EVOLUTION OF EARLY MODERN ENGLISH SOCIETY

Dedicated to Professor Kosai Ishihara, who for twenty years has shown me respect

D. Morgan Pierce

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ENCLOSURE

DECAY OF FEUDALISM

Through the 15th century feudalism thrived as the basic economy because population did not grow; the land actually available supported a static manorial population. The Lord of the manor possessed monopoly over trade and charged for the inhabitants’ use of the market square.\(^1\) The 60% population increase of the 16th century however engaged the demise of the manor. The interdependence of the manorial organization and demographic stability had already been glimpsed since 1348, the year of the plague; in the following decades the nobility had managed to use the crisis to decrease servile revenues and raise the profit margin for themselves. Serfs responded by the famous Peasant Uprising of 1381, which in memory terrorized the nobility for centuries.\(^2\) Perhaps the most ominous foreboding however was a more placid reaction: serfs abandoned their rights of usufruct, and their feudal obligations, to seek new agricultural employment elsewhere, under contract as freemen.

This undercurrent of feudal economy went far to thoroughly undermine the manorial organization by the 16th century. Abandonment of serfdom was illegal, but there was no

\(^1\) In 1693 there were 680 such markets, 728 in 1792. Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 322.

means to halt decay once the quasi-consensual condition failed to persuade: the serf’s hereditary right to use the land to which he was bound. A serf was a specialized identity; a slave is a slave to everyone, but a serf was a serf only to his own landlord. He was entitled to hereditary usufruct of a part of the landlord’s land, but his serfdom was not alienable to an individual other than his given landlord, except by virtue of legal inheritance of manorial ownership. The feudal organization entailed geographical immobility and a stationary reproduction rate.

Ultimately feudalism could be nothing other than voluntary. The Lord owned his serfs, as being a serf required his obeisance only to his Lord, nobody else. This distinction underscored the Lord’s personal domain over his serfs, but it signified as well that a runaway serf was legally free, insofar as his Lord didn’t capture him. Serfdom being proprietary, the moment he abandoned his manor he had no legal restraints qua serf. The relation was therefore consensual: the serf was induced to cooperate only because the Lord provided him with a heritable right of usufruct. If for instance population should increase, the landlord’s duty to provide land would fail, and the manor would fail.³ The Lord’s possession of land, and control over accessibility thereof, was the only power the Lord could exert over serfs; if the land he could provide was insufficient, the Lord had no means to prevent the consequent desertion of his serfs. As there was no substantial centralized government, only the Lord himself had interest in capturing a fugitive serf. What was there, then, to keep the serf in serfdom, in previous times? Starvation. Since 1348, however, the plague raised the value of labor by causing its scarcity; the manorial depreciation of the serf’s revenue was artificial, so that the serf could easily imagine that, rather than starvation, he would find more remunerative employment, now as a freeman, in some other manor.

The sudden land shortage however did not help the peasants; despite rising prices due to underproduction, minimal payment persisted because of a partial resurgence of peasant population. A Thomas Starkey in 1538 adverted to the simultaneous quest for land: “the

enhancing of rents of late days induced.” In the 16th century population increased by 60%. This was of dubious advantage to England. Demand drove up food prices and rents. On the positive side it spurred land reclamation and a primitive form of market agriculture to benefit from the rising prices, but on the negative side it did not create greater per capita wealth because agricultural expansion was always less than proportionate to increased demand. Preferable would have been a surge in productivity rather than of population, which alone could have financed improving innovations and increase of real per capita wealth. Gregory King, the contemporary statistician of population, estimated that half of the population depended on charity or poor relief merely to continue living.4

The feudal economy responded to any population growth with labor intensification; more people worked on the same unit of land, and more people derived nutrition from the unchanging unit of land;5 this simplistic manner of adjustment sustained the rather constant equilibrium between land and population, since replication of subsistence level agriculture by intensification had abrupt limits. The capitalist turn was very difficult to achieve because, as subsistence agriculture constantly supported population at its extreme limit, any cultivation for profit in a remote market was synonymous with food shortage for the peasant inhabitants. Capitalized agriculture signified production for exchange, and therefore not on immediately consumable food, whereas subsistence farming was for immediate consumption in the same locality.

London, not foreign markets and not colonization, induced the initial shift from feudalistic to capitalistic farming; as food prices rose with land shortage there developed the first observation that more money could be made by taking the expense of transporting food to the London market than by forbearing transportation expense by means of the local market. By 1700 one out of nine Englishmen lived in London, unable to produce their own food.

This achieved a partial market uniformity, because London was by far the dominant market; prices in every other region had to equalize to the prices prevailing in London, although outside prices might be less proportionately to the expense of transportation to London.\textsuperscript{6} Even when food was sold locally, the higher market price in London caused it to sell at higher prices.\textsuperscript{7} In the 1590s a phenomenon that stretched through the 18th century made its first appearance; farmers sold their produce in London simultaneously with famine in their own locality. Demand might be greater in the locality, but prices nevertheless could not go up because the peasants did not have enough assets to mount an adequate effective demand. An extreme need (famine) did not mean that prices would emulate the market prices of London, so that, paradoxically, a farmer might market in London rather than in his famine stricken home town.

In the 15th century, while England was still Catholic, conditions emerged to make this form of capitalistic agriculture possible.\textsuperscript{8} The feudal system comprised a demesne, the Lord’s own agriculture, and the larger, outlying land belonging to the Lord but rented to serfs and persisting through inheritance in the same families; the demesne was also cultivated by serfs, not the Lord, through various corvée arrangements. In the 15th and 16th centuries, capitalistic agriculture appeared, but was conducted in the old, inadequate framework of the feudal regime. As the Lords became less isolated and autonomous, more tied into a central government, the previous yield of the manorial subsistence economy became insufficient for their expenses; land previously held on feudal terms was converted to a looser rental arrangement or sold outright; the 15th & 16th centuries were the best era for independent smallholders, although often still bound in tenurial obligations tapering off from the feudal era.


\textsuperscript{7} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 274.

\textsuperscript{8} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 249.
There was competition between landlords to acquire peasant labor, whether feudal or contractual; in consequence of the need to allure peasant labor the peasant population gradually shifted from feudal to free labor, thereby sacrificing their heritable right to usufruct. This relieved the nobility, who were then not bound to provide for serfs, but it produced a dilemma over the management of this new class of free peasants: whether to entitle them to small parcels of land or to hold them in a quasi-feudal dependence by virtue of rents. Landholding was altered into lifelong leases; the landlord retained ownership, but tenants had a right of inheritance for those specifically named in the lease.\(^9\) The tenants cultivated strips of arable land, held in common amongst themselves, including the use of the commons. The interchangeability of the land strips impressed on them that they were not absolute owners of the land.\(^10\) Conversion from strictly feudal relations to quasi-feudal contractual obligation gave the peasants in the early part of this period prevalence over their Lords qua negotiators. Population growth was thus disadvantageous to the nobility. Contractual labor increased the cost of labor wages, and the pace of land reclamation depressed grain prices from their high point at the beginning of the transformation.

Agricultural improvement was not yet so much as an idea; a feudal economy with neither population growth nor increased production for centuries, the only idea of enrichment had been to expand the area of landownership. The emancipation of the Church lands had made land temporarily cheap enough for some of the former serfs to purchase land.\(^11\) Reluctance to reclaim unused land or to experiment with agricultural technique caused land prices to appreciate. The only reaction was vigorous greed for appropriation of available arable land; the alienation of the land formerly belonging to the Catholic Church and afterwards the alienation of Crown lands fed the aggrandizement of land ownership but

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retarded the first efforts at land reclamation.

Following the Civil War, Puritans had confiscated and awarded royalist estates, but at the Restoration some royalists recovered them. However, estates restored were encumbered with debt due to the expense of recovering them, portending what was to be endemic for the following century, a tendency for great land holdings to be so encumbered with generations of debt that it was hardly worth holding them; in the 1740s landlords were still selling their estates to extricate themselves from debts contracted in the 1640s. Others could sustain the debt burden by new borrowing, and for some the pressure of interest payment made it vitally important to raise productivity by introducing modern techniques.

At the Restoration landowners got relief by two alterations. First, the twenty years of Commonwealth government and the fact that Charles II had to compromise with former roundheads compelled the abolition of the Court of Wards, officially repealed in 1660; this returned an enormous amount of money that had previously gone to the king. Second, feudal obligations of service to the king were attached to landholding under the interpretation that noble landholding was a type of tenure granted by the king. The notion that the aristocrat’s land was a “tenure” was decisively abolished, although lords made a monetary payment in the place of feudal service.

The same sort of liberalization did not extend to the commoners; copyhold continued.12 It will be conspicuous in a later passage that, when the landless peasants amounted to a social problem, the landlords refrained from resurrecting their manorial rights over serfs as a method of reestablishing control over them. It would have been easy to claim that the former manorial lords still had some form of administrative authority over them, so we must search for some interest that obstructed such a reaction. At the end phase of feudalism services had been converted to money payment. Peasants who were freeholders would occupy the same lands, but as freeholders they could not be obligated to such payments. Landlords, wanting the aggregate result of this commutation to come out in their favor, could not negotiate with freeholders and copyholders as if they were the same; it was vitally important to establish

the fact that a hereditarily transmitted land, though outwardly indistinguishable from a hereditary freehold, was in fact a copyhold, and therefore in principle a property of the Lord, which he could withdraw from the tenant. The copyhold was an enfeebled remnant of feudal villain tenure, which implied that the tenant could raise no substantial claims or objections against his landlord, because at root the landlord was the legally recognized owner. The legal position on which the landlords depended to make the distinction between copyhold and freehold, in order to assert control over landholding peasants, would have collapsed due to inconsistency if they had adopted a quite different view of their rights, by scuttling all distinctions in order to assert authority indiscriminately over all landless peasants.

In the case of leasehold, landlords of the Tudor period raised rents whenever agricultural produce appreciated; there were enough peasants desiring tenancy that a landlord could always find another tenant at higher rent. Oddly, the tenants, those who were to evolve into the gentry, benefited more than the landlords whose land they were using. Because the dignity of the landed aristocracy was being demeaned, it was necessary to add to their financial liability even more by the expense of amplified pomp and upkeep to project their supremacy.

