SOCIAL QUESTIONS OF TO-DAY

EDITED BY H. DE B. GIBBINS, M.A.

LAND NATIONALIZATION

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LAND NATIONALIZATION

 \mathbf{BY}

HAROLD COX, (B.A.

FORMERLY SCHOLAR OF JESUS COLLEGE, CAMBRIDGE;
JOINT AUTHOR OF "THE EIGHT HOURS DAY."

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PREFACE.

THE present volume does not profess to be complete. The writer started with a bias in favour of land nationalization, but at the outset of his work was obliged to recognize that no well-thought-out scheme had yet been presented to the public, and that many professed land nationalizers grounded their faith on arguments historically or economically unsound. It seemed then to him that the most important thing to be done from every point of view was to attack these mistakes;-no cause however good can make headway as long as it is encumbered by arguments that will not bear examination. Incidentally, various proposals for the reform of local taxation have been considered, and an alternative reform suggested. general question, the writer has limited his own initiative to a few suggestions. Underlying all of them are two main propositions—that our first steps towards land nationalization should be experimental, and that meanwhile we should improve to the uttermost the present system of individual ownership. Among the reforms suggested, the one on which the writer lays most stress, is the demand that the landowner's present power of exclusion should be so restricted that the unoffending public may enjoy the RIGHT TO ROAM over all uncultivated land.

H. C.

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LAND NATIONALIZATION.

CHAPTER I.

INTRODUCTION.

As a vague ideal, land nationalization has been rapidly growing in popularity during recent years. The unrestful spirits among us-radicals, socialists, and other disturbers of the public peace-either captivated by the simplicity of Mr. Henry George's economic theories, or painfully seeking for some definite aid to labourer and to farmer, have turned their eyes hopefully to the suggestion that the nation should possess her own soil; indeed many persons are so hopeful of this suggestion, that they believe it to contain a panacea for all the social difficulties that perplex the community. And though such a demand on our faith is certainly a large one, it is less absurd than it sounds at first hearing. For the use of land is as essential to human life as the use of air; at the very least each individual must have space enough to stand upon. Yet nine out of every ten Englishmen have no independent right to the use of any scrap of land beyond the limited area which has been dedicated to the public for specific purposes. They can neither work nor play nor sleep without a previous permit, and this permit must be obtained from individuals who are presumed by the laws of the country to exercise their powers in their own private interest, and not in the interest of the community.

Thus baldly stated the system of private property in land appears, on the face of it, to involve such a terrible incubus upon human enjoyment and human freedom, that the hopeful may be excused for dreaming that universal happiness would follow the removal of the system. In practice, however, private property in land is not so terrible, even in England, as the strict legal theory would justify one in believing. At every turn the crude severity of the system is mitigated by various arrangements, legal, moral, or economic, which make life at least tolerable for the majority of Englishmen; and as a matter of fact most of us go to our graves without once having realized that we have only been living on the sufferance of private landowners. Obviously these practical mitigations alter the whole perspective of the problem. Instead of wildly longing for the abolition of private property in land, as the slave longs for the breaking of his chain, we have to estimate how the known disadvantages and advantages of private ownership compare on the balance with the anticipated advantages and disadvantages of communal ownership. To provide materials for this comparison is the main object of the present book.

Nationalization includes Municipalization.—First of all, however, it is necessary to be quite clear as to the limits of the problem we are going to consider. By itself the word "nationalization" implies that some authority representing the whole nation shall enter into possession of the land. But latterly the idea has been gaining ground, that the evils of individual ownership can most conveniently be removed by substituting local public authorities for private

landlords, in one word, by "municipalizing" instead of by nationalizing the land. A moment's reflection, however, will show that these two proposals are in principle identical. In England, and for that matter in every other country, municipal authorities are essentially subordinate to the sovereign national authority. Municipal corporations could only acquire the land by the consent of the national authority, and that authority would also define the conditions on which they should hold the land. Whether therefore the land should be "nationalized" or "municipalized" is purely a question of administrative convenience, and the term "nationalization" will throughout these pages—except where the contrary is obviously implied—be assumed to include "municipalization."

Ownership involves two distinct rights,-By way of further clearing the ground, it is well at once to emphasize an important distinction connected with the right of ownership, which will have to be more fully considered later on. Behind all the varied forms of ownership there lie two rights -the right to derive a revenue from the land, and the right to determine the use to which the land shall be put. It is mainly on the extent to which these two independent rights are retained in the same hand that the differences in the forms of ownership depend. The farmer occupying his own freehold enjoys in his own person both rights. The equitable owner of a fully mortgaged estate parts with the revenue of the land, but retains the right of direction. The ground landlord of an estate let on building leases gives up the right of direction but retains the revenue. An intermediate type of landlord, in practice very numerous, retains, in addition to the revenue, a partial control over his land by letting it for short terms.

Three schools of Land Nationalizers.—These varying types of landownership are under present conditions mere matters of convenience determined by private bargaining. But as soon as it is proposed to substitute national for individual ownership, the determination of the character of the ownership to be created becomes a question of fundamental importance. Is the State to claim the revenue of the land alone, or the direction alone, or is it to claim both revenue and direction? The question is variously answered by three schools of social reformers. The school that draws its inspiration from the writings of Mr. Henry George is anxious only to secure the revenue of the land. By gradually increasing taxation this school would transfer all land revenues from the present proprietors to the nation. With the control of the land they would not interfere. Another school of land nationalizers, led by Mr. Alfred Russel Wallace, take exactly the opposite view. In their opinion, to interfere with the monetary rights of the present owners would be unjustifiable; all they care about is the power to control the use of the land. This power they would transfer to the State, and at the same time guarantee to the dispossessed landholders a permanent income calculated on their present receipts. Lastly, we have the socialists, who want both the revenue and the control.

The meaning of the word "land."—One point more;—to attempt to consider the problem of land nationalization—as is sometimes unconsciously done—on the supposition that "land" means agricultural land, is to ignore perhaps the major part of the problem. To the majority of Englishmen, the terms on which they are to be allowed to occupy a sufficient area of land for their private houses, for their factories and schools, for their places of amusement and

their places of worship, are at least as important as the conditions of land tenure under which part of their food is produced. For under no system of land tenure will English people be able to direct the production of all the food they eat. At the present day, probably half of our food is grown on land that is clearly beyond our control as a nation; and whatever the future may bring in the way of more complete cultivation of English soil, it is safe to prophesy that we shall always find it advantageous to import our tea and sugar and rice, besides minor articles of popular consumption. Consequently, at best the nationalization of agricultural land will only give us a partial control over our food supply, while the nationalization of urban or residential land may give us a complete control over our houses. Again, a very large proportion of the income of the nation is derived from the mere business of digging up, and preparing for the market, coal and iron, tin and copper, limestone and granite and slate; while perhaps a still larger proportion comes from industries which are dependent for their success on a plentiful supply of the first two of these minerals. Obviously, then, in considering the subject of land nationalization, at least some attention must be paid to the mineral wealth that lies beneath the surface of the land. As far as possible, therefore, in the following pages, each of the three main utilities of land will be kept carefully in view.

CHAPTER II.

AN HISTORICAL SKETCH.

THERE are few subjects on which modern research has thrown more light than the conditions under which English land in past centuries was held and cultivated. That the subject is not yet exhausted any one who attempts to grapple with it will speedily discover. There are large blanks in the evidence which can only be filled in by inference; and the inference, though often the result of logical deduction from ascertained facts, is at other times unfortunately little better than mere guess work. Happily, however, the obscurities of the subject are for the most part in the earliest period. For more than 1000 years back from the present time the records are so far complete that it is possible to build up a fairly consecutive narrative. To begin with the obscurities, the point that it is desirable to set at rest is this: were our ancestors, when they settled in our present home, organized in democratic communities of freemen, or were the bulk of them servile or semi-servile dependents on aristocratic rulers? The former theory finds its most noticeable support in the writings of Sir Henry Maine; the latter in the more recent work of Mr. Frederick Seebohm.

Sir Henry Maine's theory.—Sir Henry Maine, partly following the lead of Professor Nasse of Bonn, partly in-

fluenced by his own experience in India, suggested that the village communities still found in India and in Russia had their counterpart in the German mark as described by Tacitus nearly 2000 years ago; and that the German mark, or village community, was transported in its entirety to the shores of Britain. There a change took place. Under the stress of war, or civil disturbance, the leading man in each little community of freemen gradually acquired a more and more dominant position. Step by step his former comrades in battle became his followers, his former equals in the village council became his humble dependents. Thus by a process of degradation the village community was converted into the lord's manor.

Mr. Seebohm's theory.—Mr. Scebohm proceeds on other lines. Trusting less to analogy and more to research, he gropes his way back through English history from the present to the past. At each point he finds the manor, never the community. And the farther he gets back towards the beginnings of English history, the more servile does he find the occupiers of the land, the more absolute the power of their lords. He therefore infers that the Englishmen who first settled in Britain, brought with them not the free mark system vaguely described by Tacitus, but the institution of slavery which undoubtedly existed among the German tribes. Hence, if this inference be correct, the earliest cultivators of English soil were not freemen working together in a self-governing community, but slaves or serfs owing obedience to a powerful lord.

The balance of evidence and of probability undoubtedly weighs in favour of Mr. Seebohm's theory. And for those who take a hopeful view of human affairs, the latter theory has this pleasurable advantage, that it involves a continuous

record of progress. Sir Henry Maine has to assume that the free Englishman gradually suffered himself to be degraded to a serf; Mr. Seebohm declares that the serf was a slave on the road to complete emancipation. However, the question is one of fact, not of predilection, and must still remain unsettled until some discovery of ancient records throws fresh light upon it. Let us pass to a period about which there is no dispute.

The estates of King Alfred .- When King Alfred the Great died in A.D. 901, he left a will behind him in which each of his separate estates was designated by the word "ham." A "ham," or "tun," or "toune," was a landed estate consisting essentially of two portions—the home farm, and the land set to tenants; or, to use the phraseology of the time, the thane's inland and the gesettes land. The "inland" was cultivated under the immediate direction of the owner himself, the "thane"; the "set" land by the tenants, or "geneats." Broadly speaking, the arrangement between the two parties was, that the geneats were allowed to cultivate the land set to them, on condition of giving such work to the thane as he required for his home farm. In a document first published in the tenth century, we find the tenants divided into two classes—yardlings and cottiers 2 and their duties and rights carefully described. A yardling is the occupier of a homestead and thirty acres of land divided equally among three large fields; each ten acre share being again sub-divided into several narrow strips. A cottier has a cottage and five acres of land. Here are their rights and obligations :-

The Cottier's Obligations.—The Cottier's services are what on the land is fixed (i. ϵ , they vary to some extent according to the custom

¹ Seebohm, p. 127. . ² Ibid., p. 129 et sey.

of the district). On some he shall each Monday in the year work for his lord, and three days a week in harvest. He ought not to pay land tribute. He pays hearth penny on Holy Thursday, as pertains to every freeman, and defends his lord's inland if required. And he pays his kirkshot at Martinmas.

The Cottier's Rights.—He ought to have five acres in his holding, more if it be the custom on the land, and it is too little if it be less, because his work is often required (by his lord).

The Yardling's Obligations.—The yardling's services are various, in some places heavy, in others moderate. On some land he must work at week-work two days at such work as he is required through the year every week, and at harvest three days for week-work, and from Candlemas to Easter three days. If he does carrying he has not to work while his horse is out. He shall pay tenpence tribute at Michaelmas, and twenty-three sesters of barley and two hens at Martinmas; a young sheep and twopence at Easter; and he shall lie from Martinmas to Easter at his lord's fold as often as he is told. And from the time that they first plough to Martinmas, he shall each week plough one acre and prepare himself the seed in his lord's barn.

The Yardling's Rights.—The yardling shall have given to him for his outfit two oxen and one cow and six sheep, seven acres sown on his yard-land. And he must have given to him tools for his work and utensils for his house; then when he dies his lord takes back what he leaves.

To this statement, which has been slightly abridged, must be added, first, that the tenant was not liable to pay the tribute and do the work just described, unless the lord provided him with a house; and secondly, that if the tenant persisted in neglecting to pay his tribute he must expect "that his lord will spare neither his goods nor his life." ¹

Slavery in England before the Conquest.—But the yardlings and the cottiers were not the only inhabitants of a tun or ham; in a lower grade still came the *theores* or slaves. The yardlings and cottiers, though they must work hard for their lord without pay, were their own masters when

¹ Scebohin, p. 146.

their work was done and their tribute paid; but the theore was never his own master. He was fed and maintained at his lord's expense, and could be sold like an ox or a horse. As a rule, the theows were used for the domestic work about the lord's mansion; but were often also employed in farm work on the lord's inland, supplementing the work of the geneats.

The obligations of the landowner.—So far we have only described the obligations of the dependent occupants of a "ham" towards their lord, and his partially reciprocal obligations towards them. But the lord himself, the thane, had other obligations towards his lord, the king. Briefly these were, to follow the king to war, to aid in building the king's eastles, and to maintain the bridges.

These services, it is well at once to point out, were not feudal services, for feudalism proper was as yet unknown in England. They were services imposed on every landowner for the common advantage of the nation, much in the same way that the law till recently imposed upon each London householder the duty of keeping clean the pavement adjoining his house-front. In return for these services the thane got the fee simple of his estate. For that is what hoe, or book, tenure amounted to. An estate in bocland was as full an estate as a freehold estate of to-day; it was the thane's own for ever.

Fole-land becomes later terra regis.—But beyond the boc-land estates of individual proprietors, were the royal "hams" already mentioned, and the royal forests. Originally it seems that both these classes of land were looked upon as the property of the nation, and could not be alienated without the consent of the national parliament—the witan. But with the increase of royal power that

followed the consolidation of the various Saxon kingdoms into one kingdom covering the whole of England, the control of the people's domain—the folc-land—passed into the king's hands and the land itself changed its name, and became terra regis, the land of the king. To the king then belonged the right either to give away existing "hams" in his possession, or to carve new "hams" out of the immense stretches of virgin forest that still covered a great part of the kingdom.

This, in broad outlines, is a picture of the conditions under which land was owned and occupied in England during the two or three centuries immediately preceding the Norman Conquest. We now pass to the changes that the Conquest effected in the English land system.

The feudal system of the Continent.-William the Conqueror was familiar in Normandy with a land system differing essentially in one important feature from the English. In both cases it is true there were "hams"—on the Continent called "manors"; but while in England the thane owned his "ham," subject only to the obligations due to the king, on the Continent the lord of the manor always held his land from a superior lord. The feudal system involved in fact a chain of dependents working downwards from the king. First were the great nobles, the immediate companions of the king, who did homage to him and were his men; then the lesser nobles, in a similar way dependent on their lords; and lastly, holders of separate manors. Links in the chain may indeed be omitted, and the holder of a single manor may do homage directly to the king, or a great noble may be the direct holder of several manors. But these variations are incidents that do not even need explanation; the essence of the system remained the same, the

subordination of each holder of land to a lord above him. Politically the consequence of this system was that the king could never count on the obedience of his more remote subjects, for every vassal was bound to follow his immediate lord, even though the lord broke his own oath of fealty to his lord, the king. Socially and economically the system led to the aggrandisement of the great chiefs at the expense of the lesser landlords. As to the actual cultivators, their position seems to have been much the same under both systems.

The system established in England by the Conqueror .-What William the Conqueror did was not to transplant the feudal system bodily into England, but to graft some of its more prominent features on the English system as he found Already, indeed, there had been growing up in England something analogous to the feudal system of progressive dependence. Small landowners, to avoid the loss of their property in times of disturbance, would frequently "commend "themselves to the protection of a powerful neighbour, and the powerful neighbour would exact his quid pro quo in the form of military service or of periodical money pay-This process was rendered formal and systematic with the influx of feudal ideas at the Conquest. It was expected that every man, slave or free, should have a lord, and any sluggishness that the English landowners showed in adapting themselves to the new ideas was roughly dissipated by the successive confiscations of William's reign. Within ten years from the Conquest a very large part of the soil of England had either changed hands or had been regranted to the original holders on new and feudal conditions. William was careful that his feudal innovations should stop short of the point of danger to his own authority. Each man

must have a lord, as in the Continental scheme of society; but each man must also recognize, as in the English scheme, the direct sovereignty of the king. To establish this point was the object of the famous gemôt on Salisbury Plain, when all the landowners in England great and small took an oath of direct allegiance to the king.

The Domesday Survey. Manors everywhere. To the still more famous survey and census that William caused to be made of his new dominions, it is now necessary to turn. As might be expected from the previous pages, the result of this survey was to show that England was covered with "hams" or "tuns," or, in Norman phrase, "manors." There were fourteen hundred manors belonging to the ancient demesne of the Crown; there were hundreds of manors in the possession of the monasteries and of great nobles; and there were many owners each possessing only one or two manors. Further we find that each manor as a rule corresponded with a village. Like the Indian village of to-day, the mediæval manor included comprchensively the homesteads of the people who inhabited it, the fields they tilled, the grass-land and wood-land where they found pasture and fuel, and finally, the people themselves. And, except where a royal forest intervened, the boundary of one manor formed also the boundary of the next.

The inhabitants of the manor.—In the Domesday Survey the inhabitants of each manor were carefully enumerated and classified. Over the greater part of the country three classes only are mentioned—the yardlings, the cottiers, and the slaves. The yardlings now appear under a new name. They are the most numerous and the most important inhabitants of the manor; are looked upon in fact as the

¹ Seebolim, p. 82.

manor-folk proper, and hence are called in the Domesday record villani; the Latin word villa being the ordinary translation of the English "ham" or "tun." These villani, or "villains," are 38 per cent. of the whole population of the kingdom; the cottiers—a poor and less important class—run them close in numbers, being 32 per cent. of the whole; while the slaves form only 9 per cent., and are mostly found in the western counties. In the eastern counties, on the other hand, and in Lincolnshire and in Suffolk especially, we find two other classes of inhabitants—soc-men and freemen, or freeholders. The freemen are 8 per cent. of the whole population; the soc-men only 4 per cent.

Free tenants and soc-men. -The two classes have one important point in common, and later in our history, as will be presently seen, they become merged in one class. At this early period their common feature is, that they are both occupants of land on the lord's demesne, and are consequently not subject to the incidents of villain tenure. lord, as a rule, cultivated his demesne himself, with the aid of a bailiff. But if the demesne was so large that he did not care for the responsibility of managing the whole, it was an obvious convenience to allow one of his wealthier yardlings, or perhaps some poor relation in distress, to take a piece Such an arrangement was, unlike the tenure of the villain, purely one of contract; there was no compulsion of custom or of law; the parties might make what bargain they chose. If it was a poor relation who had to be provided for, the bargain would generally be the honourable tic of military service, a repetition in fact on a smaller scale of relationship between the lord and his superior. If, on the other hand, a base-born yardling was being promoted. the bargain struck would follow the lines of the man's

previous life. His duty as a "villain" had been to plough his lord's land, and to do such other work as the custom of the manor required. In return for the new holding carved out for him, he would agree to do a fixed service on what remained of the lord's demesne. He must still work for another as of old, but he is no longer a semi-slave, bound by the rigid customs of the manor; he is a soe-man, bound, so far as his new holding is concerned, only by his own bargain.

The constitution of the Manor.—The broad division of a manor into the lord's demesne and the yard-land of the villain tenants has been already described. Further, as we have just seen, the lord might carve separate holdings out of his superfluous demesne for freemen and socmen. What he reserved to himself was either cultivated by the compulsory labour of his villain tenants, or left waste for the purposes of sport. Over part of this waste, however, the tenants seem from very early times to have had customary rights of common, either for turning out cattle or geese, or for the collection of fire-wood. Finally within the lord's demesne stood the lord's mansion, surrounded probably by farm buildings and a garden or pleasure-ground. So far the picture is not dissimilar from what may be seen in many parts of England to this day. When, however, we come to the yard-land, we find an arrangement so strange to our present experience that it is difficult to realize that for centuries it was the distinguishing feature of rural England.

The open field.—To-day we see fields of all shapes and sizes, divided by hedge and ditch, with here and there, at frequent though irregular intervals, a farm-house with stacks and barns around; in medieval England we find

everywhere large open fields, sub-divided into narrow rectangular strips by balks of unploughed turf. As a rule round each village there were three such fields, one for the winter wheat, one for spring wheat or beans, and one left fallow. The strips in these three great fields were almost invariably a furlong, i. e. a furrow-long, in length and either two or four rods in width. In the latter case the strip was called an acre; its dimensions, as will be seen, give the area of an English statute acre. The smaller strips are half-acres. It is these regular acre or half-acre strips that went to make up the holdings of the customary tenants of the manor. As a rule the villain or yardling had in all thirty acres of land; the cottier about five. But the strips composing any particular holdings did not lie side by side so as to form a compact farm. They were scattered over the three great open fields of the manor, so that each man's holding was inextricably interwoven with the holdings of his neighbours.

In this apparently hopeless confusion, however, there was generally observable a certain sequence, which proves that the system did not grow up hap-hazard. An examination of the actual holdings of which the records have been preserved, shows that the strips of the several tenants of the manor for the most part succeed one another in a regular rotation.¹

The origin of the intermixed acre strips.—How then did this rotation, surviving through centuries, arise? Here again Mr. Seebohm has unlocked the puzzle, and proved that the rotation of acre strips corresponds to the rotation of individual services in the work of communal ploughing. A remarkable account of co-operative ploughing in Wales,

drawn up in the tenth century, is still extant.\(^1\) The following are the principal clauses—

"Whoever shall engage in co-tillage with another, it is right for them to give surety for performance, and mutually join hands, and after they have done that, to keep it until the tye be completed: the tye is twelve acres.

"The first acre belongs to the ploughman; the second to the irons; the third to the leading sod ox; the fourth to the leading sward ox, lest the yoke should be broken; and the fifth to the driver; thence onward to the remaining six oxen, from beast to beast, unto the last; and after that the plough acre (for the wooden framework of the plough).

"Every one is to bring his requisites to the ploughing, whether ox or irons, or other things pertaining to him; and after everything is brought to them the ploughman and driver are to keep the whole safely, and use them as well as they would their own.

This pieture of co-operative tillage in actual working at once explains the rotation of acre strips everywhere found on the yard-land of English manors. Each of the partners in the communal ploughing took the produce of the acre assigned to him for his part in the work, and the relative position of this acre would obviously be the same in each successive "tye" of twelve acres completed by the co-operative plough. Gradually this sequence hardened into prescriptive right, and when the system of co-tillage died out, the yardling continued to occupy the particular acre strips which the practice of communal ploughing had assigned to him or his ancestors.

The wastefulness of the open field system. The arrangement was obviously inconvenient. The narrowness of the strips prevented cross-ploughing, and their separation involved additional journeying for the cultivator. Moreover, the individual cultivator was not free to cultivate his strips according to his own fancy. He was obliged strictly

¹ Seebolini, p. 118 et seg.

to follow the rotation and the tillages of his neighbours; he must plough when they ploughed, and reap when they reaped. For as soon as the crops were off the ground, the whole field became again a communal holding, and every tenant of the manor was at liberty to turn in his cattle to graze off the stubble. This practice would obviously interfere with any systematic manuring of the land, and thus led to the expansion of the soil.

The Manor court.—Another institution of the mediaval manor, which has now disappeared almost as completely as the open field, was the manor court. These courts, which were not regularly established until after the Norman Conquest, were of two kinds—the court baron, where only the freeholders and soc-men sat, and the court leet or popular court, at which all the customary tenants of the manor had the right to attend.¹ The court baron concerned itself only with matters relating to the free tenants. The court leet, on the other hand, took cognizance of all the affairs of the manor.

Here are some examples of orders made by the Court, quoted by Mr. Denton from the Launceston Court Rolls—

A.D. 1294. William Cobbe's wife fined 4d. because she worked badly in harvest.

A.D. 1296. Hugh de Lay's land taken into the lord's hands because he had neither ploughed nor harrowed it, and is unable because he is a pauper.

A.D. 1296. Ordered that William le Bercher and his wife with all his family be sent away from the village, and not to be taken back again.

A.D. 1333. Agrees Valuer, a nief (bondwoman), gives to her lord a fine of 6d, that she may be enabled to serve and marry whomsoever and whensoever she pleases, and no more of a fine because she is poor and an orphan.

On the other hand a certain widow "gives to her lord 18% that she may be without a husband to the end of her life."

¹ See Denton, pp. 13-16.

The enclosure of wastes, A.D. 1235.—The first serious encroachment on the customary order of the manor was made in the reign of Henry III. The statute of Merton in 1235 gave power to the lord to enclose portions of his waste that were not required for the pasture rights and turf rights of the tenants. How much was to be left unenclosed was not defined, and from the date of the statute, lawsuits and riots frequently occurred, ditches were filled up and the newly-erected hedges pulled down by rioters "warlikely arrayed." 1 A good illustration of the way in which enclosures were probably often effected is given in Smyth's Lives of the Berkeleys. Lord Maurice, Earl of Berkeley, had "within his manor of Hame a wood called Whitelive, adjoining whereunto were his tenant's arable and pasture grounds."2 He first negotiated with his manorial tenants for a surrender of some of their acre strips and part of their common grazing rights. When they refused to entertain the proposal, he took the matter into his own hands, secured the land he wanted, and gave the tenants such compensation as he thought fitting. In this particular case the only motive of the lord seems to have been to enlarge his own park.

Enterprising spirit of thirteenth-century landowners.—
On the other hand, in the reign of Henry III., and still more in the reign of the great Edward who followed, wealthy noblemen, and the king himself, busied themselves in experiments with new plants and crops, and in devising or borrowing from abroad improved methods of cultivation. It was then that many of the commonest English fruits were first regularly cultivated, either from wild

¹ Denton, p. 157.

² Smyth's Lives of the Berkeleys, vol. i. p. 140.

native stock or from plants imported from the Continent. With the disorder of Edward II.'s reign this spirit of improvement seems to have died out, and during the Hundred Years' War that followed, the English nobility preferred the excitement of freebooting expeditions across the Channel to the placid delights of fruit-farming. The Wars of the Roses too, though they seem to have but slightly affected the actual cultivators of the land, fully occupied the energies of the great landowners; and it is not until the settled government of Henry VII. that we hear again of noblemen taking an active interest in agricultural improvements.

The agrarian struggle in the fourteenth century.—But the indifference of the lords of the soil to the art of agriculture during the later Plantagenet and the Lancastrian period did not imply indifference to the profits of agriculture. Landowners were still anxious to maintain and if possible to increase the revenues they derived from their manors.

By the time of the Plantagenets, the free tenants settled on the lord's demesne had commuted their services into fixed money payments; and in a similar way had been commuted the services due from the villains and cottiers, now become the "customary tenants" of the manor.

At the same time slavery as an institution was dying out in England. The Conqueror had prohibited the Bristol slave trade, and the mediæval Church constantly used its influence to secure the manumission of slaves. It was so far successful that by the end of the thirteenth century chattel slavery had almost completely disappeared.

During the fourteenth century, then, lords of manors were no longer able to cultivate their demesne by the forced

labour of their villains, nor could they fall back upon the labour of personal slaves. Instead they must apply the commuted payments of their villain and free tenants to the hire of free labourers. And as long as the rate of wages for agricultural labour remained fixed at about the point which represented the value to the lord of the villain's forced labour, the lord was no worse off, while the villain was better off, for his time was now his own, subject only to the necessity of paying a fixed rent. The fourteenth century, however, was marked by a succession of wide-spread plagues, of which the Black Death in 1348 was the most famous. The population, which had been steadily advancing through the long reigns of Henry III. and Edward I., rapidly declined under Edward III. Villain holdings and free holdings became vacant, and landless men had now no difficulty in getting land for themselves. The natural result was that the price of free labour rose. At the same time the lord's revenue out of which he paid for labour declined; for many of his tenants were dead and their holdings vacant.

Acts of Parliament to keep down wages.—To meet these difficulties, the barons and manorial lords tried two separate plans. First, they appealed to Parliament and the king for power to compel labourers to work for the same wage as in times past.

Parliament meant themselves, and the king, Edward III., not unnaturally followed the advice of his fellow-landowners. In 1349 the first Statute of Labourers was issued by a royal proclamation, which was confirmed by an Act of Parliament two years later. This statute required every labourer, bond or free, man or woman, to work for the same wages

 $^{^{-1}}$ For detailed information in regard to the Statute of Labourers, see Denton, p. 311, et seq.

as in the twentieth year of the king's reign (i.e. 1347). The statute applied to all agricultural wage labourers, and to mechanics who engaged in agriculture. In spite however of this comprehensiveness, the statute seems to have failed, and mainly from want of loyalty among the persons in whose interest it was passed. Every lord of a manor, or his representative, the steward, was primarily anxious to save his own crops, and in order to secure sufficient labour would covertly offer and pay higher wages than the statute allowed; or would perhaps supplement the statutory wages by liberal charity. Consequently a few years later we find the giver or promiser of illegal wages freed from penalties if he denounces his own breach of the law; the receiver alone is to suffer. At the same time charity is forbidden; while to stop the migration of labour, it is further provided that no man or woman may travel out of the hundred, rape, or wapentake, where he is dwelling, without a letter patent under the king's seal. For breach of this law the offender is to be put into the stocks, which are to be provided in every town. Further, boys and girls who have been brought up to husbandry, and "have served at the plow and cart" till the age of twelve, "thenceforth shall abide at the same labour without being put to any mystery or handicraft."

