the time.

If one Part of the Contract were restored the Whole should be

When attempts are made to establish the right of the public to go back to the conditions instituted by William I., and to claim for them a sanctity and a permanence which is allowed, to nothing else before or since, and when, on the strength of that, it is asked that landowners should now be called upon to fulfill the conditions then imposed, and should therefore bear all the cost of the defence of the country, it must be remembered that at that time many similar and even more onerous conditions applied to other people, and that if the feudal system is to be restored the conditions under which its liabilities and duties were imposed, and on which they were based, should also be revived. When much is made of the grant or regrant of lands by William I., it must not be forgotten it is equally true that all freeholders in manors owed their land and rights both in law and in fact to grants or regrants from the lord, and that all other tenants held on a more or less onerous servile tenure, and that below them again in status was a large proportion of the population who were se^ attached to the soil by bonds which made them practically the property of the land-owners. It was on those conditions and on that basis that the feudal liabilities were imposed, and if we are to go back and restore the position in one respect we should, in justice and equity, also have to restore the conditions and position on which it depended and was based.

A curious instance of the survival of the feudal power of lords of the manor to make levies upon their tenants reaches us from the early part of the seventeenth century, where, on the orders of the lord, the steward called the tenants together and informed them that, as he had

bought an estate for more than £7000, they must help him to pay for it by each of them giving him three years' rent. They were told that if they did this no more gifts would be required during his lifetime, and, if they did not, he would refuse to renew their holdings as they fell in.[225]

[225] *Chatham Society Miscellanies*, vol. iii.

Chapter II
Some Considerations of Honesty and Honour

The contention of Henry George and his followers, and of most advocates of the nationalisation of land, is that the private ownership of land, or, at any rate, of its unimproved value, is wrong, and involves robbery of the public and ought to cease. The ways in which they would deal with and rectify this alleged wrong vary in detail, but in principle and practical effect they are very similar. They all aim at taking for the use of the community the whole, or a considerable portion of that part of the value, of the land of the country—apart from the value of the buildings and other improvements which are on it—which is now private property.

Confiscation by Taxation

Some would seize and appropriate the land: others would have the State buy out the present owners. Henry George's followers and many land taxers who have not adopted the policy of the single tax propaganda in its entirety would seize and appropriate the whole or a considerable part of the value of the land by taxing it. Henry George said:

> I do not propose either to purchase or to confiscate private property in land. The first would be unjust: the second needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call their land. … We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land: it is only necessary to confiscate rent. … We already take some rent in taxation. We have only to make some changes in our modes of taxation to take it all.[226]

His view is that "though his titles have been acquiesced in generation after generation, to the landed estates of the Duke of Westminster the poorest child that is born in London to-day has as much right as his eldest son. … And it is robbed if the right is denied."[227]

Writing of the land of Scotland and claiming that it belonged rightfully to the whole of the people of Scotland, he said, in a pamphlet *Land and the People*:

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[226] *Progress and Poverty*, p. 288.
[227] Ibid. p. 240.

It therefore follows, from the very fact of their existence, that the right of each one of the Scottish people to an equal share in the land of Scotland is equal and inalienable. …

Why should the landlords be paid? If the land of Scotland belongs of natural right to the Scottish people, what valid claim for payment can be set up by the landlords? … The claim of the landlords to the land rests not on natural right but merely on municipal law—on municipal law which contravenes natural right. And, whenever the sovereign power changes municipal law so as to conform to natural right, what claim can they assert to compensation? Some of them bought their lands, it is true; but they got no better title than the seller had to give. … Created by force and maintained by force, they have not behind them the first shadow of right. That men, now dead, have had the power to give and grant Scottish lands is true; but will any one contend they had the right?

Repulsive but Dangerous

These views are still being widely circulated and energetically advocated. The publications in which they appear are the stock-in-trade of the United Committee for the Taxation of Land Values, and they are the basis of its propaganda and proposals. More or less openly avowed, they lie at the foundation of most of the proposals which are made for the special taxation of land-owners as such. It is desirable, therefore, that they should be examined with some care, in order that we may clear our minds with regard to them.

As these so-called principles are baldly stated by Henry George, they will be repulsive to, and will be repudiated by, most thoughtful, honest men, but that is no reason why they should not be refuted and exposed. That well-informed people know that they are absurd and iniquitous is not sufficient. Any fallacy and wrong, however ridiculous, is dangerous if the masses of the people are attracted by it. The danger is enormously increased if the proposal takes the form of conferring a financial advantage upon the multitude at the expense of others than themselves. Henry George was well aware of this when he cynically, but very truly, observed that "even the most prejudiced

can be relied on to listen with patience to an argument in favour of making some one else pay what they are now paying."[228]

We must also remember that these proposals are really a revival of old fallacies which have manifested great vitality. A single tax propaganda was prevalent in France in the eighteenth century. It was part of the policy of the Physiocrats. Sir Henry Maine very truly said that Rousseau's philosophy, upon which H. George's teaching is largely based, "still possesses singular fascination for the looser thinkers of every country"; that "it helped most powerfully to bring about the grosser disappointments of which the first French Revolution was fertile."[229]

Of course it is easy, popular, and soothing to preach that some one else ought to pay what your hearers or readers are paying; that some one else is responsible for their difficulties and troubles; and that the way to improve the world is to reform and tax other people. It is, however, desirable that we should occasionally ask whether what is being said is true, and whether these proposals to transfer the property of others to ourselves are quite honest. Appeals to covetousness are always easy and always dangerous. They are especially so when they are interlarded with references to religion and justice. It is not surprising, therefore, that many "hailed with rapture the appearance of the teacher who clothed passion in the garb of philosophy; and preached the sweeping away of injustice by the perpetration of further injustice, as if it were nothing but the conversion of sound theory into practice." The truth is, as Professor Smart expressed it:

> All the advantages adduced for the single tax are nothing more than bribes; and in order to expose the inherent dishonesty of the idea, it is necessary to expound the first principles of public morals.

Conditions of Ownership

At the outset of this part of our discussion it should be stated clearly that the recognition of the rights of private property in anything does not involve a recognition of the owner's right to do what he likes with it. His ownership is subject to such regulations, limitations, and conditions as the legislature deems necessary and just. He may own a

[228] *The Irish Land Question*, p. 41.
[229] *Ancient Law*, pp. 89-92.

horse, he may not treat it cruelly, he may not drive it on the footpath or on which side of the road he likes. He may own a pig, but he may not keep it where he likes. He may own a gun, but he may not fire it off when and where he likes.