Some of the small rentals subsequently consolidated from landlord alienation into medium-sized farms. Feudalistic manors waned in the fifteenth century as increasingly more of the demesne was converted into rental, and as the rental lands consolidated into medium-sized holdings, a new social class coalesced. The freeholders (yeomen) of the 15th century who had risen from serfdom and successfully consolidated land were the gentry of the 17th century; together with land acquisition these were the first to amass wealth from commercial enterprise. Until this point miscegenation between Normans and Anglo-Saxons had occurred only between the Normans and the aristocracy of the Anglo-Saxons; even so the nobility were still almost purely Norman. One might speculate whether the gentry, having originated from the serfs, not the nobility, were the first to bring about a substantial mixing of Norman with Anglo-Saxon blood in their efforts to create affinity with the nobility.\(^\text{13}\)

Despite its sustained integrity, landlordism subtly changed with the onset of money
economy. The centralized government made private armies illegal; the nobleman’s weight changed from a function of how many soldiers he could glean from his manor to a measure of his pecuniary power. The traditional manor increasingly adopted leasing arrangements, alienating of some of the core demesne, so that the lord’s power consisted in his subordinate investment in the central authority rather than in his autonomous power. Office holding and marital affinities to the central government became essential in the new mode of the great landlord’s wealth.\textsuperscript{14}

The unfortunate consequence of the population growth with its correspondent demand and profit from agriculture was to motivate the nobility to reappropriate small free holdings that had dispersed to yeomen; free land distribution to smallholders was deferred to a rental system. Similarly the cottager who lived on the commons had thought that he had rights to its use on the basis of tradition.

The cottager sold his labor, at first, to yeomen or tenants, from whom he received a wage payment. His cottage was a small dwelling to which belonged one to four acres, in conformity with the Elizabethan settlement law, and he depended on the commons to pasture his livestock.\textsuperscript{15} He was evicted, because the common was the property of another, against which he had no legal ground.\textsuperscript{16}

The yeoman was a very small freeholder, not amounting to the lesser gentry; he went extinct at the abolition of the manorial-feudal system of farming and the appropriation of the commons.\textsuperscript{17} The main irritant to the nobleman was the “customary tenure,” by which

\begin{itemize}
\item \textsuperscript{13} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 240.
\item \textsuperscript{14} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 239.
\end{itemize}
descendants would inherit usufruct on the ground that his ancestors had used the land from time immemorial. The copyhold tenure was a disintegrated left-over from villain tenure; in the case of copyhold it was relatively easy to evict the peasant on the ground that copyholders had right to usufruct, but were not owners; ownership of this type of land had persistently been in the manorial Lord or mutatis mutandis the Landlord. There had never existed a formal right for the peasants to use or occupy the commons. Both Anglo-Saxon and Norman monarchs attempted to limit the informal rights to the commons, which “rights were nothing but an excrescence of what occurred de facto. The Lord alone was the owner of the land “in fee simple,” but in fee simple derived from the feudal, not the modern conception of law; in fee simple was never explicitly defined in the modern sense of exclusive ownership. Thus the exact status of the commons, belonging in fee simple to the lord, were as such never carefully determined in the conception of exclusive ownership, for during the manorial period there had never been a pressing need to precise the situation still further. When the peasants were evicted from the commons on the presumption of exclusive ownership, this was on the basis of an arbitrary interpretation that in fee simple and exclusive ownership were equivalent; nothing prior to the time of eviction provided a basis for this interpretation.\(^\text{18}\)

Once feudal relations had gone into decay, proper ownership of land external to demesne might have passed into oblivion, but the landlords’ desire to retain control required them to rearticulate the sense of ownership pertaining to such land. If the occupation was verified to be copyhold, not leasehold, the landlord could pry the tenant loose from his right by the instrument of “entry fee.”\(^\text{19}\) In the 17th and 18th centuries the courts determined that “the Lord’s waste,” i.e. the commons, were the lord’s exclusive property, the peasant’s residence or use of that land being nothing but an obfuscating encumbrance to the authentic right. The decision was argued by the reasoning that if de facto resident peasants were


allowed any fraction of the right, their interference would impede the lord’s opportunity for land improvement.\textsuperscript{20} Most unfortunate for the freeholder who had no proof that what he had was a freehold. State administrators at the close of the Middle Ages proceeded to verify all land titles, but when the hereditary possessor could not produce proof of freehold, by default his land was categorized as copyhold, the property of the former manorial lord.

As copyhold, the tenant had rights against the landlord; he could not be evicted, and he retained the inviolable right to bequeath his land to his children. The landlord could not arbitrarily change a tenant’s copyhold into leasehold. On the other hand, since the copyhold was a descendant of feudal tenure, the copyholder would owe service or a money commutation to the landlord. The money commutation took the form of \textit{entry fine}; the copyholder could retain the land exactly as if it were his own, but he had to pay a sum of money for continuance of the \textit{copyhold} status. Eventually the landlords used the entry fee as a ploy to rid themselves of the copyholders, by charging them an entry fee they could not possibly afford, at the same time offering them remission of the entry fee if they would consent to change their copyhold into leasehold.\textsuperscript{21}

Needless to say it was a form of blackmail: the landowner received exclusive, untrammeled ownership in land in exchange for extinguishing his right to charge the tenant an arbitrary entry fee. In this period the law was resolutely set against any complicating plural ownership of land, always resolving such disputes to ownership and attendant rights therein to one party. When manorial estates were dissolved, the landlord retained, as reified properties, the rights that the now extinct manorial lord exercised, and the landlord could trade the extinction of such powers in return for more property in land.\textsuperscript{22}

To put it skeletally; the emancipation of the serf did not endow him with ownership of the land he and his ancestors had immemorially cultivated; land returned to them as rental.\textsuperscript{23} Because the peasant class had not \textit{en masse} received the land in fee simple, it was

potentially very easy for the aristocracy to reverse the trend so as to reconsolidate the land in aristocratic possession. With population growth and consequent conflict, the peasants’ rights were articulated but were formulated only as communal rights over wasteland. The commoners were formulated as tenants occupying the property of the Lord, who alone possessed the land as unconditional freehold. The overwhelming majority of the peasants were then conceived as occupying the lord’s land, by conditional right, in the status of villeinage; it then went without saying that the Lord was the ultimate owner of the wasteland. The law had very cleverly managed to make the landlord’s exclusive ownership look like the natural outcome from an egalitarian concept of possession.\textsuperscript{24} Most of the 15th and 16th century yeomen did not graduate to 17th century gentry; those who became gentry rose initially from amassing land, while most erstwhile yeomen, losing their copyright status, descended to wage-labor.\textsuperscript{25}

The idea of land improvement was deployed as a legal basis to annihilate the customary notion of usufruct. The “use-right” was transferred from the user, who relied on it for an argument from custom and tradition, to the formal owner of the land. The judgment was against interlopers, who might descend on the commons with their livestock; this perhaps made sense, but the ruling encompassed any individual who had neither formal ownership of land nor tenure. In effect the peasant was stripped of rights without knowing it; as long as the landlord let peasants use the commons, on his sufferance, they would not notice that they had been deprived of their right to use the land. He would learn only in the case of a legal dispute or enclosure, but at that point he would discover that he had no voice in court.\textsuperscript{26}

Yeomen who managed to own land in fee-simple probably survived by their utility to the aristocracy. The great landowners could avoid talking to a peasant any time in their lives because the gentry formed a buffer. By the affinity gentry sought with the aristocracy

they assumed complaisant local roles by which they conveyed the will of the nobility to
the commoners without the necessity of the nobility ever facing commoners; the layered
organization of landowner, tenant, and laborer prevented the possibility. This was highly
advantageous in that the absentee landlord or the gentry personnel were never perceived to
be responsible for the miserable living conditions of the country.\textsuperscript{27}

Local public offices and additional revenues from inland commerce enabled gentry to
retain their small acreage despite the land-greed of the nobility.\textsuperscript{28} They were not accepted
into the nobility, but were used to communicate between nobility and peasantry. In
provincial government offices, most particularly as Justices of the Peace, they regulated
the peasantry according to the dictates of the nobility. Having assumed a servile position to
landlords in local affairs, their accumulation of wealth on a minor scale qualified them to enter
membership in the House of Commons, where they were likewise servile, voting according
to instructions from the nobility.

A small performance of hypocrisy helped to save the face of the aristocracy. A JP who
might expel vagrants and tear down vacant cottages to prevent settlement might at quarter
sessions show the world how humane he was by accepting a peasant’s appeal against abuse
in another parish. The notion that the aristocracy was lovingly paternal might have derived
from the high visibility of their “virtuous” actions against the invisibility of those not so
kind; aristocracy appropriated peasant surplus by impersonal, anonymous institutions such
as tenancy rental, customs duties, and taxation.\textsuperscript{29} Only a small number of peasants thus
became gentry; otherwise the peasants, freed from serfdom, i.e. dispossessed of land, went
into day-labor and vagabondage. The contemporary Gregory King reported that half the
population lived below minimal subsistence, as famines of the 1530s, 1590s, and 1630s
plus industrial recessions of the 1550s, 1620s, and 1630s dislodged them from any secure
position.\textsuperscript{30}

\textsuperscript{28} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and
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During this time the common Law argued that the kindhearted Saxon and Norman landowners had granted the use of the commons as a freely-made gift. There was no evidence for this assertion, but it was very useful for preempting any argument to the effect that the users of the use-rights were the possessors of the use rights rather than that, as common law clearly saw, the use right was arbitrarily in the gift of the kindly landholders to their people. This particular myth of the Norman gift led to the Levellers’ counter-myth of the Norman yoke, according to which all the land was in the peasants’ property until the wicked Normans came around.\(^{31}\) Poor relief was a legal entitlement for the unemployed, a countermeasure against the myth that land was peasant property, but it was receivable only in the parish of the person’s birth, so that any given parish might not become the victim of an influx of welfare recipients. In the home parish such a recipient was often sent in a circuit through the farms of the locality to do day labor for receipt of poor relief.\(^{32}\) Such farm laborers and their families had a penchant to migrate for the sake of employment elsewhere that would feel less degrading than poor relief.

As half the English population was living below minimal subsistence in the 16th century, half the population had no positive effect on society, somewhat like an inert and functionless tumor, half the weight of the body, residing in the body; they neither produced nor consumed. The survival of this nonfunctional part of the population was undesirable, and its existence was attributed to traditional marginal ways of living that did not involve productive work. The law of the 16th century stipulated that any cottage located on 20 acres of arable land had to be occupied by a peasant family.\(^{33}\) The law appears to be benevolent,

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\(^{30}\) Cf. King, Peter; *The Development Of The English Economy To 1750*, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 260.


but its intent was to harness all healthy individuals into national productivity; peasants should either be productive, or cease to exist. The amount of livestock such an inhabitant could keep was limited by law; pasture on such dwellings was to be taxed at 50% of their profit. The inhabitant was required, by law, to maintain the cottage and land in good repair. The requirement on the landlord that cottages be occupied or torn down was to exclude squatters; if someone should illegally settle in an abandoned cottage, he might qualify to draw on poor relief, which the village wanted to reduce. The limitation on livestock, the cottage repair, and the tax on pasturage was to set strict limits on the procreation of such social undesirables; it was not desirable in the first place for 20 acre farms to exist, but if there were such people, their income was to be minimized so that they would be unable to reproduce themselves. If there had not been such laws, the unemployed would have increased. The law was ineffective, and the surplus peasant population continued to live in the way they had been forbidden; the law was enacted in 1515, 1516, 1533, 1535, and 1552. The pauper population inexorably prolonged its way of life despite any countermeasures.