The attempt to revert to labour rents.—So much for the first plan tried by the manorial lords for keeping up the profits on their manors. The second plan left the question of wages on one side, and proposed that the customary tenants should be compelled to revert to the practice of forced labour. This incident of villain tenure had now been unknown for at least two generations of tenants, and it was the attempt of the nobles and landlords to revive it that led to the great rising under John Ball and

Wat Tyler in 1381. By an ingenious utilization of the people's loyalty and the king's perjury the rising was suppressed, but the stewards of manors soon found that in practice it was almost impossible to exact the old labour rents. After a time they abandoned the struggle, and instead began to adopt the modern system of letting land to tenants for the best money rent obtainable.

The tenant farmer of the fifteenth century.-In the fifteenth century then the tenant farmer first springs into importance. The conditions of his tenure are not dissimilar from those prevailing to-day, and must be carefully distinguished from the conditions imposed on the feudal tenants created in the Norman and Plantagenet period. For while the freeholder or the soc-man had only to pay a fixed rent, called a "rent of assize," the fifteenthcentury tenant paid a rack or competition rent. Again, the freeholder, subject always to the payment of his fixed rent, was as much the owner of his land as the lord himself; but the tenant farmer was merely an occupant, able to throw up the farm when he liked, and liable to be turned out if he quarrelled with the lord or the steward of the manor. As a rule, however, through the fifteenth century lords and stewards were only too glad to find tenants, and consequently a tenant had a real fixity of tenure, and could sub-let or sell or bequeath his holding. His position indeed was in many ways better than that of the landowner himself, who was subject to the very heavy burdens of feudalism, and whose nower to dispose of his estate was strictly limited.

Was the fifteenth century equally golden for the labourer?—But while the tenant farmers were thus prospering, it is by no means clear that the labourers were doing so well. Professor Thorold Rogers has indeed said that the

fifteenth century was the golden century of the English labourer, and the statement has been often repeated. The basis on which it rests seems, however, curiously insufficient. The statement is grounded on a comparison of the amount of the labourer's wage with the cost of his food. Thus: "the agricultural labourer gets about 4d. a day for his work, in harvest time 6d. . . . The full price of the labourer's board was a shilling a week, often considerably less; his wages were thus twice or three times the cost of his maintenance under contract. In 1467 two girls are hired to work, and are paid 2d. a day. They are also boarded, and this is put at 2d. a day more. In the same year, at Selborne Priory in Hampshire, the board of men is put at 2d., of women at 1.1d." 1

In the first place it may be observed, that the calculation here made, that the labourer's weekly wage is twice or three times the cost of his board, rests on the assumption that the labourer will work every day in the week except Sunday. But in the fifteenth century, as well as in the nineteenth, field work must have been sometimes suspended on account of bad weather. Nor in pre-Reformation England was Sunday the only holiday in the week. Every important saint's day was observed with the same strictness as the Lord's day, and it is probable that the working week was on the average nearer to four than to six days.

The labourer's enjoyments in the fifteenth and nineteenth centuries.—A still more fundamental flaw in the "golden century" theory is this: that the comparison of fifteenth-century prices and wages, and nineteenth-century prices and wages, leaves out of account the additional comforts of modern life which have become necessaries to the immense

¹ Six Centuries, p. 329.

majority of English labourers. Not only articles like tea and sugar, but bed-linen and even blankets were unknown to the fifteenth-century labourer. He slept at night on a bed of straw or ferns, covered with the same cloak that he wore in the fields in the day-time.1 The floor -of beaten earth-was strewn with rushes, so rarely renewed as to generally form a mass of putrifying filth. If the labourer wished, as he probably seldom did, to wash himself or his clothes, he would have to spend half his day's wages for a pound of soap. His food for nearly six months of the year was salted beef or pork, and bread often made from the had wheat that he had received in lieu of money wages; potatoes and fresh vegetables were unknown. As to furniture, here is the inventory of the goods and chattels of a landless workman in 1431: "one dish, one adze, one brass pot, two plates, two augers, one store axe, one three-legged stool, one barrel called stonde." 2 When the landless labourer of to-day flits from one cottage to another, he must borrow his employer's waggon, or hire a van to shift his things. Thus even if we leave out of sight such purely modern luxuries as penny postage and Sunday newspapers, cheap railway trips and free hospitals,3 there is little doubt that the nineteenth-century farm

¹ Denton, p. 206. ² Ibid., p. 217.

³ It is true that gratuitous maintenance was provided in the Middle Ages for persons afflicted with the plague of leprosy, now happily extinct; and through the fifteenth century the leper houses outside each town were still often filled with inmates mostly coming from the labouring classes. The sort of treatment that these sufferers received may be inferred from a market regulation of the town of Berwick-on-Tweed. "Rotten meat or fish"—to quote Mr. Denton's summary of the regulation—"offered for sale in the market was to be confiscated, and sent to the lepers outside the town for their eating, and 'if there be no leper folk,' then 'the rotten pork or salmon is to be utterly destroyed."

labourer has reached a higher point in the scale of civilization, and enjoys a higher standard of comfort, than his compeer of the Middle Ages. That he enjoys also a better average of health and a greater length of life is equally provable.

The deterioration in the sixteenth century.-If, however, we contrast the position of the field labourer in the middle of the fifteenth century with his position a hundred years later, the "golden century" theory becomes plausible. For towards the end of the fifteenth century, the agriculture of the country underwent a change that was eminently disastrous to the cultivators of the soil. The great landowners, who for nearly two centuries had been busy with wars abroad or wars at home, under the settled rule of Henry VII. began again to turn their attention to improving their estates. Much of the arable land of the country had been worn out by centuries of continuous cropping on the three field system, and was now worth extremely little to the owner. The opening up of trade with the Netherlands created a new utility for the soil; instead of growing wheat for home consumption it might be made to grow wool for foreign export. The landowners immediately began to resume the farms that their predecessors had been glad to let to tenants at a low rent, and they also began to encroach on the holdings of their customary tenants, or copy-holders as they were now called. By both processes farmers and labourers were driven off the soil in order to make room for sheep. To remedy this evil, Parliament prescribed that a certain portion of land should be kept under tillage, and the farm-houses maintained.

Risings of the peasantry against enclosures.—Unfortunately these remedies were not effective. The rule for the

maintenance of "houses of husbandry" was evaded by keeping the house in just sufficient repair to give shelter to a single shepherd; and the requirement that a certain proportion of land must be kept under tillage, was complied with by driving a single furrow up the middle of a large pasture field. In spite of the law then enclosures went on rapidly, and in the next reign were further stimulated by the confiscation of the Church lands. Up to this time the ecclesiastical corporations, partly doubtless from charitable considerations, and partly from the vis inertiae that clogs the action of corporate bodies, had made little or no attempt to keep pace with the "improving" landlord. They had been content to manage their enormous estates according to the old manorial customs of the country. On the dissolution of the monasteries these estates were transferred to individual proprietors, new men, favourites of the king, or hangers-on of king's favouritesmen bound to their subordinates by no traditional ties, and while freed from the sanctions of the old faith, not yet accepting any new creed as a guide to conduct. These men, suddenly put into possession of vast estates, were in a hurry to turn them to the best profit. They ruthlessly cleared out the old tenants-yeomen who could trace their tenure of the land through a dozen generations in unbroken descent -they cut up the open fields with hedges and ditches, and fenced off the common pastures to make parks for themselves.

Many of these enclosures were absolutely illegal as well as cruel, and it was the indignation of the rural population, as well as their suffering, that gave strength to the frequent risings in the reign of Edward VI.

[&]quot;The peasant, whose pigs and cow and poultry had been sold or had died, because the commons were gone where they had fed; the

yeoman, dispossessed of his farm; the farm servant out of employ, because where ten ploughs had turned the soil, one shepherd now watched the grazing of the flocks; the artizan, smarting under the famine prices which the change of culture had brought with it—all these were united in suffering; while the gentlemen were doubling, trebling, quadrupling their incomes with their sheep-farms, and adorning their persons and their houses with a splendour hitherto unknown."

In county after county the peasantry rose against these encroachments, tore down the park palings, and re-levelled hedge and ditch. The nobility and gentry quickly combined for common defence; they sold their plate and jewellery, armed their personal retainers, and with the aid of German and Italian mercenaries suppressed the successive risings. The peasantry were thus compelled, by the unanswerable arguments of musketry and the hangman's rope, to submit to the loss of common rights which were theirs by the prescription of centuries.

During what remained of Edward's reign, and through the brief reign of Queen Mary, the work of enclosure still went on. It began to slacken, however, under Elizabeth and the Stuarts, and ceased altogether about the time of the Commonwealth.²

The enclosures of the sixteenth and eighteenth centuries compared.—When the practice reappears in the middle of the eighteenth century, it is under different conditions, and is prompted by different motives.

The enclosures of the fifteenth and sixteenth centuries were made by the lords of the soil acting on their own responsibility, and using such private means of force as they could themselves command. The prescriptive rights of the tenants and the well-being of the labouring population

¹ Fronde, vol. v. p. 201, chap. xxvi.

² Economic Review, July 1891, pp. 360, 361.

were both ignored. Nothing in fact was considered except the probable profit to the lord of converting into pasture for himself, the arable fields of his tenants and the common waste of the manor. The whole proceeding was selfish, aggressive, and for the most part illegal from beginning to end. In the eighteenth century there may have been selfishness-human beings are never quite devoid of that quality-but there was patriotism as well. The eighteenthcentury landlord was before all things an agriculturist. Indeed, a passion for agriculture seems to have taken possession of the whole country; everybody was cogitating how to improve the cultivation of the soil, and wealthy landlords vied with one another in experimenting with new crops, new implements, new methods. In many parts of England the improving landlord had a free hand. The lawless enclosures of the previous period held good, and in some counties nearly the whole area was divided into farms of the modern type. On these the landlord, through his tenant, could experiment and improve to his heart's content. But taking the country through, barely half of the cultivable land was yet enclosed. The great open fields, with their innumerable strips of plough-land, were still a striking feature of the landscape; and everywhere too were to be seen wide stretches of waste land-undrained marsh or uncared-for forest, or upland pasture half buried under gorse and heather. All this was vexation and bitterness to the improving spirit of the eighteenth century. But how was it to be remedied? The copyhold tenant of the manor had as good a legal right to each one of his scattered acre strips as the lord himself to his manorial estate. Further, all the tenants, freeholders as well as copyholders, had commonable rights over the waste, and as long as they

insisted on these rights the waste could not be enclosed. Much might, in theory, be done by a voluntary surrender for mutual advantage, but in practice it is difficult to induce a number of individuals to surrender rights which they have long exercised and understand, for future and only partially realized advantages. Thus the only feasible plan was to utilize the omnipotence of Parliament, and compel an agreement for common profit. This was done, and apparently with the consent of all parties. Each copyholder gathered together his scattered strips and rounded them off into a farm. The waste was shared out among the lord and his tenants in proportion to their respective estates in the manor. "Unto him that hath shall be given." The lord got most, the landless labourer was left out in the cold.

The labourer's right of common ignored.—It is this neglect of the labourer which is the great blot on the eighteenth-century and nineteenth-century enclosures. By the enclosures the labourer lost the privilege of turning out any beasts he possessed on the common, and received no direct compensation. How valuable his privileges were is incidentally evidenced by a writer of a report to the Board of Agriculture and Internal Improvement ¹ on the enclosure of Knaresboro' forest. The report is dated 1794; the enclosure was effected between 1775 and 1780.

Part of the forest, explains the reporter, had been anciently enclosed, but there remained "a tract of upwards of 30,000 acres of common, whereon Knaresboro' and several other towns claimed and had exercised a right of common and turbary equally with the owners of property. This waste in its open state yielded the inhabitants fuel, and

¹ General View of the Agriculture of the West Riding of Yorkshire, 1794. Appendix No. 1. By Robert Stockdale, Esq.

pasturage for their sheep, horses, and stock of young cattle; and some opulent yeomanry profited exceedingly thereby. But to the necessitous cottager and indigent farmer it was productive of more inconvenience than advantage; if not to themselves, at least to the public at large, who was by that means deprived in a great measure of the exertions of the farmer and the labour of the cottager and their families; for it afforded their families a little milk, yet they would attempt to keep a horse and a flock of sheep. The first enabled them to stroll about the country in idleness, and the second in the course of three or four years were so reduced by the rot and other disasters that upon the whole they yielded no profit." In other language, the common rights of the country folk in the neighbourhood of Knaresboro' were so valuable that many of them were able to maintain themselves without working for wages; and thus the "public at large," i. e. the landowners and tenant farmers, were deprived of their services.

But the enclosures lead to a rise in wages.—If however the labourers received no direct compensation for the loss of their common rights, indirectly they profited by the eighteenth-century enclosures. Everywhere the enclosure of open fields or waste land seems to have been followed by a rise in wages owing to the increased demand for labour. What in fact the labourer lost in ease and variety of occupation he gained in wages, and for the time there may have been a net profit to him as well as other classes in the community. The disadvantage of the change was that it made him absolutely dependent on the labour market; he had no stand-by left; for the future he must take what wages are offered or starve. Now that he is a voter, he is trying at length to emancipate himself

¹ See report above quoted, passim.

from this dependence by forcing Parliament to give him an allotment of land for his own use. Had this been done in each parish when the great wastes were carved up, and at the same time a sufficiency of land reserved for public recreation, the enclosures of the eighteenth and nineteenth centuries would have stood out as an unmixed benefit for the whole community.

The interest of the general public in commons. -- Happily the importance of these points, especially the latter, was realized in the great Enclosure Act of 1845. By this Act commissioners were appointed to investigate the desirability of enclosures in all parts of the country. In some cases the commissioners might authorize the enclosure of their own authority; in others they must make a report to Parliament. Their instructions were to "have regard to the health, comfort, and convenience of the inhabitants of any cities, towns, villages, or populous places . . . as well as to the advantage of the proprietors of the land."1 It was further provided that village greens were not to be enclosed, but might be assigned in trust to the church-wardens to be maintained as a recreation ground for the parish. At the same time the commissioners were authorized, but unfortunately not required, to insist that in any case of enclosure, an allotment, proportional in size to the population of the parish, should be reserved for recreation. They were also to reserve "such an allotment for the labouring poor as they shall think necessary, with reference to the circumstance of each particular case." In practice, however, the commissioners seem to have almost entirely ignored these special powers; they still continued to treat the question of enclosure as a matter concerning only the persons having tangible pro-

¹ S & 9 Vict. c. 118, § 27.

prietary rights. This view was, however, rapidly growing unpopular. And for good reason. In the first place, there was now no longer, as at the beginning of the century, any necessity to increase the corn-growing area in the country; foreign lands were able to provide us with all the wheat we wanted. Again, one side of the enclosure problem was settled, or nearly so. The "open fields," with their wasteful husbandry, were now nearly all enclosed and re-divided into compact farms. All that remained to enclose were the "commons," as we understand the term to-day, the manorial wastes over which a large and ill-defined body of persons had large and ill-defined rights. These wastes, for the most part poor land, would be little good for corn growing, even had the corn been wanted, but they would be of immense service as breathing spaces for the rapidly increasing population of the country. Public opinion therefore began to demand a reversal of the old policy; instead of restricting by enclosure the enjoyment of each parcel of land to one individual, the enjoyment was to be extended by "regulation" from the large body of commoners to the still larger body of the general public. Under the influence of these ideas, a committee of the House of Commons was appointed in 1865 to "inquire into the best means of preserving for public use the Forests, Commons, and open spaces in and around the Mitropolis." An Act followed on this inquiry, and a further inquiry was held on the whole question of enclosures in 1869. This inquiry in turn resulted in 1876 in an Act for "facilitating the regulation and improvement of Commons, and for annulling the Acts relating to the enclosure of Commons." Here we find a well-marked distinction drawn between "private interests" and the "benefit of the neighbourhood;" and the policy of the Act was rather to regulate commons for

from this dependence by forcing Parliament to give him an allotment of land for his own use. Had this been done in each parish when the great wastes were carved up, and at the same time a sufficiency of land reserved for public recreation, the enclosures of the eighteenth and nineteenth centuries would have stood out as an unmixed benefit for the whole community.

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These 700,000 little freeholders are probably for the most part persons who have purchased the houses they occupy. They may possibly deserve to be congratulated on the circumstance, but their existence does not seriously affect the distribution of English land. Even if each of them possessed a full acre—and the average is probably less than half an acre—there would still be left, according to the return, 33,800,000 acres in England and Wales to be accounted for. Again, the examination of any page taken at hap-hazard, in the new Domesday Book, shows that more than a third of the recorded owners possess less than ten acres, many of them just the bare acre that brings them within the limit. Striking an average, we may deduct 90,000 persons from the total given above, and half a million from the acreage of the kingdom; we then have left 33,300,000 acres, and 180,000 owners. Further analysis would show that even this reduced figure has very little relation to the number of persons who may be said to divide the soil of England between them. A far more accurate picture is given by the following table of the possessions of the great landowners 1

A TABLE SHOWING THE DISTRIBUTION OF THE AREA OF THE UNITED KINGDOM AMONG THE GREAT LANDOWNERS.

| Number o | f holders | റി 100,000 | acres and upwards | 42 |
|----------|-----------|------------|--------------------|-----------|
| ¥1 | | between | 50,000 and 100,000 | 72 |
| •• | •• | *1 | 20,000 and 50,000 | 283 |
| 19 | •• | 11 | 10,000 and 20,000 | 490 |
| -, | *1 | ,. | 6,000 and 10,000 | 611 |
| -, | ٠, | •• | 3,000 and 6,000 | 1,014 |
| | | | | |

¹ From the appendix to Bateman's Great Landowners. London: Harrison & Sous, 1878.

From this table, by a rough calculation, which may be left to the reader, we arrive at the conclusion that half of the United Kingdom is owned by 2500 persons. The population of the kingdom at the last census was 38,000,000 persons.

CHAPTER 111.

LAND TAXES: PAST AND PRESENT.

As the demand for increased taxation of land is one of the most important features of the land nationalization movement, it is worth while to devote some pages to an examination of the manner in which the present taxes on land have come into being.

The threefold burden, trinoda necessitas, to which all English landowners were subject before the Norman Conquest, has already been described. The burden was by its nature necessarily uncertain in severity, and though not immediately affected by the changes made at the Conquest, seems gradually to have been merged in the analogous obligations due from feudal tenants.

Ship-geld, Danegeld, and Carucage.—In addition, however, to this uncertain obligation, a definite tax on land was from time to time levied by the Saxon kings, in order to drive off the Norsemen who ravaged the eastern coasts. This tax, taking its name from its intended use, was at first called ship-geld; but the Norsemen growing stronger, or the Englishmen more timid, after a time the money was used not to drive off, but to bribe the invaders, and shipgeld became danegeld. The tax, however, did not cease

with the cause that gave rise to it. The Danish kings of England themselves levied danegeld on various pretexts, and William the Conqueror established it as a yearly tax In the reign of Henry II. it was dropped for a short time, but under Richard I. the same tax reappears with a new name. It is called *carucage*, and is a land-tax levied at a uniform rate on each carucate of land, the carucate, or the amount of land that can be tilled in a season with one plough, being identical with the hide of 100 to 120 acres. The tax was chargeable on all agricultural land, independently of the tenure by which the land was held. Under Edward II. it was imposed for the last time in the year 1224.

The revenue from the royal demesne.—Both before and after the Conquest, however, the kings of England drew the bulk of their revenues from their own estates—the royal demesne. The king's forests provided him with game, as well as with the sport of killing it; the tenants of his manors furnished corn and other produce; and the occupants of towns built on the royal demesne paid definite rents, collected by the sheriff of the county. This system of revenue was regulated by Henry I., who converted the produce rents of the rural tenants into fixed money rents, and allowed each town to collect its own rent, firma burgi, and pay it into the Exchequer direct.1 In addition to these fixed town or county rents, the tenants of the royal demesne were all liable to be called upon to assist the king in any emergency up to the tenth part of their goods. It is from this special obligation of the tenants of ancient demesne, that we get the ciue to the regular system of taxation that prevailed in England for several centuries.

¹ Dowell, vol. i. p. 18.

The revenue from the incidents of feudalism.—Before passing to this subject, however, it is necessary first to deal with the revenues arising out of the feudal tenures introduced by the Norman kings. These must be carefully distinguished both from the rents levied upon the tenants of the royal demesne, and from the taxes, of which danegeld and carucage are instances, imposed by authority to meet an emergency. The feudal dues were not taxes at all. They were the outcome of an arrangement, largely voluntary, under which the tenant was secured in the peaceable possession of his land in return for certain services to be rendered to his lord. These services were never due to the king as king, they were due to him as feudal lord, and therefore only due from landholders who were the king's immediate tenants-i. e. the tenants-in-chief. They in their turn had a claim to similar services from their tenants; and so downwards, till sooner or later the actual cultivator of the soil was reached, who held not by feudal tenure at all, but by villainage.

The Knight's fee.—It was reckoned that a properly equipped knight cost at least £20 a year for the maintenance of himself and his family and his dignity, and that five to six hundred acres of land would be required to bring in this amount. This portion of land was called a knight's fee, and formed the basis for the calculation of all feudal services.

Soutage: its origin and disappearance.—First among these was the direct obligation of raising a force to serve in the field. One knight must be supplied for every knight's fee of land, and must serve, if required, forty days in each year. Such a limitation of the period of service was obviously inconvenient in the case of foreign expeditions,

and on the occasion of an expedition to France, Henry II. accepted from his feudal tenants a money payment in lieu of personal service. This payment was called "scutage," or shield money, and was charged at the rate of two marks for each knight's fee, or 1s. 4d. in the pound. In subsequent years the rate varied from 6d. to 1s. 8d. in the pound. But, though obviously a logical outcome of the feudal system, scutage seems always to have been looked upon, by the payers at any rate, as an exceptional charge, and the frequent levies made by King John helped to provoke the barons' rising. For this reason both Henry III. and Edward I. were chary of asking for scutages, and in Edward II.'s reign the charge disappeared altogether. The last payment was collected in 1322, on the occasion of the war with Scotland, from "the archbishops, bishops, clergy, widows, and other women who owed service in the army, and were desirous to make fines for the same " 1

The three regular "aids."—The other burdens on feudal tenants were of a less precise character. They arose, like all feudal incidents, out of the personal relationship, supposed or real, between the lord and his tenant. The most important were the three regular "aids," as they were called. If the feudal lord were taken captive the tenant must pay his ransom; when the lord's eldest son came of age, the tenant must bear the expense of the young man's knighthood; and when the eldest daughter married, the tenant must provide her dower. For any of these purposes the king as feudal lord could levy an "aid" from his tenants-in-chief, the great landowners of the kingdom; and they in their turn could exact the same aids

Dowell, vol. i. p., 56.

from their tenants. At first there was no limitation to the amount that might be taken on any one of these occasions; but in the compact between king and barons embodied in Magna Charta, it was laid down that the aid must be "reasonable" in amount, and a statute of Edward I. defined the word "reasonable" to mean 20s. for each knight's fee, or a shilling in the pound.

Relief and primer seisin; wardship and marriage.-The next items in the list of feudal burdens are relief and primer seisin. When a feudal tenant died his lord re-entered upon the land, nominally to protect the rightful heir from intruders, really to secure for himself the first year's profits, the "primer seisin," of the estate. In addition, when he finally handed the estate over, he was entitled to exact a further payment called "relief." By Magna Charta a relief was fixed at £5 for a knight's fee. If, however, the heir happened to be a minor, the lord, under the plea of "wardship," continued his occupation of the land and his enjoyment of its profits till the young man came of age. Again, in the case of an heiress, the lord had the right, under the title of "marriage," to bestow the hand and property of his ward on whom he chose. The opportunities for profitable extortion are here obvious, and by the sale of rich heiresses the kings of England were able to secure a considerable addition to their incomes. Subsequently, too, this right to give wards in marriage was extended from girls to boys, and there are constant entries on the Exchequer Rolls of fines paid by men as well as women for liberty to marry whom they pleased.

Fines on alienation.—Another serious burden on the feudal landholder was the difficulty of alienating his land. In no case could be dispose of it by will, and if he wished

to sell it during his lifetime, he must obtain the licence of his lord, and must pay a fine.

Escheat and forfeiture.—Lastly we come to the incidents of "escheat" and "forfeiture." When a tenant died without heirs, his estates reverted or "escheated" to the feudal lord, as the original donor. Escheat also occurred whenever the tenant was found guilty of a felony. Over and above escheat, however, was "forfeiture," a claim made by the king, not as feudal lord but as king, to the estates of all convicted criminals. If the crime was only an ordinary felony, the king's claim to forfeiture ended with a year and a day, and then the estate escheated to the feudal lord. In the case of treason the estate was forfeited for ever to the king, and all claims to escheat were barred.

The proposed Great Contract.—These various feudal dues-the three "aids," "primer seisin and relief," "wardship," "marriage," "fines on alienation," "escheat and forfeiture"-together made up an important part of the revenue of the kings of England from the Norman Conquest to the Great Rebellion. That such charges lent themselves easily to extortion is not hard to see, and in practice the officers of the Exchequer were ever fertile in excuses for expanding the charges that could legally be made on the feudal tenants of the Crown. To put a stop to this perpetual irritation, it was proposed to King James I. that he should make a "Great Contract" with the nation, and commute his claim to feudal incidents for a fixed sum of \pounds ,200,000 a year. The project fell through, and the feudal burdens continued till the outbreak of the rebellion.

The Restoration Parliament abolishes feudal tenures.— During the struggle with Charles I., and through the succeed-

ing period of the Commonwealth, these burdens were allowed to lapse. On the restoration of Charles II. they were in theory, ipso facto, revived. But it is not easy to recreate a nuisance that has once ceased to exist. And instead of making the attempt, Parliament reverted to the proposal for a great contract. The only doubt was as to the means by which the money should be raised to indemnify the king. The natural and honest way would undoubtedly have been by a rent-charge levied on the properties which had been previously subject to feudal incidents. To this course it was objected that many of these properties had changed hands, and that it would be unfair to impose an unexpected burden on the new proprietors. The argument fell on willing ears, and the House of Commons decided, though only by the small majority of two,1 to raise the money by an excise on beer. At the same time all feudal tenures, with two unimportant exceptions, were abolished. Henceforward every holder by knight service became a holder by "free and common socage," or in other words, acquired the unburdened freehold of his estate. The gain to the landowning classes was enormous, and ought to have been paid for by the persons who profited. To make the general body of tax-payers provide relief for a limited body of landowners was a gross abuse of the parliamentary power possessed by the latter.

The tallage of towns, and of the king's rural tenants.—
To turn back now to another branch of the royal revenue;
—it was stated above that the tenants of the king's ancient demesne were liable to be called upon, even to the tenth of their goods, for aid to their lord in any emergency. This obligation extended not only to the rural tenants of the king's

manors, but also to the inhabitants of nearly all the towns in the kingdom, for, with few exceptions, the towns had been built on the ancient folcland, now part of the royal demesne. Under the Norman kings this heavy obligation was not enforced. Instead, rural tenants paid their danegeld or land tax, and the urban tenants paid a comparatively mild auxilium or aid. Later under Henry II., when the danegeld was for a time dropped, the auxilium was extended to rural tenants, and the whole tax was then called a "tallage." In practice the tallage was a sort of composition between the king and the tenants of his demesne. They were liable up to the tenth of their goods should the king be driven to necessity; he preferred money down. Thus when money was needed for an expedition, the king first went to the citizens of London and struck a bargain with them, and then, on the basis of this bargain, the judges on circuit assessed every town and every royal manor. Finally the sheriffs collected the money, and paid it into the Exchequer. This arrangement was adopted by Henry II. on three occasions during his reign. The tax, it is to be noted, was not a land tax at all, nor was it a general tax imposed on the whole country; it was a charge upon the property of all persons living on the royal demesne, and the king's right to exact it arose not from his authority as sovereign, but from his privileges as I indlord.

The Saladin Tithe.—So far then we have discovered no one tax of the whole kingdom. Danegeld and caracage only touched the agriculturists; scutage only affected the king's feudal tenants-in-chief; tallages were only demanded from the tenants, urban and rural, of the royal demesne. But as early as the reign of Henry II. a tax was imposed

¹ Dowell, p. 42.

that was undoubtedly general. This was the Saladin tithe of 1188. The origin of the tax, as the name implies, was religious rather than feudal or civil. Money was wanted to drive Saladin from Jerusalem, and all over Europe chests were placed in the churches to be filled by voluntary contributions. The contributions were supposed to be proportional to the wealth of the donor, and any one who understated his property was liable to the penalty of excommunication. Henry II. took advantage of this enthusiasm and systematized it. By the authority of the royal council, he required every one throughout his dominions in France and England to "give in alms the tenth of his rent and moveables." Various exceptions were allowed, and knights and clergymen who served personally in the crusade were altogether exempted. But apart from these exceptions care was taken that no one should escape. "And if any one shall, in the opinion of those presiding at the collection, have given less than he ought, let there be chosen from the parish four or six freemen, who on oath shall state the amount which he ought to have stated, and then he shall add what before was wanting." 1

Growth of the general property tax.—The general property tax that had its origin in the Saladin tithe did not readily establish itself. Like the income tax of our own century, it was at first regarded as an exceptional tax, only to be tolerated in circumstances of grave national danger. Under such circumstances, however, it might rise to almost any figure, and the nation would submit. Richard I., for example, apart from the enormous tallages he took from the tenants of his demesne, imposed in 1193 a property tax of 25 per cent., or one-fourth of the goods and rents of every

¹ Dowell, vol. i, p. 46.

person in the kingdom. King John was more moderate, and took only one-thirteenth. To collect this tax commissioners were appointed for each county, with power to examine individuals on oath as to the value of their chattels and rents. Under-valuation or concealment was punished by the forfeiture of all the delinquent's goods, and by imprisonment during the king's pleasure.1 In spite, however, of these severe provisions, it is probable that the tax-payer rarely paid on the full value of his property. On several occasions large categories of property were intentionally exempted from taxation, for example, household furniture, riding horses, and church plate, and sometimes all rents were exempted and only movables charged. Again, a provision is more than once found for sparing the small belongings of the poor. Thus in 1232, when the tax was at 6d. in the pound, all persons were exempted whose goods amounted to less than 3s. 4d.