This is especially true of private property in land. Even those who are most tenacious of the rights of landed property recognise that in important respects it is a different thing from other property. The permission of the appropriation of "original and indestructible natural forces," which are often spoken of as the inheritance of the whole species, and the continuance of that appropriation has its basis in expediency—the general good—as well as in justice; and the State has always considered itself entitled, in the interest of the common well-being, to attach to the ownership of land limitations and conditions more stringent and extensive than those which it attaches to other private possessions.

> "Sustained by some of the greatest names—I will say, by every name of the first rank in Political Economy, from Turgot and Adam Smith to Mill—I hold," says Professor Cairnes in *Political Economy and Land*, "that the land of a country presents conditions which separate it economically from the great mass of the other objects of wealth—conditions which, if they do not absolutely, and under all circumstances, impose upon the State the obligation of controlling private enterprise in dealing with land, at least explain why this control is, in certain stages of social progress, indispensable, and why, in fact, it has been constantly put in force whenever public opinion or custom has not been strong enough to do without it."
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> "The right to use a piece of land," says Professor Marshall, "gives command over a certain space—a certain part of the earth's surface. The area of the earth is fixed; the geometric relations in which any particular part of it stands to other parts are fixed. No man has control over them. They are wholly unaffected by demand; they have no cost of production, there is no supply price at which they can be produced.
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> "The use of a certain area of the earth's surface is a primary condition of anything that man can do; it gives him room for his own actions, with the enjoyment of the heat and light, the air and the rain which nature assigns to that area, and it determines his

distance from, and in a great measure his relations to other persons and other things.

"This property of land is the ultimate cause of the distinction which all writers on economics are compelled to make between land and other things."[230]

Further, an historical justification of an institution is no justification for its continuance or revival when it is no longer socially beneficial. Consequently, the contention put forward in this chapter is not that the State is not entitled to interfere with and regulate the conditions under which land is held as private property, or that it is not entitled to take possession of that property if it is deemed expedient to do so, but that if it does interfere or take possession it must honourably recognise and equitably deal with those rights of private individuals which have not only been created, built up, and sanctioned by ages of custom, but have been regulated, defined, and established by legal enactments extending over many centuries.

A Grave Injustice

For a thousand years and more in this country land has been regarded as private property, and has passed from person to person by sale, gift, and bequest under the most careful and solemn sanctions, safeguards, and binding obligations which legislation, custom, and public opinion can give. Land has for centuries been regarded by the public and treated by the law as being as much private property as ordinary merchantable commodities. It has been bought and sold, bequeathed and exchanged in precisely the same way, except that the rights of ownership have been more stringently safeguarded. At one time a man owns land, at another he owns ships, at another he owns debentures or shares in a railway or in a coal-mine, or in some manufacturing concern, at another he owns quantities of iron, com, cotton, wool, timber, cattle, or sheep. Some men own one kind of property, others own other kinds. Most men own a little of several kinds. The proportions they hold vary from time to time. One day they may own land, and the next day they may sell it, and on the following day buy railway stock or consols, or lend the money to some municipal authority. All has been regarded as private property, marketable and interchangeable at will.

[230] *Principles of Economics*, p. 144.

Now it is proposed to pounce down upon the man who happens to own land at the moment, and penalise him by seizing a considerable portion of its value. The person upon whom the blow will fall, upon whom the loss will be inflicted, is to be selected, not by any process of justice, equity, or reason, but simply because he happens at that moment to be caught owning a particular kind of private property. He is to be selected on the basis of the old game of "hunting the slipper." If he has just bought land he is to be deprived of a portion of its value; while the man who sold it to him is to escape unscathed with the full value that was paid to him. Clearly, such an injustice would be an inexcusable outrage.

The Small Investor

Hundreds of thousands of investors are to be deprived of one-fifth, one-fourth, or one-third of the value of their property, in order that others, not one whit more deserving, may retain for their own use a larger proportion of their property which was already disproportionately relieved from taxation. Amongst those to be exceptionally relieved would be the South African millionaires who live here, the great London financiers, and the millionaire manufacturers and investors in securities other than land.

It is a great mistake to imagine that the very rich people are the most interested in land and buildings. The small people of the country have a much larger proportion of their money invested in land and buildings than the extremely well-to-do have. During the twelve months ending April 5, 1912, the total amount of money left by persons who left less than £5000 each, was £71,556,747. Of that sum £29,928,969, or 41,8 per cent, was invested in agricultural land, houses and business premises, ground rents or mortgages. During the same time the amount left by persons who died worth £250,000 or more each, was £53,114,891, and of that £8,977,659, or only 16,8 per cent, was invested in land and buildings or in mortgages on them. That is to say, in proportion to the amount they possessed, people who were worth less than £5000 had two and a half times as much invested in land and buildings as those who possessed £250,000 or more had. For the year ending April 5, 1913, the figures were similar. The total amount left by persons who died worth less than £5000 each was £71,510,527. Of that £30,002,202 or 42 per cent was in land, buildings, and mortgages. The total amount left by persons who

died worth £250,000 or more each was £53,420,344. Of that only £7,939,838 or 15 per cent was invested in land, buildings, and mortgages. Thus those smaller people had, in proportion to their means, nearly three times as much invested in land and buildings as the very wealthy people had.

When we also remember that Insurance Societies, Friendly Societies, Building Societies, Co-operative Societies, and other bodies in which working people and small tradesmen and middle class people are very closely interested, are large owners of land, houses, business premises, ground rents, and mortgages, we shall realise that any scheme of taxation or appropriation which would transfer a substantial portion of the value of this class of property from those who now own it to the State or the local community, would have far-reaching effects and inflict severe loss upon a most deserving section of the people, whose chief fault would be that, relying on the honour of the State and the sanctity of the law, they had invested the results of long years of thrift and prudence in a class of property which the State had taught them to regard as particularly safe and secure, and which, in not a few instances, was one of a very limited selection of investments in which Parliament had compelled them to invest their funds.