Occupants of cottages on the commons were evicted without compensation; the right by which they claimed tenancy was not in their use of the commons, but in the will of the landlord. The legal theory entailed that a traditional usage could not override a statute, and the distinction that the person who possessed the use right was not the owner of the use right; the landlord was owner of the use-right that the peasant possessed.\(^{34}\)

In the early phase it was thought that government should rightfully legislate prices and wages, supposedly for the sake of protecting the peasants, but enforcement was regulated by royally decreed monopolies. Monopoly control over virtually all transactions was supposed to keep prices low, supposing that absence of competition and royal control over the monopoly would keep prices low. In fact the prevalence of monopolies raised prices.\(^{35}\) Any economic change was due to interaction between members of the solvent half


\(^{35}\) Cf. King, Peter; *The Development Of The English Economy To 1750*, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 265.
of the population, although land transactions increased the numbers of those living below subsistence. This seems to support the odd prevalent situation: rising rents and stationary wages. It was an economic climate in which laborer and consumer could be disadvantaged. Why should consumers have lacked more power? Why were wages able to remain low as cost of living increased? The situation ought to have been ideal for the gentry and nobility: scarce land, very high rents, peasants thoroughly extorted and too inert to react. What upset such a perfect combination?

Concomitant with land greed was the polite fiction of enclosure; it was to create greater agricultural efficiency, but its major delight was its power to legitimate dispossession of the peasants from land. The open field system suppressed the individual inasmuch as he conformed to collective control of the land, whereas enclosure might be conceived as individualism in that it gave the individual exclusive power to decide over the use of his land. This individual autonomy in enclosure was the principal force that enabled land improvement. The open fields obstructed the more productive agricultural methods; crop rotation, seasonal work etc. ensued only through collective agreement, and were determined by public, not private, good. The feudal open field system impoverished soil by rotating always the same plants. Pasture fields were “commons;” common ownership meant that no member in the ownership had authority to alter the fields from how they presently were. Livestock degenerated from promiscuous breeding, as each member’s animals occupied the same fields as the animals of others, and the pasture was not cultivated with plants appropriate for grazing. No one could effectively improve the land because improvement depended on universal cooperation.

Enclosure made each land independent of neighboring land, so that improvements would not suffer interference. Open field farming, involving mixing, had made experimentation

impossible. Enclosure, as a method of engrossing land into larger units, was a necessary condition for agricultural advance; new technology was affordable only for large scale operation, so that peasant ownership of small plots obstructed the profitable application of new agricultural technique. Agricultural modernization involved above all consolidation of open field strip farming into large, discrete units. Modernization appropriated the as yet neglected commons and wastelands into standard pasturage and arable farming. Capitalistic agriculture made the local peasants directly dependent on remote markets. Most trenchantly, modernization achieved much higher productivity per unit of labor than the previous agricultural customs. Although enclosure was a sine qua non to greater national prosperity, it produced unemployment, vagabondage, and labor class violence. The great economic improvement of enclosure did not, even indirectly, benefit the peasants thus emancipated from feudal agriculture. Enclosure destabilized both male and female labor; progressive enclosure raised the cost of poor relief, in turn igniting indignation against the idle poor.

If there was a moment of liberation from serfdom, it was not from humanitarianism or even from muddle-headed incompetence; liberation to a rental system enabled new devices of profit connected with improvement and land reclamation, benefiting the great landlords more than the manorial system had, somewhat as in other historical occasions it was discovered that using free labor was cheaper than slavery. The abolition of serfdom preserved severe inequality. If the liberated serfs had received land parcels at their emancipation, the landlords would be bereft of assurance that enough labor would remain to operate their farms; it was essential that emancipated serfs remain indigent as a basis for coercing them to work the landlords' farms. Abolition of tenure turned the peasants into

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42 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 250.
vagrants. Enclosure increased the totality of wealth, which turned some of the peasants into small gentry. But enclosure was less of a clear progression than a dilemma: whether to increase total, collective wealth by devastating the lowest classes.

Those nouveaux riches peasants, the *yeomen*, i.e. the new peasants who acquired fee-simple possession of their small land, as opposed to their brethren who did not, accounts for the buoyancy of enclosure. Actual possession, or greater security in conditions of tenure, enabled the peasants to derive personal benefit from improving their agricultural techniques. Enclosure in the earlier 16th and 17th centuries was far more propitious to these peasants, the yeomen, than what it was to be in the 18th century. Only in the earlier centuries were the yeomen able to enjoy some autonomy by virtue of copyhold tenure, which enabled the peasant-yeoman to retain his profit. Copyhold tenures allowed the peasant to keep his tenancy against the landlord’s will; thereby the tenant could withhold for himself some of the increased agricultural profit.

The basic motive of enclosure was to disaggregate the peasants; traditionally manorial serfs worked in the same fields, each peasant having responsibility for a row within the field, although he might well tend several rows in different fields. As a device to banish from the peasant’s mind the idea that usufruct and ownership were the same, the strips of these fields were systematically redistributed at the end of each growing period, somewhat similarly to the arrangement of the Russian *mir*; as the English serf tended different strips each year he did not get possessed of the delusion than any particular part of the land was his by virtue of custom. Enclosure was objectively superior because it fixed tenure of a whole field on one peasant, thus creating the first condition for agricultural improvement. Such improvement would however not have ensued but for a second condition, namely, that the farmer would profit from increased productivity, which was not the case with serfdom. Consequently fee simple ownership seemed to be an undeniable precondition for getting the agricultural labor class to produce more food. Agricultural population became more variegated. A *yeoman*

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45 Cf. M. J. Daunton; *Progress and Poverty, An Economic and Social History of Britain 1700-1850*, Oxford University Press, 1995, p.38
might own a small farm of his own, employ tenants on his land, rent more land from a larger landowner or become the tenant of a larger landowner. Through such combinations of identity shrewd peasants circumvented the apparent limits on their social status. This abetted the great landowners; since the pressure to surmount rising prices made every yeoman eager to obtain tenancies of more fields, landowners discovered they could raise rents and entry payments because other candidates would replace anyone who objected to rent-racking. Towards the end of the 15th century landlords had learned to correct their financial mistake by “onering the gressoms,” i.e. charging an initial premium for allowing a tenancy, together with insistence on short tenancies. The short tenancy enabled the landowner to renew a demand for an initial fee, or to raise basic rent at the inception of the annual tenancy period.

Rack renting was the term for readjusting rent each year; rack expressed its tendency to raise the rent for every advance in profit. Unlike villain tenancy, it was legal for the landlord to terminate the lease from one year to the next. The tenants were distrustful because they could not know if they would be able to use the land in the next year; consequently they attempted to reap as much out of the land within they year that they had it; there was no motivation to conserve the soil for future use. Landlords returned distrust; presuming that tenants would not stay long, they charged the highest rent they could obtain for the short term. Soil impoverishment was the direct result of tenancy at will.46

**CONSOLIDATION**

As the 18th century approached farms grew larger and the smaller farms disappeared. Two factors worked synergistically through the 17th century to eliminate smallholders. Thousands of people accumulated in the provincial towns, who did not farm and therefore constituted a new and local market for the farmers.47 Urban growth financed the capability

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for commercial farming, and therefore made the small farms, which could not produce commercially, infeasible; at the same time the growth of food production made it relatively cheaper for the urban proletariat to live, thus encouraging the growth of town populations. Subsistence farming receded before the need to supply the towns and rural manufacture. The importance of local markets diminished in turn when transportation advances made remote markets available. Gradually farmers depended on cash economy; friction between land and commerce was initially minimal because the growth of nonagricultural proletariat was increasing demand and prices of grain.

Until the Restoration, 1660, merchants, specifically inland middlemen, had been despised as parasites; as their activity was to buy goods in one location and sell them at a higher price in another, they were thought to have no productive role. Until 1660 legislation to repress them was constantly issued. After 1660 it was noted that instead of using internal tariff walls to hoard necessities, a town was better protected against famine by liberalizing trade with neighboring English towns. By allowing the merchant to seek profit, every locality was more reliably supplied with cheaper goods than if each town persisted in self-sufficiency. The transformation from small to large farms enabled agriculture to produce for the market; smaller farms were efficient only for subsistence agriculture, and went into bankruptcy when middlemen opened the possibility of remote markets.

Alteration to capitalistic agriculture eventuated in overwhelming favor of the aristocracy. The landowners had converted their estates into liquid capital, through mortgage, and disposed it in marriage settlements, trusts, enclosure, engrossment, entail, etc. From the late 17th century land consolidated. Entail prevented aristocratic estates from growing smaller. Land tax and falling agricultural prices stimulated the idea of rationalizing agriculture; mortgages were taken to purchase more land. The highly remunerative

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government employment of the high aristocracy gave them an immunity to the losses ensuing from high land tax and falling agricultural prices, but the gentry, occupied solely in agriculture, could not rationalize if that meant land consolidation. The mortgage thus powerfully aided the engrossment of small holdings and extinction of copyhold, etc. Market pressure did not usually result in a small holder acquiring more land to suit the export market; the only option was to sell, and those who bought were not smallholders like himself, but landlords. Improvement was the justification of enclosure, but its motivation was to extinguish occurrent contracts so that the landlord could rent the consolidated grounds at higher prices. A primary motive of large landowners was to amass as great a holding as possible, so that, once they acquired a new area, they kept it in perpetuity. In the case of enclosure, what had been the commons returned to the lord’s exclusive property. The 1235 Statute of Merton established the right of the Lord of the Manor to part of the wasteland; the landlords enclosed the commons frequently in the 16th and 17th centuries for the sake of sheep walks. In practice a peasant was allowed to place a number of animals in proportion to the size of his tenancy. When the areas were enclosed it was determined that the wastes were wholly in the ownership of the landlord; there had been no such documentation or legislation. Ownership of the commons became the first issue of the Diggers, who tried to reclaim the land to the commons on the ground that aristocratic land possession was the unjust result of the Norman yoke.