Some mediæval assessments.—This minimum was constantly shifted, and the searching character of the tax may be inferred from a surviving assessment of the town of Colchester in the year 1301. Here, among others, John Fitz Elias Weaver is returned as possessing an old coat valued at 2s., and one lamb, value 6d. On this he pays a fifteenth of 2d.² Other assessments are similar: William of Tending, the tailor, has an old cloak, 3s., a bed, 2s. 6d., a brass pot, 1s. 6d., and a pair of scissors, 3d.—total 7s. 3d. Walter the weaver "has a surtout valued at 2s. 8d.—nothing more." 3

The "Tenth and Fifteenth."—Up to the middle of Edward I.'s reign, the general property tax with which we are now

¹ Dowell, p. 69. ² Denton, p. 214. ³ Dowell, vol. i. p. 257.

dealing went on side by side with the special taxes before described. In one year there was a tallage or a scutage, in another a general property tax; or the three or any two might fall together, no rule being observed except the necessities of the king. Towards the end of the thirteenth century, however, an attempt was made to combine the tallage of the royal demesne with the general taxation of the country, and the superior liability of the royal tenants was recognized by demanding from them a higher rate. It is thus that we get the system followed through several centuries of demanding a tenth from the tenants of royal manors and the inhabitants of all towns, while only a fifteenth is demanded from the rest of the country. This system became firmly established in the reign of Edward III., when, on the failure of a final attempt to revive the old exceptional rights of tallaging the royal demesne, a general "tenth and fifteenth" was granted by Parliament, as a solatium to the king.

The settlement of the tax.—The king, however, seems to have revenged himself by instructing the commissioners of taxation to screw up the assessments. The tax-payers grumbled that they had never been asked to pay so much before. To remove this discontent, it was arranged in the next year, 1334, that the commissioners might treat with each township as a whole, and make a composition for the payment of a lump sum. The sum raised under this new system was about £39,000 for the whole country. Being the result of a bargain, or rather of hundreds of separate bargains, no attempt was made in the succeeding years to alter it. From henceforward, when Parliament voted a grant of a tenth of all the property in towns and on royal manors, and a fifteenth for the rest of the country, nothing more was meant than that each township should pay the sum agreed upon in 1334.

Occasionally a town pleaded poverty, and Parliament made an abatement, which was afterwards allowed to continue, so that after some years the amount raised by a fifteenth and a tenth gradually dropped to about £30,000.

Various experiments in taxation. - The system of fifteenths and tenths, however, as settled by Edward III., was not entirely satisfactory, and in the succeeding reigns various experiments were made in taxation. Richard II. twice tried a poll tax; Henry IV. attempted to re-establish the old land tax on the knight's fee; Henry VI. tried a graduated income tax. The last experiment is the most interesting. This graduated tax, or "subsidy," to use the language of the period, was first granted in 1435, and was repeated in 1450 under a more complete form. The rate began at 6d. in the pound, and rose to 2s. in the pound for incomes over £,200. The new tax—involving a careful assessment of property by royal commissioners-was not popular, and was slowly paid. The taxpayers preferred the old plan of a fixed contribution from each township and a local assessment, and two further attempts, made in the latter half of the fifteenth century, to introduce the new subsidy failed.

Henry VIII.'s first "subsidy."—Henry VIII. was more successful. In 1513 he wanted £160,000 for a war with France, and it was granted to him by an Act, 5 Henry VIII. c. 17, which may most conveniently be taken as the first of the long series of "subsidy" acts. Briefly, the first subsidy was an income and property tax at the rate of 6d. in the pound. Wage-carners were to pay on their yearly earnings, and landholders on their yearly rents, while the owners of personalty were charged on the capital value of their belongings "for every pownde in coyne, and the valewe of every pownde that eny person hath in plate, house-

hold stok of marchaundyse or other goodys or cattalles, moveables . . . to the value of xls. or above, vid." 1

In order to collect the tax, commissioners were appointed for every county, borough, and city in the kingdom, their names being printed in the body of the Act.

The "entire subsidy" established as a regular tax.-From henceforward the "entire subsidy," as it was called, became a regular feature of the English fiscal system. At the same time, however, the fifteenth and tenth being an old-established and therefore not unpopular tax, was still retained. What was done was to supplement the old tax fixed in amount by the new subsidy based on contemporary Sometimes one fifteenth and tenth was assessments granted, together with one or more subsidies; sometimes as many as "foure holle XV meis and X meis to be hadde paide taken and levied of the moveable goods cattalls and other things usual."2 In 1545, Parliament, moved by the consideration that "under his Majesties sure protection, wee do yet so live as if there were no warre at all, even as the small fishes of the sea in the most tempestuous and stormie weather doe lie quietly under the rocke," 3 granted one "entire subsidie" for the year, together with two fifteenths and tenths, payable in two years.

Decadence of the subsidy.—By the end of Henry VIII.'s reign the productiveness of the subsidy began to decline. Wages and salaries had entirely dropped out, and gradually other property effected its escape from assessment. In Elizabeth's reign the Chancellor of the Exchequer pointed out to the House of Commons "how favourable was the taxation of subsidies, whereby far less cometh to her

 ¹ 5 Henry VIII, c. 17.
 ² 32 Henry VIII, c. 50.
 ³ 37 Henry VIII, c. 25.

Majesty's coffers than by law is granted, a matter now (1575) drawn to be so usual that it is hard to be reformed." Again in 1601 a demand was made in Parliament for a revision of the assessment, and Sir Walter Raleigh protested against the under-assessment of persons known to be wealthy. "Our estates that be £30 or £40 in the Queen's books are not the hundredth part of our wealth." 2

Systematic under-assessment. - This persistent and glaring under-assessment is not hard to explain. The commissioners for assessing the tax were local men, selected on account of their position in each county or each borough. These local magnates would not unnaturally be careful to keep the valuation of their own district as low as possible, lest they should be paying more than their neighbours. They had too always before them the precedent of the fifteenths and tenths, where the fixed sum paid by each district had no longer any relation to the nominal rate. There was thus always a tendency in assessments for subsidies to drop back to the payments of previous years, and to take those for the maximum that the district ought to pay. So far had this tendency been carried, that by the end of Elizabeth's reign a subsidy of 4s. in the pound on lands, and 2s. 8d. in the pound on goods, had degenerated into a fixed charge of about £80,000 a year from the laity and £20,000 from the clergy.

At this figure the tax continued throughout the next two reigns. Parliament still religiously prescribed the way in which the commissioners should do their work, and assess every man at the full value of his property, and the commissioners with equal persistency ignored their instructions.

¹ Denton, vol. i. p. 189. 2 Ibid., p. 193. (2)

During the reign of James I. too, the old fifteenths and tenths finally disappeared, and henceforward the subsidy stood alone. To make up the revenue it was necessary to vote several subsidies at once. On one occasion as many as five were granted to King Charles I., all payable within twelve months; so that in this year, if the real rate had been equal to the nominal rate, the whole of every man's rent, and nearly three-quarters of his goods, would have gone in taxation.

Monthly assessments of the Commonwealth.-On the outbreak of the Great Rebellion, the need for raising large sums of money rapidly in order to pay the army speedily -convinced the Long Parliament that the time had arrived for sweeping away the farce of the subsidy assessments. Instead of pretending to impose a pound rate which every one knew would never be exacted, Parliament fixed a sum to be raised from the whole country, and shared out the burden as fairly as it could guess between the different counties and boroughs; and in framing this guess, it was guided by the previous assessments of the locality for a subsidy. In fact the precedent, set by Edward III. in 1334, was closely followed by the Long Parliament in 1648. The difference was, that the sum demanded by the Long Parliament from the whole country was determined, not by the sums previously paid, but by the needs of the Common-Each locality then made its own arrangements for levying its proportion of the tax by an equal pound rate on all property real and personal. The tax was payable by monthly instalments, and was generally voted by Parliament for a few months at a time, and not for the whole year. For example, in 1656 Parliament voted an "Assessment upon England at the rate of £60,000 by the moneth for three moneths," 1 to meet the expenses of the Spanish War, "and other necessary services of this Commonwealth."

William III 's new assessment in 1692.—The Commonwealth tax on these lines survived both the Restoration of Charles II. and the Revolution that drove out his brother, and was employed during the first few years of the reign of William and Mary. But it was found to have serious defects. In the first place, personal property had, before the accession of William, altogether slipped out of assessment; secondly, the proportions for the different counties and boroughs had grown unfair. These proportions, as already mentioned, had been fixed on the basis of the last subsidy payments made in the reign of Charles I., nearly fifty years ago. Probably even then they were not quite fair; by the end of the century they had grown obviously unjust, for some districts had prospered and others declined. To correct these anomalies it was decided to have a new assessment; and as the Government was grievously in need of money for the French War, the tax was set for the year at the high rate of 4s. in the pound. This and nothing more is the meaning of the famous land tax, so called, of William III.

Details of the so-called "land tax" of 1692.—The tax was granted by an Act, 4 William and Mary, c. 1, entitled, "An Act for granting to their Majesties an aid of 4s. in the pound for one year for carrying on a vigorous war against France." Section 1, without the verbiage, is as follows:—"Be it enacted that all persons and bodies corporate having any estate in ready moneys or in any debts owing to them within this realm or without, or having any estate in goods, wares, merchandise, or other chattels, or

¹ Scobell, Ordinances, Anno 1651, c. 12.

personal estate whatsoever . . . shall pay unto their Majesties 4s. in the pound, according to the true yearly value thereof for one year."

Section 2 deals with professional incomes:—"And be it further enacted that all persons holding any public offices or employment of profit (except military and naval officers), and their clerks, substitutes, &c., shall pay 4s. for every pound of their salaries."

Section 3:—" And to the end a further aid and supply may be raised by a charge upon all lands, tenements, &c., . . . be it further enacted that all manors, messuages, lands and tenements, quarries, mines, ironworks, saltworks, parks, chases, warrens, woods, coppieds, fishings, tithes, tolls, annuities, and all other yearly profits, and all hereditaments of what nature or kind whatsoever situate in England or Wales or Berwick-ou-Tweed are hereby charged with the sum of 4s. for every 20s. of the full yearly value."

In one word, the tax of 1692 was not a land tax, but a property and income tax.

Let us pass to succeeding years:—The tax of 1693 is the same as that of 1692. In 1694 we have in addition a poll tax of 4s. a head, with certain exceptions, and a small graduated income tax. In 1695 the Money Act is again the same as in 1692. In 1697 the phrase "land tax" is first used—8 and 9 William III., chap. 3:—"An Act for granting an aid to His Majesty as well by a land tax as by other subsidies and other duties payable for one year." But it is not clear whether the phrase "land tax" here refers to the whole tax or only to that part of the tax which applied to land.

The settlement of the tax in 1697.—In this year too an important change was made in the tax, probably with

the object of correcting the fraudulent assessments of the owners of personalty. For already personalty had begun to slip out of William's assessments, as it had slipped out of the monthly assessments under Charles II. Each year the produce of the tax grew less, and to prevent a farther fall, in 1697 the principle of the pound rate for the whole country was again abandoned in favour of the plan of fixed local assessments. Just as Edward III. in 1334 had fixed and localized the fifteenth and tenth; so now in 1697 William III. fixes and localizes his new subsidies, the quota of each district being fixed on the basis of the payment made in 1692. Referring to the Act, we find that—

Section 1 defines the quotas to be raised in each county and in each town.

Section 2 enacts that personal estates, offices, pensions, &c., are to pay at the rate of 3s. in the pound.

Section 3—"And to the end the full sums charged by this Act upon the several counties, cities, &c., may be fully raised, be it further enacted, that all manors, messuages, &c., shall be charged with as much equality as is possible by a pound rate for or towards the respective sums of money by this Act imposed upon the several counties, &c."

In other words, the tax-gatherer in each district is to get as much as he can out of the owners of personalty, and then to come upon the land for the rest. Consequently the more skilful the holders of personal property were in evading the tax, the greater would be the proportion thrown upon land. Nor does it need many words to prove that personalty can more easily escape assessment than realty; the farmer can drive off his cattle before the assessor comes round, the householder can conceal his furniture, but the land and the fixtures upon it are always in evidence. Thus

it is easily intelligible that in time a tax originally intended for a general property and income tax became little more than a charge upon real estate.

The Commutation Act of 1798.—But to complete the history of the tax:—The Act of 1697 was followed by a series of Acts which were repeated in exactly the same form year after year for 100 years. The only variations introduced were variations in the rate at which personalty was charged and in the whole amount to be levied. The rate is sometimes 3s., sometimes 2s., and sometimes only 1s., but after the commencement of the war with our American colonies in 1776 it is always 4s. The amount to be levied per each shilling of rate is almost exactly constant, being close upon half a million pounds.

The last of these Acts was passed in the year 1797: 38 George III., c. 5. It was in all essentials identical with that passed in 1697 and already quoted, except that the rate was 4s. instead of 3s. In the next year, but in the same session of Parliament, an Act was passed—38 George III., c. 60—for making perpetual not the whole of the land tax, but the portion of it that related to land. For even in 1798 part of the produce of the tax—about £150,000 a year in all—was still derived from personalty and from incomes.¹

The landed portion of the tax, thus made perpetual, was to be redeemable by the purchase and cancelling of an equivalent amount of consols. The personalty portion was ascertained for each district, and was voted annually by Parliament as a charge upon all the personalty of the district till 1833, when the tax was dropped. Finally the portion of the tax relating to incomes from offices and

¹ Dowell, vol. iii. p. 101.

employments was also ascertained and voted annually till 1876.

Pitt's income tax.—So much for the land tax, so called, apparently disposed of by Pitt in 1798. But as with French kings so with English taxes, the succession is perpetualle roi est mort, vive le roi. No sooner had the property and income tax of William III, been converted into a fixed charge by the Act of 1798, than a new property and income tax was called into being by an Act of 1799. Pitt's income tax was in fact nothing more than the old land tax charged on a new assessment. The old form of the tax was indeed allowed to continue side by side with the new form, just as in Tudor days the old fifteenths and tenths continued side by side with the subsidy, but the new and expansible tax became the keystone of the Exchequer. It is true that in comparing Pitt's tax with William III.'s, differences of detail will be found; in particular the Government machinery for assessment and collection was improved. But fixing one's attention on the main features and not on minor details, one sees that the chain of continuity is unbroken; Pitt's income tax, William III,'s land tax, and the Tudor subsidy are all in essence the same.

The Land Restoration League and the land tax.—We are now in a position to appreciate at its proper value the proposal made by some land reformers, that William III.'s Land Tax of 1692 should be re-assessed at its original rate of 4s. in the pound.¹ This proposal is ingeniously calcu-

¹ English Land Restoration League, Leaflet No. 16. A Candidate's Catechism.

Ask your Candidate—r. Will you press for the re-assessment of the "Land Tax" of "four shillings in the £ on the full, true yearly value of the land," so that it shall be paid on the CURRENT value of the land, instead of (as at present) on the value which it had in 1692?

lated to enlist in its favour the universal sense of justice and our peculiarly English love of precedent. Our ancestors in their wisdom, say the land nationalizers of to-day, decided in 1692 that all land should be taxed at the rate of 4s, in the pound; by the dishonesty of landowning parliaments this magnificent tax has been whittled down to a rate of twopence or less. Parenthetically it may be remarked, that the dishonest landowners were our ancestors quite as much as the men of 1692, and if we are to be guided by precedents without examining their intrinsic merits, the continuous policy of a century of parliaments is at least as good a precedent as the heroic act of one particular House of Commons. The examination of the facts shows, however, that this apparently fascinating precedent is in reality no precedent. The tax of William III. was not a land tax; the rate of 4s in the pound was not intended to be permanent, and did not in fact become permanent till three-quarters of a century later. Further, the very evil of which complaint is now made was fully dealt with by Pitt; the farce of William III.'s assessments was swept away, and the tax re-established on a modern basis. What the land nationalizers demand has in fact been done; and the landowner of to-day pays his property tax on the "current value of the land." In addition, on those estates where the old land tax has not been redeemed, he continues to pay a fixed rent-charge.

The history of the death duties.—If, however, landowners as a class are free from political sin in the matter of the so-called land tax, it cannot be said that they are equally blameless in the matter of the death duties. The original probate duty imposed in 1694 was only a 5s. stamp on any probate of a will or letters of administration.1 Realty under English law has always passed direct to the heir, and therefore required no probate. And as long as the tax on probate was merely nominal this inequality was of little consequence. But in 1795 Pitt imposed a serious probate duty with an ascending scale of charges. By 1814 this tax brought in as much as half a million a year, but no effort was made to bring realty within the scope of the tax. The reason for this tenderness to the landowners is sufficiently explained by the fate of Pitt's legacy tax of 1796. As proposed by Pitt the tax would have fallen on all successions, though with the proviso that successors to realty should be allowed to pay their tax gradually. Even this concession failed to conciliate the House of Commons, and the tax was imposed on personalty only. Thus landed property passing by death escaped, and down to 1853 continued to escape, both probate and legacy duty. In 1853 Mr. Gladstone as Chancellor of the Exchequer ventured to deal with one of these evasions, and imposed a succession duty on real estate. But even then the landowners escaped lightly. Legacy duty, or the tax on personalty, is levied on the full value of the property passing; succession duty, or the tax on realty, is only charged on the life interest of the successor, and is payable in gradual instalments, which cease altogether should the successor die before they are completed. This arrangement made in 1853 still continues; nor has any Chancellor of the Exchequer yet ventured to ask the landowners of the House of Commons to subject their estates to any kind of probate duty.

The extent to which landowners escape.—The amount of taxation that real property thus escapes is considerable.

¹ Dowell, vol. iii, p. 130,

Taking the figures of 1889, we find that while legacy duty levied on £78,000,000 of personal property brings in to the revenue £2,842,000; succession duty levied on £44,000,000 of real property only brings in £929,000. Were the rate in each case the same, real property should contribute nearly £1,400,000. Thus on this account alone real property escapes annually nearly half a million of taxation. The case is worse when we come to probate duty. This duty, charged only on personalty, brings in £4,300,000 a year. Were the same duty charged on realty also, the revenue would be benefited to the extent of nearly two millions a year. Thus altogether under the death duties real property escapes taxation to the extent of nearly two and a half millions annually.

Local taxation; personalty originally liable.—On the other hand, it is contended that this injustice is more than redressed by the fact that real property forms the sole basis for local taxation. The argument is plausible, and derives additional weight from the fact that personalty has escaped local taxation, not through the deliberate intention of Parliament, but through the carelessness of assessment authorities, or through the skilful evasions of the possessors of personalty. For there is no doubt that, so far at any rate as the poor rate is concerned, the original intention of Parliament was that all classes of property should be equally rated. Sewer rates and paving rates, on the other hand, were charged upon the owners of the land affected.\(^1\) This latter is an obviously equitable arrangement, for the landowner is the person who reaps the most tangible benefit from good

¹ Cf. the Poor Law Acts of Queen Elizabeth, and various Acts for constructing sewers and paving roads from Henry VI. to Henry VIII.; e. g. an Act of Henry VIII. for paving the Strand.

roads and good drains through or past his property. Not less equitable was the original intention of Parliament to charge all classes of well-to-do people towards the relief of the poor. If it is the duty of the rich to prevent the poor from starving, the obligation is a moral one, and cannot by any logic be made to hinge on the economic origin of the rich man's riches. But, as with the land tax (so called) so with the poor rate, personalty, easily moved and easily concealed, was able to evade assessment till its original liability was forgotten.

Local rates no set off to the death duties.—Whether this liability should again be enforced is a matter which may be left for discussion later on. For the present, it is sufficient to point out that a long-established charge upon land (or any other permanent investment) has a very different effect from a tax on floating property. For in the former case the charge is allowed for in the price at which the land (or stock) changes hands, so that the actual holder at the present time suffers no hardship, and would gain an unlooked-for advantage if the charge were removed. In the latter case, the tax takes from the owner something that he has acquired in the expectation that it will be his. moment's consideration will show that for the purposes of this comparison, all property passing by death becomes for the moment "floating," whether it be in the form of bank-notes or broad acres. For when the property passes, the important question is its present value, and this is known, or ascertainable, whether the property be personalty or realty. And from this known present value in the case of personalty the State takes a large percentage; in the case of realty it takes next to nothing.

A particular instance will make the point clearer. A man dies leaving £1000, whether consols or an accumulated

balance at his bank makes no difference to the argument. This £1000 will pay legacy duty and probate duty, amounting in the case of a child of the deceased to £35. But if the deceased had instead left land worth £1000, the child would only pay succession duty on his life interest, amounting probably to less than £5, payable in eight equal instalments. Clearly this difference of more than £30 is not compensated for by the fact that land is subject to local taxation. For local burdens must be taken account of in estimating the present value of the land left, and would equally be reckoned for if the heir wished to spend his £1000 in the purchase of land. The sole difference is, that in the one case his net inheritance is worth £965, in the other case £995.

An added legal absurdity.—To make this inequity still more apparent, the lawyers have grafted upon it an absurdity of their own devising. For should the deceased in his will have left directions that his £1000 at the bank should be invested in land, then the courts will rule that the cash is thereby turned into realty, and the heir becomes liable only to succession duty. So that if we suppose that a son, who is expecting a gross inheritance of £1000, has in any case the intention of purchasing land, the sum that the State will leave at his disposal for the purchase can be increased by f, 30 by a single line in his father's will. In the same way, should a landowner direct by will the sale of his landed estates, they are in the legal mind ipso facto converted into personalty, and the children become liable for the higher duties. The abolition of these absurdities would, as calculated above, increase the revenue by two and a half millions, and save not a little needless litigation. However, the more complete consideration of possible reforms in taxation must be left to another chapter.

CHAPTER IV.

THE THEORY OF RENT.

In the two preceding chapters we have been dealing almost exclusively with historical facts, only drawing from them in passing the most obvious inferences. We must now leave this safe ground for a while, in order to arrive, if it be possible, at a clear understanding on economic theories; for on the theory of rent must necessarily turn a large part of the arguments for or against land nationalization.

Ricardo's statement of his theory.—The most widely known and the most generally quoted theory of rent is that due to the economist Ricardo. It is mathematical in its simplicity. "Rent," says Ricardo, "is that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil." And then he goes on to show how rent arises and how it grows.

"On the first settling of a country in which there is an abundance of rich and fertile land, a very small proportion of which is required to be cultivated for the support of the actual population, . . . there will be no rent; for no one would pay for the use of land when there was an abundant quantity not yet appropriated, and therefore at the disposal of

¹ Ricardo, chap. ii.

whosoever might choose to cultivate it." But "when in the progress of society land of the second degree of fertility is taken into cultivation, rent immediately commences on that of the first quality, and the amount of rent will depend on the difference in the quality of these two portions of land. When land of the third quality is taken into cultivation, rent immediately commences on the second, and it is regulated as before by the difference in their productive powers. At the same time, the rent of the first quality will rise, for that must always be above the rent of the second, by the difference between the produce which they yield with a given quantity of capital and labour. With every step in the progress of population, which shall oblige a country to have recourse to land of a worse quality, to enable it to raise its supply of food, rent, on all the more fertile land, will rise."

The theory eulogized by Mr. Henry George.—This theory of rent invented by Ricardo, and endorsed by John Stuart Mill, has been enthusiastically accepted by Mr. Henry George. "Fortunately as to the law of rent," he writes, "there is no necessity for discussion. Authority here coincides with common sense, and the accepted dictum of current political economy has the self-evident character of a geometric axiom." In a later work ² Mr. George goes farther, and apparently identifies the Ricardian theory with what he is pleased to call "God's Law of Rent."

Whether the origin of this famous law be divine or human, Mr. George must decide for himself. But it may at once be admitted that he has good reason for saying that the Ricardian theory is self-evident, and that it is supported besides by all the authority of the classic economists. Indeed there is only one objection to the theory—it does not correspond with the facts.

A preliminary objection.—In the first place the definition is inaccurate. Rent is not paid for "the use of the inde-

¹ Progress and Poverty, p. 118.

² The Condition of Labour, p. 73.

structible powers of the soil;" for the indestructible powers of the soil are for the most part useless. As the late Professor Thorold Rogers, among others, shrewdly pointed out.1 what is indestructible in the soil is not its fertility, but its infertility. A bed of granite will remain barren, however much labour be spent upon it; while, on the other hand, the most fertile of virgin soils may quickly be rendered unproductive by careless cultivation. Indeed Nature herself often performs the work of destruction, and land that by much exertion of human effort has been made fertile, will within a few years, if the effort cease, relapse into barrenness. Consequently, so far as the permanent properties of the soil are concerned, what the farmer pays for is rather the absence of bad qualities than the presence of good ones. This is of course merely a verbal distinction, but it is useful as helping to emphasize the fact that there is no such thing as a permanent fertility.

The theory historically untrue.—Leaving, however, the question of a more complete definition of rent for the present alone, let us pass to the more important question of the origin of rent. According to Ricardo rent arose by the gradual extension of cultivation from fertile to inferior soils. So far as England is concerned this statement is completely at variance with known facts. Rents in England had a compulsory or military, not an economic origin. The rent-payer was in nine cases out of ten the serf or slave of the rent-receiver. He paid because he could not help himself; the payment was a personal one; no attempt was made to graduate the rent according to the nature of the soil; nor was one serf's rent raised because some other serf was cultivating worse land. The only circumstances that affected the

¹ See for example, Industrial and Commercial History of England.

rent were the needs of the lord, and the customs of the manor. Nor did economic considerations affect the rent in cases where a voluntary payment was made, as where a freeholder commended himself to a powerful lord. Here what the free tenant paid for was military protection, not profitable land. And, to jump from these early and obviously non-economic rents to the fifteenth century, when tenant-farmers in the modern sense began to grow common, there is still no evidence for Ricardo's imaginary picture of the extension of cultivation inducing an increase of rent. On the contrary, the population was stationary, or nearly so, and an immense area of cultivable land was lying idle. Nevertheless the villain tenants of manors were willing to take up land and pay a rent for it, because they acquired by so doing a more independent status. A still more important test is furnished by the rapid increase of rents at the end of the fifteenth and through the greater part of the sixteenth centuries. Here the causes were purely economic, and therefore here if anywhere support should be found for the Ricardian theory. It is not found. The rise was due, not to the extension of cultivation, for thousands of acres were thrown out of tillage, and the labourers flocked to the towns in search of work, but to a change in the use to which the land was put. The fields that brought in little profit as corn-land could be made to bring in much profit as grass-land.

The rise in eighteenth-century rents.—Again, in the eighteenth century there was a rise in rents that cannot be attributed to the pressure of population against the soil. During three-quarters of the century population increased very slowly, prices were almost stationary, and labourers were prosperous. The accompanying increase of rent was due to the improvements in the art of agriculture, of which

something has been said in a previous chapter. "In 1731-2, when wheat was 20s. a quarter, barley 11s., and oats 9s. 6d., Lord Lovell reports as the result of the new agriculture that his profits on his outlay are more than 36 per cent." In brief, the landowners were teaching the farmers how to make more profit out of the land by better cultivation, and this increased profit, or part of it, came back to the landowner in the form of increased rents.

The law of diminishing return.—Nor can it be said that this is only another aspect of the Ricardian theory. It is true that Ricardo allowed not only for the case of a more extensive cultivation by the breaking up of inferior land, but also for a more intensive cultivation by the employment of additional capital on the old land. He did; but the expenditure of additional capital, according to the old methods, is a very different thing from the adoption of improved methods. It is the latter procedure that gave rise to the increase of rents in the eighteenth century; it was the former on which Ricardo based the second half of his theory of rent.

Doses and diagrams.—This side of the theory has been fully worked out by later writers, notably by Professor Marshall.² With much admirable reasoning Professor Marshall explains how rent arises from what, following Ricardo and Mill, he calls the Law of Diminishing Return. This explanation, like the other branch of the Ricardian theory, is extremely pretty, and has the additional advantage that it can be illustrated by diagrams. A diagram always appeals to the imagination. The laziest of readers when

¹ Thorold Rogers, The Economic Interpretation of History, p. 270.