The Responsibility and Attitude of Parliament

How seriously Parliament has always regarded its responsibility with reference to the investments to which it has limited trustees, and into which it has compelled holders of the savings of hundreds of thousands of small, and almost wholly inexperienced, and therefore largely helpless people, to invest their money, is illustrated by the conditions which, in accord with the Act of Parliament, the Treasury prescribed as those which Colonial Governments must comply with before their securities could be allowed to become trustee securities in this country. One of those conditions is:

> The Colonial Government shall place on record a formal expression of their opinion, that any Colonial legislation which appears to the Imperial Government to alter any of the provisions affecting the stock to the injury of the stockholder, or to involve a departure from the original contract in regard to the stock, would properly be disallowed.

The Parliament which thus insists on the sacredness of the investments into which it compels trustees to put the money entrusted to

them, and which thus guards against any possibility of the conditions of those investments and the contracts on which they are based being altered to the disadvantage of those whose money has been placed in them, is asked by many land taxers to violate its own precepts and principles, to ignore the conditions which it imposes upon others, and to itself injure and inflict loss upon those whom it is its special duty to protect, and whom it has placed in the position in which they are.

In this connection it is interesting to note that in 1894, the Final Report of a Joint Special Committee of the State of Massachusetts, U.S.A., which investigated Henry George's and other proposals,[231] said:

> Even Henry George admitted, a few years ago (in an address at Boston, Feb. 22, 1889), that if his scheme were put into operation it would cause the savings banks and insurance companies to fail, and that in an agricultural community it might be difficult to raise the money thought to be needed for municipal wants. But as a people could only have what the plan would furnish, they must economise and bring their wants within their means. This means, among other things, poorer schools and libraries, and, therefore, a more limited education for the young, and a less tender care of the aged and helpless, who are cared for in our charitable institutions.

If private land-owning is wrong and indefensible, a robbery which ought to cease; if the poorest child in London has as much right to the estates of the Duke of Westminster as the Duke's son has, this great moral principle will apply whatever the origin of the property, whatever the extent of the estate, whatever the size of the property owned. That is to say, the man who owns the ground on which the cottage in which he lives stands is an interloper and a wrong-doer just as is the large land-owner. The children who have an equal right with every one else to the Duke of Westminster's estates have just as much right to the small plots of land which small owners possess, and often have purchased out of their savings. The conditions under which the original ownership was obtained do not matter. This new gospel of justice and righteousness overrides all that. As George puts

[231] P. 38.

it: "How ownership of land was acquired in the past can have no bearing upon the question of how we should treat land now!"[232]

A Caustic Exposure

Henry George and those who are anxious to appropriate a considerable portion of the income which owners of land derive from their property, in order that they may be relieved from the unpleasant necessity of paying rates and taxes out of their own pockets, always write and talk as though it were the rich, and only the rich, who were to be plundered. The French Physiocrats in the latter part of the eighteenth century had the same idea.

They advocated a single tax on land; but it was killed by the caustic sarcasm of Voltaire[233] in his essay on "The Man of Forty Crowns." Voltaire described a French agricultural labourer who owned a small plot of land, and by incessant labour, under conditions of extreme poverty, contrived to secure from the soil produce worth 40 crowns. The tax gatherer, finding that this wretched peasant contrived to keep body and soul together on 20 crowns, assessed his land at the other 20 crowns, and took that amount from him. One day the peasant met an old acquaintance, who had been as poor as he, but had been left a fortune of 400,000 crowns a year in cash and securities. He lived in great style and drove a handsome coach and six horses. Said the peasant to his quondam friend, "Of course you pay half your income, 200,000 crowns, to the State." His friend replied, "You are joking, I am not a landed proprietor like you. The tax collector would be a fool to assess me because everything I have comes ultimately from the land, and somebody has already paid the tax on that. To make me pay would be intolerable double taxation. Goodbye, my friend, you pay your single tax, enjoy in peace your clear income of 20 crowns; serve your country well, and come in now and then and have dinner with my lackey. Yes, yes, the single tax is a glorious thing."

Law Sacred when it suits them; Waste Paper when it does not

We have already remarked that the advocates of these proposals jump about from one inconsistent argument to another in the most contradictory and bewildering fashion. If there is, or they think there

[232] The Peer and the Prophet, p. 9.
[233] *L'Homme A Quarante Ecus*.

is or ever has been, anything in the law which appears to support their contention, they fasten on to it with the tenacity of limpets, and exalt its sanctity, its importance, and its irrevocability until it might be imagined that it had come down to us on the tables of the law from Sinai. But if the law be evoked to justify and uphold the private possession of land to-day, it matters not how long that law has existed, how far throughout the civilised world it has extended, and how many hundreds of thousands of transactions have been based upon it in our own country alone by a score of generations of all classes of our people. It is waved airily aside as a thing of no importance whatever, a mere aberration, or at best a temporary opinion which can easily be reversed tomorrow.

They cannot be allowed to escape from an untenable position by dropping down on both sides of the fence in turn in this fashion, as it suits the exigencies of the moment. Their account of the history of land-owning in this country is very largely an ignorant travesty of the facts, as has already been shown; but if it were accurate and relevant what would it mean and what would it involve? If the present possessors of land are to be turned out because it is alleged that their predecessors acquired it, mostly is the remote past, by force and fraud, conquest and confiscation, to whom should it now be given, and who amongst us would be entitled to remain here, or anywhere else, except on sufferance?

Who were the Original Occupiers? The history of the world is a record of the conquest and the subjugation of weaker races by stronger. The old Roman Empire was acquired by and built up on conquest, robbery, and slaughter. In its turn it fell into the hands of the barbarian-conquering hordes of Goths, Vandals, Huns, and Franks who overran it and seized its territory for themselves. We had in these islands in prehistoric times the pre-Aryan, the Long Barrow, and the Grenelle races, the Round Barrow people and the Goidel and Brython branches of the Celtic family, most, if not indeed all of whom, were invaders. Who and what the original inhabitants were we have no knowledge whatever. After these came other tribes of Celts, who in their turn were followed by the Romans, the Frisians, the Saxons, the Danes, and the Normans, each of whom pillaged and took possession of more or less of the lands of those who were already here before them. To complete the mingling and confusion, a

stream of immigrant aliens of all nationalities has found its way to these shores for many centuries. We in turn have seized upon and taken possession of vast tracts of the earth's surface in different parts of the globe. If all this is to be revised, reversed, and gone back upon on the ground that it was cruel and unjust, and based on force and fraud, where are we to begin and where to end? Who and what are we that we are to be entitled to pose and prate?