When compensation was made to those who previously used the commons, it was

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in the form of a tiny plot of land on which virtually nothing could be undertaken, so that such plots were quickly sold back to the lord. Differing from the enclosure movement of the 18th century, the motive behind this aggrandizement was wool manufacture. The landlords converted the newly acquired land into pasture because wool export was more profitable than grain. The concomitant shortage of grain meant that grain prices did not sink in tandem with the expansion of agriculture, so that commoners derived no improvement from enclosure; by 1549 several riots against enclosure ensued.\textsuperscript{56} The relative prices of grain and wool determined whether landholders converted to pasture; the famished bread eating population usually could not raise an effective price equal to that of wool, so the preponderant tendency was from arable into pasture.\textsuperscript{57}

The monarchy of Charles I devised a scheme to eliminate the rights of peasants to the commons. The Commissioners of Sewers would designate a common land as “hurtfully surrounded” by water; then they would require an insurmountable tax. When the village failed to pay the tax, the commons would be appropriated and sold to an undertaker for drainage, as punishment for the village’s tax delinquency. The undertaker was paid in a portion of the reclaimed land, and the remainder was divided between the local Lord and the king. Charles constantly demanded more of the take, until 1637-38, when he received a full third. In the Civil War the peasants took back some of the extorted land.\textsuperscript{58}

\textbf{LABOR PROTECTION}

The yeomen were small freeholders who cultivated their own property; it was this class that went extinct.\textsuperscript{59} As is usually the case, a sufficiently serious conflict between classes

changed into a conflict between aristocratic factions; it became more an issue between government and landed nobility than one between peasant and landlord.\textsuperscript{60} Rent-racking beyond a breaking point was self-defeating; if the peasant-yeoman believed his personal profit would ensue from improvement, he would cooperate in displacing the failing peasants, but if the rental scheme proved to be as onerous as serfdom, then the yeoman would not improve agriculture, at which point no one would profit. A moderate magic spot had to be discovered in which the peasant still believed he was profiting while the landlords were exploiting to an allowable maximum degree. Individual nobles would consistently fail to recognize the feasible limit, because they were immediate receivers of the profit; government, not being the immediate beneficiary, would be sufficiently disinterested to appreciate the limits on the landlords’ collective maximum benefit.

Once an enclosure was decided upon, conversion was legally mandatory; since peasants, if they were freeholders, could not possibly afford to conform to the requirements, they had no other option but to sell their little land to the landlords who could afford it; this was the primary method of getting rid of small landholders.\textsuperscript{61} The landlord had power to evict a tenant at will, so, if the obstruction was a tenant, he would be evicted. These people then made up the hordes of vagrants who brought about rioting over the unemployment resulting from enclosure. From 1487 the Tudors deferentially issued a series of acts to prohibit enclosures for sheep farming. Although the prohibition did not bring about stoppage, the relative price of grain made sheep farming less profitable and brought an end to that type of enclosure.\textsuperscript{62}

Throughout the 16th, 17th and 18th centuries some wanted to preserve and others to overthrow the traditional conduct of agriculture. Aristocratic innovators wanted land to be treated in the same way as a commodity, but mercantilists regarded land as a privileged item

\textsuperscript{60} Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 281.


that should not be treated according to the usual laws of mercantile exchange. Even if it was not profitable according to normal mercantile criteria, it was thought supremely important to preserve the peasantry in their traditional rural livelihoods.\textsuperscript{63}

The attitude that land was the same as any other commodity implied that the owner ought to be able to use his land arbitrarily. The utility of land would increase if no restraint were imposed; this was largely the voice of those wanting to capitalize their land with a mortgage. It was argued in opposition that since humans depended on farm produce to subsist, the owner ought not to have unconditional rights over its use. This was the voice of the peasants. The displacement of peasants and their subsequent accumulation in towns resulted in episodes of sedition, while the monarchy was cognizant of the contemporary peasant revolts in continental countries under similar conditions. During Charles I the Levelers staged a revolt in the midland counties, protesting against the landowners’ extortion of the poor.\textsuperscript{64}

Expropriation of Church property initially benefited small holders because it depreciated the land market for a while, but in the long term it principally benefited the gentry or nobility, who resented government restraint on enclosure. The Tudors had not only forbidden graziers to possess more than a certain number of sheep, but also ordered some of the enclosures intended for sheep pasture to be returned to tillage. Under Charles I enclosure was restrained so that the peasant villages might survive.\textsuperscript{65}

Posterior to the expulsion of the Catholic Church and prior to the effects of the Law of Apprentices, the welfare care of the indigent was conceived as a religious rather than civil duty; it had been the Catholic Church, not government, that took care of England’s poor. In the short term the expropriation of Catholic Church property shattered the indigent, being suddenly deprived of their only benefactor. At the same time government manipulation of the guilds, which had exercised urban welfare services, restricted benefit to the indigent.\textsuperscript{66}


The institution of the Poor Laws administered now through the Anglican Church was an attempt to alleviate poverty again through a religious, not civil, interpretation of welfare duties, but because the Poor Law taxes were of all taxes the most onerous, and were centralized through the Anglican Church rather than locally managed, the welfare system fomented schism in the Anglican Church over the nature of authority over the Poor Rates.

As dispersal of peasants attenuated tendencies to peasant revolt, 16th century Tudor government tended to back the rights of peasants against the nobility’s manipulation of enclosure. The nobility and gentry favored the option to transport produce to remote or foreign markets of greater profit. This made food, removed from the producer’s local market, more scarce and expensive. This reiterated the attitude that agriculture should conform to the same market laws as any other commodity, that the community interest in food should not make agriculture too sacrosanct for the simple consideration of supply and demand. Food was now perforce grown massively for export; the progress of England’s international commerce, including the non-agricultural labor it entailed, necessitated conversion to commercial agriculture. This returned the predominance of the aristocracy and gentry over small landholders. Subsistence agriculture gave the locality control over the farmer, in that his surplus was sold in the locality. But as rural industry developed the landlord could ignore the demands of local population, because rural factories and external trade isolated his market from local needs. The effective demand for food was thus transplanted away from the locality of its production, which could not afford the effective price of its own produce.

Around 1700 one quarter of the population was in chronic poverty, and when recession descended, as much as half the population went into destitution. When rates such as that obtained, government had no alternative but to oppose commercialization of agriculture,

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66 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 292.
developing profit in disregard of social consequences, because such a poverty index portended revolution.\textsuperscript{70} Rural unemployment was dangerous because no alternatives offered relief to the rural poor. The Poor Laws stipulated that an indigent was entitled to relief only in his native parish, and he was liable to punishment if he wandered into another parish; the enclosure made him unable to earn a living in his own parish. The Apprenticeship laws made it illegal for him to accept employment in a city to which apprenticeship conditions were attached. Assuming that peasants had no alternatives, it appeared that a landowner had responsibility to continue their employment even when doing so reduced his profit margin. Inasmuch as rights of ownership exonerated the owner from blame for the correlative effects of his actions, the profitability of land to its owner occluded a moral relation of the land to its community.\textsuperscript{71}

Government, however, impressed at the commoners’ rage at the transportation of local produce at the same time that provincial localities were in famine, tried to divert the pursuant civil insurrections by introduction of Corn Laws; these set limits on the profitable exportation of food, thus attenuating the sympathy of local market prices with those of the export market. As this frustrated the final benefits of enclosure envisaged by yeomen and landlords, it set a century-long conflict between themselves and, in this case, their more rational half, the monarch.\textsuperscript{72} The Corn Laws kept prices of the late 16th – early 17th centuries down by conditionally prohibiting export, thus benefiting the commoners, but reducing the profit of agriculture.

In 1670 Charles II instituted sliding customs duties; duties on external corn decreased if the domestic market price was high, and when domestic prices were low, domestic grain could be exported. This was a compromise between the opposing interests, landlords and commoners. Grain import had been almost unrestricted, and export had been prohibited beyond a certain domestic market price.\textsuperscript{73} But it was all entirely circumvented. Government

\textsuperscript{72} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 299.
counteracted by trying to protect producers from the consequences of obeying the Corn Laws. The 1670 statute raised import duties on grain whenever domestic grain prices were low, so as to secure English producers; otherwise grain import would have driven low prices even lower. When grain prices were high foreign grain importation was allowed, so that English producers would be unable to extort high prices. A 1673 law provided a bounty for grain exports whenever domestic prices were extraordinarily low. Similarly, the bounty protected domestic prices, inasmuch as surplus grain ineligible for export would have lowered domestic grain prices and driven producers into bankruptcy. As provisions of this sort protected sellers’ benefits within certain margins, it might appear to have harmed the peasant classes; however, as decreasing grain prices would have discouraged producers from growing grain at all, it was, perhaps paradoxically, in the interest of the peasants to protect tolerable profits for producers simply in order to maintain stable grain production. From the landlords’ interest heavy grain production could have been abandoned with impunity; pastoral agriculture was potentially more profitable, and unconnected to the peasant consumer; nobility and gentry could have become wealthier from pastoral produce at the same time as peasants succumbed to shortage and famine, without that distress impinging on the gentry prosperity, in the short term.

The Glorious Revolution expunged the customs duties on corn, when export bounties for grain export were legislated in 1700, wholly to the advantage of the landed aristocracy. Whereas under James II prohibition of export was provided against domestic grain scarcity, the bounty, a complete reversal, was speciously argued to help the domestic consumer by “encouraging” the landlords to produce grain in greater quantity. Supposedly this would result in export of merely the surplus in years of abundance, while the grain would remain in the domestic market in years of poor harvest.

Lifelong tenancy was disadvantageous to the landlord principally in the respect that

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he was not allowed to raise rent when land appreciated. Tenants should have been able to profit from agricultural demand as prices appreciated, but the gradual abolition of copyhold had detrimental effects. Copyhold entailed heritable tenure, while in rough consonance the first rentals were for life or for very long periods; its advantage was that the tenant would conserve the soil with a view to the future of his farming. Landlords wanted to abolish perpetual leases or leases for a lifetime because real estate tended to appreciate much faster than the value of the rent. Appreciation was partially due to the general economic advance of the nation and partially due to improved agricultural technology, raising the land’s productivity. If the landlord could limit the lease to a fixed number of years he could count on readjusting the rent in parallel with land appreciation. A countervailing apprehension over fixed rental entitlements was the tenants’ tendency to exhaust the soil with more expensive crops during the final period of tenancy. The landlord therefore wanted to rent lands with “tenure at will;” by this clause the landowner could evict the tenant whenever he pleased and, since the tenant’s period of tenancy was unpredictable, the landowner could thus preempt the tenant’s opportunity to overtax the soil. The arbitrariness of the arrangement enabled the landlord to intimidate the tenant into complaisant behavior. The advantage of this tactic was partially nullified by the tenant’s consequent refusal to plant anything whose profit would not ripen in the immediate period, and such crops were less profitable than long-term crops.