² See Marshall's Economics of Industry and Principles of Economics on the subject of rent.

he sees a neat little diagram, and is told that one line, by distances measured along it, represents the farmer's "doses" of capital, another in a similar way the successive returns obtained, and a third line—a wavy one—the rate of return per dose, at once grasps the whole theory, or thinks he does, and accepts without a murmur the conclusion, that a certain area included between these lines must be the landlord's rent, and another area the farmer's profit. Nothing could be more beautiful—only it is not true. That is to say, the theory, with or without diagrams, does not explain, even approximately, the growth of rent in the majority of cases where rent has grown.

The essence of the theory is that rent begins when the point of diminishing return has been passed. As a matter of fact, on ninety-nine farms out of a hundred now paying rent, the point of diminishing return has not yet been even approached. The capital that in theory ought to be spent on the land is not spent, for the simple reason that the farmer has not got it to spend. This unpretentious fact at once reduces the Ricardo-Marshall theory, adopted by Henry George, to its proper position as an ingenious intellectual exercise. Its abstract, unreal character has been sufficiently exposed by that most cautious of economists, Professor Sidgwick—

"It is misleading," he writes,1 "to speak of the 'last dose of capital which pays no rent' as if this 'dose' were an element definitely ascertainable in the business reckonings of an ordinary farm. . . The art of agriculture has not yet reached the degree of exactness that would be required to ascertain even approximately in any particular case the portion of capital that is to be regarded as paying no rent.

Thus"—with regard to the changes following on the recent fall in the value of English wheat—"the most that can be said is, that the fall of prices has caused a general tendency to diminish expense in farming wherever it can be diminished: and even this is in many cases merely due to loss of capital, and is in consequence a tendency to farm more cheaply than is really economical."

The narrowness of the Ricardian theory.—But perhaps the most sweeping condemnation of the Ricardian theory is to be found in the fact that Ricardian theorists invariably argue as if the only crop obtainable from the soil were a crop of wheat. All their arithmetical calculations and geometrical diagrams are based on this tacit assumption. But the uses to which land can be put fall little short in number of the wants which human beings can feel; and for any one of these uses the landless man will in general be willing to pay some price to the landlord. It is, therefore, on the face of it absurd to attempt to deduce the law of rent for all land from reasoning drawn solely from one use of land.

The fundamental attribute of land. — And curiously enough Professor Marshall, who has taken so much pains to elaborate the Ricardian theory, elsewhere points out the multifold utility of land, and states, more clearly than any other writer has yet stated, the essential attributes which distinguish land from other commodities.

"When we have inquired," he writes, "what it is that marks off land from those material things which we regard as products of the land, we shall find that the fundamental attribute of land is its extension. The right to use a piece of land 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 part of it stands to other parts are fixed. Man has no control over them." And again:—"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 the 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 things and other persons."

Let us take this admirable statement as the basis for a further investigation of the theory of rent. Only before starting on the task, let it be clearly understood that we do not expect to discover any simple law, that may be expressed in algebraic formulæ or illustrated with geometric diagrams. Our only object is to arrive at a clearer understanding of the way in which the general phenomenon of rent affects particular proposals for land nationalization.

The law of supply and demand as applied to land.— First then, when a man offers to hire a piece of land he must have in view one or more of the numberless uses to which land can be put; and the advantage that he expects to derive from the occupation of the land for that purpose, will influence him in his estimate of the price—the rent—which he should pay. But this consideration will not necessarily, will not even probably, determine the rent that is finally agreed upon. Our particular applicant for land, and the particular proprietor with whom he is bargaining, are not alone in the world. There are other pieces of land on the earth's surface which will suit the applicant as well or nearly as well; there are other applicants, actual or potential, willing to come to terms with the landlord. The final

¹ Marshall, Principles of Economics, p. 198

price agreed upon will therefore be determined—after such bargaining as is possible between the two parties—by the Law of Supply and Demand. "When there's two pigs in the market and only one buyer, pigs is cheap; when there's two buyers and only one pig, pigs is dear," said the old farmer, and the law of supply and demand has never been better stated.

The supply of land.—Obviously, however, this statement does not exhaust the question of rent. To say that the rent of a piece of land is determined by the law of supply and demand, is useless except as a prelude to an explanation of how this universal law of price operates in the case of land. In other words, we must consider what circumstances create the demand for land or alter the effective supply of land; for though the final supply of land is unalterably limited by the size of the globe, the effective supply of land at any given place for any given purpose is constantly modified by social conditions. For example, the establishment of a service of fast steamboats from St. Heliers to Southampton may render the soil of Jersey as effectively available for the purpose of growing potatoes for the London market, as if the whole island had been taken up bodily and dropped down in Kent. Or again, the supply of land effectively available for dwellinghouses in any given district of London may be suddenly diminished by the construction there of a wide-spreading railway terminus, and as suddenly increased by the running of daily cheap trains to and from the country.

The "cost of production" of land.—Such illustrations might be multiplied almost ad infinitum, but the practical point we have to consider is how these modifications in the supply of land ultimately affect its price. In the case of

most commodities there is a well-understood connection between the price of the commodity and the cost of increasing the supply of that commodity. Where competition is keen and free, the price of an article tends to equal the cost of producing more specimens of the same article. Does the same thing hold true of land? Is there in fact any cost of production in the case of land?

The land nationalizer, especially if he be a theologian, would at once answer No! The land he asserts has been created by a Divine Maker and delivered as a free gift to the human race.1 To discuss the actions and intentions of a Divine Maker is an endless task; but even Mr. Henry George must admit that the land which God gave to the human race was only partially suitable to human purposes. Many broad fields that now carry rich crops of wheat were, when man took them over, but stagnant marshes breeding pestilence; the Weald of Kent, now covered with orchards and hop-gardens and acres of dwarf fruit, was once a solid forest. It is man who has drained the marsh, and man who has cleared the forest. More than this. On particular areas of land, human labour has fenced off one field from another; has dug ditches and water-courses; has cut roads to give convenient access to the different fields, and erected suitable buildings in the spot where they are likely to be most serviceable. In brief, a farm has been produced.

The thing called a farm.—Let us concentrate our attention for a moment on this product of human labour—this thing, this farm. It has been produced by processes which are essentially similar to those involved in the con-

¹ "But land has no cost of production, since it is created by God, not produced by man,"—Henry George, The Condition of Labour, p. 17.

version of wheat into bread, or pig-iron into pen-knives. each case man has availed himself of the forces of nature. so far as they go, and utilized them in co-operation with his own muscles to produce a thing he wants. The thing once produced must take its chance in the market. It may fetch far more than will repay the producer for the expenses of production; it may go for an old song. But if it is a thing constantly asked for and constantly supplied, then, as was just said, its price, so far as competition is keen and free, will tend to an equality with the cost of producing a similar article. In the case of a farm there is not the same ease of production, nor quite the same regularity of demand, as in the case of a penknife. The farm is a fixture on the earth's surface. Other farms cannot be brought to precisely the same spot to compete with it; nor, as a rule, will applicants coming from a distance wish for it so strenuously as the men living in its neighbourhood. In other words, the fixity of the commodity called a farm limits competition in both directions. But when due allowance has been made for these considerations, it is clear that the cost of production does to some extent affect the price of farms; for a farmer will in general be willing to pay for a ready-made farm, at least as much as it would cost him to make a similar farm for himself. Part of this payment is in practice made in a lump sum to the outgoing tenant, for such improvements of his own making as the law of England allows him to appropriate. The rest is included in the annual rent paid to the landlord.

The attempted distinction between original fertility and added value.—Mr. Henry George, following Ricardo, recognizes this, but would reply that he separates the value that has been added to the farm by human labour from the

original value of the land in a state of nature. The payment for the first item is interest on capital; it is only to the second item that the term rent belongs. Like the rest of the Ricardian theory, the distinction is beautiful when looked at from a distance, but it will not bear contact with every day facts. It fails indeed at the very outset; for if part of the rent actually paid is interest on capital, clearly it is necessary to know on what capital sum interest is to be allowed. Is it on the whole capital that has been put into the soil in times past? If so, even if the rate were fixed so low as two and a half per cent., then on most English farms the margin left for the "original fertility of the soil" would be reduced to a minus quantity. While if we decide that interest is to be allowed only on that part of the past expenditure which can be traced in the present value, we are met by the absolute impracticability of the proposed investigation. For even if we possessed the complete records of a farm for a hundred years back, or any period that we care to take as sufficiently remote, it would still be impossible to ascertain how much of the present fertility and convenience of the farm was due to human labour, and how much was derived from the original condition of the land. Nature works rapidly in the open air, and a momentary neglect on the part of man may set back his work for weeks or months or years. Part of the labour put into the soil may at any time be swallowed up, like manure spread upon a sand-bed, while another part will express itself as a valuable addition to the advantages of the land. But, after the lapse of a few years, the completest ledger record will not be sufficient to determine what present results are due to what past operations.

Professor Sidgwick's definition of rent. - On these

grounds it is far wiser, as Professor Sidgwick has done, to abandon altogether the subtle distinctions attempted by Ricardo and his followers, and to use the term "rent" in its "ordinary sense to mean the price paid for the use of land, whatever be the source of its utility." ¹

Have building sites a "cost of production"?—In applying this definition to land intended for buildings, it must be noticed, that as regards the actual site itself there is no gradual accumulation of fertility or convenience as in the case of a farm. A site must be dealt with de novo for each succeeding house placed upon it, and all the previous work upon that plot of land must be wasted.

This, however, is not the case with the approaches to a site, and with the sewers leading from it. Ceteris paribus, a man will pay more for a site with a well-made road leading up to it than for a plot of ground that can only be approached by a cart track. Consequently the first thing that a landowner does when he wishes to convert waste or agricultural land into building land is to lay out convenient roads, properly metalled and with sewers underneath.² A proportional part of the cost of this work of necessity enters into the price, or rent, that a speculative builder or private person will be willing to pay for one of the sites thus rendered available. It is true that in the centre of large

¹ Sidgwick, p. 283.

² Here, for example, is an extract from an auctioneer's circular advertising the sale of a building estate:—

[&]quot;The roads are made and formed with an extra thickness of metalling. The estate is well drained, the dual system for sewage and surface water having been adopted, and connected with the main drainage system of the town. . . The cost of the completion and maintenance of all roads and footways, as shown on the Sale Plan, and of all sewers, will be borne by the Vendors."

towns this original cost of production has long been overlaid by other elements that go to make up the price of building land. But in new towns or residential districts, deliberately laid out with the view of attracting residents, such as Eastbourne or Bedford Park, it is probable that the whole of the capitalized rent of each site is but little in excess of the cost of making that site. It must be admitted, however, that such cases are probably exceptional. As a general rule, long before agricultural land is actually built over, it has begun to rise in value because many persons have begun to appreciate its advantages as building land. Consequently even the first tenants pay for their sites a rent that may very far outstrip the cost of production.

The "cost of production" of mines.—To pass to another use of land, we find that in the case of mines the question of rent is complicated by the progressive exhaustion of the mine. There is indeed for every mine in one sense a very obvious "cost of production," namely, the cost of sinking the shaft, erecting a wheel, propping up galleries, &c., &c. And for these advantages, where they exist, a colliery master would be willing to pay a rent equivalent to the cost of re-creating them elsewhere; only the very presence of these advantages is prima facie evidence that the mine has been to some extent worked out. In other words, it cannot be inferred that an existing shaft and galleries are a real addition to the original value of a mine, in the same way that good roads are always an addition to the value of a farm or a building estate. All we can say is, that a mine cannot be "produced" without the initial labour of sinking a shaft, &c., and the cost of this operation will be taken into account by a colliery master bidding for the lease of a ready-made mine.

We have shown then that there is generally an element in

the price of land corresponding very closely to the element called "cost of production" in the price of other commodities. The difference is that land being fixed in one spot, the cost of production of a piece of land for a particular purpose can never affect its price in the same systematic way in which cost of production regulates the prices of penknives. Two penknives can be identical in every respect, but two pieces of land cannot; if in no other respect they must always differ in geographical situation. Consequently while the cost of supplying land for any given purpose does undoubtedly affect the price of land, the important consideration in determining rent is Demand.

The demand for land.—And the first point to be noted about the demand for land is that a different demand comes from different classes of people. The Ricardians say that the rent of a piece of land measures the superior advantages of that piece of land over land that pays no rent. statement if true would be little better than a truism. But is it true? Advantages do not exist in the abstract; there must be some person to appreciate them. For whom then does the Ricardian law measure the rent that should be paid? A well-to-do farmer will offer for good land in Kent with farm buildings attached eighteen shillings an acre; one of his labourers will offer for a strip of the same land, without buildings, a shilling a rod, or eight pounds an acre. A railway company gets five pounds an acre for labourers' allotments carved out of surplus land that no farmer would pay a penny to hire.

Nor need we confine ourselves to this palpable contrast between the rents paid by labourers and those paid by farmers. The class of farmers itself is not homogeneous. The rent per acre paid by a farmer of a thousand acres

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will not necessarily be the same, will probably be much less, than the rent paid for exactly the same quality of land by a fifty-acre farmer, due allowance in each case being made for the value of the buildings. And the reason is simple. The number of professional farmers who possess sufficient capital to farm fifty acres is considerably greater than the number of farmers who could venture on a farm of a thousand acres; consequently there will in general be a keener competition for the smaller farms.

Thus, even for purely agricultural purposes, the demand for land is by no means such a simple matter as the Ricardians assume it to be. But the uses of agricultural land are not confined to agriculture. Land that might be made into a farm, may be made into a park; land that would command a low rent as a sheep-walk, may command a high rent as a deer forest; land worth five shillings an acre to plough, may be worth a pound an acre as a poultry farm. Where does the Ricardian ready-reckoner come in here?

The truth is that almost the only generalization we can make about the demand for land is this—That it depends ultimately on the demander's anticipation of the profit or pleasure to him to be got out of the land. And as nearly every want of human beings involves some use of land, an increase in the prosperity of a community—which means always a multiplication of wants—will generally cause an increased demand for land.

The effect of improvements upon rent.—Descending from this general statement, that rent grows with the growing wealth of the community, let us come to particular considerations. And first, if we regard land for the moment solely as an instrument of production, not as an object of pleasure, it is clear that any invention which increases the

utility that can be extracted from the soil with a given amount of labour will generally increase rent. For the occupier of the land now finds that his labour or capital is rewarded at a higher rate than formerly, and therefore, unless there is an accompanying rise in the standard of living among men of his class, competition will compel him to pay over this excess remuneration to his landlord.

In practice improvements in the art of industry are generally accompanied by an improvement in the standard of living; the two are in fact only different expressions of an increased mental activity. Consequently though the landlord may, as has been well said, skim off the cream of any particular improvement, the milk that remains behind will be worth something more than pigs' food.

An increase in rent rarely accompanies an increase in poverty.—On the other hand, it must not be forgotten that the landlord can on occasion profit by an actual fall in the standard of comfort. It is indeed this aspect of the operation of rent that seems to have taken exclusive possession of Mr. George's mind, and to have inspired his fancy pictures of the human race groaning under the slavery of private ownership of land. The cases, however, where this does occur are happily rare. One of the best instances is that of the rent of agricultural land in England at the beginning of the present century.

The population under the artificial stimulus of the Poor Law was increasing even faster than it could be used up as cannon fodder; a series of bad harvests fell one after the other upon the country; the price of wheat rose enormously; so also did rents; the wages of labour fell piteously. In this case it was indeed out of the misery of the labourer that the landlord ground his rents.

Such instances, however, it may be safely asserted, are extremely rare; as a general rule it is not the growing misery but the growing prosperity of the mass of the community that leads to a rise in rents.

Successive rents for the same piece of land .-- Another point, important to note, is the way in which rent is affected by the multiplicity of uses to which land can be put. For example, strawberry-growing is under suitable conditions a very profitable use of land. The conditions are that the land must be of fair quality, and within an easy distance of a good market. Such land will command a high rent, and we will suppose that a fruit-grower in order to save this rent moves off to what a Ricardian might call the "margin of cultivation" for strawberries. Will be there find land at no rent? Certainly not, For though the land is worth nothing, beyond the grower's bare profit, for strawberrygrowing, it may be worth an appreciable rent for other purposes, say stock-rearing: and there is no reason why the owner of the land should forego this rent in order to gratify a particular strawberry-grower.

This consideration is of fundamental importance in the theory of rent, for it at once disposes of the Ricardian paradox that the rent of land does not enter into the price of commodities. The Ricardian, arguing as if the soil of the British Isles had no conceivable utility except to grow wheat, contends that the price of wheat is fixed by the cost of its production on the worst land, and that therefore the rent paid for the use of the best land is not the cause, but the consequence, of the price of wheat: hence the landowner only intercepts the extra-profit that would otherwise go to the farmer of the best land; and the public is not affected by this private arrangement. All of which would be true if

wheat were the only commodity extracted from the land. But even one alternative use for land upsets this calculation; for it may create a minimum rent below which even the worst wheat land will not fall. If so this minimum rent, since it enters into the price paid for all wheat land, must enter into the cost of production of all wheat.

In England, as a matter of fact, there are few acres of land under any sort of cultivation of which the possible uses are not nearer twenty than two; and it may safely be said that within the limits of the United Kingdom occupied rentless land is impossible to find. In making this statement one does not forget that at the present moment there are farms lying vacant which the owners declare they would be willing to let rent free, Yes; but for how long? For just so long as may be necessary for the tenant at his own expense to bring back the farm to a condition of high fertility. To say that such a farm is let rent free is an abuse of language.

Some rent enters into the cost of production of commodities.—However, whether there be or be not rentless land in England, does not seriously affect our present argument. The point is that each lower, i.e. less profitable, use of land makes a minimum rent for every higher use. To take only broad distinctions, agricultural rents form minimum rents for market-gardens, and the rent for market-garden land forms a minimum rent for town building-land. Within a own, too, it is possible to trace the gradations of rent as the number of profitable uses for the land increases from circumference to centre. In the suburbs of London land is available for

¹ This point has been admirably brought out by Mr. J. A. Hobson. See, for example, an article in the *Quarterly fournal of Economics* for April 1891.

few except residential purposes; in the heart of the City there is a possibility of a hundred alternative uses for any square rod of land.

The most profitable of these—e, g, the robbing of guileless clergymen by promoting bogus companies-must pay per square foot of land at least as much rent as would be paid for a less profitable use of land, a few hundred yards away from the centre. And for this reason, that "the margin of cultivation" for bogus company offices is reached at about a furlong from the Stock Exchange. Beyond this distance it would not be profitable for the company promoter to open his den. But such a site would be excellent for an accountant's office, or for a manufacturer's show-rooms, or for scores of other purposes. The best rent payable for any of these purposes will be the minimum rent below which no company promoter can get a site for his office. To this extent, then, the cost of production of bogus companies is really enhanced by the item of rent-a fact which will perhaps help to console the eminently respectable victims of the City freebooter.

Again, to take an illustration from another industry, where coal is discovered beneath the surface of corn-fields, the coal-master must pay for all the surface land that his operations require, at least as much rent as the corn-fields commanded. In practice he will generally pay much more, because digging up coal is, as a rule, a more profitable business than growing corn. But while such extra rent as he may pay will be a consequence, not a cause, of the high price of coal, the rent that the land was worth previously for agriculture will be a necessary item in the coal-owner's expenses of production, and will help to determine the price at which coal could be sold.

Rent. Interest, and Wages.—Indeed the way in which the three elements of production affect price is almost It is the minimum rent of land for a particular purpose that affects the price of the commodity produced: any rent above this minimum will be a consequence of price. In the same way, the average interest on capital must be paid, or allowed for, as a minimum before profits can be calculated. And as regards wages of labour, it is the wage of the average workman that forms the basis on which the expenses of production should be calculated; any extra wage paid for exceptional skill or ability is only an equivalent, if even that, for the extra profit that the good workman brings.1 The good workman commands in fact a specific rent, over and above the normal wage in his profession, just as the exceptionally good soil or good site commands a specific rent over and above the rent of the soil or site least suitable for the particular purpose in view.

These conditions have been insisted on at some length, because they help to dispose of the absurdity that rent is no burden on the community. Obviously that part of rent that does enter into the expenses of production is a burden, making itself felt through the agency of price. On the other hand, specific rents for exceptional advantages are undoubtedly the consequence, not the cause, of price, and are only a burden on the community to this negative extent, that they could conceivably, by taxation, be taken away from private individuals and devoted to the public weal.

¹ So far as manual labour is concerned, this point has been profusely illustrated by Mr. Thomas Brassey, the great contractor, in his book on *Work and Wages*.

CHAPTER V.

THE BURDEN OF LOCAL RATES.

The preceding chapter, it is to be hoped, has cleared the way for considering the practical question of how taxes upon land affect different classes in the community. Obviously this question is of fundamental importance in any scheme of land nationalization; for even those reformers who, like the English Land Nationalization Society, are mostly concerned with the problem of administering the land, cannot, and do not, ignore the question of taxation. And yet there are few points in the whole range of controversy about which all parties talk so loosely.

• Who pays local rates?—Local rates afford the best example of this vague and often self-contradictory talk. They are a charge upon real property, payable in the first instance by the occupier. Is he also the final payer? That is the whole matter in a nutshell. But the answer to this apparently straightforward question seems to vary with the shifting mood of the person who undertakes to deal with it. When, for example, a proposal is made in the House of Commons by a Tory Government, that local rates should be relieved by contributions from the Imperial Exchequer, Liberal and Radical members will denounce the proposal

as a bribe to the landowning classes; while the Tories will contend that it is the poor distressed occupier whom they wish to relieve. A few months later the Liberals will be demanding that the rates shall be divided equally between owner and occupier, in order to relieve the *latter*;—and the Tories will reply that the owner already pays the whole rate.

This is no fancy picture. It is a matter-of-fact description of discussions that have taken place in the House of Commons more than once within the last half-dozen years. Part of the self-contradiction is of course due to the peculiar exigencies of the politician's trade. But, in addition, a liberal allowance must be made for honest confusion of thought. For the question is not so simple as it sounds. Where the rate is in the first instance paid by the occupier, as in the case of most middle-class people, the payer has no legal right to make a corresponding deduction from his rent, and therefore on the surface it seems as if the landlord bore no part of the burden. And where, as with most working-class people, it is the landlord who in the first instance pays the rate, there it sometimes happens that he will subsequently raise the rents of his tenants on the plea that rates have gone up. So that here again it seems, on the surface, as if the burden in the last resort fell upon the occupier.

Rates are allowed for in fixing the rent—Let us, to solve the difficulty, go back for a moment to the theory of rent discussed in the previous chapter. It was there pointed out that any individual in applying for land would first consider what the land was worth to him for the purpose or purposes for which he wanted it, and this consideration must determine the maximum price that he

is willing to pay. He may give less than this, but if he is a free agent he will not give more, whether he is applying for a thousand-acre farm or a half-acre allotment; a coalmine or an apple-orchard; a suburban villa or a cotton factory. In every case he considers what the thing he is applying for is worth to him, and then fixes his maximum payment. But whether the whole of this payment goes to the legal owner of the land, or whatever part is taken by a local authority, clearly does not affect the tenant as tenant. Consequently if the applicant in the course of his bargaining finds that the farm or villa he wants is burdened with a local charge, he will deduct that charge from his estimate of what he can afford to pay the owner.

Arthur Young's rule for ascertaining rent.—Here, for example, is the advice given to applicants for farms by Arthur Young in his *Farmer's Calendar* published at the beginning of the present century.

"Ascertainment of Rent.—This is a very important part of the business in hiring a farm. . . . The principal point here necessary to touch on, is the combination of rent, rates, and tithes in one sum. Knowing the capital intended to be invested, estimate the interest of it at not less than 10 per cent., and then calculate the expenses and the produce: the former deducted from the latter, leaves that sum which the farmer can afford to pay in these three species of rent. Deduct further the tithes and rates, and the remainder is what he can afford to pay the landlord. If rent be valued in any other way, it must be erroneously and deceitfully done, and no dependence can be placed upon it." 1

In practice there is little doubt that the majority of intending tenants, both in town and country, do take the

¹ Young's Farmer's Calendar, p. 485.

precaution of inquiring what rates or taxes they will have to pay, and vary their estimates accordingly. In their case then it is the landlord, and not the tenant, who bears the burden of the rates. As for those tenants who do not take this precaution, it is obvious that their neglect to inquire about rates and taxes can only be due to a feeling that these charges are insignificant compared to the item of rent. If so, they at any rate are not the people to grumble about the weight of local burdens.

Working-class rents and local rates.- But how about the cases where the landlord, paying the rates in the first instance, reimburses himself by a levy on his tenants? The answer is that the cases where this does occur prove too much. For example, a penny library rate is imposed in a provincial town: on a workman's house this would amount to perhaps 2s. a year at the outside: but the landlord to recoup himself will, as the tales go, raise his rents not \(\frac{1}{2}d \). but 6d. a week. What does this prove? Obviously that the library rate was not the cause of, but the excuse for, the landlord's action. The explanation of the whole matter is, that at the time the rate was imposed, the rents of workmen's houses were generally tending upwards. But a general upward tendency will not of its own accord produce an increase in a particular rent. The actual moment must come when the landlord goes to his tenant and tells him that for the future his rent will be raised from 6s, a week to 6s, 6d.; and any landlord, however crudely commercial he may be, will prefer that this moment should be preceded by some event which will give a plausible excuse for the unpleasant message.

Free Education and increased rents.—It must be admitted that some landlords are easily satisfied in the

matter of plausibility. If the accounts in provincial papers may be accepted as correct, many owners of working-class houses have found in the Free Education Act of 1801 an excuse for exacting more rent out of their tenants. fact seems monstrous, but there is no economic mystery about it. By the abolition of school fees the available income of every working-class parent was increased, and therefore the average tenant could, after the passing of the Free Education Act, afford to pay more rent than previously. If he was living in a district where rents had been previously rising, his new prosperity would be the landlord's opportunity, and he would now be asked for the rise that in strictness the landlord could have exacted earlier. In this case the abolition of fees would be the excuse, not the cause of the rise in rent. It might further happen that the remission of fees in the autumn of 1891 caused as well as excused the recorded instances of increased rents. For the poorer parents having more money at their disposal would, some of them, wish to secure better house accommodation. There would consequently be an increased demand for the better types of working-class houses, while the supply of such houses could not be increased at a moment's notice. Here then the remission of fees would by itself be sufficient to cause a rise in rents, and if competition were sufficiently keen, the working-class tenant might be compelled to pay over to his landlord the whole of his children's fees remitted by Parliament.

An Indian illustration.—An amusing instance of the converse case, where a tax upon the landlord affords an excuse for raising the tenant's rent, is furnished by another country. The writer remembers well a conversation with a native gentleman in India, a landowner, a barrister, and a

patriot, on the subject of the new income tax. With much righteous indignation this gentleman was urging that the income tax was the last straw laid by the heartless British Government on the back of the overburdened peasant. It was pointed out to him that this could hardly be, since the tax was confined to official, professional, and commercial incomes. His reply was instructive, "Yes, but if I am taxed on my professional earnings, of course I take it out of my tenants." Of course, what really happened was, that the prosperity of this gentleman's tenants, coupled with their dependent position, enabled him to screw more money out of them, and the income tax on his professional income was as good an excuse as a marriage in his family or the birth of an heir.

In every case the landlord ultimately pays taxes on land.

-It might seem at first sight that such a case as this, and the free education cases in England, are hardly on all fours with the condition postulated above —that the tenant should be a free agent. Undoubtedly neither the tenant of an Indian nawáb, nor of an English jerry-builder, is in the same position to bargain freely as a Yorkshire farmer with a good bank balance behind him. But the greater or lesser amount of independence, though it may affect the total that the tenant will pay, will not disturb the fact that it is on the landlord that any tax upon land ultimately falls. However servile the tenant may be, he must at least be left with sufficient to keep him alive, and whether the land is taxed or not, the grasping landlord will leave him no more. In brief; if the tenant is free to bargain, he will only pay in all what he thinks the land is worth to him, and he will not trouble his head whether the whole of his payment goes to the landlord, or whether part is taken by a taxing authority; if the tenant

is unfree, he must submit, tax or no tax, to his landlord's exactions: hence in every case it is the landlord who bears the burden of the tax.

Leaseholders and new rates.—But it may be urged, supposing a tenant has taken a house on a lease, and that during the period of the lease a new rate is imposed, clearly the rate will fall upon the tenant. Of course it will, up to the end of his tenancy, if he has bargained to pay all rates while the tenancy continues. New rates, however, do not drop from the sky. They are imposed by local authorities with much trepidation, and when any important expenditure has to be incurred it is always met by means of a loan, spread over a number of years, so that there may be no sudden increase in the rates. What we have to deal with then in practice is not any entirely unexpected new rate, but the steady growth of old rates. Surely this steady growth, noticeable in almost every town in the kingdom, will be taken account of by a prudent tenant, and he will make his bargain accordingly; and if tenants neglect this precaution, it can only be, as suggested above, that they think the item unimportant. There is, however, good reason to believe that the majority of middle-class and upper-class tenants, and these are the only classes concerned, do seriously consider the question of rates, and the possibility of their increase, when looking for houses. A careful investigation would probably show that houses or flats where the rates and taxes are paid directly by the landlord, let at a proportionately higher rent than those where the tenant is immediately liable. For example, take a house or flat that the landlord is willing to let at £90 a year; rates and taxes being estimated at about £18 additional, so that the total cost to the tenant would be about £108. In such a case, if the landlord undertook to pay rates and taxes, and thus remove all elements of uncertainty, it may safely be stated that tenants entering upon a lease would be willing to settle for a total rent of £110. This consideration is probably one of the many reasons why modern flats command such high rents.