Who is the Robbed and who the Robber ?

As every one now living has had some 30,000,000 ancestors since the Norman Conquest, not to go any further back, it is certain that amongst them there must have been many who were quite as responsible for and quite as much involved in any wrong-doing there may have been in the past as the ancestors of those in whose hands land now is. As Herbert Spencer said, "That bitter feeling towards the landed which contemplation of the past generates in many of the landless is in a great measure misplaced. They are themselves to a considerable extent descendants of the sinners; whilst those they scowl at are to a considerable extent descendants of the sinned against." Who, indeed, amongst us can show any title and right to be here in these islands at all other than the title and right by which those whom it is sought to wholly or partially dispossess own their property? We are each and all descendants of thieving, murdering, marauding tribes of barbarian pirates and brigands, and if the truth must be told, we shall find it difficult to discover any people of any race or nation on the face of the earth who have not a similar history, and who are not where they are and what they are, owing to similar proceedings on the part of their ancestors. For any of us to talk about going back into past centuries and, in the name of justice, taking anything from anybody now and appropriating it for our own use on the ground that it was originally obtained by force and fraud from some one else, is the purest cant and hypocrisy, and would be dishonesty and fraud equalling, if not surpassing, anything ever perpetrated by the greatest scoundrels of the past.

Very little of the land of England is now in the possession of the descendants of those who held it in the time of William the Conqueror. A large number of those who own little or no land today, and are amongst the poorest in our midst, are descended from those who seized and appropriated these lands, and from their descendants who

sold or otherwise parted with them. Most of the land of this country is now held by persons who have either bought and paid for it or have received it by gift or bequest from persons, or the descendants or legal representatives of persons, who did buy and pay for it. For the descendants of those who sold to demand that those who bought (or their descendants) should be deprived of their purchase because the ancestors of those who sold, and now make the claim, acquired what they sold by force and fraud, is probably the most impudent demand that was ever made, and when that demand is professed to be based on religion, morality, and justice, we may well ask if we are asleep or awake.

Henry VIII. and the Lands of the Monasteries

It will not be irrelevant to point out here that the position with regard to the disposal of the lands of the monasteries which were dissolved and dispersed by Henry YIII. was not quite what it is popularly supposed it was. The general view is that Henry distributed these lands as gifts amongst his courtiers and the nobles who were his supporters. Henry was not the man to give away much. In some cases, no doubt, he bought political support and facilitated fidelity to the Reformation by making gifts to powerful and doubtful personages; but for the most part he sold the lands which he seized for what seem to have been fairly good prices. From Lingard's *History of England*[234] it appears that the procedure was that the plate and jewels were reserved for the king; the furniture and goods were sold. The church, cloisters, and monks' quarters were stripped of lead and anything that was saleable, and then left to go to ruin. The lands were dealt with by sale, exchange, or gift. The buyers held of the Crown and bought subject to the payment of a reserved rent, equal to 10 per cent of the usual rent.

The *Political History of England*[235] gives particulars concerning 1693 grants of monastic lands. Of the 1593 grants, only 41 were gifts out and out, 28 were disposed of by combination of gifts and sale or exchange, 1186 were sold, 61 were exchanged, 89 were disposed of by combined sale and exchange, and in 188 cases the consideration is not stated. The amount received for those for which money was paid

[234] Vol. iii. p. 206.
[235] Vol. V. pp. 497, 498.

was £779,200. The value of land at that time was from 10 to 12 years' purchase. As the annual value of these 1593 grants is put down at approximately £90,000, it will be seen that, if allowance be made for those which were given away or exchanged, the amount received for those which were sold represents quite a fair price at the market value of the time, especially when we remember that the result of these confiscations by the king was to throw a very large amount of land upon the market, and thereby, inevitably, to send down the price that could be got for it.

The ancestor of the Duke of Devonshire, in 1540, paid £769: 8: 4 for lands which had belonged to the Abbey of St. Albans. He afterwards sold them and bought Chatsworth. In the same year the ancestor of the Duke of Bedford paid £1041: 9: 2 for lands which had belonged to the abbeys of St. Albans and Bury St. Edmunds. The largest purchaser was Sir R. Gresham, who in the same year, 1540, bought the domains of three Yorkshire monasteries for £11,137. To bring these figures to something like present values they should be multiplied by ten.

If at any time in the distant past—in the time of William I. or in the fourteenth century, or in the time of Henry XIII. or of Charles II.—some transaction took place which would not now be regarded as just and equitable, you cannot now, centuries afterwards, rectify an injustice committed in favour of land-owners by doing another injustice to the persons who happen to own land to-day, land which, for the most part, they or their predecessors legally and honourably purchased.

Suppose a man owns a freehold property upon which he creates a ground rent which he sells, retaining the leasehold interest on the ordinary conditions that he shall pay all rates and taxes. He invests the price of the ground rent in some other security, and continues to receive the net rent of the property less the ground rent. By what process of injustice or reasoning can any one defend the proposal that, on the ground of some alleged inequitable alienation of land by rulers in the past, or on the ground of some theory of natural rights, or, indeed, on any ground, the person who sold this ground rent and pocketed the proceeds should now demand that the purchaser should pay the rates which the seller agreed to pay; and that the seller should thereby increase his own income and diminish the income of the man

to whom he sold the ground rent at a specially high price because the income would not be diminished by such rates as he now desires to levy on it ? Tens of thousands of such transactions have taken place.

What has evolved through the Centuries

Out of the rough and tumble of barbarous times and cruel conquest good evolved. No one who has studied history can doubt that the powerful, warlike tribes which overwhelmed the decaying and worn-out Roman Empire prepared the way for the far higher civilisation of modern Europe, and that the conquest of Britain by Celts, Saxons, Danes, and Normans in turn built up a greater nation here than otherwise would have been possible. To undo and revise that past is impossible. Were it possible it would be unjust and inexpedient. Such revision and reversal could not begin and end with one phase of the ownership of land. If we are to go back to pre-existing conditions, in one respect we ought to go back to the many other then existing conditions which were bound up with the conditions which it is now sought to restore. It is no more possible or desirable to go back upon what has evolved through the centuries than it is possible to put back into the egg the hen which, as a chicken, emerged from it. As has been very truly said: "Modern civilisation is the web woven of the warp and woof of conqueror and conquered, and it is well for humanity that time, which wears away all things, covers with the mantle of oblivion the rough processes by which they were knit together."