Producers tended to reduce corn production whenever they would have to sell at prices

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lower than those of the export market. Grain supply was essential to maintaining civil peace; the Tudor Laws sought to sustain local market prices by coercing the producers to sell in the locality first, and to sell only the remainder by export.\textsuperscript{79} Long before the money economy, in fact throughout the Middle Ages, rampant food profiteering was achieved through various stratagems to generate artificial scarcities, at the acme of which the manipulators could sell grain at inflated prices. Food producers reacted with circumvention, not sincerity, to the new commercial laws; in general they sold very small quantities of food on the local market at low prices, so as to impetrate permission for export, at which point they shipped almost all of their produce to foreign markets.\textsuperscript{80} Grain supply was always in danger of falling behind the population, at which moment famine set in immediately. It was quite possible to force prices and profits up by cornering the supply; the market was still too fragmented to make cornering an impossibility. Accordingly government needed to prevent fraud by assuring a sufficient number of suppliers. To shelter local grain prices from the influence of remote grain markets, the law required producers to offer their grain in the local market. Justices of the Peace and lesser market officials were appointed to guarantee transparency of price and transaction through quality inspection; it was illegal to sell at farms, or by sample, or by any private method external to the public market that eluded supervision. Authorities were empowered to raid private farms to discover whether secreted produce was withheld from public sale. This exigency partially explains how agriculture got pried loose from the dictation of the producing locality. To guarantee the transparency of grain transaction, it was required that the whole store of grain be transported from farm to market. The JPs, ultimately, oversaw the entire grain trade; it was made illegal to sell grain either at the farm or by market sample, which would invite fraud. Authorities had plenary powers to inspect grain stores in barns, warehouses etc. so that the descent of all grain from field to the private consumer could be carefully tracked.

\textsuperscript{80} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 299.
By *integrated market* is meant that products in that area can be reliably transported and sold; the integrated market allowed regions to grow those things for which the land is most appropriate; this would increase aggregate production, but would depend on importation from other regions of those things that the given area displaced. This introduced a method that had been outlawed when the manorial lord controlled the marketplace: *sale by sample*. Grain would be sold directly to remote regions without the previous requirement that it first be offered in the local market. The previous law protected the common people by holding down their market price, but the alteration was reasonable, since capitalized farming produced things not immediately needed in the area of production. A marketing management that oversaw all regional demands within an area lowered market prices by rationalizing the transportation costs. The tendency of the integrated market to make all things cheaper was a result of the intervention of middlemen.81

One might expect the appreciation of grain to intensify grain production, hence ameliorate wages and employment for the peasants. However, aristocratic enrichment in this case did not depend on improvement of the peasants’ living standards. The effect of prohibiting sale at the highest operative prices would have been to drive grain off the market. There was no strong pressure in the later 17th century to seek profit in grain, because the population surge in the earlier part of the century had subsided.82 The imperative to concentrate on grain to guard against famine receded, so that, as local prices fell, the gentry and landlords would produce grain under the condition that it would be exported into foreign markets, or they would not produce it. Freedom from threat of famine meant that they could devote the enclosed land to pastoral agriculture, i.e. dairy and meat, which had a much higher local profit margin than grain. But since the peasants were not part of the market for meat and dairy products, their abstention from those products exercised no control over the landlord’s strategy.

In consequence nothing impeded the aggrandizement of plantations and eviction of small holders. Replacement of copyhold with leasehold accelerated consolidation of large scale estates, on which more productive agriculture permitted higher rents. Pastoral agriculture required a much smaller workforce, with the result that those dispossessed in the wake of enclosure did not harm the new pastoral agriculture by their absence. The feudal system of strip farming was replaced by techniques of cultivation applicable only to large scale operations. The yeoman population was converted almost wholly into wage laborers with no rights in the land they cultivated, under dictation by the landlords. This new class of laborers did not have rights to use the “commons,” which had been converted into arable or pastoral land. The volume of food production greatly improved.

The old agricultural order still persisted under Charles I: complex agricultural rights, relative economic equality, underproductivity. The enclosure and engrossment of land was however already inevitable. From the accession of Charles II, the Restoration of 1660, the landlords, i.e. the Tories who reinstated the monarch, were the landed nobility. The Privy Council promptly desisted from the attempt to restrain enclosure; those performing enclosure were the social group that had reinstated the king. The prerogative courts, which used to implement royal policy, had been abolished.

Despite the almost equal political weight of commerce and agriculture, the commercial power was in accord with landowners on the points of enclosure and aristocratic dominance of agriculture. Much of the export trade was in grain, and only the large plantations of the landlords were suitable for producing the requisite volumes of grain. The Justice of the Peace gradually became established as the legal authority in the provinces, and, being themselves gentry landowners, were likely to incline to landed interest even if one supposed

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87 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 380.
they were not directly controlled by the great landlords.

All government tampering with the enclosure trend ceased; a law issued in 1677 weakened the rights of copyhold, and, strengthening the aristocracy, the law of primogeniture was reissued to forestall subdivision of large estates, hence making estates grow ever larger.

**18th CENTURY ENCLOSURE**

New factors in the 18th century transformed the nature of enclosure. Agriculture ceased to be conceived directly as the means of feeding the rural population, and instead as a power of creating capital. The Guild laws outlawed manufacture by non-members; manufacture, which eventually destroyed the guilds, therefore migrated into the country, where guilds were unable to apprehend them. Land improvement became essential to the manufacturing enterprises; if agriculture improved, it would liberate the peasants to participate in rural manufacture; agriculture had to be able to produce as much food as before, with a lesser workforce, if the country was to provide a manufacturing workforce. Capitalistic agriculture, focusing on profit rather than subsistence, imposed new requirements on agricultural production; its displacement of subsistence cultivation jeopardized the locality, and it required foreign markets, without which the capitalistic function would flag. Rural manufacture altered this presumption; as the manufacturing peasants amassed into rural towns it became possible partially to achieve the same capitalistic effect without foreign markets, by industrial-agricultural exchange. This was of much greater importance than as it first appears; agricultural export depended on whether there was a foreign market with a demand for the local agricultural produce, and production of manufacture for the local market enabled greater plasticity in foreign trade. It sympathized very nicely with

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89 Cf. M. J. Daunton; *Progress and Poverty, An Economic and Social History of Britain 1700-1850*, Oxford University Press, 1995, p. 3.
the trend of rural disemployment by enclosure; surplus grain could be cleared on the local manufacturing population, while their manufacturing production could much more easily go to foreign markets with much smaller transport cost and greater adaptability to demand than agricultural produce. Capitalistic agricultural methods became critically important as population increased and factories drew on agriculture for raw material.\textsuperscript{91} The emergence of the manufacturing proletariat, after it was applied to mechanized factories, which furthermore could not produce its own food, was probably the primary cause of the rise of agricultural prices; this probably overwhelmed the prior significance of bounties, import, and export. It was this new, fundamental circumstance that made the previous moral dilemma over enclosure utterly obsolete. The huge appetite of the factories necessitated capitalistic agriculture; there could no longer be countervailing considerations.

It is frequently the case that, even when there are no other intrinsic advantages, the sheer size of one’s assets produces an eventually overpowering advantage over an another whose holding is smaller, even when the per-unit profit of a large or small estate is the same. This was markedly the case in the era of English enclosure. In the 15th and 16th centuries the yeomen were more prosperous than their serf forbears, due to a new autonomy, but by the 17th century the great landholders found ways to neutralize this trend. In the 60 years starting from 1690 property flowed back into the aristocracy.\textsuperscript{92}

Enclosure did not exhaust the process of aggrandizement; once enclosure had maximized, landlords managed to increase their estates by purchase from copyholders, leaseholders, and small freeholders.\textsuperscript{93} Rental divided into three basic types: copyhold, a lifetime lease with right of inheritance, an undefined leasehold lasting between seven and twenty years, and rack-rent, that is, an annual lease subject changes of rent each year.\textsuperscript{94} Copyhold or leasehold could be converted into freehold by purchase, based on the probable

value of its annual agricultural output.\footnote{95} The option to purchase a freehold from copy or leasehold did not benefit the peasantry; on the contrary, all land concentrated into the ownership of one landlord, who then sublet tenancies to gentry. The new tenancies were much larger than tenancies of the previous centuries.

Starting from the Restoration the largest landholders successfully engrossed; the peers acquired a proportionately far greater, the gentry a much smaller land ownership in 1760, compared to 1660. Landed aristocracy, especially the peers, possessed surplus capital for agricultural investment.\footnote{96} By 1800 tenants, not smallholders, conducted 80\% of English agriculture. The urban industrial community occupied the full capacity of agriculture; following the Civil War the government never again resisted the progress of enclosure. Following the Glorious Revolution, the aristocracy, not the king, had sovereignty, and gave full allowance to enclosure.\footnote{97} The concentration of agriculture in massive holdings was beneficial to the English nation, insofar as both tenants and owners invested in agricultural capital, and landlords were in a position to command the tenants to implement the new agricultural technology; consequently agriculture was able to raise production to sustain the new industrial population.\footnote{98}

Market growth necessitated maximally efficient production, and therefore eliminated common rights and small freeholding.\footnote{99} The enclosure acts did not make provisions for the poor who were evicted. There was general disapprobation of laborers owning land; it was thought that they would divide their devotion between their employers and their own land.

D. Morgan Pierce

It was surmised that laborers would work better if they had no land of their own. Landlords deliberately absorbed all the smallholdings into their estates to make the laborers completely dependent on wage payment.¹⁰⁰

The conditions of tenancy gave much more extensive power to the landlord than previously. The sheer size of a landlord’s estate enabled him to employ stewards to manage his tenants, and to regulate profitable agricultural technologies more strictly; in consequence of stewards the productivity of large estates, per unit, tended to surpass small estates. A thread of traditional English thinking appeared in the notion of absolute property. Land improvement required subjection of the land; subjection of land required subjection of labor. Good order in agriculture would arise only if the land owner took complete control of the laborer; therefore, good agriculture required utter dependence on wage payment. On the model of the Justice of the Peace, the land owner should have economic, social, and judicial power over his laborers.¹⁰¹

This gave the lower gentry a share in the benefits of enclosure; such tenants paid high rents, but as an overseer of large areas he earned profits far beyond what the best tenancies yielded merely a generation prior.¹⁰² It is a general rule of capitalism that, even when every citizen is perfectly free to invest, in reality only the wealthiest people can benefit from this option; someone having relatively little cannot withhold his investment for a long time, because his surplus is too close to the expenses of his subsistence, whereas a wealthy person can hold out until he finds an optimal transaction, because he never needs his surplus to meet ordinary living expenses. Consequently, not copyholders, lease holders or freeholders were the ones to benefit by converting copyhold or leasehold to freehold; mainly it was the landlords who were beneficiaries of this option.

In this respect the English land tax was a powerful advantage to the great landowners.