In London, however, the immediate landlord is rarely the owner of the freehold; he is probably a builder who has hired the land on a long lease. Here then, it may be argued, the actual owner of the land escapes taxation, the whole burden being borne hy that useful person, the speculative builder, who risks his capital to provide houses for his fellow-men. Certainly not. The builder, when he makes his bargain with the freeholder, knows perfectly well that the local rates which he undertakes to pay have a tendency to rise, and he estimates accordingly. It is as much part of his business to allow for rates and taxes as to allow for the cost of bricks and mortar.

A rate upon houses may fall upon the builder.—On the other hand, it must be remembered that local rates in England are levied not on the value of the site, but on the house and site together, and as a rule the house is the more considerable item. Take, for example, the case of a building estate well on the outskirts of a town, where the land by itself has only a market-garden value. As market-garden land it has been liable to rates and taxes which have undoubtedly come out of the landlord's pocket. This left him with a certain net income, and unless he can realize at least this net income by letting (or selling) the land for building sites, he will keep it as a market-garden. Thus the market-garden rent, minus the market-garden rates, forms the minimum rent at which the land can be got for building

purposes. If then the builder gets the land at this minimum price, he clearly cannot throw back upon the landlord any additional rate put upon the house when built. Such additional rate will in fact act as a virtual addition to the cost of building the house, and will, therefore, generally present itself in the price of the house.

But this is rarely the ease.—If, however (as would be the case where the land is close to a town), the actual rent paid by the builder exceeded the above minimum rent, it cannot be said that the local rate would add to the cost of the house. For the fact that the landlord could get from his land even a penny more than market-garden value, would prove that the builder anticipated for himself a profit after paying all expenses, including rates and taxes; so that if, when the house were built, the local authority were to forego the additional rate chargeable, it would only be making an unexpected present to the builder. And if the builder had known beforehand that this present would be made to him, he would have been willing to pay a higher ground-rent to the landlord.

We have thus arrived at a rough criterion by means of which we can determine, as between the ground-landlord and the speculative builder, who pays the rates charged upon buildings. If the ground-rent is just the bare agricultural rent or market-garden rent, it is probable that the builder has got the land at the lowest price at which he could get any land for building purposes, and therefore the rates imposed upon the house will be a real addition to the expenses of building. If, on the other hand, the ground-rent is a serious item, then it is certain that the rate upon the building, as well as the rate upon the land, will really be paid by the owner of the soil.

But in applying the above criterion it must always be remembered that the ground-landlord often takes only part of his rent in cash. The house that the leaseholder builds is by the law of England added to the freehold. Both parties to the bargain are necessarily aware of this fact, and the stipulated ground-rent will be reduced accordingly. In other words, the ground-landlord takes part of his rent in bricks and mortar. Hence a nominal ground-rent of a few pounds an acre, apparently nothing more than land would be worth for agriculture, may really represent a very heavy Bearing this in mind, it will be found that the urban rent. cases are extremely rare where local rates and Imperial taxes on the building are borne by the builder. Probably in nine cases out of ten they have been deducted beforehand from the rent, or the purchase-money, payable to the freeholder.

A particular illustration.—This conclusion is so important that it is well to look at it from every point of view. As a particular illustration let us take the case of Holland Park. The owner of this historic ground is now letting off a portion of it on building lease. Substantial private houses are to be built, and for the site of each a ground-rent of froo will be charged. The houses when built will be subject to heavy rates, payable to the Kensington Vestry, the London County Council, and the London School Board. They will also be subject to the Imperial Inhabited House Duty, and possibly the assessment for the Land Tax may be increased—this last probably a trifling matter. All these charges will be payable either by the occupier of the house, or by the leaseholder who builds it. The owner of the soil will hear nothing of them until, at the end of the lease, the

i I think this is the actual figure, but it is a matter of no consequence to the argument.

house which he did not build becomes by the law of England his. Apparently then the owner of Holland Park escapes all taxation except income tax on each £100 of ground-rent. In reality every charge falls upon him; for were these local and Imperial charges removed, the occupants of the houses would be able and willing to afford so much more house-rent, and the leaseholder, knowing this, would have been able and willing to pay so much more ground-rent. The matter, in fact, is purely one of private bargain; and if the owner of Holland Park cared to make a profitable speculation he would offer to make himself liable for all rates and taxes upon his estate.

Why landlords avoid direct liability for rates.-- Why then, it may be asked, do the London ground-landlords never in practice make such an arrangement? For two good reasons. As a class they do not understand speculative business; their tradition is to let their land at the best price they can get, and to leave to the lessee the business of making a profit out of it, if he can. The second reason is political. The power to impose rates is vested ultimately in an electorate, composed roughly of all the householders in a town. Under the present arrangement a very large number of householders are also ratepayers; that is, are personally liable for the rates, with no power to deduct them from rents previously agreed upon. These electors, therefore, have at present a direct interest in keeping down the rates. Were the landlords as a body to become liable for the rates, this check on local expenditure would be withdrawn and the owners, hopelessly outvoted at the polls, would soon discover that they had made a bad bargain.

Possible cases of hardship.—We must take this point then as established, that except in the case dealt with above,

local rates, as well as Imperial taxes upon land, fall ultimately upon the owner of the soil.

Is there, however, no injustice in practice owing to the fact that it is the occupier or householder who immediately pays the rate? Probably not much. Cases may indeed occur where an unlooked-for rate is imposed during the currency of a lease, and this the tenant must pay. And it may happen that the rate ceases about the time that the lease runs out. In this case the tenant will get no reduction on his next term of occupation. Should it further happen that this unlooked-for rate was spent on an important local improvement, its effect will be to send up the value of the land, so that the tenant will have to pay an increased rent on account of the very improvement to the cost of which he has already as a ratepayer contributed.

Such a coincidence, when it occurs, must be extremely galling, but it is not a peculiar consequence of our system of local taxation. Even more galling instances of landlord's right and tenant's wrong might be quoted where no question of taxation is involved. Under English law whatever is fixed to the soil belongs to the owner of the soil—Quicquid Plantatur solo, solo cedit. A man may therefore improve his house entirely at his own expense, and afterwards be charged a rent on his own improvements. Clearly such a violation of equity will not be prevented by tinkering with local taxation.

Why local rates are unpopular. Indeed the fuss made about local rates is probably the outcome, not of any wide-spread belief that they are unfair, but of the general dislike of the British citizen to direct taxation. In almost every town in the kingdom associations of ratepayers are formed to keep down the rates. But where is there any association

of smokers to protest against the tobacco-duty, or of whisky-drinkers against the taxes on spirits? And yet the total taxation borne by tobacco and alcohol is more than \pounds 40,000,000 a year, while the revenue raised by local rates only amounts to \pounds 54,000,000 for the whole of the United Kingdom. Again, the householder who grumbles at every fraction of a penny added to his local rate, never thinks of murmuring at the farthing or more that the Government levies as a tax on each penny letter that he posts.

In brief, local rates are objectionable to the payer principally because he is conscious of the payment; they are unsatisfactory to the community, because they are so collected as to cause an altogether needless amount of irritation. In the previous pages it has been shown that local taxation falls in reality upon the owners of the soil—a small and generally wealthy body of persons. The system of collection is, however, so arranged that in appearance the tax is paid by the occupiers—a large and rarely wealthy body. Thus while the few and the rich really pay the tax without feeling it, the many and the hard-pinched feel the tax without paying it. Common sense suggests that the nominal burden shall be laid where the real burden must finally fall.

Such a simple solution of the problem of local taxation would, however, create a constitutional difficulty of some magnitude. The owners of the soil might with justice complain that they were being taxed by administrative bodies on which as owners they had no direct representation, and where as individuals they were hopelessly outvoted. It is perhaps on account of this possible constitutional difficulty that some politicians have formulated a com-

promise.—Let the rates be divided equally between owner and occupier.

The proposed division of rates.—This proposal is evidently based on the assumption that only two persons are concerned in the question-the owner who at present draws all the rent, and the occupier who pays all the rates. But in London, at any rate, this simple arrangement is distinctly rare. In each London house there are generally three parties concerned, sometimes more. Nor is it the case that the actual occupier is always the nominal ratepayer. To the majority of Londoners the rate-collector's knock is absolutely unknown. In Kensington flats, as in Whitechapel buildings, the tenants know nothing of rates or taxes; the landlord pays all. The weekly seven shillings of the East End workman, and the quarterly fifty guineas of the West End plutocrat, both include every kind of local rate and Imperial tax. It is hard to believe that any political party seriously proposes to upset this voluntary arrangement, and compel every householder in London to pay half of the local rates with his own hand. Apart from the extra expense of collection, the unpopularity of the change would be intense. Rents of working-class houses are generally on the rise in London and other large towns, and consequently the landlord would, in the majority of cases, be able to pocket the whole of the relief, leaving the tenant paying the same rent as before, plus the new burden of half the rates. Nor would other householders necessarily profit even in appearance. The effect of the arrangement in each particular case would in fact depend on the state of the market for houses. In a suburban district where rents were rising, the owner of houses on which the occupier was liable for the rates, would utilize the partial relief of his tenant as an

excuse for putting up the rent. It would only be where rents were stationary or falling that any net profit would, even in appearance, accrue to the occupier.

The woes of the long Lease-holder.—This aspect of the question seems to have been altogether overlooked by the advocates of a division of rates between owner and occupier; they seem to have assumed that such a compulsory division must always be an advantage to the occupier. The favourite instance is that of a man who has built a house on a long lease. Here is a stock case extracted from an electioneering speech.

"In the year 1820, a great nobleman laid out a large tract of land on a lease of 99 years. The tenant agreed to build a house, and at the end of the 99 years he was to give back to the great nobleman's family the soil and the house he had built upon it. (Shame.) During the time of the lease the tenant was to pay the rates. But what were the rates seventy, or sixty, years ago? One thing undoubtedly for which no rates were then paid was popular education. The very idea that it was the duty of the public to educate the people did not exist in 1820 and 1830."

Hence the speaker concluded, that the leaseholder is wronged because by the terms of his bargain he now has to pay rates which in 1820 he had no possibility of foreseeing. But neither had the landowner any possibility of foreseeing the enormous growth in the value of his land. He expected, of course, some growth, probably a considerable growth, just as the leaseholder most likely expected some increase in the rates, and they made their bargain accordingly. The builder was to have the land at an easy rent, perhaps £5 per annum, for the site of each large house, for 99 years; he was to

See Daily News, Feb. 6th, 1892.

make himself liable for all rates and taxes, except landlord's income tax, and at the end of the lease the land with the house upon it was to revert to the landlord. The bargain was not apparently a bad one for the landlord, but it has turned out still better for the leaseholder. Surely even political speech-makers must be aware of the high prices which the fag ends of leases fetch on the London estates of "great noblemen." In spite of the burden of unforescen rates, in spite of the landlord's power to resume the house as well as the land, people are willing to give large sums of money in order to plant themselves in the leaseholder's shoes.

The truth is, that in most parts of London the value of land has increased in a far greater ratio than the burden of local taxation, and the leaseholder has consequently made a handsome profit on his bargain. It is this bargain that one-eyed reformers want to tear up, in order that the burden of the rates may be divided between occupier and owner. For Parliament, when redistributing the liability for the rates, must give to the parties who are bound by a lease, power to revise their bargains, at any rate to the extent to which their respective incomes are affected by the altered liability. Hence in all districts where rent is on the increase, the utmost that the occupier could hope for would be that the decrease in his rates would just counterbalance the increase in his rent.

Proposed special taxation of ground values.—Another proposal often made for reforming local taxation is to impose a special charge upon the value of the land, apart from the value of the house. This proposal is principally advocated by the followers in this country of Mr. Henry George. Starting with the premise that all taxation should fall upon

land, they object to a tax which is assessed upon the value of the building as well as upon the value of the site. A tax upon houses they contend is a tax upon a manufactured commodity, and enhances the price of this commodity to the consumer. This plausible contention is in practice, as we have shown above, rarely true. The builder of houses is generally willing to pay for the site a rent which proves by its magnitude that, after meeting every expense, he hopes to make at least the ordinary business profit. If then his expenses were reduced by liberating the fabric of his houses from taxation he would be ready to pay more ground-rent. It is thus upon the ground-landlord as a rule that the rate upon buildings as well as the rate upon sites ultimately falls.

Consequently the practical advantages of a separate assessment of building sites are not obvious. The practical difficulties are serious. In the first place, it is not generally possible to determine accurately the value of a site apart from the building upon it. The site and the building together make up a whole thing which has an ascertained value; it does not follow that the value of the land will be arrived at by deducting the cost of the house, i. e. the cost of building another house of exactly the same character and quality. In some cases the value of the whole thing—the house and site—may be due mainly to the house, in other cases mainly to the site. For example, a public-house in a suburb will command a rent far above the rent that would be arrived at by taking the value of an adjoining piece of vacant land, and adding to it the cost of building the "pub." On the other hand, an oldfashioned, but well-built, dwelling-house in a modern quarter may let at a rent barely in excess of what the land alone would be worth, if it were cleared for a new building. In

such cases, on what principle would the assessors proceed in dividing the rate between site and building? They cannot take as a guide the value of neighbouring sites, even were these known, for their value would not be the value of this particular site. Nor can they take a builder's estimate of the cost of the fabric of the house; for the shoddy "pub" may be more valuable, *i.e.* may command a higher rent than the solid mansion.

And even if these ariministrative difficulties were surmounted, we should still have to face the constitutional difficulty already touched upon. If a special rate is to be imposed on ground values, and charged upon the owners of the soil, they may not unreasonably demand, as they have demanded and obtained in Scotland, special representation on local bodies. The demand will be hard to resist by politicians who proclaim as the first article in their creed, that taxation and representation should go together. We should therefore be driven to make a serious inroad into the democratic character of our institutions, solely for the sake of remedying an imaginary grievance.

The proposed rating of vacant sites.—A more reasonable proposal for the partial reform of taxation in towns, is to bring vacant land within the area of assessment. At present town land not built over is either not rated at all, or only rated at its agricultural value. In this way the local authority loses a considerable potential income. On the other hand, it must be remembered that the owners of the soil also lose the income they might derive from it, and there is some hardship in asking people to pay a tax for a property on which they are earning no income. In fact such a proceeding is so contrary to the general principles of taxation, that it obviously needs some special defence. The mere fact

that the local authority loses so much income is no defence; it would be as reasonable to argue that the County Council should be authorized to impose a tax on tall hats, because the absence of such a tax involves the loss of a potential revenue. The defence for the proposed new tax, or extended assessment, is in fact social rather than financial. As long as the owners of vacant land are free from taxation, they can, it is contended, hold back valuable sites with a view to forcing up the price; a tax calculated on the selling value of the property would provide them with a considerable inducement to let go. In other words, the owners of vacant sites are to be taxed, and to this extent the owners of covered sites relieved of taxation, in order that building land may be brought into the market.

Doubtful expediency of the proposal.—To the theory of such a tax there is no serious objection. But would the tax in practice bring about the desired result in the manner desired? The preparation of land for building purposes is, it must be remembered, largely a matter of speculation. The owner of fields near a town, hoping that the town will grow, lays out his property in convenient plots, intersected by roads. Then he waits for an offer. He may have to wait a dozen years, and all this time he will be receiving no rent; but he submits to the present loss in the hope of future profit. If, however, he had known beforehand that not only would be get no income till tenants came, but that also he would have to pay a heavy annual rate, it is at least conceivable that he would have been less ready to break up his fields into building-plots. Thus the tax intended to bring more building-land into the market, might in some cases have exactly the opposite effect. And even where the effect intended was also the effect obtained, the result

might not be from every point of view desirable. For example, in the parish of Kensington, there is a large area of vacant land worth thousands of pounds per acre to build upon, but the owner escapes with a nominal rate on the agricultural value of the land. A monstrous illustration, says the Henry Georgeite, of the iniquities of our land system. If, however, we make further investigation, we shall find that this vacant land, or most of it, is otherwise known by the name of Holland Park, to which allusion has elsewhere been made. The owner of what remains of this splendid park obtains no rent for it, while his personal enjoyment of the park is after all, probably, not much greater than that of any passer-by who peeps through the railings. But the park is there, with its glorious trees, and its green grass, and its historic associations; and every Londoner may be part possessor of its charms. Yet the very persons who wish to "restore the land to the people," would be ready with their patent tax to compel the owner of Holland Park to break it up into building sites for a few wealthy residents.

The truth is that the proposed tax on vacant land is at best a clumsy device for securing an object that ought to be secured by more direct means. If land is wanted for building purposes, and the owner refuses to let it go, the local authority should be empowered to take it. And conversely, the local authority should have power to prevent the speculative builder from covering with bricks and mortar land that would be more useful to the community as a park or open space.

Failure of the three popular remedies.—These three suggestions—the division of rates between owner and occupier, the taxation of ground values, and the rating of vacant

sites—are the proposals most frequently made for amending the present system of local taxation. As we have seen, they will none of them bear the test of criticism.\(^1\) And this was to be expected, for they are all tainted in their origin by the false theory that rates fall upon the occupier, and are all prompted by the paradoxical desire to make the owner pay what he already does pay. The grievance, in fact, which the followers of Mr. George, together with some more level-headed persons, seek to remove is purely imaginary; the means they propose to employ would only be applicable, if even then, were the grievance real. A grievance, it is true, is a grievance still, even if it be imaginary.

"There is nothing either good or bad, but thinking makes it so."

Only if the grievance be imaginary, it must be dealt with on that understanding.

The problem re-stated.—Let us re-state the matter. It has been shown above that rates, both upon buildings and upon land, in the vast majority of cases fall ultimately upon the owner of the soil. Sometimes it is the freeholder who pays the rate at first as well as at last; sometimes there is a leaseholder who is the immediate payer; sometimes the actual occupant is the person favoured by the collector's visit. One can only guess at the relative proportions of these three cases, but it is safe to say that the last represents less than half of the whole number of householders; it is

¹ Mr. Sidney Webb, who has made a special study of this subject, while approving of the principle asserted by the proposals to divide rents between owner and occupier and to levy a special rate on ground value, remarks that "it is doubtful whether any large addition to local revenues could rapidly be obtained from these sources without causing such a depreciation of the value of property as would inevitably be regarded as confiscation."—Webb, London Programme, p. 200.

this case, however, that causes most of the trouble. For when the rate-collector appears, the occupier of this class generally forgets that the demands of the collector were discounted, in fact if not in phrase, when the rent was agreed upon. He therefore treats each demand as a compulsory deduction from his personal income, and hates it accordingly. Hence arises the typical parsimonious ratepayer: the man who uses all his powers as an elector to keep down local expenditure lest rates should rise.

Electors who never feel the burden of taxation. Equally objectionable from another point of view is the effect of the rating system on the large class that knows not the rate-collector. This class, forming the numerical majority of the population, is freed from all responsibility in the matter of local taxation. Hitherto, its actual power at the polls has been inconsiderable, but is now rapidly on the increase. The working men, who form the bulk of the class, are beginning to emancipate themselves from middleclass guidance, and to formulate a policy of their own-a policy which involves generally an enlarged public expenditure. To this as a policy there is no general objection; the State could with advantage undertake many things that are still left to private individuals to do, or are left undone, and with equal advantage the State could spend more money in doing well some of the things that it now does cheaply and badly. But it is hardly probable that the question of what the State should do and what money it should spend will be treated with proper caution, when the people who call for the policy know that they will bear none of the expense of carrying it out,

The present system of rating doubly bad.—From both sides then our system of rating is bad; it makes the middle-

class elector protest with extravagant zeal against burdens that he does not really bear, and it leaves the working-class elector totally unaffected by burdens that his vote can impose. What is wanted is a system that shall bring home to each citizen some responsibility for public expenditure, but only so much responsibility as actually belongs to his portion of the public burdens. In other words, the ideal tax would affect every elector, while every tax-payer would know exactly how much he was paying.

Combined income tax and electoral poll tax, -- Such a tax is unattainable in its ideal purity. But it may here be suggested, as a parenthesis to our main subject, that a graduated income tax comes nearest to the ideal, and would get over most of the difficulties of local taxation. present income tax in England, it is true, stops at incomes below £,150, but it could, without serious difficulty, be extended in the form of a graduated poll tax to every adult citizen. Assuming the country to possess, as it some day will, universal suffrage, it would be the duty of the revenue officials to seek out and place upon the electoral register the name of every adult person. Of the electors thus automatically registered, the wealthier portion would be charged with income tax on a gradually ascending scale; the poorer portion with a poll tax roughly graduated according to the elector's estimated income. In some such way as this each voter could be brought to realize that his power to control the State was directly connected with his willingness to support the resulting burdens, both local and imperial.

Income tax compared with house tax.—But the main advantage of an income tax, as compared with a house tax, is that it is less easily shifted. A rate upon a house comes out of the price that a tenant is willing to afford for one

particular item of his expenditure; but a tax upon a man's income affects the whole of his expenditure, and there is no reason why he should try and shift it on to his landlord rather than on to his tailor or his wine merchant. To meet the tax he either curtails his general expenditure or decreases his savings, but he does not, as in the case of a house tax, pass on the charge bodily to another person by reducing the price that he would otherwise have paid for a particular thing. It may therefore be assumed that the burden of an income tax generally rests with the person on whom the tax first falls. And this being the case, it becomes possible so to adjust the tax that it falls as nearly as may be with equal severity on all persons.

The present income tax in England has many serious defects, but even as it stands the real grievance it causes is probably less than the imaginary grievance caused by the system of local rating. For a man's income is generally a better test of his ability to bear taxation than is the value of the house in which he lives. It is a matter of every-day knowledge that persons whose incomes differ very largely indeed, frequently occupy houses of identically the same value. For example, in a London suburb a struggling city clerk may be in possession of a bijou villa filled to overflowing with youngsters whose limbs grow more rapidly than their garments; next door may be a prosperous old bachelor filling an exactly similar house with handsome farniture and expensive pictures. On the basis of house assessment each man would pay the same tax, but the prosperous bachelor, amply housed in his little villa, may have double or treble the income of his crowded neighbour. Again, the house of a physician is also his place of business; he must have a good house in a good quarter if he wishes to attract patients.

is for these considerations that he pays a high rent, not because his income is necessarily large: next door to him there may be a retired Jew who could buy him up ten times over.

Possible reforms in the present income tax.—Even the present income tax then would probably be felt as a less irksome impost than local rates as now assessed. And the present income tax is capable of considerable improvement. In the first place, it can be graduated so that large incomes are taxed at a higher rate. Next, provision can be made for reducing the tax where the income is precarious. A man whose income depends on his personal health, or on his life, is a less fit subject for taxation than a man in possession of an income of the same amount guaranteed in perpetuity. The best way to meet this inequality is by allowing the holder of the uncertain income to claim a heavy rebate off the full amount of the tax.

Again, the income tax would probably be fairer, both to tax-payer and tax-receiver, and certainly less troublesome to the former, if it were levied not on an average of the three years' income, but on the actual net income of the last completed year. At present a business man after a bad year, when every pound is of consequence, may have to pay a heavy tax because of the profits of the two preceding years; and if he has a dispute with the revenue officials he must produce his books not for one year only but for three.

With these reforms the income tax would become as fair a tax as can be devised. Indeed, almost the only objection to it is the dishonesty attending its assessment. Unscrupulous

¹ Both these reforms, and others too detailed to be here discussed, are ably advocated in the *Financial Reform Almanack* for 1891, pp. 59-63.

persons habitually return their incomes at less than their true amount, and it is often impossible for the revenue officials to detect the fraud. The same persons, however, are always ready to evade taxes on commodities by smuggling spirits or cigars. And even the taxation of houses and land is not free from the suspicion of dishonesty. A committee of the London County Council has recently unearthed a number of cases of properties under-assessed by the parish authorities, some of which are difficult to reconcile with an hypothesis of universal honesty.

It must be noticed too that the assessment of the income tax is likely to be easier in the near future than in the past. Private businesses are being merged into public companies, and profits, before uncertain and individual, are now accurately calculated and divided among several persons as salaries or dividends. The new company becomes primarily responsible for the tax and deducts it from the salaries of its employés or the dividends of its shareholders.

Administrative advantages of a local income tax.— From an administrative point of view the substitution of an income tax for local rates would be an immense economy. The same officials who collect the imperial income tax would also collect the local income tax; the same demand note would even be used; so many pennies in the pound for parish or town purposes; so many for the county treasurer; and so many for the national exchequer. This arrangement would at once get rid of the pernicious system of "grants in aid" from the imperial exchequer; for if the basis of imperial and local taxation was the same, there would no longer be any excuse for relieving local rates at the expense of imperial taxes. One difficulty may be suggested; how would the collectors decide to what locality to assign the

tax on the income of a man living in one parish with his place of business in another? Here again the answer is to be found in combining taxation with electoral registration, each individual having a vote in that district, and in that only, where he paid his personal income tax.

An income tax the most perfect method of taxing real property.—Lastly, it must be remembered that a local income tax would not abolish the taxation of real, i.e. fixed, property which is now the distinguishing feature of local taxation in England; on the contrary, it would levy the taxes on real property in a more efficient manner than at present. For when we speak of taxing any class of property, it is the income derived from that property, not the property itself, that we are thinking of, and our object is to bring within the scope of the tax the income of every person beneficially interested in the property. This is exactly what is effected by an income tax. Take, for example, a house in Bayswater fairly assessed at £90, rented by the occupier on a beneficial agreement at £80, and held by an intermediate landlord on a building lease at £15. Here three parties are concerned: the occupier who enjoys, as it were, £10 of the rental of the house; the leaseholder who nets £65 a year; and the freeholder with his ground-rent of £15. The Commissioners of Inland Revenue demand from the occupier \mathcal{L}_2 5s. od. (6d. in the pound on \mathcal{L}_{90}): this he pays, and deducts \mathcal{L}_2 (6d, in the pound on \mathcal{L}_{80}) from his next payment for rent; in turn the leaseholder deducts 7s. 6d. from the £15 ground-rent due to the freeholder. Thus each of the three parties concerned pays a tax proportional to the profit which each derives from the house. The income tax in fact, as already administered for imperial purposes, realizes in the most perfect manner

possible the ideal clumsily expressed in the agitation for a division of rates between owners and occupiers, and the special taxation of ground-values.

No reason why personalty should escape local taxation.--The difference is that an income tax would in addition bring within the tax-collector's net, incomes derived from other sources than the possession of real property. It is exactly on this ground that the followers of Mr. George would object to the proposal to extend the income tax. With this general objection we will deal in another chapter; but as regards local taxation in particular, a few words may here be said. To take, first, two of the main burdens falling on local revenues, is there any reason in the nature of things why the owners of realty should pay the whole of the poor rate and education rate, while other well-to-do people go scot free? As has been pointed out in a previous chapter, the obligation to maintain the poor is a moral obligation, and cannot with reason be made to depend on the source of a man's income. In a similar way the burden of public education should rightly fall upon every citizen. Again, landowners, quâ landowners, have no special interest in the efficiency of the police force or of the fire brigade. A landowner's house is not more likely to be burnt down by fire or to be broken into by burglars than is a stockbroker's or a barrister's; nor do pickpockets confine their attentions to "great noblemen." The higher police too of modern times—the prevention of adulteration and light weight, the inspection of workshops—interests the landowner, quâ landowner, not at all. What remains? The expenditure on drainage, paving, and lighting; on public parks and new thoroughfares.

The first two are undoubtedly items of direct interest

to the owners of the soil. The value of a house depends as much, and often more, on the quality of the approaches to it and the drains from it, as on the thickness of its walls and the size of its rooms. It may be taken as indisputable that all improvements in the removal of sewage and refuse, and in paving and lighting of public thoroughfares. sooner or later lead to an increased rent of houses. If therefore the occupier pays rent to his landlord for an improvement executed by the local authority, it is only equitable that the cost of the improvement should be borne by the landlord and the landlord alone. This, under the present system of rating, is what ultimately happens; but with a local income tax falling on all incomes, the landlord would only bear part of the cost. Hence for improvements of this particular kind it would be fair and feasible to charge a special income tax on the profits arising from real property in the localities affected.

The proposed "improvement" rate.—The other two items mentioned, public parks and new thoroughfares, are very similar in character. The creation of a public park generally sends up the value of the neighbouring property, not only because people like to live near a park, but because the operation has restricted the area available for building. In the same way a new thoroughfare will as a rule enormously enhance the value of the sites bordering upon it. Here, then, appears an obvious case for a special rate upon the persons beneficially interested in the property. Such a rate has frequently been proposed under the name of a "betterment" rate, and recently the London County Council has become so convinced of the merits of the proposal that it has refused to sanction any street improvement until Parliament will authorize this method of taxation.