There can be little doubt that the history of the original occupation and taking possession of land was very similar in all times and in all countries. Those who first possessed, occupied, reclaimed, and cultivated the land, gave it its first value, so far as it had any. They and their neighbours similarly situated formed the community which gave the land its added value, which for a long time was nil and ultimately came very slowly. Large portions of the earth only a century and a half or two centuries ago were desolate wastes, covered with brushwood or dense forest, or wildernesses upon which only wild animals and wandering tribes of savages were to be found. Those wild and unproductive regions have been transformed—large portions within the memory of men now living—into waving cornfields, smiling orchards, and prosperous communities, by the labour, patient endurance, courage, and enterprise of those early settlers and

those who followed them who left this and other countries, and took their lives in their hands, to cut down the forests, drain the swamps, break up the prairie and create a property and a home for themselves and their families. As the result of intense labour and severe privation tens of thousands of hardy settlers have gone out from these islands and turned the wilderness into a fruitful field in America, Australia, and New Zealand. They were induced to do it by the promise and prospect of owning the freehold of the homestead they created. But for that prospect, that inducement, and that hope they never would have gone, the desolate shores of those distant lands would never have attracted them, nothing else would have persuaded them to face the inevitable hardship, privation, and toil of an emigrant's lot. Those lands would never have been developed as they were. Now that those hardy people have done what Governments invited them to do, and gave them their land as an inducement to do it; now that their descendants are reaping the reward in improved values which was held out to them as a great attraction, Mr Henry George and his followers propose that the solemn engagements of the State should be thrown to the winds, and that because the result of their efforts has been to found communities which have attracted later settlers from all parts of the world to share and increase their prosperity, the descendants of the original pioneers are to be treated as bands of robbers, and their property is to be filched from them for the benefit of others. Such undiluted dishonesty and fraud would be unthinkable folly.

What has taken place within the last 200 years in those lands across the seas is precisely the process by which this and other countries were settled long centuries ago. Of course, the descendants of those who originally settled the land have benefited by the growth and industry of the whole community which has subsequently grown up. And why not? "The motive that led the settler to clear the primeval forest was partly the expectation that population would follow in his track and raise the value of his investment. But for that hope he would hardly have forfeited the comforts of civilised life. Would it be fair after he has cleared a pathway through the jungle for more effeminate followers to deny him the legitimate fruit of his enterprise? Surely one of the greatest stimulants to material progress is

just the knowledge that good, orderly government will increase the value of poverty."[236]

The Hardships and Reward of Early Settlers

Early settlers in new countries undergo many hardships and inconveniences, run many risks, and work exceedingly hard. They engage in a risky venture which was open to all. If the land turns out well and population flows his way, his enterprise, energy, and good fortune may have a high reward. Any one else might have taken the same chance as he did. Often he expects that the produce of the land while he holds it will be an inadequate reward for his hardships, labour, and expenditure. As Professor Alfred Marshall very truly observes,[237] he looks for his reward to the value of the land itself, which he may sell to a new-comer who has no turn for the life of a pioneer. People will not face the risks and hardships of pioneer work as farmers or miners in new countries, unless there are prospects of much higher returns than they can get at home. Farmers look to the improved value of their land—to a steady rise in its value—as an important, if not indeed the chief, factor in their returns for their labour and enterprise.

What the price is in toil and endurance which the settler really pays for his holding is indicated by the following extract from an article written by an emigrant to Western Australia:[238]

> The part of the country which I have seen is wheat-growing land which has been taken up from the Government during the last four or five years. The system is that the Government presents the settler with 160 acres, and sells him up to about 1000 acres round on a system of easy payments. The Agricultural Bank then lends him money on work done at 5 per cent interest.
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> The land, when the settler arrives, is simply a forest of gum trees with a thick undergrowth. The trees have to be killed by ring-barking, and burnt out when dead, while the undergrowth has to be cut down with an axe. To do this to 1000 acres is an immense labour. In addition, the whole block has to be fenced, a house built, and a well dug. As the settler can seldom afford to pay more than one or two hands, and as in many years there is not enough rain to

[236] S. Smith, M.P., *The Nationalisation of the Land*, p. 14.
[237] *Principle of Economics*, p. 490.
[238] *Westminster Gazette*, April 2, 1913.

produce a crop, it is often four or even five years before a harvest is obtained. During all this time the settler has been merely accumulating debt at the Agricultural Bank, if not with his tradesmen, and getting no return at all. To obtain water a settler may have to sink his well anything from 40 ft. to 80 ft., and until that is done it is impossible for him to grow any vegetables or to keep stock, and he has to live entirely on tinned meat and what he can make with flour, etc.

To sum up, a settler may spend five years in unremitting labour under the most severe conditions of life, and end up deeply in debt. During the next ten years he will be emerging from debt, and in fifteen years he may hope, with luck, to be self-supporting and fairly prosperous. It must be admitted that to make this worth while one must start young, and with an iron constitution.

How many men have gone under, forfeited their holdings, been sold up, taken to drink, or become permanently embittered is a tale that is not told in the Government pamphlets. It is a tale, however, over which angels weep.

A Breach of Public Good Faith

The United States and most of our self-governing colonies at the outset of their national career found themselves in possession of a vast fertile domain almost entirely uncultivated and un-reclaimed. It has, in every case, been enormously reduced by alienations; all wise and patriotic statesmen agreeing that the greatest and most rapid progress of these colonies and the best interests of all concerned would be best secured, not only by permitting those lands to become the individual property of actual cultivators or others who would render effective service to the community—as by the construction of railways—but also by actively and energetically pushing and promoting the sale or gift of those lands to individuals and others to be held as private property. That communities which deliberately adopted and maintained this policy of sale and gift with regard to lands which were undoubtedly public property, holding out as one of the inducements to purchasers and settlers the prospect and indeed the certainty of future increment, should, when they have achieved the purpose for which they parted with the land, when they have received the advantages in extended development and growth of population for which they bargained, undertake a scheme for the

purpose of recovering for themselves, without paying compensation, that with which they had parted for adequate consideration would simply be unmitigated dishonesty and barefaced fraud.