In largest part English wars were financed by land taxation. Government did not want to tax international commerce, because taxation would repress commerce and strangle that source of national revenue. On the other hand government perceived, correctly, that European wars were lost because of failing economic resources, and that European nations lost wars in this manner because they depended heavily on loans to conduct their wars. Thus, land tax was chosen. Smallholders, copyholders and leaseholders tended to be incapable of sustaining the land tax (during war years 4s per £). Especially in the period 1730-1750, when agricultural prices had stagnated, such holders failed and sold their property or rights to landlords, who thus continued to increase their landed property. As aristocrats, landlords depended as much for their personal fortunes on favorable marriages with heiresses as they did on their government offices. These two factors enabled the landed aristocracy to weather the economic disadvantages much more easily than middle class landholders. Eventually, presumably after the advantages of starving out middle class landholders had been exhausted, the landed aristocracy found ways to mitigate the land tax. Whether land tax would be reduced to the supposedly peacetime level of 2s per £ was unpredictable, but they managed to fix the tax basis to capital assessments of the land half a century earlier, to the effect that a land tax of 4s per £ was fictitious, as the productivity and real value of land had greatly risen over the period of a half century.\textsuperscript{103}

The extinction of yeomanry and its replacement with landless laborers utterly dependent on wages was unique to England; in no other European country had the peasantry been so totally separated from landownership. The agricultural transformation made the peasants unable to rise in ownership or society, since there was no longer for them an option to buy upwards. Large-scale agricultural production in capitalist orientation would have been impossible without the utter dejection of the agricultural proletariat.\textsuperscript{104}

The underlying condition for the possibility of compromising the lesser landholders

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\textsuperscript{103} Cf. Mathias, Peter; \textit{The First Industrial Nation An Economic History of Britain}, Methuen & Co. Ltd., London, 1969, p. 54.

was the phenomenon of *economic rent*. For all their seizure of privileges, the landed aristocracy was under a crushing burden of interest charges and imminent bankruptcy until roughly 1750, partially resulting from expenditure on mansions and other perquisites of prestige. In consequence the aristocracy aimed at higher land productivity as a ground for raising rents. Some landlords could surmount debt by mineral extraction; if a mineral should be discovered, the tenant lost any rights in the land that obstructed the mining project and received no share in the mining operation.

Usually a landowner did not directly exploit a mine, preferring instead to take a royalty from a mining enterprise. The mining enterprise wanted a long lease so as to protect his investment; the landlord would want to award a shorter lease so that he could renegotiate his royalties. If the royalty was too large, it would retard development of the mine, if it were too small, the miner would derive too much of the benefit; it was generally agreed that the landlord should receive one third of profits. The mining contractor, being an external entity, could not be in awe of the landlord's prestige and cowed into a suboptimal agreement. The laborers themselves were not independent subcontractors, and had no subsidiary rights to the profits of the mine; they were paid wages on the basis of labor time.

Mining exhibits one little prominent aspect of British society. Generally the English seem to have been proud of their standards of liberty and did not resort to enslavement, but in cases when no one would willingly accept employment, no matter what the wages, they used slavery without hesitation. At first mining was conducted by serfdom, but afterwards free labor did not appear. Then they tried entice labor by paying “binding money” to workers for very long contracts, or alternatively they got miners deeply into debt so that they could not pay their way out of mining employment. In Scotland a miner was indentured for lifetime employment; a metal collar was welded around his neck and he was punished for attempts at escape, and returned to his coal mine. The children of such miners were automatically indentured to mining for their lifetimes. Such enslaved miners received

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higher than average pay, partially because their enslavement frightened others away who might have competed. Impressment into the navy or the merchant marines is another example of the British readiness to enslave in the case of work that no one would willingly accept.

Investment in canals and turnpikes was another typical aristocratic investment. From 1750 demand for food increased, markedly raising food prices; the aristocratic landholders were again saved. Investment in canals and turnpikes was another typical aristocratic investment. From 1750 demand for food increased, markedly raising food prices; the aristocratic landholders were again saved. Population growth intensified demand for food, needless to say; market demand for food, also needless to say, raised the value of land capable of producing it. This meant that even a very small landholder could cultivate tiny plots of land, or plots of low-quality land, that would have fallen short of the value of the effort in earlier times. This appears to favor the survival of the yeoman, but in fact it worked the opposite.

The agricultural improvement on the estates of the great landowners put unsustainable pressure on smallholders; the agricultural improvement of the landlords entailed absorption of small plots into tenures within larger estates rather than into units of small ownership. Imagine that a certain unit of produce was worth £10. If the £10 is produced on the best land, it is produced on old land, i.e. the land belonging to nobility or gentry, because the land that produces the most food at the least effort will be the first chosen for cultivation. As food prices rise it becomes viable to produce the £10 of produce on land of less quality, so that agricultural expansion always progresses from the best towards the worst land. However, when that £10 unit is produced on worse land, production becomes more labor intensive and requires more space than the same production on prime land. Now, the value of the produce itself remains the same, namely £10, no matter what the quality of the soil. However, the cost of production constantly increases with marginal land, so that the cost detracts more strongly from the marginal than from the prime land. Though producing the

same product and receiving the same price, the old, prime land will generate greater final profit than the marginal land.\textsuperscript{109}

Small farmers barely earned enough for subsistence while the great landowners, under the same market conditions, profited enormously. This fundamental agricultural condition rolled back to great landlords whatever advantages small owners achieved in the 15th & 16th centuries. By the 18th century the peasants did not simply disappear as a result of aristocratic land appropriation, although they became an uprooted class. Some paid rent for usufruct, some paid rent but employed labor, some were squatters with no legal right in the land but who claimed diaphanous rights in the commons by appeal to tradition. Finally there were small freeholders who personally worked the land they owned.\textsuperscript{110} The smaller the holder, the more strongly he clung to subsistence agriculture. The new yeomen failed to retain the hereditary clause of the rights to usufruct. Even when yeomen acquired fee-simple property in land, they possessed very little land in this form, and compensated against inadequacy by acquiring further tenancy rights in more land, usually the property of a landlord.\textsuperscript{111}

Usufruct acquired by tenancy differed fundamentally from usufruct based on copy-hold; the basis of right in tenancy was the regular payment of rent, and nothing further; the length of time that land was in a farmer’s tenancy did nothing to establish a right to continue his tenancy.\textsuperscript{112} The law of leasehold provided that when the owner of the land changed, the owner was perfectly free to change the tenant, thus making it all the easier to eliminate unattractive tenants.\textsuperscript{113} Furthermore, for the first two thirds of the 18th century

\textsuperscript{109} Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p.6.
the small-holdings were not merely eliminated, but, when reconstituted in large estates, were converted from arable to pasture, which was intrinsically more profitable; hence less labor was required for the same land, and the product was made independent of the local market.\textsuperscript{114} This made the uprooted peasants superfluous to any economic calculations.

The apparent gain in legal liberty for the peasants thus helped the lordship-immeasurably- in potentiating their domination. The yeomen, though small possessors, depended on tenancy in other land to sustain themselves. In consequence the very competition between yeomen to obtain further usufruct rights in tenancy reset the original situation, in which advancing profits remained their own profits, to arrangements favorable to the landlords, in which every advance in production added exclusively to the profits of the landlord, not the cultivator: if the cultivator did not submit to the landlord’s rental terms, a competitor would. In 1790 rental incomes were roughly 50% higher than in 1750-1760; rentals were roughly double what they had been in 1690.\textsuperscript{115} Competitors were then set to outbid each other in the rights to a tenancy, automatically building the landlord’s advantage, by the \textit{tertius gaudens} game, while demolishing their own advantage. This came to be termed \textit{Ricardian rent}: the difference between the minimal cost of marginal rent and the high rent of prime land. Development of Ricardian rent meant essentially that whatever profit a tenant earned from his produce was paid in the next moment to his landlord, thus constantly eliminating the natural profit that used to result from higher production; in short, the farmer earned as much (nothing) from cultivating low-rent marginal land as from farming high-yield high rent land. Agricultural profits equalized into the same profit for cultivation of any quality of land, good or poor, while the landlords received virtually the total profits of production.

Agricultural improvement entailed enclosure, but rent always rose when enclosure took


place. Short term leases of seven to twenty years became the common passage between Scylla and Charybdis, and it enabled agricultural profit to be devoted to improvement, including roads and canals, which opened up remote markets. The short term lease enabled the landlord to stipulate improvements as conditions for keeping a lease. Landlords tended to refuse leases to applicants who had no capital for land improvement; on the other hand the landlord often reduced rent to alleviate a tenant who spent money to achieve improvement, or the landlord might pay for the improvement, but raise the tenant’s annual rate 5% for as many years as it took to cancel the cost. Enclosure involved accessibility of capital; the landlord had capital, and the tenant might rely on the landlord’s capital, and both had access to loans from a country bank. The country banks flourished in tandem with enclosure, but yeomen could not avail themselves of bank loans. Enclosure was beneficial to national development, but even so it was none the less very destructive of the lowest agricultural class.

Economic rent had profound effects on the nature of enclosure; it dangerously approached that limit at which, rents regularly rising with productivity, yeomen would again see no point in cooperation. The competition to aggrandize by tenancy led the tenants to agree either to short lease or tenancy at will, both of which empowered the landlord to raise rents in immediate adjustment to any productive advance. The open field system, being communal in character, invited abuse, because the individual could not regard the field as his own, and because of a kindred tendency to overstock the fields because, again, doing so was to the advantage of the individual and the disadvantage of the community. Enclosure

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and consolidation on the contrary allowed initiative in improvement and first brought wasteland into utility. In the later 18th century the improvement increased production enough to supply a rural manufacturing population.\textsuperscript{121}

In fact the arrangement was more onerous, because the landlords regularly adjusted rents to the optimal prospective on production, without alleviation in the case of failures; in consequence the smallholder became weaker, because he became the sole agent to pay for the deficits of crop failure.\textsuperscript{122} Rents did not bring yield-fluctuations into calculation, so that the landlord’s revenue remained the same regardless of actual yield, while the tenant’s fortune varied very unreliably from one season to the next; a contemporary observer Avner Offer comments: “The English tenure system was an arrangement for converting agriculture, an inherently risky enterprise, into land ownership, a sure and stable one.” It is thinkable that this device became the legacy idea for colonial commerce. By making the small farmer the fixed renter of the land a certain pride was preserved; but its real function was to transfer the risk from the large to the small holder, so that the large holder would not bear vicissitudes. The aristocracy, having changed from feudal Lords to capitalistic rentiers, shifted the deficits of agricultural deficits from themselves to the tenants; the tenant’s income was made highly variable whereas that of the landlord was made invariable. The landowner had such power in the negotiation of tenancy that he could entirely extricate himself from the inherent insecurity of agriculture.\textsuperscript{123} Landlords might be lenient in view of crop failure, but the basic arrangement was in the landlord’s favor, and leniency was arbitrary.

\textbf{PARLIAMENTARY ENCLOSURE}

By shifting the law from hereditary tenancy, i.e. copyhold, to tenancy at will,


\textsuperscript{122} It was to some degree incumbent on the landlord to be lenient in strained circumstances, but this practice of informal magnanimity did not change the fundamental trend of agriculture to the dominion of nobility and gentry.

gentry and nobility were able to extract in rent every profit from improvement, without simultaneously undergoing the risk of adverse circumstances. Power to evict the tenant at will deprived the peasant of independence that would otherwise have accompanied improved productivity.