Unfortunately this resolute action is less easily defensible than at first sight appears. For the betterment rate advocated by the County Council is only an alternative means of carrying out a principle already recognized and already acted upon in another manner. When a new street is to be made, the local authority can purchase compulsorily property on both sides of the intended roadway, and as soon as the cutting is completed they can sell or let this property at such enhanced value as it may command. If the operation is skilfully carried out, the advantage reaped is as great or even greater than would accrue from the assessment of a betterment rate. For example, in the case of Northumberland Avenue in London, the whole cost of the new thoroughfare was more than paid for by the profit derived from the surplus land acquired and afterwards disposed of; whereas the most that the advocates of "betterment" ask is that half the cost of any improvement should be borne by a special rate on neighbouring property. Thus the dispute about betterment involves no question of principle, but merely one of administrative detail.

Recoupment versus betterment.—As against the present plan of acquiring surplus land, it is urged that the terms on which a local authority can buy land are generally so heavy that there is no profit to be made out of the transaction. This surely depends partly on the way in which the operation is managed. There is, however, no doubt that the powers of local authorities for the compulsory purchase of land are insufficient. It ought to be easy for a local authority to buy up beforehand properties that are likely to be required for future improvements, so as to prevent the artificial inflation of prices that now takes place when an improvement scheme is announced. Again, the local authority

should have power to take legitimate advantage of any clearance made by private persons; at present it constantly happens that a new house is run up on land wanted for an improvement in order to secure compensation when the improvement is made.

On the other hand, as regards betterment, it is extremely difficult to determine to what extent the value of any part of a given area has been affected by a public improvement. And yet this question must be determined before the betterment rate can be imposed, and the rate must be imposed before any direct evidence of the alteration in value can be obtained from experience of the improvement. Again, if the improvement is to be charged on the local landowners, they may reasonably claim to have some voice in deciding whether it shall be undertaken at all. This consideration, it may be noticed, was omitted when we were considering the question of paving, lighting, etc., and for this reason, that the lighting and paving of streets, and the construction of main sewers are matters involving no dispute. Every one, landowner as well as householder, realizes their importance, and the local authority, in carrying out such improvements or repairs, is only doing on behalf of the landowners, work which they would find it difficult to do for themselves. But the creation of public parks and new thoroughfares is another matter. To the local landowner such improvements can only appear in the light of a speculation; under the betterment scheme he must bear the cost, and yet, as landowner, he has no voice in deciding whether the risk shall be incurred.

From this point of view the purchase system is the more equitable. The whole community, through its representative authority, decides on the scheme; the whole community

by purchasing the surrounding sites undertakes the speculative risk involved; should it turn out that the speculation was unsound, the general advantage gained by the improvement will be some set-off to the loss on the speculation.

Summary of the conclusions arrived at. We may now briefly summarize the present chapter. First, it has been shown that all taxes upon land fall ultimately upon the owner of the soil, whoever pays them in the first instance. Secondly, that in the same way, taxes upon buildings and other improvements fixed to the soil fall generally upon the ground-landlord. The case where he escapes is where he has parted with his land on terms which implied that it had only an agricultural value. The tax on this value falls upon him, but any extra tax that may be imposed on any building added to the soil, will, in this probably rare case, fall upon the builder. Hence we arrive at the position that local rates as assessed in England are in the majority of cases ultimately paid by the ground-landlord. The acceptance of this position at once reduces the importance of the proposals made for dividing the rates between occupier and owner, or for imposing a special tax upon ground values and upon vacant sites. Practical objections to each of these proposals have been pointed out, and it has been suggested that the best remedy for the imaginary grievance of the local ratepayer is to substitute an income tax for the present rate upon houses. This would be the fairest method of meeting the bulk of the expenditure, present and to come, of local authorities; but in the case of public services which are of special benefit to the owners of houses and sites, such as paving and lighting, the tax should be confined to incomes derived from the possession of real property. The proposed substitution of a local income tax

for the present house-rate would, it is true, ultimately relieve landowners of part of a burden which is now wholly theirs. On the other hand it would, without violating a single contract, immediately diminish their present incomes to the extent of their share of the tax, and it would inevitably deprive them of the relief which they now get from the imperial exchequer. There is no reason then for thinking that landowners would gain more than any other class in the community by the introduction of a more equitable system of local taxation.

CHAPTER VI.

CONFISCATION OR COMPENSATION.

In the preceding chapter various proposals for the reform of local taxation were considered, and rejected for reasons drawn from generally accepted principles of taxation and government. The division of rates between owner and occupier, the special taxation of ground values, and the assessment of vacant sites, are all ostensibly advocated as useful reforms of a defective system of taxation. Tried on this plea they must all be condemned. But behind this modest plea is the larger theory that land is the most suitable subject for all taxation; and it needs but a slight acquaintance with current doctrines and contemporary actors to know that some of the advocates of these proposals are more anxious to "get at the landowner" than to relieve the ratepayer. The proposals just mentioned cannot then be finally dismissed because they fail to satisfy the tests that would be applied to other suggestions for taxation reform; they must be further dealt with as parts of a general scheme, or rather as tentative expressions of a general theory, that the owners of land should be taxed more heavily than other persons. It is this theory that we propose now to consider.

Special taxation is a form of confiscation.—The theory

that landowners should be specially taxed is obviously only another form of the theory that landed property should be confiscated by the State. Every tax, so far as it goes, is a confiscation of the property of the person taxed; and therefore to declare landowners liable to special taxation, is equivalent to saying that their property is specially liable to confiscation. A light tax upon landowners quá landowners is partial confiscation; a tax of 100 per cent. is complete confiscation. This identity of confiscation and special taxation is fully recognized by the advocates of the single tax on land. In *Progress and Poverty* Mr. Henry George first declares that his object is to confiscate rent, and then explains that the means he proposes to employ is the taxation of land values.¹

The landowner's income, not his land, is at stake.-It must next be noted, in dealing with the question of confiscation, that it is with the income derived from the land that we are concerned, not with the land itself. A landowner may be, often is, forcibly deprived of his land for the benefit of the community, but provided he receives an equivalent money value nothing is confiscated. This fact again Mr. George recognizes, and strictly fimits his proposals to the confiscation of rent. "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. Let them continue to call it their land. Let them buy and sell, bequeath and devise it. 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."2

¹ Progress and Poverty, p. 288.

^{2 746}L, p. 288.

The question then which we have to consider narrows itself down to this: do any reasons exist why incomes derived from land should be confiscated while other incomes are spared?

Some of Mr. George's arguments.-Mr. George's argument on this point can hardly be taken seriously. The main contention of his book is, that private property in land is essentially unjust. He devotes a whole chapter to the "Injustice of Private Property in Land"; and throughout the volume such remarks as the following are plentiful -"The recognition of individual proprietorship of land, is the denial of the natural rights of other individuals." 1 "Our boasted freedom necessarily involves slavery, so long as we recognize private property in land;"2 and so on. Yet, a few pages later, in the passage just quoted, he declares explicitly that he does not wish to abolish private property in land, but only to take the profits. Mr. George would reply that by confiscating the whole of the rent he takes all the sting out of private property in land, and thus effectively abolishes the institution. It may be so,—the point will be discussed later on,-but if it is so, it can only be because the confiscation of all rent has some economic effect in addition to the money gain to the public treasury. This economic effect—e.g. forcing owners to bring their land into the market-would clearly continue to exist if the public treasury were to repay in the form of annuities what it had taken in the form of taxation. The only advantage then that can be attributed to the confiscation of rent is the profit to the exchequer.

The same advantage would result from the confiscation of other forms of property; but to this Mr. George on

¹ Progress and Poverty, p. 241. 2, Ibid., p. 253.

principle objects. Private property in capital he regards as essentially just, and he is as tender to the pocket of the millionnaire capitalist as to that of the half-starving labourer. When, however, he comes to deal with practical objections brought against his "remedy," he admits that it is often impossible to separate the value of the land from the value of the improvements upon it. "Absolute accuracy is impossible in any system, and to attempt to separate all that the human race has done from what nature originally provided would be as absurd as impracticable." 1

A compromise that destroys the principle.—Exactly so, but if the accuracy goes, the argument goes with it. It is the bare land, and the bare land alone, that was, as Mr. George would phrase it, given by God to the human race, and thence afterwards stolen by a handful of individuals. This is the primary theft that no lapse of time can convert into a good title. But anything that the human race has added is, according to Mr. George's classification, not land but capital, and remains capital, even though it be not, to our present eyes, distinguishable from the original properties of the soil. When therefore Mr. George proposes to allow only for the "value of the clearly distinguishable improvements, made within a moderate period," he is going back on his fundamental principles. He is confiscating something which is not land, and which was therefore not stolen; he is, in fact, confiscating capital. But if one form of capital may be confiscated, why not others?

The appeal to "natural" law.—Nor will Mr. George's principle itself hold water. It is based on the assertion of the existence of some natural law of right and wrong, which

¹ Progress and Poverty, p. 302.

overrides laws established by opinion or authority. No such law exists. Metaphysicians and theologians may argue about what they are pleased to call "natural" law, till words fail them, but until their "natural" law has been adopted by public opinion, or embodied in a judicial decision, or set down in a statute, it is no law, but only somebody's opinion of what ought to be law. Everywhere the average individual must conform to those laws which are pressed upon him by his neighbours or forced upon him by his rulers—laws which he knows and understands; he cannot be expected to start a little code of his own, evolved out of abstract argument, and defy to his own destruction the world around him.

Some consequences of confiscation.—This general answer to Mr. George covers so much of the ground, that it is hardly worth while to reinforce it by illustration. The task too has been often done. It is a commonplace to point out the widely ramifying injustice that would result from an attempt to confiscate any one form of recognized property. A trustee of an estate held for minors may buy for one ward, gas shares, for another, ground rents; Mr. George would confiscate the ground rents and leave the gas shares. A banker in all honesty of purpose may invest the money at his disposal in freehold mortgages; Mr. George would confiscate the investment, and thus possibly ruin some disciple of his own who had left his money in the bank rather than buy land with it. Such illustrations might be multiplied without limit, but they would add little to the force of the general considerations urged above. When two or more forms of property exist side by side, all regarded by contemporary opinion as equally sacred, the confiscation of one specified form works a wrong which

neither metaphysics, nor theology, nor rhetoric can twist into a right.

The toll that the landowner levies.—And what is it that Mr. George hopes to gain by this wrong? Rent, he tells us, "is a fresh and continuous robbery that goes on every day and every hour. It is not from the produce of the past that rent is drawn, but from the produce of the present. It is a toll levied upon labour constantly and continuously. Every blow of the hammer, every stroke of the pick, every thrust of the shuttle, every throb of the steam engine pay it tribute." And so on for half a page more, with much about "agricultural gangs" and "squalid rooms," "penitentiaries" and the "pure joy of mother-hood," "evil passions" and a "merciful creator."

Let us be definite. What is the amount of the toll that produces all these consequences? In the United Kingdom it may be perhaps fifty, perhaps a hundred millions a year. Not more, and no nearer guess can be made at the actual sum. From the income tax returns it may be inferred that agricultural land and urban sites, together with the minor uses of land, are worth somewhere about 125 millions a year. But this is not the value that Mr. George wants to get at. In a formal statement of his proposals in the Financial Reform Almanack for 1891, he writes :- "What we propose is not a tax on real estate, for real estate includes improvements. Nor is it a tax on land, for we would not tax all land, but only land having a value irrespective of its improvements." From the above 125 millions we have then to deduct all that represents interest on the outlay upon improvements. In the case of agricultural land, this is undoubtedly the greater part of the whole. The rent of an English farm

Progress and Poverty, pp. 258, 259.

includes not only the price paid for the use of the land, but also for the house in which the farmer lives; for the stables and byres and pigstyes in which his stock is housed; for the barns and sheds to protect his material; for the roads and fences and drains that make the land workable. Again, the value of building sites, as pointed out in a previous chapter, is to some extent due to capital expenditure upon roads and drains. So that before we get down to the value of the "bare land," it may easily be that our sum of 125 millions has dropped to half or even less. But what the exact figure will be no person can tell.

The price of the millennium.—Let us, however, for the sake of argument, take some figure,—seventy millions will do as well as any other, - and call this the value of the bare land which Mr. George wishes to appropriate. Part of this is of course already appropriated by the State by means of taxation, certainly not less than five or six millions a year. Another appreciable part is already vested in corporate bodies and employed for public purposes. Nearly every municipal corporation and board of guardians in the United Kingdom has some freehold property; hospitals, colleges, and endowed schools have more; and the ecclesiastical commissioners have large estates in almost every county. Consequently our rough guess must be still further reduced, and if we put the net figure at sixty millions it will be a liberal estimate. It is this sixty millions a year that Mr. George wishes to get at. In return he promises us the abolition of poverty and crime, of dirt and disease, of vice and misery, of every ill, in fact, that flesh till now has been heir to. Truly Mr. George's millennium is cheap at the money! Sixty millions a year is just two-thirds of the imperial expenditure of the British Government, an expenditure which cannot be said to seriously distress the British people. And if we add local to imperial expenditure, we find that Mr. George's sixty millions is only two-fifths of the whole. Can any sane man believe that the reign of heaven on earth will begin in these isless when the burden of meeting two-fifths of the public expenditure of the kingdom is transferred from the general taxpayer to the owners of a particular species of property? Or, on the other hand, if it be true that the millennium can be bought so cheap, does not common fairness suggest that since all will profit by the purchase all should share in the expense?

With these two questions we must leave Mr. George and his scheme for regenerating the world by confiscating rent.

The unearned increment of land values.—A scheme of a more solid character for dealing with the income derived from land was proposed by John Stuart Mill. The point on which Mr. Mill fixed his attention was the growth of rent apart from the exertions of the owner of the soil the "unearned increment," as he named it. In progressive countries this unearned growth is an almost invariable accompaniment of the increasing wealth and activity of the population. The owner of a bit of land in or near a great city need generally have no anxiety about its future value; he has only to sit still and wait. While he waits others will work, and will presently of their own accord offer him more rent for the use of his land for one year than his fathers would have dreamed of demanding for the freehold. No one can contend that the owner of the soil is morally entitled to this unexpected increase in the value of his property. He has not reckoned upon it; he has not earned it; it is a free gift from the industrious and enterprising community around him. If then the community chooses to decline for the future to make such gifts, it is perfectly justified in doing so, and the owner of the soil will have no excuse for complaining.

John Stuart Mill's proposal.—The plan suggested by Mill for putting a stop to these liberal gifts to persons who for the most part stand in little need of charity, was somewhat as follows:—The present value of the land is to be carefully assessed and noted, the value of any improvements added to it will also from time to time be noted; then, after the lapse of a specified period, the whole will be re-assessed, and such additional value as it is found to have beyond the value of the improvements made will be treated as uncarned increment, and taken back from the owner by a special tax. This proposal involves no injustice to the owner, and is a theoretically perfect method of enabling the general community to enjoy collectively a source of income which its collective energy has created.

Practical difficulties.—Directly, however, we begin to consider how the scheme would work in practice, we find very serious difficulties. To estimate the value of a piece of real property as it is, treating it as a whole thing, is not hard; its value is what it will fetch in the market. But how is the value of any added improvement to be estimated? The cost of the improvement is not necessarily a guide, for different people might take different views as to the wisdom of the expenditure. In no case, indeed, does the cost of production of a commodity exclusively determine its price, and still less can this be so when the commodity is inseparable from one particular small spot on the earth's surface. Nor can the value of the improvement be tested by asking what it would fetch in the market, for an improve-

ment to a house or farm is not an independent commodity, but a modification of an existing commodity, and cannot therefore have an independent market price. There must then necessarily be room for wide divergence of opinion as to the value to be assigned to particular improvements, and room consequently for frequent disputes between the owners of real estate and the revenue officials. On the one hand, owners would constantly complain of unjust assessment; on the other hand, the assessors would frequently be swindled by speculators who had run up new buildings to secure an allowance for improvements.

The possibility of unearned decrement.—There is, moreover, a further objection to Mill's scheme which is worth considering. The increase in the value of real estate in a progressive community, though general, is by no means universal, and if the community deprives the owner of any possible increase, it ought also to guarantee him against a possible decrease. If it does not do so, the arrangement becomes of the "heads I win, tails you lose" type; and that this is practically, as well as sentimentally, unjust can easily be shown. The present value of a piece of land, or of any permanent investment, is necessarily affected by the general anticipation of what will be its future value. This fact the assessors under Mill's scheme would in fairness allow for in their assessment; they would take the actual selling value of the property at the present moment. But directly this was fixed as the maximum value which the property could attain, it would cease to be the selling value; for any investor would reflect that while there was no hope of the property appreciating there was a risk of its depreciating, and on account of this risk he would offer something less than the maximum fixed. To

this extent then landowners would lose part of their present property by any confiscation of future increment which was unaccompanied by a guarantee against future decrement.

A State guarantee against decrement impolitic. - On the other hand, there is much to be said against the policy of such a guarantee. When Mill wrote, the rise in the value of all land since the beginning of the century had been fairly continuous, and he practically ignored the possibility of any general fall. Since his death, however, there has been an almost universal decline in the value of agricultural land in the United Kingdom, and an appreciable decline in the value of house property in many small towns. If, therefore, Mill's scheme had been adopted during his lifetime, and the execution of it entrusted to local authorities, many of these would have been landed in a ruinous loss. The same loss, it is true, would not have been felt had the national government undertaken the scheme; for the decline in country rents has been more than made good by the growth of rents in large towns. But are we justified in assuming that this would always be the case? The rate of increase in our population has already begun to decline, and other countries are fast encroaching upon our preeminent commercial position. It is conceivable that in three or four generations England will no longer be the workshop of the world, and perhaps half of her present population may be comfortably settled in Bechuanaland or British Columbia. If, however, the nation had guaranteed to the owners of the soil an income based on its present value, there would be no honourable means of avoiding a burden which would then be unbearable.

This consideration, it will be noticed, applies equally to any schemes for the wholesale purchase of land by public authorities. It does not, of course, condemn such schemes entirely, for the public ownership of land may produce compensating advantages, but it condemns them as financial projects, and that is the only aspect with which we are at present dealing.

The agricultural labourer's "unearned increment."-Is there then, it may be asked, no means by which the community may be enabled to realize, for the benefit of all, land values created by the activity of all? Before attempting an answer to this question, it is worth while to point out that landowners are not the only persons who profit by the general progress of the community. Compare, for instance, agricultural labourers and urban landholders. During the last fifty years, the progress of manufacturing industries in England has caused a depletion of the country districts and a filling up of large towns. The owners of urban land have profited enormously; so also have agricultural labourers. There is little doubt that in nearly every county in England, the condition of the agricultural labourer is incomparably better than it was fifty years ago. He is better fed, better housed, better clothed; he has a more independent position and less prolonged labour. To earn these improvements he has done nothing; he works not harder but less hard than before; nor has he lightened his labour by any appliance of his own invention. He has, with rare exceptions, joined no trade society, and taken part in no political agitation. In a word, everything he has gained has been poured into his lap as a free gift from those around him. The same cause which has swollen urban rents, namely, the townward flow of the population, has simultaneously forced up agricultural wages. Why then tax the unearned increment of the urban landlord and leave untouched the unearned increment of the agricultural labourer?

No answer can be given except these: that the labourer, in spite of fifty years of progress, is still painfully poor, while the urban landlord is generally rich; that the labourer must work for his wage, while the landlord may, if he choose, be altogether idle. In other words, the landlord is to be taxed rather than the labourer, because it is desirable that taxation should fall on the idle rich rather than on the industrious poor.

The "unearned increment" of other classes.—This is a proposition with which no man can quarrel, but it carries us far beyond the project for a special tax on the uncarned gains of the ground landlord. We are at once driven to ask why one particular class of the idle rich should be selected for taxation. The ground landlord is not the only person among rich men to profit by the progress of the community. A banker's gains are closely dependent on the activity and enterprise of the surrounding population, and a shareholder in a large London bank, living at his ease at Monte Carlo, may find his income steadily increase from causes to which he does not contribute, and which he cannot control. Barristers too as a class do not create their own prosperity; they are obliged to wait till business comes to them, and their collective earnings are less influenced by their own industry than by the enterprise or the quarrelsomeness of the general public. Indeed, as regards the leaders of the profession, the fancy fees which their reputation enables them to demand are strictly analogous to the rents paid for fashionable sites in a town. Nor can it with accuracy be urged that such special profits as these are irregular and fleeting while the rent of land is permanently progressive. It is indeed true that the power of a successful banking firm to command, through several generations, a rent for its name, may be suddenly and completely destroyed; while obviously the fees of the popular Queen's Counsel must determine with his life, if not earlier. But neither is the growth of ground rent so certain and stable as is generally imagined. There is a fashion in localities as well as in Queen's Counsel; and business quarters have their ups and downs as well as banking firms.

Irregularities of fortune cannot be prevented short of communism.—There is then no sufficient warranty for the assumption that the incomes of ground landlords will of necessity and for all time grow more certainly and more rapidly than those of other classes in the community. The only safe statement is this: that in the progressive development of a society, based upon private property and free competition, some individuals will always from time to time profit more than proportionately by the general advance in prosperity. It may be the ground landlord, it may be the farm labourer, it may be the city banker, who for the time being is the lucky individual; but in no case can we accurately determine the extent of his exceptional gains, and still less can we safely predict their continuance. Further, the more than proportionate gain of some classes must have its counterpart in the less than proportionate gain of other classes. Hence, if equality be our ideal, these classes too ought to be sought out, in order that they may receive just that amount of compensation that will level their gains with the general average. The mere statement of this side of the problem is sufficient to prove the insolubility of the whole. Nothing short of absolute communism rigidly enforced will prevent the growth of

irregularities in fortune, and the attempt to accurately counterbalance these unequal gains by means of taxation must be abandoned as hopeless.

But can be mitigated by death duties.—We come back then to the contention formulated just now, that there is no reason for taxing one set of the idle rich rather than another set. And if we wish to tax all the idle rich in proportion to their riches, the best way to do it is by means of a graduated duty on all property passing by death. The man who to-day is enjoying an income for which he is not working, and has not worked, in ninety-nine cases out of a hundred, has received the capital from which his income is derived by bequest or inheritance. Tax then the corpus of the property as it falls from the dead man's grasp, and the income that his beirs will enjoy without working is instantly reduced. And tax all property, for to the heir of a rich man it matters not a brass farthing whether the property he inherits has grown out of city ground rents, or African gold mines, or fees in fashionable divorce cases; he invests the principal and lives on the income. A death duty has also this advantage, that it is probably less felt than any other tax of equal severity. With an income tax, the payer has every year to give up a fraction of his actual income; but with a death duty, the heir or legatee does not have to give up anything that he has already got, but merely to forego the receipt of something that otherwise might have come to him.

Existing death duties capable of improvement.—On the other hand, the death duties at present levied in England have several defects. As was pointed out in a previous chapter, the very considerable exemption of real property is totally indefensible, and can only be explained by the predominance in Parliament of the landed interest. Again, the duties are only very slightly graduated; probate duty starts at two per cent. on personal properties under £,500, and rises to three per cent. on those over £,1000; in addition there is an estate duty of one per cent. on all personal estates and real "successions" above £,10,000 in value. Legacy and succession duties are only graduated according to consanguinity. The first reform is to abolish altogether the fiscal and legal distinction between real and personal property. Next the scale of graduation ought to be altogether recast; on large estates, or on large legacies ten or even twenty per cent, would not be too high a rate to charge. Lastly, in the case of intestacy, where no near kinsfolk exist, the whole property should lapse to the State; it is absurd to scour the world in search of some tenth cousin of the deceased who had never dreamt of the good fortune coming to him. With these reforms the death duties might be made an important feature of local as well as of imperial finance, and would be the best means of gradually transferring back to the community the excessive wealth—whether in land or in movables—that lucky individuals had been able to accumulate.

CHAPTER VII.

OVERGROWN TOWNS.

In the preceding chapters we have been solely concerned with the revenue that flows from the ownership of land. It is now necessary to turn to the other main branch of our subject, and consider what are the social and economic effects of leaving the control of the soil in private hands. And the point that specially needs consideration is the question of how far the institution of private property in land is responsible for the overcrowding of large towns. Nothing is commoner than the assertion that it is the bad system of land tenure in England that drives the population from the country to the town; while the advocates of land nationalization explicitly declare that it is appropriation of the soil by private persons that is the cause of all the mischief. Here, for example, are the opening words of a manifesto issued by the English Land Restoration League 1:—

"Whereas.... the appropriation to the few of the land on which and from which the people of England must live is an efficient cause of dulness of trade, lowness of wages, the idleness of men who should be at work, the forcing of women and children to unnatural toil, the depopulation

Offices :—8 Dake Street, Adelphi, W.C.

of agricultural districts, the crowding of city slums, the sapping of national strength by forced emigration therefore, &c."

Again, Dr. Alfred Russel Wallace, speaking as president of the Land Nationalization Society on June 18th, 1891, prophesies as a result of land nationalization, that "a large proportion of the millions who have migrated during the last twenty years to the great towns, driven away for the most part by the existing land monopoly," would return to their native villages.¹

The believers in big towns. - Before beginning to examine whether the remedies proposed by these two societies would effect the particular objects they have in view, let us be precise as to the nature of the evil complained of. Both societies complain of the depopulation of the country and the congestion of large towns, and assume, as a matter of course, that these things are in themselves an evil. To the present writer the assumption seems a fair one; but there are many persons who regard the continued growth of large towns with perfect complacency. Town life, they urge, is fuller, more intellectual, more progressive than country life, and it is an advantage to the nation that as many people as possible should enjoy this more brilliant existence; for country life is dull, and impresses its dulness on the characters of country people; the "son of the soil" is as heavy as the clods he treads, incapable of new ideas, doggedly obstinate to preserve antiquated practices. But even if we assume that this comparison is strictly accurate, it does not follow that all the advantages are on the side of the townsman. The

¹ See Report of the Land Nationalization Society (1890-91), p. 21, published at 14, Southampton Street, Strand, W.C.

Londoner's contempt for the slowness of country folk is reciprocated by the true countryman's scorn of the "chattering Londoner." Such mutual recrimination of course proves nothing, and it is only when we pass from moral to physical qualities that we get on to really solid ground.

The relative mortality in town and country.—And here there is no room for doubt that the balance is on the side of country life. In spite of the greater wealth of the urban population, bringing to the average townsman better food, better clothing, better lodging than the average countryman can afford, the mortality of large towns is, with rare exceptions, largely in excess of the general mortality of the country. In thirty-one towns in the United Kingdom the death-rate for the year ending September 27th, 1890, was 233 per myriad (10,000¹). For the whole of England and Wales during the year ending December 31st, 1890, the rate was 195 per myriad; ² in the rural registration districts in England and Wales it was only 174 per myriad; while in the urban districts it was 209 per myriad.

It must be added, however, that the year 1890 was particularly deadly to townsfolk, as the following table shows:—

| Deaths per myriad persons living. | | | Ratio between town death- |
|-----------------------------------|-------|------------|------------------------------|
| | Town. | Country, | rate and country death-rate. |
| 1888 | 190 | 166 | 114 to 100 |
| 1889 1890 | 193 | 164 174 | 118 to 100 120 to 100 |

This increase both in the absolute and in the relative mortality of the towns is attributed by the Registrar-General to

See Whitaker's Almanack for 1891.

² Parliamentary Papers, 1891, c. 6478, c. 6309, c. 6520. Off (E)

the plague of influenza. It is, however, a poor satisfaction to townsfolk to be told that they are specially liable to die from any epidemic that may visit the kingdom.

Similar figures for Scotland and Ireland.—In Scotland no less than five groups of registration districts are recognized and their rates of mortality compared. Here is the comparison for 1890:—

For Ireland no comparison between urban and rural districts is worked out in the Registrar's returns, nor is the town population of Ireland an important quantity. The death-rate for the whole island in 1890 was 183 per myriad, varying from 139 in county Sligo and county Mayo, to 243 in county Dublin. In the city of Dublin the death-rate for the year ending Sept. 27th, 1890, was 267 per myriad.

Death-rates in France.—Passing to France we find the same phenomenon. In the period from 1861 to 1865 the average mortality of the urban population in France was 261 per myriad, of the rural population 215 per myriad; in the period from 1878 to 1882 the corresponding figures were 243 and 209. It will be noticed that the difference between the two rates is slightly less in the second period. This decrease is probably due both to improved sanitation of large towns, and to the inclusion as "urban" of many suburban districts with their relatively healthy populations. Just as the death-rate of London is lowered by its rim of suburbs inhabited by prosperous, well-fed people.

The drain of young blood from the country.-Nor do

² La Population Françoise, vol. ii, p. 155. A.

the figures we have just given, showing the heavier mortality of urban districts in England, in Scotland, in Ireland, and in France, disclose the whole of the truth. Everywhere the population of large towns is recruited by young men and women attracted by the gaiety of town life, or by the prospect of better wages. On the other hand, at the end of life, people begin to grow weary of the perpetual strain of town work and town amusement, and there is an ebb of population back to the country. Those who have secured a competency retire to enjoy themselves in the simpler pleasures of country life till death comes. While lower down in the social scale some working-men, for example, railway porters and signalmen, when their strength or skill begins to fail, drift back to the less exacting work and narrower wage of the country.1 The consequence is that the population of large towns contains more than a fair proportion of active adults, of an age when death is least to be feared. If, therefore, the conditions of town life were as healthy as those of country life, the mortality of towns ought to be not higher, but considerably lower than the general average for the whole country. Or, to state the same proposition in other words, if we wish to get an accurate comparison between the rates of mortality in town and country, we ought to take account of age as well as of numbers. This comparison has been made by M. Levasseur² for Paris and France in the following table :---

¹ Mr. H. U. Smith, in his articles on the influx of population into London, gives some useful statistics of the ages at which country people leave their homes to seek situations in London. Summarizing his figures, he finds that So per cent, of these immigrants are between the ages of 15 and 25. See Charles Booth's book on Labour and Life in London, vols. i., ii.