Whether new communities should or should not retain as their own property the land of the community and let it out to occupiers on terms to be agreed upon, or whether old communities should acquire from its possessors the land on which the community lives and nationalise it, are questions which may fairly be discussed. But it is altogether another thing for a community which for centuries has recognised and encouraged such ownership to propose to break faith with those who have lived and laboured and bought, sold and bequeathed in reliance upon it. Yet this is precisely what Henry George and his followers proposed, and still propose, to do. The methods by which, and the conditions under which, owners of land became possessed of their property have, in reality, nothing whatever to do with what they call their principles. All their references to ancient times, force and fraud, feudal conditions, military tenures, enclosures, the old land tax, the acts of parliaments, of landholders, and the like, in addition to being mostly inaccurate and untrue, are mere irrelevances. They are merely the spice and trimming introduced for the purpose of creating prejudice. They are not the ground on which they base and justify their contention. They claim the right to abrogate all law and to ignore all and every method and condition by and under which land ever became private property in any country at any time. We have already quoted one or two of Henry George's statements on this point, but as it is important that there should be no misconception on the point, we may be pardoned for repeating some of them:

> There is on earth no power which can rightfully make a grant of exclusive ownership in land. If all existing men were to unite to grant away their equal rights, they could not grant away the right of those who follow them.[239]
>
> As to what extent human law may create rights is beside this discussion, for what I propose is to change, not violate, human law. … If landholders say that land is rightfully property because made so by human law, they cannot charge those who would change that law with advocating robbery. But if they charge that

[239] *Progress of Poverty*, p. 240.

such change in human law would be robbery, then they must show that land is rightfully property irrespective of human law.[240]

How ownership of land was acquired in the past can have no bearing upon the question of how we should treat land now.[241]

Where the Proposals were made

It is instructive also to remember that these proposals for "confiscating rent," as he himself expressed it, were adumbrated in the United States of America. That is to say, in the country which had spared, and was then sparing, no effort to induce people

to go from this and other countries to occupy and develop and give value to their land which, without these people, was, and would have long remained, worthless. It was in the very country where, and at the very time when, these people had been tempted to go out by having the prospect of securing the absolute ownership of considerable areas of land held out to them, that Henry George commenced his propaganda and in the name of all the verities called upon his fellow-countrymen to turn round upon those innocent emigrants and deprive them of the value which they had themselves created as the result of ceaseless toil and the endurance of heartbreaking hardships. We say values which they had created, because undoubtedly it was the enterprise, efforts, and presence of these emigrants in communities in the country which gave the land any value it had. At that time, where emigrants had scarcely penetrated, there were tens of thousands of acres more, in all directions, to be had for nothing, on condition that it should be occupied and used, simply because that was all it was worth and all that could be got for it. This was the shameful fraud he advocated, and that he did it there and then and under those conditions throws a lurid light upon the whole of his teaching. As the Duke of Argyll very truly said:

Ahab would have been saved all his trouble and Jezebel would have been saved all her tortuous intrigues if only they could have had beside them the voice of Henry George. Elijah was a fool. What right could Naboth have to talk about the "inheritance of his

[240] *The Peer and the Prophet*, p. 7.
[241] Ibid. p. 9.

fathers"! His fathers could have no more right to acquire the ownership of those acres on the Hill of Jezreel than he could have to continue in the usurpation of it. No matter what might be his pretended title, no man and no body of men could give it.[242]

What the Proposals involve, and would lead to

The gross injustice of Henry George's proposals and teaching is not more serious than the effect which their adoption would have upon public credit and public morality. If men will be dishonest in one direction there is no reason why they should be, and it is useless to expect that they will be, more honest in others. Security in the possession of property is the first condition of progress and civilisation. Until that can be assured, force, theft, and fraud must prevail, and the miserable conditions which exist in Central Asia, in Turkey, and did, until our occupation, exist in Egypt, always have existed and always will prevail.

Wherever settled government is established, the first property to receive the protection of law is land. So long as property in it is insecure there will be no trade or industry of any substantial amount. Property in land is safeguarded not only by prescriptive right, which gives a valid title to any property, but also by the strongest titles which the law could devise. To confiscate this property, or any substantial part of it, would be to disorganise the whole economic basis and industrial life of the community.

There is nothing more certain than if you set at nought the primary laws of morality, of which the eighth commandment is one, the descent to anarchy is swift and sure. It is vain to suppose that men who would confiscate this principal form of property would stop short at it; if a thief puts his hand into my pocket and tells me he will only abstract the half-crowns, but that the shillings are sacred, I will put both my shillings and half-crowns out of reach as soon as possible.[243]

Repudiation of Public and Private Debts

Henry George preaches repudiation not only as a privilege but as a positive duty. He insists that the ownership of every piece of land shall be taken by force of law without compensation to the settler or any one else who bought in reliance upon the security and honour of

[242] *The Unseen Foundations of Society*, p. 404.

[243] Mr. Samuel Smith, M.P.

the State. After that the next step is easy and inevitable. If no faith is to be kept with the owners of land, why should it be kept with tenants or any one else? If one generation cannot bind another to a gift, a contract, or a purchase, can it bind another to recognise a lease? If one promise ought to be broken, why should not another? Accordingly, Henry George proceeds to show how unfounded are the rules of common honesty, and what a senseless superstition it is to continue to recognise long-standing obligations, by advocating the repudiation of public debts. He says:

> The institution of public debts, like the institution of private property in land, rests upon the preposterous assumption that one generation may bind another generation. If a man were to come to me and say, "Here is a promissory note which your great-grandfather gave to my great-grandfather, and which you will oblige me by paying," I would laugh at him, and tell him that if he wanted to collect his note he had better hunt up the man who made it; that I had nothing to do with my great-grandfather's promises. And if he were to insist upon payment, and to call my attention to the terms of the bond in which my great-grandfather expressly stipulated with his great-grandfather that I should pay him, I would only laugh the more, and be the more certain that he was a lunatic. Yet upon this assumption that ascendants may bind descendants, that one generation may legislate for another generation, rests the assumed validity of our land titles and public debts.[244]

It will be noticed that this is an exposition of the right of individuals as well as of nations to repudiate hereditary debts. He would stick to the funds and possessions which his ancestors left, but he would repudiate the liabilities which attached to them. He would take the house which his father left, but he would repudiate the mortgage which represented the money which his father borrowed to enable him to build the house.