Prior to 1700 there was no prominent distinction between a fee-simple freeholder and a tenant; freeholders were as a rule tenants in other lands than those they owned. The tenancy of this prior period included informal rights to peripheral uses of the waste land. Waste land belonged to nobody, and belonged to everybody. The enclosure eliminated those who partially lived from a small freehold and those who had lived from the indeterminate rights to the commons and waste. The new limitation on livestock meant that the landlord could stock the former commons predominantly with his own livestock. As the livestock had been an important part of subsistence, this restriction alone reduced the number of smallholders. Obligated to pay for the enclosure, which they generally could not afford, they sold their freehold and became tenants or laborers.124 Waste land was definable as such only for so long as there was no profitable use for it; when waste land had utility, landlords, reluctant to allow the traditional communal use of the waste as in prior times when it bore no profit, wanted to redefine this wasteland as private property. On the ground that this communally used wasteland was in the Lord’s demesne, landlords did not hesitate to infer that the new proprietor of this communally used property should be none other than the landlord, exclusively and in whole. The tendency of this change of heart was to reduce tenants who had partial proprietary rights to pure tenancy, and to change their own property rights to preeminent right that precluded any presumed claims of the tenants in the use of their exclusive property.125 Eviction of smallholders was not the avowed purpose for which roughly 50,000 small farms were eliminated between 1740-1788; these evictions,
not effected by parliamentary or government action, did not arouse alarm.\textsuperscript{126} Elimination of copyholds had been achieved by attrition, not eviction; copyholders were persuaded to give up. In the 17\textsuperscript{th} century the landed aristocracy achieved enclosure by claiming rights over copyholders, which were then legitimized by Chancery Decree. The purpose of these enclosures was not land improvement, but to compel the smallholders to give up their land. The common law assumed a capitalistic partisanship for dispossessing smallholders, although pretending to be impartially fighting against the narrow-mindedness of the small holders for the sake of progress.\textsuperscript{127} The prospect of greatly increased rents through agricultural improvement motivated the landlords to eliminate the open field system, and, pursuant to that, those rights of tenants and freeholders which obstructed the transformation.

In the 18\textsuperscript{th} century Parliament legitimated enclosure by statute. In the process of parliamentary statute local commissioners were to adjust compensations for the displaced peasants, but with certainty the peasants would lose their former rights.\textsuperscript{128} Smallholders for the most part reacted passively to parliamentary enclosures; if they petitioned against enclosure to parliament they would be entangled in endless legal expenses that they could not afford, and which would not alter the course of enclosure.\textsuperscript{129}

By the 18th century the yeomen understood too clearly how an apparently innocent enclosure would ruin them, despite the transposition of equivalent property of the previous copyhold; their opposition stiffened. Enclosure made the cleavage of class interests far more conspicuous than had the open field system; the customary embedding of agricultural practice and the cooperative nature of open field agriculture obscured class opposition, whereas the eviction of peasants upon enclosure exposed blatantly that one part of the


agricultural population was prospering directly from the destruction of another.\textsuperscript{130}

\textbf{NAPOLEON}

In the first half of the 18th century landlords acquired land consensually, that is, by majority agreement. Of course “majority” meant majority of land, not of people, but even so years might pass before attrition of smallholders would make enclosure possible. Under this procedure enclosures were made at convenience, enclosing opportunistically instead of systematically; afterwards the landlords of different enclosures would attempt to exchange lands in order to rationalize incongruous holdings.\textsuperscript{131}

Consensus did not mean that the majority of land holders consented to enclosure, but rather that the majority of land was held by landholders who wanted enclosure: in the 17\textsuperscript{th} century 2/3 of the acreage qualified to ratify enclosure. Since all large landholdings would benefit, and only small landholdings would suffer, from enclosure, any determination by majority of land area was certain to give priority to the landed aristocracy over the peasants.\textsuperscript{132} The rate of parliamentary enclosure was comparatively slow until 1760. Afterwards, when the French and Indian War, the American War, and above all the Napoleonic wars made self-sufficiency in food imperative, no plea of traditional rights could obstruct the rapid progress of enclosure, since capitalistic agriculture was by far more productive.\textsuperscript{133}

Given that small freeholders opposed enclosure, landlords organized attorneys to initiate ratification of enclosure by parliament. Preliminarily landlords and other holders held a vote on introducing an enclosure bill. The majority would vote against it, but since a handful of landlords, or even one single landlord, possessed usually over 80\% of the

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land, and voting was proportionate to the amount of land in one’s ownership, the landlords overruled the majority opposition vote: the landlords needed to possess 4/5 of the land in order to compel the majority of those opposed.\textsuperscript{134} Parliamentary enclosures were rare in the first phase: three in the 12 year reign of Queen Anne, and from 1714 to 1720, one per year, 33 from 1720 to 1730, 35 1730-1740, 38 1740-1750. But from 1750-1760 there were 156 parliamentary enclosures, 1760-1770 424, from 1770-1780 642.\textsuperscript{135} Another observer of the time reports 2000 parliamentary enclosure acts from 1760 to 1800, but only 208 parliamentary enclosures between 1700-1760.

In acreage parliamentary enclosure covered 312,363 acres between 1700-1760, but 3,180,871 acres in the second period.\textsuperscript{136} In the 17th century ¼ of English land was enclosed. Parliamentary Acts brought enclosure up to 80% by 1815.\textsuperscript{137} The violation of the commoners by enclosure was contemporaneous with the British arrogations on the American colonies.

The sudden upsurge of agricultural prices between 1760-1800 correlates to intense demand brought forth by the North American and then the Napoleonic wars;\textsuperscript{138} it stimulated the landed nobility to increase their profits by aggrandizement, even though in the same period the land tax never descended from 4s per pound. One should notice that parliamentary enclosure ought to have retarded the enclosure movement; parliament was

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\item[\textsuperscript{136}] Even so, the first sixty year period enclosed more land than in the previous two centuries. Cf. Moffit, Louis; England on the Eve of the Industrial Revolution, A Study of Economic and Social Conditions from 1740 to 1760 with Special Reference to Lancashire, pub. Frank Cass & Co. Ltd., London, 1963, p. 58.
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supposedly disinterested, thinking only in terms of what was best for the nation, not the individual landholder, traditionally inclined to protect the smallholder against annexation, and being a large, cumbersome organization. Landlords used their wealth to fill Parliament with representation for their interests. The commercial representation was not opposed to enclosure, because enhanced internal security by virtue of the agricultural monopolization gave them more strength to dare long-term commercial risk. Purchase or agreement between parties underlay the enclosures from the later Stuarts through George I, at which time it was merely a local concern. By the third decade of the 18th century enclosure became a national priority; the essence of the parliamentary procedure was its capacity to override objections of small landholders. The arbitrary decisions of the commissioners had the force of law, which meant that to obtain the reversal of a commissioner’s decision the objection would need to be debated and voted in parliament. In every single parliament from 1760-1820 (George III) many enclosures were ratified.

Parliamentary Enclosure had the force of statute; whereas an out of parliament enclosure could be overturned because of the objections of those to be evicted, a parliamentary resolution was compulsory. In the 17th century private agreement on enclosure was difficult because it was binding only if the agreement was unanimous. Parliamentary Acts of enclosure were, on the contrary, binding on dissentients. There were 200 Parliamentary enclosures under George I and George II, but more than three thousand Parliamentary enclosures under George III. In consequence the landed nobility managed to purchase all of the land of England, resulting in massive alienation of the agricultural lower classes.

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The argument that vast plantations were necessary for the application of new agricultural technology was partially ideological. The peasants had learned to oppose private, voluntary procedures of enclosure, but even united opposition could not prevail against involuntary, parliamentary enclosure; to the purpose of winning the enclosure bill, landlords needed to present a plausible reason. Landlords justified parliamentary eviction of the small farmers from their traditional way of life on the ground that the modern agricultural technology, made possible only by enclosure, was more efficient.\textsuperscript{143} The counterargument pleaded that the agricultural labor class would be deprived of employment and that country villages would be depopulated.\textsuperscript{144} This was halfway true; enlargement of estates regularly brought about greater investment in pasture, which required far less labor than arable. It did not lead to depopulation and immiseration as anticipated, because the phenomenon of rural industry was there to absorb the evicted peasants. In fact agricultural employment posterior to enclosure did not reduce labor relative to acreage; new technology did not spare labor, and the reclamation of commons and waste entailed extra labor.\textsuperscript{145} On the local example of Lancashire, depopulation did not result from enclosure, on the contrary stimulating a higher demand for labor, and rural industry sustained small holdings and the development of small towns.\textsuperscript{146} Bread and beer partially account for the status quo of agricultural population; general population was increasing, raising demand for the above. But bread and beer entailed the most labor intensive type of farming: arable. Extension of arable agriculture on farming area that had reached its geographic limits in turn required cultivation of turnips to enable the intensification of agriculture.\textsuperscript{147} The capitalistic


production of food for the mass market concentrated on market profits. The gigantic demand of the cities enacted the agricultural revolution.\textsuperscript{148} Rural population constantly increased, although its rate of increase was much less than the rate of increase of general population.

The nature of the agricultural organization inclined landlords to ignore new technology; they received their revenue in rents, not in agricultural profits, as they did not themselves farm; they tended to think that cultivation itself was something only for their rent-payers to consider.\textsuperscript{149} After enclosure the landlords often did not deploy the purpose for which enclosure was involved; the sheer size of their holdings produced enough wealth to allow them to be lackadaisical about improvement. More essential was the latent will to abrogate the independence of small holders to make them pliant wage laborers and tenants subject to the will of their employers. Small-holding yeomen were perhaps more prone to implement technology than the landlords, because their margin for survival was far more acute. However, it was the main argument that landlords used for \textit{parliamentary enclosure} in the early 18th century, by which yeomen lost property rights of hereditary usufruct, who were then compelled to pay rents to landowners.\textsuperscript{150} By a non-parliamentary enclosure all that was needed was the consent of all the landowners involved. By the 18th century the law allowed parliamentary action whenever a noncoercive agreement could not be attained.\textsuperscript{151} In fact the parliamentary enclosures did not result in spectacular agricultural productivity. Whereas previously there had been a large proportion of small holding yeomen, agricultural society had changed into a steeply hierarchical society in which landlords owned all the land. \textsuperscript{152}

\textsuperscript{149} Cf. Mathias, Peter; \textit{The First Industrial Nation An Economic History of Britain}, Methuen & Co. Ltd., London, 1969, p. 50.
The actual farm laborers were still there, but now they had neither property nor usufruct rights, nor commons, nor waste.\textsuperscript{153}

Since such yeomen were also small landowners in fee simple, and rack-renting did not influence the land in peasant ownership, one might suppose that the effect of rack-renting on the agricultural labor class was limited. Such limitation was ineffective, because small freeholders needed tenancies to supplement the yield of insufficient freeholds. Rising food prices made it profitable to grow food where it previously had not been grown. The landlord’s waste land, previously given to the use of the peasants, gradually acquired value in the landlord’s eye, who then reclaimed it for his exclusive use, but employed the same class of people to cultivate as those he was effectively evicting. Wasteland was all the same of lower quality, with the consequence that to realize its cultivation more agricultural labor was necessary than on an equal unit of prime land, thus causing wages to deduct more heavily from final profit. Landlords circumvented this problem by means of the tenant, who, as the acting entrepreneur of the land reclamation, employed agricultural proletarians for the labor. Wages deducted more from the final profit of a certain quantity of agricultural employment, but the greater part of the loss was deflected to the tenant; in final effect the great landowners raised their proportion of agricultural revenue. Marginal land thus made agricultural exceed industrial prices, that is, a unit of agricultural produce constantly exchanged for more units of industrial production, although, unlike agriculture, in industry increasingly greater amounts of labor were unnecessary for equal but additional units of production. The superior agricultural prices relative to industrial prices made industrial wages sink to subsistence at the same time as more industrial production was exchanged for agricultural produce. Thus economic rent depressed industrial wages to equivalence with the subsistence wages of marginal land agriculture. The “stationary state” was the point at which each economic sector was working at saturation, under the psychological criterion

\textsuperscript{152} Cf. M. J. Daunton; \textit{Progress and Poverty, An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p.117.