² La Population Française, vol. ii. p. 402.

| Deaths per i | myrma persons | nving or | rne same | age. |
|--------------|---------------|----------|----------|---------|
| Ages. | | Paris. | 1 | France. |

| Ages. | Paris. | France. |
|--|----------------------------------|--|
| 0 to 1 year 1 to 5 years 15 to 20 ,, 30 to 40 ,, 60 to 70 ,, | 2300? 582 91 136 512 | 1700 ? 2 ⁰ 0 60 100 410 |

Thus at each of the ages taken, the death-rate for Paris is far higher than the rate for France as a whole. And France, it must be remembered, includes Paris and many other towns equally unhealthy. If these were excluded so as to compare the mortality at specified ages in Paris, and at the same ages in rural France, the discrepancy would be still more glaring.

Figures for Germany and Sweden.—In Germany again town life is as deadly as in England and France. The mean rate for five principal cities of Prussia was from 1867-71, 374 per myriad; from 1872-75, 406 per myriad. But during sixty years the mean rate for the whole of Prussia was only 290 per myriad; being 301 for the urban population, and 284 for the rural population. For Sweden the same proposition that country life is healthier than town life is proved by an abundance of statistics similar to those just quoted. Another aspect of the same thing is shown by the following table giving the average age at death in town and country:—

| S | Average age at death in years, | | |
|------------------|--------------------------------|--------|--|
| Sweden, 1871-75. | Men. | Women. | |
| Urban | 25 8 | 31.3 | |
| Rural | 34.5 | 38.4 | |
| General | 326 | 37'3 | |

¹ Mulhall, Dictionary of Statistics.

In other words, a Swedish countryman may expect to live eight years longer than a Swedish townsman, and a countrywoman seven years longer than a townswoman.

Lowered physique of the townsman.—It is unnecessary to insist further on this point. Wherever the statistics have been worked out, the same fact is found, that the inhabitants of towns everywhere die off more rapidly than the inhabitants of the country. And this inability to resist death undoubtedly arises not merely from the greater facilities in towns for the spread of contagious diseases, but also from a general lowering of the townsman's physique. The point is an important one, and it is abundantly proved by incidental evidence. The question of the migration of country people into towns has long occupied public attention. H. Ll. Smith, in the articles already referred to, shows conclusively that the movement is mainly an economic one. The countryman comes up to London to get better wages, and he comes as a rule not on the chance but with the certainty of finding employment, which will be offered to him rather than to a Londoner. There is much town work. says Mr. Smith, that town-bred people are unable to do, and hence the countryman is called in. The country immigrant does not therefore drift, as used to be supposed, into the ranks of the unemployed; he goes straight to a situation that has been offered to him, driving out the inefficient townsman. The "unemployed" are "the sediment deposited at the bottom of the scale as the physique and power of application of a town population tend to deteriorate."

If further proof is needed of the diminished vitality that results from town life, we may point to the every-day advice that doctors give to their patients to go into the country to recruit, and to the fact that many of the large hospitals have now established country homes for convalescents. In every way the proposition that human physique deteriorates in large towns is so well established that only a love of paradox can suggest a doubt on the point.

Physical disadvantages of town life irremovable.-Nor is there any solid reason for hoping that we shall ever be able to make our Londons, or even our Birminghams, as healthy as the open country. We may improve our sewers, and consume our smoke, and wash our streets; but we shall never be able to make up for the want of space and country air. To some extent, of course, the establishment of large parks and open spaces does mitigate the evils of crowded towns; it gives us places where we can breathe freely and move freely without fear of inhaling disease or of jostling our neighbours. But so far as public parks are large enough to form at all effective lungs, they take away from the essential advantage of town life, namely, the concentration of a number of persons on a small spot. On the other hand, the physical advantages of the country are capable of immense improvement. At present the inhabitants of many English villages have the poorest of food, tainted water, and no milk, and but for the pure air they breathe their death-rate would be enormous. The removal of these causes of death and disease in the country districts would add far more to the vitality of the nation than any number of millions devoted to the purchase of parks for crowded towns.

Intellectual advantages of large towns.—We have gone at some detail into this question of the physical disadvantages of large towns in order to reinforce, by statistical proof, the tacit assumption of land nationalizers and other reformers, that large towns are an evil. And to the

question of health may be added the question of crime; for it is indisputable that large towns are a breeding ground of criminals. In France, for example, the criminality of the urban population appears to be just double that of the rural districts.1 That there are some compensating advantages in moderately large towns cannot for a moment be denied. The friction of mind against mind that always takes place where masses of people are living within hail of one another, is perhaps the greatest cause of the social advancement of the human race. But it may be suggested that this advantage could be obtained at a much smaller cost to individual health and vitality. At least two-fifths of the area of London is covered by squalid tenements whose occupants, it may safely be asserted, add nothing to London's intellectual life. They are for the most part engaged in occupations that might equally well be performed a hundred miles away. It is not the mere size of a town that creates intellectual vigour. Probably in the whole history of the world, no city has ever contributed so much to the intellectual progress of the race as ancient Athens. Yet it is extremely unlikely that the population of Athens at any time exceeded one-twentieth of the present population of London. Or, to confine our comparison to modern cities, Paris has but half the population of London, Edinburgh half that of Glasgow, yet no one will contend that the larger town in each case is notoriously the more intellectual. Admitting then to the full the intellectual gain to the race that comes from the existence of large towns, there is still nothing to justify such enormous and increasing aggregations

¹ In 1884-86 out of each 100,000 persons living in rural districts eight were charged with crimes; out of the same town population sixteen were charged. See *La Population Française*, vol. ii. p. 456.

of people as are to be found in modern towns. This being taken as proved, we have now to examine how far the abnormal development of the modern town is due, as both schools of English land nationalizers declare, to the existence of private property in land.

Mr. George's remedy would aggravate the evil .-Let us deal first of all with Mr. George. Would his famous remedy prevent the depopulation of the country and the overcrowding of towns? Without the least hesitation it may be answered that it would not. All that Mr. George proposes is to tax land up to the full extent of its unimproved value; he does not propose to dispossess the present proprietors, or in any way to interfere with the tenure of land. The private proprietor would still be able to attach such conditions to the letting of his land as he chose, and would still be able to absorb, where the law allowed it, the fruits of his tenant's labour and enterprise. The only difference would be, that he would have to pay over a considerable part of his present income to the State, and on that account the probability is that he would be a harder landlord than before. The wealthy landlord who can afford to be generous is nearly always the most lenient. So far then as agricultural holdings are concerned, Mr. George's scheme would rather aggravate the evils of the present system.

It may be argued, on the other hand, that the heavy tax on land would cause owners who now keep land for their own enjoyment, or in the hope of securing a rise in its value, to sell or let it for the purpose for which it was best adapted. Very likely. But this would not prevent the depopulation of the country. On the contrary, it would rather increase it. For, in England at any rate, almost the

only instance where land is held back for a rise, is in the neighbourbood of large towns. If the owners of such land were forced to sell, the general effect would be a slight lowering of urban rents; but this instead of emptying the large towns would help to swell them. Nor would Mr. George's plan prevent the conversion of Highland pastures into deer forests; for the capitalists to whom he is so tender, are always willing to pay a higher rent for sporting ground than the farmer will pay for a sheep run.

Dr. Wallace's remedy insufficient. - More apparently hopeful is Dr. Russel Wallace's scheme of land nationalization, for Dr. Wallace and his party have at any rate realized that the important social question is not the taxation but the administration of land. The actual scheme is to create, by means of State intervention a system of small farms held on such secure terms that the tenants will be in practically as good a position as occupying owners, This may or may not be a good method of distributing agricultural land, but there is no reason to expect that it will prevent the depopulation of the country districts. The system has been tried-in France, in Germany, and in Belgium, and nowhere has it had the effect that Dr. Wallace anticipates. Everywhere, in fact, throughout the civilized world the townward tendency of the population is as well marked as in Great Britain.

The growth of large towns a world-wide phenomenon.—In 1846 the urban population of France was only 25.5 per cent. of the total; in 1886 it was 35.9 per cent. Yet nearly half the soil of France is owned by peasant cultivators. In Germany again, where small proprietors cultivating their own land are extremely numerous, the

¹ La Population Française, vol. ii, p. 338.

towns are continually growing out of proportion to the growth of the country. The urban population of the German empire in 1871 was 36'1 per cent. of the total; in 1885 it was 41'8 per cent. Even more instructive than these percentages is the following table, showing how the growth of the town population was distributed between large and small towns:—

| German Empire. | 1871. | 1885. | Rate of increase. |
|--------------------|-------------|------------|-------------------|
| Towns over 100,000 | 1,968,000 | 3,327,000 | 69 per cent. |
| Towns over 20,000 | 3,147,000 | 4,147,000 | 31 ,, ,, |
| Towns over 5,000 | 4,588,000 | 5,694,000 | 24 ,, ,, |
| Towns over 2,000 | 5,086,000 | 5,734,000 | 12 ,, ,, |
| Rural Population | 26, 219,000 | 26,318,000 | 3 ,, mille. |

Nor is it only in the crowded countries of the old world that the towns outstrip the rural districts in rapidity of growth. More than a fifth of the population of the United States is now gathered into towns having more than 8,000 inhabitants, and the proportion is rapidly growing. In our Australian colonies the tendency townwards is even more remarkable than in the United States. In the colony of New South Wales the city of Sydney alone now includes more than a third of the population of the whole colony with its immense area of yet uncultivated land. And in the same way Melbourne with its suburbs holds more than a third of the inhabitants of Victoria.

In the face of such a universal tendency as the above figures show, it is childish to talk as if the overcrowding of London and Birmingham and Liverpool could be completely explained by defects in the English system of land tenure. In order to explain the phenomenon we must clearly find some cause of equally world-wide application.

The popular explanation.—The cause most frequently

assigned is the preference that modern men and women are alleged to feel for town-life. Possibly this preference does really exist; possibly if the inhabitants of the civilized world were polled, an enormous majority would declare that they preferred the brightness of the town to the dulness of the country. But neither the assumption, nor the proof, of this preference in the least explains the phenomenal growth of large towns; for unfortunately there are very few people in the world who are at liberty to indulge such preferences. Men and women who have to earn their bread must go where work is to be found whether they like it or not. It is only the favoured few whose incomes are secured without any exertion of their own who are free to live where they choose. The real explanation, then, of the universal growth of large towns must be economic. If this proposition be accepted, the search for a general cause becomes comparatively simple.

The increased efficiency of labour applied to the land.—The great economic feature of the present century has been the improvement of the implements and methods of industry. It is in the department of manufacture that these improvements are most easily noticeable, but they are not less important in agriculture. The typical implement of agriculture, the plough, has been immensely improved by the mechanical progress of the century. The modern plough is lighter to draw, more efficient in its work, and cheaper to buy than the plough of fifty or even thirty years ago. A similar improvement in quality and a similar reduction in price has been effected in nearly every implement that the farmer or his labourer uses. Still more important is the cheapening of the means of conveyance of heavy goods. In the first place, this allows farmers to spread on

their fields fertilizers brought from the other end of the world. Secondly, it allows each soil and each climate to be devoted to the crop which suits it best. The rich pastures of England are able to grow beef or milk, while the wide prairies of America with their hot sun are producing wheat. The result of these various causes is, that the food of the world is now produced at far less cost of human labour than at any previous period.

The demand for agricultural products limited; for manufactured products unlimited.—It is true that the same economy of human force, it may be even a greater economy, has been effected in the production of nearly every manufactured article. But while in the products of manufacture there is no limit to human desires, in the products of agriculture a limit is soon reached. Persons whose hunger is fairly satisfied spend the surplus income that remains to them, not on more food, but on manufactured articles of comfort or fantasy. And as soon as, in the process of mechanical improvement, any one of these articles becomes cheaper another similar article will be bought, another pleasure satisfied, with the money saved. The consequence is that the labourers, who are no longer needed to produce the world's food, are summoned to the towns to minister to the endlessly expansive wants and whims of the human race.

The true explanation then of the universal townward drifting of the population of the world is the greater efficiency of human labour applied to the production of food.

The establishment of town industries in country districts.—This is obviously not a cause which we should care to remove even if we could. It may, however, be possible, when the cause is clearly understood, to obviate its

effects. When once we are agreed that the business of food production must occupy an increasingly small portion of the energies of the race, it becomes clear that the only way to prevent the growth of large towns is to take manufactures into the country. In England a movement towards this end is specially needful; for since we are the great manufacturing nation of the world, the evil of large towns is more serious here than in any other country. This statement is abundantly borne out by the following table, which shows to what extent the largest towns—*i. e.*, those over 100,000 inhabitants—affect the population of different countries:—1

TOWNS HAVING MORE THAN 100,000 INHABITANTS.

| | Number of towns. | Percentage of their inhabitants to total population. |
|----------------|------------------|--|
| United Kingdom | 27 | 26'3 |
| Holland | 3 | 16.7 |
| Belgium | 1 4 | 15.7 |
| France | l II | īŏ.ģ |
| German Empire | 17 | 9*2 |
| United States | 20 | ģ •o |

Our position at the head of this table is the undeniable consequence of our industrial supremacy; but there is no reason for believing that this supremacy is dependent on the existence of such enormous towns. Most of our staple industries can be carried on, and in places are carried on, in comparatively small manufacturing centres. A dispersion of manufactures throughout the country is therefore within the limits of economic possibility; the only thing needful is a national determination to bring it about. Probably an improvement in our land laws would facilitate the process, but it would not of itself start the movement, much less

¹ La Population Française, vol. ii. p. 385

secure the end. If we wish to accomplish such a huge transformation of the face of the country, we must deliberately turn the whole of our national policy in that direction.

Government encourages large towns. -At present, unfortunately, our policy is rather the other way. Consciously or unconsciously, the different governing bodies in the country are constantly stimulating the increase of large towns. Let us take first of all the case of London, the largest city in the world. There are undoubtedly many economic reasons for London's enormous size—its splendid commercial situation, the banking business of the world that it has been able to secure, and its long tradition as a manufacturing centre. And in addition, London is the capital of the kingdom and of the empire. As such, it becomes the seat of fashion, and wealthy persons flock into it, followed by crowds of more or less remote dependents. So much cannot be prevented. But the inevitable drift towards the capital is further encouraged by a needless centralization of government institutions.

The Law Courts.—The best illustration of this centralization is to be found in the law courts. With the exception of such special courts as the Court of Chancery for the county palatine of Lancaster, and with the exception of the intermittent jurisdiction of the assize courts, the only local tribunals for civil cases are the County Courts, whose jurisdiction is strictly limited. Consequently, all the most important legal business of England and Wales is sent up to London for trial. This means, in the first place, an appreciable increase in the number of well-to-do persons—judges, barristers, solicitors and their clerks—living in London; and, secondly, an increase of custom to London tradesmen and hotel keepers, from the constant influx of witnesses,

country solicitors, &c., who spend in London money earned in the country. This concentration of all the legal business of the country at one centre is entirely peculiar to England, and it is hard to find any solid defence for it.

The General Post-Office.—Another illustration of needless centralization is furnished by the post-office. A sub-postmaster selling stamps in a back street of Birmingham or Belfast is not allowed to account for his sales to the head postmaster of the town where he lives: he must every day send up to London the record of his receipts and outgoings, and must periodically transmit by rail the cash surplus he may have accumulated. The Post-Office Savings Bank is worked on a similar plan. If a Highland shepherd or a Tersey farmer wants to withdraw 10s. from his account at the local post-office, he must apply to London for authority to do so, and he will not be able to touch his money till the warrant arrives. In many ways this excessive centralization is both inconvenient and costly. So far as our present subject is concerned it has the special disadvantage of drawing a large number of young men and women from the country and provincial towns to London, to serve as clerks in the different departments of the General Post-Office.

Post-office neglect of the country.—This disadvantage, however, representing the addition of perhaps two or three thousand persons to the salaried population of London, is a small matter compared with the indirect encouragement to

As a minor illustration of the way in which London is favoured at the expense of the rest of the country, it may be mentioned that a large part of the cost of the London police courts, and of the metropolitan police, and the whole cost of maintaining several London parks and several London streets is borne by the National Exchequer.

large towns that the Post-office gives by its neglect of the country districts. A rapid postal service and easy telegraphic communication are necessities of modern business. But if a manufacturer were to attempt to establish a business in any small village or hamlet in England, he would have to face the inconvenience of having only one post a-day, and possibly no telegraph office within a couple of miles. In many businesses such conditions would be absolutely prohibitive.

Railway neglect.-Analogous to the Post-office neglect of the country is the neglect practised by the great railway companies. In the South of England railway directors apparently devote the whole of their attention to the service of London; villages and small country towns are left to take care of themselves. Not only are the trains slow on cross country lines, but they are often so clumsily timed that passengers are compelled to waste in draughty junctions more time than the journey takes. Moreover, large villages are often left without a station, even though they may be actually traversed by the railway line. In explanation of this neglect, it must be remembered that so far as country districts are concerned, competition between rival companies is, except in rare instances, non-existent. The great railway companies do compete to a limited extent for the traffic of large towns; the intervening villages are entirely at the mercy of the company within whose district they lie.

Municipal encouragement to large towns.—And it is not only the central government and the railway companies that encourage the growth of large towns; the governing bodies of the towns themselves are equally active. Every municipal corporation properly strives to increase the amenities of the town over which it rules, and the very size of

the town, by providing a greater taxable area, increases the power of the corporation in this direction. But in many large towns the local authorities, not content with adding to the general amenities of the town, have adopted a policy of subsidizing individual inhabitants. This matter is so important that it deserves more than a passing allusion.

The policy of charity rents.—The subsidizing policy everywhere takes the form of providing certain persons with house room at less than the market price. In pursuance of this policy the defunct Metropolitan Board of Works, during its existence, sank more than a million sterling in securing sites for artisans' dwellings. With the same object the London County Council seems likely to spend public money at an even more rapid rate. On one re-housing scheme alone. the Boundary Street area in Bethnal Green, £300,000 is to be spent for the benefit of 5,720 persons, or at the rate of £,52 a-head. And this sum, like the previous million, be it well understood, is not a capital outlay that may be recouped afterwards by the rents charged for the houses; it is the estimated net loss on the whole transaction. schemes similar in character are being rapidly matured; some less extensive are already in operation. In some of these schemes, the land acquired by the Council is let to builders under covenant to creet workmen's dwellings of a specified character. In other cases, as, for example, in an area at Limehouse, no builder can be found to tender for such a job, and the Council undertakes the work itself. But in no case does the rent paid by the ultimate tenant recompence the Council for its original outlay.

Parliament partly to blame.—In defence of these operations it might be argued, that the Council is obliged to clear the land because it is covered by unsanitary houses, and that the cost of the clearance exceeds any price that could be realized by the resale of the land. To a partial extent this defence is good, for it distributes the blame between the Council and Parliament. It is the fault of Parliament that there is no readier method of dealing on a large scale with unsanitary areas, and that the cost of purchasing the area is so swollen by the gains of speculators. It is also the fault of Parliament that the municipal authority is compelled to provide accommodation for the population displaced, instead of being allowed to sell the land for the purpose for which it will command the best price, which is also presumably the purpose for which it is most suited.

But these views of the legislature are adopted by the administrative body when it starts clearance and re-building schemes. The local body would be within its right in declining to move until provided with proper powers. There is no compulsion of sanitary necessity; for houses that are plainly unfit for human habitation can already be closed by a magistrate's order. The same summary method cannot, it is true, be applied to large areas, but in the worst of such areas there is no necessity for *immediate* action. In the Bethnal Green area, selected by the County Council as the worst in London, the clearing operations are to be carried out piecemeal, and spread over a period of six or eight years.

How the policy is defended.—It may therefore be assumed that the London County Council, like other municipal bodies, accepts the policy of providing cheap houses for the poor out of public money. And this assumption may be confirmed by examining the proposals adopted by the Council for dealing with the houses that it intends to build itself. The rents of the new dwellings are to be fixed, not at the figure that free competition among possible tenants

would determine, but at a figure suitable to the pocket of a "poor man." So that the County Council, having begun with a bad speculation in the purchase of the land, makes no attempt to retrieve its bad bargain, but lets its dwellings at charity rents. The usual defence for such a departure from commercial practice is, that the population to be provided for is so poor that it cannot afford a commercial rent for a decent and healthy dwelling. That depends on where the dwelling is. The committee of the County Council charged with the preparation of the Bethnal Green scheme points out, that at places a few miles from London, easily accessible by workmen's trains, good houses can be obtained in plenty, at moderate rents, even adding the train fare to the actual "But," naively adds the report, "your committee are aware that but a small number will avail themselves even of cheaper and better dwellings when they are at a distance from town life." Put in other language this means, that persons who prefer town life, but are too poor to include their preference at their own expense, may come to the County Council and get a subsidy sufficient to cover the extra rent of a town house.

Economic and administrative objections.—It would take us too far from our main subject to deal at length with the manifold objections to such a system of wholesale charity out of public funds; but two important objections may be mentioned in passing. The first is economic. The kindly hearted philanthropists who are mainly responsible for initiating these charitable schemes, probably imagine that the poor persons who are provided with nice houses at less than the market price, will enjoy the net advantage of the reduced rent. This is not the case. Where competition for employment is as keen as it is among the poorer classes

in large towns, any serious reduction in the necessary weekly expenditure will be quickly followed by a corresponding reduction in the weekly wage. It is not, in fact, the workman but the employer who will pocket the subsidy of the County Council. The second objection is administrative. It is easy enough to say that the rent for a four-roomed house shall be three shillings a week, but if the market price is six shillings,—i.e. if plenty of persons are willing to take the rooms at six shillings,—how is the favoured tenant to be selected? Is he to be chosen because he had attended church regularly, or because he had voted straight at elections, or because he had given a suitable gratuity to the officer who had the letting of the rooms? None of these methods of selection is altogether desirable. Again, when this primary difficulty is surmounted, others remain-The "poor" man who has been installed in the threeshilling four-roomed house, may through luck or industry grow richer. Is he to be promptly evicted by the County Council? Or, on the other hand, he may continue poor, but his family may increase. Is he to be inducted into a larger house at a still lower rent?

These are illustrations of the very serious difficulties that would follow any attempt to depart from ordinary commercial principles in the letting of houses. But for our present purposes we are concerned only with the effect of such a system in promoting the overgrowth of large towns. As to this there can be no dispute. Whether the benefit of the reduced rent granted by the municipal authority remains in the pocket of the poor man, as the philanthropist hopes, or whether it is appropriated by the employer as the economist believes, in either case a direct encouragement is given to the increase of the urban population.

Thus while every politician and writer in England verbally deplores the depopulation of the country side, both the imperial and municipal governments are persistently increasing the relative advantages of town life. Until this policy is abandoned it is useless either to tinker with the laws of land tenure, or to introduce any wholesale scheme of nationalization of the soil. Towns will continue to grow more and more populous until the nation makes up its mind to transplant town industries into the country, and to increase in every way the attractiveness of country life.

CHAPTER VIII.

MINING ROYALTIES.

POPULAR opinion has attached perhaps rather more importance to the question of mining rents and royalties than the subject deserves. Undoubtedly the mining industry is one of the most important in the kingdom, both directly and for its influence on other industries. Undoubtedly, too, mining rents and royalties are a nuisance to the persons who have to pay them, and the total sums paid under these heads are considerable. But these premises are by no means sufficient to authorize the popular conclusion, that the system of royalties is an oppressive tax on one of the staple industries of the kingdom.

Royalty and dead-rent.—First, it is well to be quite clear what mining royalties are. The rent of a mine, it is obvious at first sight, cannot be regulated in exactly the same way as the rent of a farm. A farm is generally improved by cultivation; a mine is of necessity gradually exhausted as the process of working is continued. If, therefore, the owner of a mine were merely to stipulate for a fixed annual rent, the lessee might by rapid working get all the coal out in a few years, and the owner would receive only the same number of years' rent. To avoid this risk, the universal

practice of owners of mines is to charge a royalty on each ton of mineral raised. But, again, if this were the only arrangement, a lessee might, for motives of his own, work the mine so slowly that the owner's annual income would be very small. Hence, the royalty charge is always accompanied by a stipulation that a certain minimum sum, called the "dead-rent," shall be paid each year. This, on the other hand, might be a hardship on the lessee who gets up less coal in any one year than will cover the dead-rent. Consequently, he is generally allowed to make up the deficiency—the "shorts"—in the immediately succeeding years. Briefly, then, the main charge upon a mine is a royalty on each ton of mineral raised, subject to certain financial stipulations to secure the continuous working of the mine.

Way-leaves, above and below ground.-In addition to this main charge made by the owner of the mine, there are certain minor charges made by neighbouring landowners or mine-owners. In order to get the coal from the mouth of the pit to the market it is often necessary to cross private property, and the owners insist on being paid for the "wayleave." Or it may happen that a seam of coal is most conveniently worked by getting at it through an existing mine. Here again a "way-leave" must be paid for. And since it is in this case necessary to make an opening between the two mines, a further charge is also made, under the name of "in-stroke" or "out-stroke," according to the point of view. Sometimes, also, the owner of the first mine makes a separate charge for the use of the shaft of his mine. But all these three charges it will be seen are really part of the same charge, arising out of the divided ownership of the land. Thus, essentially mining rents and royalties consist of (a) the royalty charge made by the owner of the mine, (b) the way-leave charged by the owner of the adjoining land.

The ratio between royalties and produce.—Next, as to the amount of these charges—that, unfortunately, is not easy to arrive at. The royalties are the result of a series of private bargains, and only guesses can be made at their total. Professor Sorley, who has made an independent examination into the whole subject, estimates the royalties on coal at five or six millions sterling a year.1 In 1889 the value of the coal raised in the United Kingdom was £56,000,000, in 1890 it was £55,000,000. Consequently, the total of the coal royalties on a liberal estimate is only ten per cent, of the value of the produce. In agriculture the proportion of rent to produce is far higher. Arthur Young, in his advice to farmers, calculates that the rent, rates, and taxes, which he properly lumps together, ought not to exceed one-third of the total produce of the farm. At the present time the proportion is probably less than this, perhaps only a fourth or a fifth, but it is certainly much more than a tenth.

Are royalties a tax or a rent?—However, this comparison would be of little importance if, as some people apparently imagine, mining royalties were, not an economic rent, but a compulsory tax. Were this the case, even if the tax were only at the rate of one per cent. on the produce, it might have a more serious effect on prices and wages than an economic rent amounting to twenty-five per cent. But is there any reason for believing that a mining royalty is a tax? In South Wales royalties on coal average 8d. or 9d. a ton; in Durham only 4d. or 5d. This contrast at once suggests that high royalties are paid where the coal is

¹ See pamphlet on Mining Royalties.

² See Parliamentary Papers, Mines and Minerals.

of good quality or easy of access. A more striking illustration is given by Mr. Sorley, who, in the pamphlet already referred to, quotes the remark of a colliery master, that he would sooner pay half-a-crown a ton for some mines than get others for nothing. This can only mean, as regards the higher royalties at any rate, that the lessee of a mine merely pays for the special advantages he is enabled to utilize; he pays in fact a rent and not a tax.

Is there any minimum rent equivalent to a tax?—With the lower royalties the matter becomes slightly different. In order to get at any seam of coal it is necessary to break up and disfigure the surface of the land somewhere in the immediate neighbourhood. The land thus taken might have been used for tillage or pasturage, and this possible alternative use will, as pointed out in a previous chapter, make a minimum rent for the mine beneath. Nor is this the only consideration. Something must be allowed for the actual disfigurement of the surrounding country that results from mining operations. A landowner will not allow his estate to be permanently disfigured unless he receives an appreciable pecuniary advantage. So that it may safely be said that the minimum rent of a mine is always considerably more than the agricultural rent of the land destroyed. In addition, the lessee is generally required at the end of his lease to pay a fine sufficient in amount to restore the surface of the land to its original condition. From these premises Professor Sorley proceeds to argue that there is a minimum royalty on every coal-mine in Great Britain of about 4d. a ton. If this contention be correct, 4d, a ton represents a real tax on British coal, and must be either added to the price the consumer pays, or taken from the wages the colliers earn, or from the profits of the coal masters.