More Public Pillage advocated

Of course, if we may repudiate what we owe as a community to those who trusted to our honour, still more may we defraud those whose possessions have not been specially entrusted to us. Accord-

[244] *Social Problems*, p. 154.

ingly we find him advocating the spoliation of the wealthy to practically the uttermost farthing, not only of their land values, but of everything they possess, in order that thereby others may avoid contribution to the nation's requirements. Referring to the debt created by the United States in their struggle for the maintenance of the Union and the suppression of slavery, he contends that the Government ought not to have shrunk from conducting that war for the benefit of the many at the cost of the wealthy few. This is what he says:

> If, when we called on men to die for their country, we had not shrunk from taking, if necessary, 999,000 dollars from every millionaire, we need not have created any debt.[245]

This proposal has nothing whatever to do with land or land values. It is an unblushing advocacy of the plunder of people of whatever they possess, simply because they possess a good deal, without any regard whatever to the means by which, or the conditions under which, they became possessed of it. It is shameless public pillage, nothing more and nothing less. It is difficult for honest people to understand the mental attitude and moral constitution of a man who could indulge in such a propaganda, or of those who support it and continue it by circulating his writings and advocating his proposals.

[245] Ibid. p. 154.

PART V
ENCLOSURES

"Very often the cause of great political events and great social movements is economical, and has hitherto been neglected."—Thorold Rogers.

"There is no snare in which the feet of a modern student of ancient lore are more easily entangled than that which is spread by this similarity of the language of antiquity to modern modes of expression."—Huxley.

"Of late years our conceptions of medieval history have been unduly coloured by a theory which, as we are now finding, has yet to be proved—the theory, namely, that the powers of lords of manors are so many encroachments which have only acquired a legal authority during the last five or six centuries."—Professor W. J. Ashley.

"There is hardly a feature in the plain man's view of the nature of a common which corresponds to the reality as it was used by our ancestors."—R. H. Tawney.

"It is probable that even before the statute of Merton the lord could deal as he liked with the commons and wastes of his manor so long as he did not derogate from his own grant; and there seems no reason to suppose that the soil was not considered his from a very early period, probably from the first moment the question of the soil became of importance."—Mr. (now Mr. Justice) Scrutton.

"The reclaiming of land went on from the very first settlements into later ages as one of the most powerful processes tending to form society and to extend the limits of life. The struggle against the waste and the spread of cultivation gave rise to a change in the character of commodities and a displacement of rights. … The early history of the inevitable struggle is as obscure as it is interesting and important."—Dr. Vinogradoff.

"The counterpart of the modern labourer is the medieval slave, and the villein corresponds to the modern small farmer or landholder."

"You [the labourer] were a slave, then a serf, now a wage-hireling, and you must ultimately become a partner."—Mazzini.

"In every age prosperity is taken as a matter of course and, in defiance of all experience, mankind reserves its surprise for distress."—R. H. Tawney.

"Too often men and women become social and political reformers and philanthropists because they have been caught by a cry of suffering or an urgent plea of wrongs to be righted: but they have seldom formed any adequate idea of the complexity of the problems with which they

attempt to deal, or of the delicacy of the social machine on which they depend."—Dr. Henry Dyer.

Chapter I
Commons And Common Rights

The enclosure of common fields and waste lands occupies such a prominent position in all discussions concerning the ownership and occupation of land and the position and condition of the agricultural population in this country that I have deemed it desirable to devote a separate section to an account and consideration of it.

The general term "enclosure" covers two distinct kinds of enclosure which were different in character and effects in important particulars. The enclosures of common fields—arable and pasture—was the enclosure of land, which was already occupied and cultivated and the readjustment of the holdings on it and the interests in it. The enclosure of waste land—heath, moor, woodland, and marsh—was the enclosure and allotment among those who had ownership of it or interest in it of land which had hitherto been uncultivated, in order that it might be put to effective and profitable use as arable or pasture land.

Enclosure was the natural result of economic causes and the conditions prevailing at the time at which it took place. It was a continuous process extending over several centuries, although it varied much in extent at different periods.

The effect which it had upon the condition of the people, and especially on the condition of the peasantry, has been the subject of much controversy, and very contradictory opinions have been expressed with regard to it. There is truth and substance in both of the main attitudes towards it. That enclosure was necessary and inevitable, and that it was beneficial to agriculture, to the agricultural districts, and to the nation as a whole, is beyond question. That, as is almost unavoidable when great changes are made, the benefits which were derived from enclosure were accompanied by disturbance, inconvenience, and loss to some, and that these increased discontent and gave cause for complaint when other grievances were causing troubles is also certain.

The broad, general, local and national results were good; but there was considerable local, class, and individual disturbance and hardship, much of witch was probably inevitable, but some of which might have been mitigated or avoided. It is also certain that much

disturbance and discontent that was and is still in some quarters attributed to enclosure was the result of other influences and conditions.

Common and Rights of Common

Much of the misconception which prevails on the subject of enclosure and of commons arises from a failure to appreciate the distinction between commons as the term is popularly understood to-day and the common and rights of common of early times.[246] Commons are now frequently regarded as, and the term is understood to represent, land to which the general public have a right of access for purposes of recreation and of which the poorer members of the community in the vicinity in rural districts may make more or less profitable use. In other days common and rights of common were the usual and an essential part of the system of cultivation and tenure which then prevailed.

In the Middle Ages every village community would be as anxious to exclude strangers from its lands as it was to preserve its members' rights in them against encroachment from other members or their lord. Exclusive occupation of land was not an institution of the landowner only or mainly. The legal theory which denied the possibility of public rights over land was in origin and in fact only the formal expression of the dispositions and habits of society.