Professor Sorley's estimate.—Unfortunately, however, Professor Sorley's calculation is curiously defective. He does not attempt to estimate the money value at which a landowner assesses the amenity of his estate; and obviously such an attempt would be hopeless. Nor does he try to calculate what charge per ton of mineral raised would be required in order to make up the agricultural rent of the small piece of land occupied by the debris at the mouth of a mine. Here again the calculation is impossible for want of sufficient data. Therefore, in despair, Professor Sorley takes the lowest rent that he finds to be actually paid on any British mine, and roundly declares that this is a minimum rent which must be paid, and is therefore a tax on the British coal industry. But Great Britain is not surrounded by an impassable wall or even by a customs tariff. coal enters into competition with the coal of Belgium, France, Germany, America, and even India. Indeed, it is very largely on account of the competition of these countries that the outery against mining royalties in Great Britain has arisen. This Professor Sorley admits, and labours to ascertain whether mining royalties in France and Germany are really less than in England. Assume that they are less. surely that only proves, as in his own comparison between Durham and South Wales, that British coal is either of better quality or more easily won than foreign coal. For it must not be imagined that the foreign royalties end with the charge, arbitrary but moderate, which foreign governments make to the concessionnaires of coal-mines. This charge, indeed, may be of the nature of a tax, but below the concessionnaire is the lessee, the capitalist who actually works the mine; his bargain with the concessionnaire is a purely commercial one. In brief, a colliery lessee, equally in France, in Durham, and

in South Wales, makes the best bargain he can with the legal owner of the coal. In France he pays perhaps 2d. a ton, in Durham 4d., in South Wales 8d. Competition is as free between France and England as between Durham and Wales. Clearly then, if, as Professor Sorley properly argues, the extra royalty in Wales represents the advantage of Welsh over Durham collieries, so also must the difference between Durham and French royalties represent the advantage of Durham collieries over French. In other words, the fourpence that is the lowest actual royalty in England is not a "minimum rent." Twopence, at any rate, out of the fourpence is the consequence of the superior excellence of British collieries, and that twopence is therefore not a tax.

The true minimum rent.—As to the balance, the true minimum rent which all mines must pay, it is impossible to say whether it is twopence, or a penny, or only a farthing a ton. The means for making the calculation simply do not exist. But this we can say, that whatever this minimum rent may be in amount, it would equally exist if minerals were nationalized. For the minimum rent only arises because of the alternative uses to which the surface of the land can be put, and because of the disfigurement made by mining debris. On both these accounts the owner of the soil would be justly entitled to compensation, whether the ownership of the minerals under the soil remained with him or passed to the State. Consequently, the true minimum rent or royalty, the rent which alone forms a real tax upon mineral production, cannot be abolished by any process short of a grant of public money to mining lessees. If the State were to take upon itself the compensation of every landowner for the destruction and disfigurement of his fields by mining operations, the only burden that lies upon the

mineral industry would be at once removed. Nor would the expense be very serious. It may, however, safely be prophesied that the public would object to paying any subsidy, however small, in order to relieve a particular industry from an economic burden, which in a greater or less degree is common to all industries.

The colliery lessee is a free agent.-To the line of argument followed in the preceding paragraphs, it may be objected that it is based on theoretical considerations which may not be true in actual practice. In many cases this objection would be undoubtedly serious, and might even alter the whole aspect of the question. For example, in the case of farm rents our theory ought always to be modified by the reflection that farmers are not universally free to bargain. They are often tied to one spot by inertia or by sentiment, and will sometimes pay an excessive rent rather than leave the farm they have been brought up in. Moreover, the farmer is generally in a weaker economic and social position than the landlord, and is to this extent at a disadvantage in bargaining. But all this is reversed in the case of collieries. All the more important collieries are worked by wealthy capitalists or by powerful companies. The same capitalist or company may have leases with three or four landowners, and if there is any inequality in bargaining, the inequality is in favour of the lessee. Undoubtedly, lessees sometimes make bad bargains. But that is an accident to which all business men are liable; and it can hardly be seriously argued that one of the duties of the State is to come to the rescue of every person who, on occasion, makes a bad bargain. Colliery masters have, however, ingeniously contrived to enlist public sympathy in their favour, by pretending that mining royalties keep

down miners' wages. The device is no new one in our history, and in the history of other countries. Protectionist manufacturers abroad, in petitioning for prohibitive tariffs, always talk of the woes of their workpeople; and English landowners for generations taxed the food of the whole country for the benefit of the "poor farmer."

The popular demand.—Let us consider for a moment what are the definite demands involved in the popular outcry against mining royalties. The most popular cry undoubtedly-because it is the easiest to repeat-is for the "abolition of mining rents and royalties." It is unnecessary to make any elaborate answer to this demand. The rents of mines vary within very wide limits, according to the quality of the coal and the convenience of the mine. The remark of a colliery owner has already been quoted, that he would sooner pay half-a-crown a ton for some mines than nothing a ton for others. Supposing this man in occupation of the rich mine to which he referred, why should he receive from the general taxpayer a subsidy of half-a-crown on each ton of coal he raises, while the occupier of the zero mine receives nothing? Or, to put the same question more generally, why should South Wales receive an average State subsidy of eightpence a ton, while Durham receives only fourpence?

The demand for regulation.—A more intelligible demand is sometimes made for the "regulation" of mining rents and royalties. It is alleged that the charges made by the owners of the soil and of the minerals beneath are complicated and oppressive. There is first the main royalty, with the "dead-rent" arrangement attached to it; then the various way-leaves charged by different proprietors. These should be regulated, it is said. But how? The capitalists who enter upon the business of mining are surely as competent

to take care of themselves as any section of persons in the community. If they preferred any less complicated arrangements than those now common, they would probably make them. When a question of wages is raised, the colliery masters are ready enough to combine to crush their men; it is absurd to suppose that they could not equally well combine against obstinate landowners. For example, much good sympathy is wasted on the poor lessee—probably a coal company with a capital of half a million—who after paying a heavy royalty to one landowner, has to pay a way-leave to another, in order to get the coal away from the pit. It does not seem to have occurred to these ready sympathizers that if the way-leave to the second landowner could have been avoided, the first landowner would have been able to demand a higher royalty.

The origin of the outery.—The truth is, that the agitation against mining royalties is the outcome of two distinct cir-First, the decline of trade as compared with the flourishing period of 1870; secondly, the growth of the idea of land nationalization. As to the first point, it is no doubt unfortunate for the colliery companies who scaled their leases in or about 1870, that coal is cheaper now than But the risk of loss is inseparable from the hope of gain, and no colliery master has yet proposed to share with his landowner any unexpected gain. The second point is more important. There is something peculiarly at variance with the popular idea of justice, in the spectacle of a landowner suddenly enriched beyond the dreams of avarice by the discovery of minerals beneath his fields. For the wealth that then comes to him is not showered down by some gracious fairy; it is won by the hard work of hundreds of his fellow-beings, toiling in the bowels of the earth to minister

to his luxuries. That such an arrangement is unjust no one can deny. But, unfortunately, an injustice that has been allowed to grow till it has become part of our social system cannot be uprooted at a moment's notice. Any attempt at such sudden reformation must necessarily lead to new injustice. In a previous chapter it was argued at length that to confiscate rent rather than any other form of property would be unjust; a fortiori, it would be unjust to pick out for confiscation mining rents, leaving other rents and dividends untouched. All that we can do, as regards the private property already established in minerals, is to bring it gradually, by means of a high income-tax and heavy death duties, into the public purse.

What can be done for the future.—But the question still remains whether we can prevent the future extension of the injustice by nationalizing in advance minerals not yet brought into private property. That ought to be possible. Gold and silver found in the United Kingdom are Crown or national property; and the Chancellor of the Exchequerthough not without some friction-arranges the conditions on which these minerals may be searched for. In order to establish equitably a similar system for other minerals, it would first be necessary to make a complete record of the mineral rights already existing. The land covered by this record would include all the land known to possess minerals below the surface. In those cases where the minerals are already being worked, the most that the State could do would be to impose a purely nominal royalty on all minerals raised, in order to assert a dominant proprietary claim. But where the minerals are not being worked, although known to exist, the State need not be so tender. It would throw upon the owner of the soil the burden of proving

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that he had bought the land, or otherwise dealt with it on the expectation of deriving profit from the minerals it concealed. If he could not prove this, his right to the minerals should at once cease, and pass wholly to the State. The same transference of proprietary right is still more obviously equitable in the case of land where the existence of minerals is not even suspected. Here again the State should step in and assert, with regard to all minerals that may be discovered, the same claim that it now asserts to gold and silver.

In this suggestion that the State should assert a paramount right to all minerals there is nothing novel. Such a right has long been established by law in France, in Germany, and in Spain. In these countries all minerals belong to the State, and the owner of the soil has no power to forbid their extraction. In order to get at the minerals it is of course necessary to do some damage to the surface of the land; but the landowner cannot equitably claim, and should not be allowed to claim, anything more than reasonable compensation for the damage done. By an alteration of the law on these lines, though we cannot at once sweep away the injustice that our ancestors have allowed to grow, we can at any rate prevent its further extension.

CHAPTER IX.

SOME SUGGESTIONS.

It has been argued in the two preceding chapters that State ownership of land would not in itself mitigate the overcrowding of large towns, and that the principal reform needed in the case of mining royalties is to prevent the extension of the evil in the future. But these two branches of the subject do not exhaust the advantages that it is alleged would flow from the nationalization of land. Alfred Russel Wallace, for example, seems to advocate land nationalization mainly because he desires to see established in this country a system of "occupying ownership." The State is to acquire possession of all agricultural land, and is then to let it out in small holdings, on terms which will give to the tenant the same security for improvements and the same guarantee of undisturbed possession as if he had purchased the freehold. Again, municipal ownership of urban land might, it is arguable, improve the conditions under which many of the inhabitants of our towns live.

Dr. Wallace's small holdings.—The first of these points does not require very lengthy consideration. If the soil of England is to be made national property, it must be for some wider reason than for the sake of establishing small

For, to begin with, most Englishmen are by no means convinced that small farms are economically or socially superior to large farms. The question has been debated by economists and philanthropists for at least one century, and the debate is likely to continue for many centuries more. Plenty of evidence is forthcoming on both sides; France especially forming a favourite field for in-In France, Dr. Wallace, following John Stuart vestigation. Mill, finds evidence of the untiring industry of peasant proprietors; in France, also, Lady Verney finds peasant proprietors sunk in squalor that the poorest of English labourers would rebel against, and her experience is confirmed by the observations of such different writers as Georges Sand and Emile Zola. The industry of the peasant proprietor may without hesitation be admitted; but continuous toil that only ends in misery is a curse, not a blessing. However, it is not a part of our present task to add a word to the interminable debate on small holdings, but only to point out that their advantages are not so transparent as to justify such an important step as the abolition of private property in land. For, after all, small holdings, such as Dr. Wallace hopes for, can be created without any very drastic change in the general law. In Ireland his ideal has been practically realized. Since the Land Act of 1881, the Irish peasant farmer is in the position of an "occupying owner," subject only to the payment of a rent charge fixed by judicial authority. So satisfied is he with this position, that he will not exchange his nominal tenancy for legal ownership, and the Land Purchase Act of 1891 has remained, so far, almost a dead letter. Again, an attempt has been made in England during the session of 1892 to create small proprietary holdings; but so far from this attempt being connected with theories

of State ownership, it is avowedly intended by some of its supporters as a bulwark against land nationalization.

The State as universal landlord.—The contention that State ownership of urban land might improve the conditions under which most of us occupy our houses, cannot be so summarily dismissed. Indeed, the proposition may legitimately be extended; and it may be argued that the State, represented by local authorities, should own all land not for the sake of promoting any particular kind of tenure, but for the sake of improving the conditions of all tenures. In other words, land nationalization may be advocated on the ground that the State would prove a better landlord either of house, or farm, or mine, than the present individual owners. Undoubtedly this is possible; but it is by no means certain. And the suggestion here made is, that before advocating a general system of State ownership, with all the financial risks involved, we should by means of experiment determine the capacity of the State to make a good landlord.

The importance of experiment.—In order to determine this point, not one but a whole series of experiments is required. Already we have the State acting as landlord to the Crown property—a property that includes houses, farms, and mines. But no one would contend that the administration of Crown land by the Commissioners of Woods and Forests is so brilliantly successful as to form an argument for universal State administration. As far as can be gathered, it is neither much better nor much worse than the administration of other large landed estates. Again, several municipal bodies have house property, acquired at various periods for various purposes; but here too the evidence is inconclusive. There is nothing to show that the estates of the City Corporation or of the London County Council are in

any marked degree better managed than the Portland or Bedford estates. If, then, we wish to test the capabilities of the State as landlord, we must allow local authorities to try their hand at landowning as a regular part of their ordinary business.

Enlarged powers for local authorities.—At present, local authorities may only acquire land for certain specified purposes, and may only hold it under certain statutory conditions. Two reforms are necessary: first, to give to public corporations the same power that a private individual possesses, of purchasing land by voluntary agreement and holding it for any purpose; secondly, to extend the facilities that local authorities now possess for compulsory purchase. The second point is by no means simple. Under the existing law, every compulsory purchase of land requires the sanction of a special Act of Parliament, and the conditions under which Parliament gives its sanction are extravagantly in favour of the landowner. Probably the best remedy lies in the creation of a special judicial body, somewhat on the lines of the Irish Land Commission. This body, with the help, if necessary, of sub-commissioners, would hear and decide all cases of compulsory purchase of land by local authorities. It would decide not only the price at which the land should be bought, but also whether the local authority was justified in selecting for compulsory purchase a particular piece of land. Subject to the control of a Land Commission having these powers, there is no reason why local authorities should not be given independent powers to acquire land compulsorily for any purpose. With these powers, and unlimited power of purchase by voluntary agreement, municipal bodies would be able to get rid of many obstacles to public sanitation and easy locomotion,

that now continue to exist because of the expense of removing them. At the same time, there would pass under municipal control a landed estate large enough to test the desirability of making the municipal authority the universal landlord.

The law of landlord and tenant .-- But while thus enlarging the powers of local authorities, it is of the utmost importance that the general law of landlord and tenant should be amended. At present, the presumption of the law is nearly always in the landford's favour. If, for example, a tenant enters into a house that is in an unsanitary condition, the law presumes that the tenant knew what he was about, and the landlord cannot be compelled to set the matter right. Again, the law as to fixtures is absurdly favourable to the landowner. In practice, of course, many landlords act more liberally than the law allows, and reap their reward either in such consolations as a good conscience brings, or in the readiness of their tenants to pay high rents. But all landowners are not so generous or so farsighted. Landlords constantly insist on their strict legal rights, and the greatest hardship often results to the tenants. Whether the present system of individual ownership continues, or whether it is to be replaced by municipal ownership, in either case it is desirable that the formal relationship between occupier and owner should be made as equitable as the law can make it.

Compensation for improvements.—In this connection the most important point is the question of improvements or additions to the freehold. The old common law gives to the owner of the soil whatever is attached to the soil; consequently, in general, any improvement of any kind affected by a tenant can be confiscated by a landlord. The

obvious injustice of this arrangement, and the growing importance of the tenant farmer's vote, have together induced Parliament within recent years to pass Acts giving to the tenant of agricultural land, under certain conditions, a property in his own improvements. The last of these Acts -the Agricultural Holdings Act of 1883-specifies certain improvements for which the tenant may claim compensation, even if he has executed them without the landlord's consent. These so-called improvements, however, involve little more than the ordinary routine of good farming. On the other hand, all permanent improvements made by the tenant, such as the erection of buildings or silos, improving roads or bridges, digging ponds or wells, planting fruit-trees, reclaiming waste land, &c. &c., belong to the landlord, unless he has given permission in writing to the tenant to execute them. In practice, tenant farmers complain that landowners refuse to give this permission, in order to reserve to themselves the power of confiscating the results of their tenant's labour. Clearly such a power ought not to exist; but-to give due weight to both sides-it would also be extremely unfair to force a landowner to buy "improvements" which added nothing to the commercial value of the land. All tenants are not, like the Laureate's Northern Farmer, able to boast that they have done their "duty by the lond." Even under the meagre provisions of the present law, a class of scamps has been developed who, farming on a yearly tenancy, ingeniously contrive to run up a big bill for improvements, and then, leaving the land worse than they took it, pass on.

The court of arbitration.--For this double evil it may be suggested that the best remedy would be found in a system of arbitration. The principle guiding the court

would be that the property in an improvement belonged to the improver and not to the freeholder; the question for the court to determine would be whether or not the freehold had been improved. In the case of agricultural land, a jury composed of neighbouring farmers and landowners familiar with the district would quickly decide this question of fact. If the jury found that the land had been so improved by the tenant that it would command a higher rent, or sell for a better price, the landowner would be required to pay for what he gained. If, on the other hand, the farm had been let down by bad cultivation, or spoilt by unwise alterations, the tenant would be liable for the consequences of his own conduct.

In the case of houses, it is not so easy to determine whether a particular alteration is an improvement from a commercial point of view; but that is not a sufficient reason for giving to the landowner the right to confiscate every improvement. It may safely be prophesied, that if a tenant had power on the expiration of his tenancy to remove everything which he had added to the freehold, whether it were a whole house or an ornamental chimney-piece, the two parties would soon discover some way of coming to terms. Under these conditions, applied mutatis mutandis, both to agricultural and to urban tenancies, the necessity for asking the landlord's consent to this or that improvement would disappear. The only case in which the landowner would have ground for interference would be if the tenant proposed to do something which would interfere with the amenity or commercial value of the rest of the estate; for example, in the country, building a jam factory in a needlessly prominent position.

Landowner's power to misuse his property.—This, how-

ever, is a matter in which the nation as well as the landowner may rightly claim to interfere. As the law now stands, the freeholder of half an acre may spoil the landscape for five miles round, and no one can touch him. may, for example, first build a vulgar house right on the summit of the most glorious hill in Southern England, and then, lest the world should forget what a great man lives within, he may put up a screen fifty feet high to shut himself off from the common herd of human beings. Obviously, it ought to be possible to prevent by public authority such a wanton outrage as this upon the beauty of nature. In towns the municipal authorities already have some control over the plans of proposed buildings, but the control may only be exercised within very narrow limits. For example, except in new streets, the height to which a building may be raised is entirely at the discretion of the individual builder, and such monstrosities as Queen Anne's Mansions are the result. Again, municipal authorities have no general power to compel the setting back of new houses built in a narrow street; so that though a street may urgently require widening, new houses are continually built up to the old line of frontage, to be eventually pulled down at the expense of the community. In regard to open spaces, too, the community is at the mercy of the builder. Land that would have been invaluable to the community as a public park, is often covered with houses that might equally well have been built elsewhere.

The community should have a power of veto.—Generally, then, what is required is to give the community more complete control over the use to which land may be put. Probably the best way to accomplish this would be to empower the local authority, either in town or country, to

veto any proposed building. In some cases—for example, the setting back of houses—the exercise of this veto would have to be accompanied by the payment of compensation to the owner of the soil. But in general, the law should refuse to recognize any claim by an individual to use his land to the detriment of the community.

Preservation of historic monuments.—Another matter in which the nation has a right to interfere with the existing powers of landowners is in preventing the destruction of buildings of historic or æsthetic interest. In this matter the French law is far better than our own. Any interesting building in France may be declared by the Ministry of Fine Arts to be an "historical monument." It is then protected by law from destruction, and the Government undertakes such repairs as may be necessary to preserve it from gradual decay. Unfortunately, there as well as here, the zeal of the restorer occasionally does more harm than a hundred years of wind and weather; but in the vast majority of cases the intervention of the Government is purely good. Perhaps the best method of securing the same end in England would be to give to county and town councils the power to veto the destruction of any building or monument, and, if the case required it, to arrange with the owner for the purchase of the building and site.

Wasted margins.—Among minor defects of individual ownership of land, the creation of what may be called "wasted margins" is worth mentioning. These arise in towns wherever the line of buildings does not run parallel with the street, or from some accident stands back from the street. From either of these causes a piece of land often gets left between the boundary of the public roadway and the wall of the adjacent houses, and is of no use to anybody.

A good instance is the long narrow strip of wasted land between the buildings of Lincoln's Inn and the footway on the west side of Chancery Lane. In all such cases as these the local authority should have power to acquire the wasted land compulsorily, paying to the owner a price based strictly upon the actual value of the land to him.

The rights of the general public.-From another point of view, the question just dealt with may be regarded as a particular illustration of a very important aspect of the land Over and above the disputes between landlord and tenant, between State and individual, is the claim of the general public to use freely for purposes of recreation land that is not set aside for any conflicting purpose. is a claim as yet quite unrecognized by English law.1 is called common land is only common to a limited number of persons who have specified rights over it. The general public has no greater right to the free use of common than of private land, except in the cases where a right has been conferred under the Commons Regulation Acts. Again, in the case of Crown land, or land belonging to a Government department, or to a municipal body, the public may be as rigidly excluded as they would be by a game-preserving squire.

The landowner's power of exclusion.—Consequently, the mere transference to the State of the freehold of all land would not in itself give the general public any greater privileges than it now possesses. If the present law continued, the enjoyable use of the soil would be confined to the tenants of the State, in the same way that it is now con-

¹ An attempt to assert this claim has been made during the session of 1892, and the House of Commons has passed a resolution in favour of giving the public free access to Scotch mountains.

fined to private owners and their tenants. And for this exclusion there is, as regards an immense area of land, no solid reason. Mountain pastures would afford just as good grazing if the holiday-maker were free to ramble over them; river meadows, except when in hay, are unburt by the footsteps of the angler. By many landowners and their tenants these obvious facts are recognized, and in a large number of cases no attempt is made to exclude persons in search of the simple pleasures of a country walk. But there are churls both among occupiers and owners, and some of the most beautiful scenery in the British Isles is barred to all but a handful of persons.

"Trespassers will be prosecuted."—Before considering how this can be remedied, it is well to be explicit as to the exact power of exclusion now possessed by landowners and their representatives. There is a popular belief that trespass upon another man's land is a punishable offence, and this belief is fostered by the threatening notices that may be seen all over the country, warning trespassers that they will be "prosecuted." To the majority of persons the word "prosecution" implies a criminal procedure; but, as a matter of fact, a landowner has only a civil remedy against trespassers upon his property. He can only sue them for the damage done. If no damage has been done, the landowner has no remedy. In practice, however, actions against trespassers on land are generally brought before the court of petty sessions, and the sympathetic bench of landowning magistrates is not very strict in requiring rigid proof of damage done. The court will often assume that nominal damage, estimated at a farthing, has been done by a pedestrian walking across a field, and will give judgment accordingly. The judgment carries costs, and these may amount to an appreciable fine. Beyond this, however, trespass upon land, unless the trespasser is in pursuit of game, cannot be punished. On the other hand, the owner or occupier of land has the fullest right to expel, by force, if necessary, any person intruding upon the property. This power of expulsion is the landowner's real protection. Let us briefly consider to what extent it is desirable that it should be maintained.

Reasonable limitations to the landlord's right.-In the case of a dwelling-house or place of business or private garden, there can be no dispute. A man may reasonably claim, if he choose, the same exclusive right to his own house and garden as to his own toothbrush. But when we pass from garden to park, and from park to meadow or pasture or moorland, the case is different. Here wellbehaved persons inflict no annoyance on the landowner by walking casually across his land, or even by sitting down upon it. Ill-behaved persons may, admittedly, do considerable damage: but there is no reason why the well-behaved should be excluded because of the possible misconduct of the ill-behaved. What is really wanted is a more efficient means of dealing with wanton damage to property, public or private. To trample down ripe hay, or corn, or growing crops, to injure trees, to tear up fences, and even to litter glass bottles or other refuse in park or meadow, should be made criminal offences, punishable by fine or imprisonment. Were this protection given to the owners and occupiers of land, there would be no reason why the general public should not have free access to all open land. The boon to the nation would be enormous, the loss to landowners practically nil.

Rights of way; their use and abuse.—And here it is

worth while to mention, that the main reason why both farmers and landlords are eager to close public footpaths is because of the damage done by mischievous or careless persons. Town larrikins out for a country walk will often in pure fiendishness throw gates off their hinges, play at leap-frog through the ripe corn, or scatter the hay-cocks that stand waiting for the cart. Naturally, the farmer objects; and as the law gives him only a civil remedy, which costs more to obtain than it is worth, he takes matters into his own hands, and tries to close the public footway through his fields. In order that the public interest may be safeguarded, power has recently been given to county councils to protect rights of way. But county councillors are for the most part either landowners or large occupiers, and their sympathies lean to the side of the defenceless farmer, so that the new powers are little used. Probably this would not be the case if county councils were also empowered to act as prosecutors in the case of malicious injury to any property within the county. One or two heavy sentences would stop the nuisance, and would deprive landowners of the only shadow of excuse which they now have for stealing a public right. At the same time, the attempted theft of a right of way by the exposure of lying notice boards or other means should be made a penal offence, and the local authorities should have power to prosecute.

Repairs to public footpaths.—As a minor but not unimportant reform, it may be suggested that local authorities should have power to repair public footpaths. At present it frequently happens that a useful short cut, to which the public has as much right as to the main road, becomes quite impassable in the winter. A few loads of gravel would prevent this public loss, but nobody except the owner or

occupier of the land has power to lay the gravel down. What is further wanted is some easy means of diverting an ancient footpath. Often a public path takes a line that causes the maximum inconvenience to the landowner and the minimum advantage to the public. But where land is settled, the tenant for life cannot dedicate a path to the public, so it is a question between keeping the old path or having none at all. A simple alteration in the law would remedy this defect. The local authority would then arrange with the landowner the line that the public path should take, and would see that it was always maintained in a fit condition for traffic.

The Game Laws.—One word may be added with regard to the game laws. Game-preserving, in a crowded country like Great Britain, is too great a luxury. In order that a few individuals may have the pleasure during a few weeks in the year of slaughtering large numbers of pheasants or grouse, an immense area is, for the rest of the twelve months, cut out of our small island, and rendered unavailable for any use. Nor is that all. For not only does gamepreserving amuse the idle rich, which may be a good thing, but it also encourages the idleness of the poor, which even the rich will admit is distinctly bad. Men, who might have made good workmen, are tempted by the profusion of game around them to take up the uncertain, semi-outlawed profession of poaching. From poaching they pass to farmyard pilfering, and possibly thence to house-breaking. The whole evil results from the statutory privileges that landowners in Parliament have conferred upon themselves. The law recognizes no property in wild animals; it should equally refuse to recognize any special privilege to kill them. Subject to the maintenance of a close time for those birds

and animals which it is desirable to preserve from extinction, there is no national reason why the natural sporting grounds of England should not be thrown open to anybody. There would, at any rate, be more "sport" than now, when a single individual stands with a succession of guns beside him, firing into a flock of birds as they are driven past.

Registration of title.-To pass to another category of questions, it is necessary to say a few words about the legal title to land. One of the greatest obstacles to the free transference of land, either between private persons or between individuals and the State, is the difficulty of ascertaining fully to whom the land belongs. That this evil should be remedied has long been demanded by various schools of reformers, and the gratification of their demand should certainly precede any general scheme of land nationalization. In Australia land can be transferred by a simple alteration in a ledger record; there is no reason why the same simplicity should not be attained in England. The first step is the only serious one. In order to open the record, something of the nature of a new Domesday Survey would be required. It would be necessary to register every separate holding, carefully describing it by reference to the ordnance map. The names of the occupier and of the owner would of course be registered, and also any mortgages or other charges upon the holding. This would not be quite so simple as it sounds, for it would be necessary to allow time for rival claimaints to assert themselves, and for the disclosure of concealed mortgages. But when once the record was complete, these difficulties would cease. Every new transfer, every new mortgage or rent-charge, every new lease or agreement to let, would be registered automatically; for the law would refuse to recognize

any transaction with regard to the land that was not so recorded. To the Government this complete compact record would be of immediate advantage for fiscal purposes, for it would give the revenue officials a very valuable check over income tax returns. It would also be a contingent advantage to the State by furnishing reliable evidence on which to base, should it ever be deemed desirable, a general scheme of State purchase of land. To the community generally the simplicity of transfer that would result from compulsory registration would be a distinct and considerable gain. But perhaps the persons who would realize in the most tangible manner the advantages of the system would be the existing body of landholders, who would find their net incomes considerably increased by the reduction of their lawyer's bills.

Summary and conclusion .-- In conclusion we may now briefly recapitulate the results at which we have arrived in this and the preceding chapters. In the first place, it has been strongly argued that the scheme of land nationalization, so called, advocated by Mr. Henry George, would effect none of the objects for which State control of land is desirable; and that the confiscation of rent, which is in reality the beginning and end of his scheme, cannot be defended on any ground of equity. Almost equally indefensible are the proposals to place special taxation upon ground rents or mining royalties. There is no reason, it has been argued, why incomes derived from these sources should be more highly taxed than other permanent incomes. They can best be dealt with by graduated death duties falling equally on all classes of property, and by a graduated income tax charged at a higher rate on all incomes that are independent of the recipient's own exertions. So much for the income

derived from the ownership of land. As regards the question of administration, there is obviously a possibility that State ownership would give better results than individual owner-But in order to put this possibility to the test, it is not necessary to embark upon any wholesale scheme of State purchase. The execution of such a scheme might result in a serious financial loss that would only be partially, if at all, counterbalanced by the administrative gain. It is, therefore, far better, on the one hand, to proceed first by cautious experiment in the direction of State purchase; on the other, to improve to the uttermost the existing system of individual ownership. Various suggested improvements have been mentioned in the course of the present chapter. From among them may be selected for repetition that which is undoubtedly the most important—the suggestion that without altering the present tenure of land the public should be endowed with an extended right to the use of land for the purposes of recreation. So long as neither the processes of agriculture nor the privacy of the immediate occupier are interfered with, every Englishman should be free to roam at will over English land. With this condition attached to present tenures, the soil of our country would, it is suggested, be more truly "nationalized" than under any scheme of State control that has yet been formulated.

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