The legal position of the waste of the manor was that it was so much of the lord's land as his predecessors, or he had not found it worth while either to cultivate or to let to tenants. Professor Gonner points out that the early position of common was in almost every way in entire contrast to the ideas associated with it in the present day. Its existence now is taken as denoting the claims, somewhat vague and precarious of the public as against those holding the land and engaged in its cultivation. The early rights of common were anything but vague, and were invariably vested in those employed in

[246] Commenting on the debate on a Bill which was introduced in the House of Commons in 1869 on the Report of a Select Committee, Professor Gonner says, "The discussion which took place showed an almost grotesque misunderstanding of the early nature of common," *Common Land and Inclosure*, p. 73.

cultivation or their representatives; they were anything rather than a general claim on the part of the public.[247]

Popular Ideas of "Common" erroneous

"The English law," says Pollock,[248] "is far from countenancing the belief that there is land which belong to nobody and is free to all the world. Some such belief is probable held by most people who are not lawyers. … But in England it is not legally possible. Land may be subject to public rights of way, to rights of common, and to great variety of private right. It may be worthless for all purposes except those of recreation and the owner may be undiscoverable. But an owner there must be somewhere: the Crown is the last resort if no other is forthcoming, I am not aware that the public at large have a strict right to be anywhere except on highways (including estuaries and navigable rivers) and public footpaths, in places expressly dedicated to public use and enjoyment by their former owners or by Act of Parliament, and on the foreshore of the sea between high and low water-mark And, strictly speaking the right to be even on a highway is limited to the purpose of passing and repassing. … No one but a lawyer would guess that the public have a better right to be on Wimbledon Common than on Dartmoor. Yet such is the case. Wimbledon Common has been dedicated to the public by an Act of Parliament. Dartmoor is in practice quite as free for all the world to walk and ride on but the number of persons who has any strict right to be there is probably by no means a large one … The Only legal obstacle to Dartmoor being enclosed is the existence of rights of pasture and turf-cutting over it, which of course, belong not to the public but to a definite though considerable number of commoners. … Practically the unenclosed and untilled ground of England is free to the public for two reasons. The owners have no interest in keeping the public off, and would find it both an invidious and a troublesome thing if they tried."

"There is hardly," says Mr. Tawney, "a feature in the plain man's view of the nature of a common which corresponds to the reality as it was used by our ancestors, and as it is used to-day by communities

[247] *Common Land and Inclosure*, p. 3.
[248] *The Land Laws*, pp. 12-15.

whose land system has followed a different course of development from our own. He thinks of a common as land which, like a municipal park, 'belongs to the public,' land which any one may use and any one abuse. In the innocence of his heart he will even move his local authority to put in a claim for possession, and is very much surprised when its solicitors tell him that he is fighting for the rights of two or three mouldy tenements. Again, he thinks of a common as a place of fresh air and recreation, not of business. … In connection with agriculture he thinks of it not at all—is it not waste land, the opposite of land which is under cultivation?

In one respect he is right. Our existing commons are remlnants—remnants which survived the deluge of eighteenth-century Private Acts mainly because they consist of land too poor to pay counsel's fees. In all other respects he is wrong. In the earlier period the word Common implied common exclusiveness quite as much as common enjoyment. The value of a common to the commoners consisted precisely in the guarantee given them by custom that no one might use it except holders of tenements who time out of mind had a right thereto, and that no man might use it to a greater extent than the custom of the manor allowed. And the modern man is especially wrong in regarding commons as though they fell below the margin of economic employment. Commons and common rights, so far from being merely luxury or a convenience, were really an integral and indispensable part of the system of agriculture, a linch-pin the removal of which brought down the whole structure of village society tumbling down."[249]

With regard to the position of the public with reference to commons which are open spaces, Mr. Scrutton (now Mr. Justice Scrutton) says:

> The public have no rights recognised in law, or which could be enforced in a Court of Law. Owners and occupiers of commonable tenements may have rights of common; inhabitants of a village may have lawful customs of recreation on village greens: there may even be public rights of way in defined tracks across the commons; but a right of walking or of recreation over the whole

[249] *The Agrarian Problem in the Sixteenth Century*, p. 238.

common, in no defined path or places, claimed for the whole public, will not be recognised by any court of law.[250]

The Ancient Legal Position

From the Conquest onward for 300 years the conditions of tenure and the position of the various cultivators and holders of the land remained practically the same. The prevailing conditions in the cultivated areas, which were small, were that portions were cultivated by free tenants who had rights of common pasture. The rest of the domain was cultivated by villeins and cottars who held tenure of services due to the lord. Round these villages and small cultivated areas stretched woodland, moor, marsh, and waste on which pigs and cattle found poor pasture.

The old legal position was that the lord of the manor was the absolute owner of the soil in his manor, and that all the rights which freeholders and copyholders had arose originally from the grant or sufferance of the lord. Lord Coke and Blackstone held this view. Blackstone says:

> On the arrival of the Normans here, they might give some sparks of enfranchisement to such wretched persons as fell to their share by admitting them to the oath of fealty; which conferred a right of protection, and raised the tenant to a kind of estate superior to downright slavery, but inferior to every other condition. This they called villeinage and the tenants villeins. …. Villeins in process of time gained considerable ground on their lords; and, in particular, strengthened the tenure of their estates to that degree, that they came to have in them an interest in many places, full as good, in others better than their lords. For the good nature and benevolence of many lords of manors having, time out of mind, permitted their villeins and their children to enjoy their possessions without interruption in a regular course of descent, the common law, of which custom is the life, now gave them title to prescribe against their lords, and on performance of the same services to hold their lands, in spite of any determination of the lord's will. … From what has been premised, it appears that copyholders are in truth no other but villeins, who by a long series of immemorial

[250] *Commons and Common Fields*, p. 173.

encroachments on the lord, have at last established a customary right to those estates which before were held absolutely at the lord's will.[251]

A Modern Theory and the Controversy about it

During the latter half of last century there were two theories with regard to the ownership of land and rights of common and much controversy arose about them. One was the legal theory and the other the historical theory. It was upon a historical theory as opposed to the legal theory that most of the popular opinions of the last fifty years with regard to land and its enclosure and rights of common were based. Recent historical research has, however, thrown much light on these theories, and enabled us to see the facts far more clearly than was possible before, with the result that we now know that the popular view with regard to commons, rights of commons and enclosures is inaccurate.

The legal theory of the right of commons is that the primitive form of property was individual ownership, and that the rights of commons was based upon the grant or sufferance of the individual owner. The historical theory was that the natural and original form of property was common ownership, and that rights of common were the survivals of the time before individual ownership emerged.

[251] *Commentaries*, vol. ii. p. 92.

May be continued… /pma