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that it was not worth it to a laborer to expand, because his increased production would not improve his personal lot.

If possession in fee simple was immune to enclosure, one must question why common farmers could not resist engrossment. The core of this was the new perception that waste land could turn a profit. The squatters, though having no legal rights to the waste they inhabited, earned a living by cultivating the basically worthless soil; when conversion of wasteland was perceived to be feasible, landlords had no reason to continue their adhoc liberality. Similar side effects affected those with fee-simple property. Once an enclosure was enacted, he was likewise deprived of peripheral waste land for grazing, gaming, firewood etc. Enclosure nullified “commons” or “wasteland” for unrestricted communal use; the landlord was now the explicit owner of what had been commons, to which only he had a right. This was obscurely accomplished; when the commons were formed, receding into time immemorial, the very foundation of the question of exclusive property did not exist, because at that time commons and waste existed as such precisely because they had absolutely no use. The reach back to their origin therefore did not help to articulate the features of ownership. It is essential to remember the compact of feudalism; the peasant was to have a right to his land with inheritance, while the Lord owned the same land in perpetuity; the peasant used it without ownership, and the Lord owned it without a right to its use. The tenants in feudalism did not have legal security in their land, probably because legal security was superfluous; they had economic security in the land because they were indispensable to the manorial lord. This changed in the 16th century, when the value of an estate depended not on the number of serfs, but the number of sheep. Since peasants had become distributively superfluous, there was no economic security in their tenure, nor was there legal security. Rights of the landowner overrode any claim of the tenant. The Tudor reign did not grant freehold to the peasants; the forms of copyhold and leasehold kept the subsequent yeomen highly vulnerable. Long before Parliamentary Enclosures small freeholders were subsequently compelled to surrender a tenancy in perpetuity for a money payment. 154

Dissolution of feudalism did not transfer portions of land to the peasant as a component
of emancipation; the Lord kept ownership of the land, but yielded jurisdiction to the state, whereas the feudal Statute of Devises had made ownership and jurisdiction a unity. The General Enclosure Act of 1801 stipulated that agreement from 75% of landownership made passage of the enclosure act virtually automatic; lesser land owners reluctantly cooperated because of retaliation they would otherwise invite from the aristocratic landholders.\textsuperscript{155} In the era of parliamentary enclosure such inarticulate land possessions were approached by division into three types. \textit{Common appurtenant} designated land that was considered to have been the direct possession of the Lord of the manor; by this category apurtenant wasteland was interpreted to belong directly to the owner rather than in the ownership of the person who owned the land adjacent. The second category was \textit{common in gross}, according to which the individual actually using the land had personal rights in the land, not contingent on any other land ownership. Finally, commons might be adjudicated between individuals of different parishes, in the case that a distinct boundary had never discriminated between parishes.\textsuperscript{156} The yeomen, deprived according to the first category, were made unable to continue their livelihood, inasmuch as it depended on the peripheral dependence on livestock, vegetable gardens or firewood.\textsuperscript{157} Their property in fee simple, alone, was unconditionally insufficient to sustain traditional livelihoods.

It was mentioned that although copyhold tenants were not owners of land, their usufruct was an inalienable and hereditary right that the landlord could not break. Exactly this inalienability stimulated the trend to enclosure. The copyhold that protected them was an abbreviation of the manorial list of tenants holding land by power of “copy of court roll”, kept in the medieval manorial court. At the time the “Court Leet” was the supreme

court beyond which a peasant had no further appeal, that is, the Lord, who harbored the copyholds, was the Law unto himself, whose jurisdiction over his serfs and tenants was ultimate. But there was no such thing as Court Leet or a manor by the 18th century, and the peasants, who relied on the landlord’s possession of such legal documents as were the legal basis of their copyhold, were illiterate. Being illiterate had not been a disadvantage because the “custom of the manor” was clearly enough fixed to protect them; the custom was for peasants to use the land owned by the Lord, and the usufruct was to be inherited, univocally, to one heir, the oldest son.\textsuperscript{158} The rule was sufficiently unambiguous to preserve the illiterate until the early era of enclosure. Perhaps it comes as no surprise that the landlord, who possessed the documentation of his tenants’ legal rights against himself, incomprehensibly lost track of these precious legal documents, without which his copyhold tenants had no written evidence for their claims against him; perhaps this was an impediment when a legal suit was conducted in London, not the local manor. So long as there was no enclosure, the copyhold preserved the tenant’s right of usufruct through inheritance; but this particular aspect, however, was very stimulating at a time when it impeded the landlord’s right to raise rents whenever the production of the land appreciated. Enclosure, aside from its avowed purpose, enabled landlords to raise rents; the more copyhold could be abolished by power of enclosure, the more the landlords could assign rents at will.\textsuperscript{159}

That copyhold as a heritable right of usufruct was inalienable is slightly inaccurate; the landlord could not alienate the tenant’s usufruct, but the tenant could alienate his own usufruct. This complication engendered in the landlord a new vision of efficiency, in which the landowner would have power to organize his land arbitrarily, and in which the labor he employed would absolutely lack authority over how the land would be used. This deeply conflicted with manorial peasant life; traditionally marriage did not take place until the man was relatively financially sound, and such autonomy as this did not occur until land


was inherited at the death of the father. As feudal agriculture did not produce surplus, population remained stationary; growth of population, increasing cost, and transformation of landholding to a rental system destabilized the equilibrium necessary to peasant life. Peasants reacted to enclosure in one respect similarly to the aristocracy; the hereditary right of usufruct on land being essential, they tried to expand their land by acquiring additional tenancies; reproduction in conformity with agricultural capacity therefore persisted for a while, although it could not persist. This conflict fueled the dynamic of agricultural enclosure; the landlord, unable to evict the tenant, had to find a way to force him to “voluntarily” give up his rights. Wherever the law of enclosure was introduced, the ancient right of usufruct by inheritance was not modified to the new circumstances of enclosure; it was abolished. Law did not impose limits on the landlord’s authority to raise rents, the payment of which was the only basis of the right of tenancy. Conversion to leasehold liberated the owner from the tenant’s copyhold rights; the tenant had no right of arbitrary use of the land, and usufruct was not inheritable. Usually rents doubled in the later 18th century, but they also tripled or quadrupled. In consequence the £ 10 earned by a landlord was different from £ 10 earned by a yeoman; the rights of the yeoman underwent constant attrition. The landlords stigmatized smallholdings as sources of poverty, and pointed out that their crops were inferior, but produced at greater proportional expense.

Between 1740 and 1778 almost 50,000 small holdings disappeared; a contemporary critic in 1751 denounced: “the destructive practice which has prevailed for nearly half a century back of demolishing small farms.” Landlords attempted to modernize agriculture by dictating agricultural methods as conditions of tenancy, or of demanding high rent for

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long leases.\footnote{Cf. King, Peter; *The Development Of The English Economy To 1750*, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 386.} The mortgage, developed in the early 18th century, was instrumental in the evacuation of peasant holdings; prior to mortgaging the landlords had to respect peasant property rights to some degree because the landlords depended on entry fees and reserved rent for their income. *Reserved rent* was a flat, invariant land fee; the tenant of a reserved rent was entitled to part of any profit accrued beyond the mandatory rent. The reserved rent arrangement, implicit in traditional copyhold, was not optimal for the landlord, but extrication was difficult; namely, the landlord depended on collection of entry fees in order to form capital, and was therefore in thrall to the remainder of the reserved rent arrangement. Most could not afford the various costs of enclosure without bank loans.\footnote{Cf. Wilson, Charles; *England’s Apprenticeship 1603-1763*, pub. Longman, 1965, p. 157.}

The use of mortgages instead of entry fees for disposable revenues enabled the aristocracy and gentry to disregard the negotiating positions of peasant landholders. Landlords were able to buy the freehold land or the copyright by the conversion of entry-fee to rack-rents, which in effect made it unaffordable for the farmers to retain their property. Ideologues, among them Arthur Young, enthused that the very high rack-rents proved that common farmers were prospering better than before, for they could otherwise not have afforded the high rents. In reality they could not afford the rents; the rents served a positive purpose, from one party’s point of view, of using impoverishment to induce the tenant to surrender his copyhold.\footnote{Cf. M. J. Daunton; *Progress and Poverty. An Economic and Social History of Britain 1700-1850*, Oxford University Press, 1995, p. 53.} When capital could be formed from a mortgage, there was no longer a compensatory advantage for landlords to tolerate copyhold. Mortgage liberated the landlord to convert to short lease and rack rental, in that the mortgage substituted for the entry fee capital. The appreciation of land and the decline of interest rates circa 1710 enabled landlords to refuse copyhold and acquire land at the expense of yeomen unable to use mortgages advantageously.\footnote{Cf. M. J. Daunton; *Progress and Poverty. An Economic and Social History of Britain 1700-1850*, Oxford University Press, 1995, p. 75.} More important than the ability of the mortgage to
supplant the discontinued entry fines, it gave the landlords advantage over the farmers in land speculation, because bankers granted mortgages more easily and on better terms in proportion to the size of the mortgage. Land appreciation advantaged great landholders, because of the appreciation of large land holdings was much more substantial than that of small.

Theoretically the yeoman’s rights in fee simple property were absolute, but the introduction of mortgage pressured the yeoman to surrender rights. In 1751 estates were estimated to appreciate by 5-10 years in purchase value when pertinent copyholds were abolished.\(^\text{168}\) Supposing that an estate would cost the purchaser forty years of annual income, he could raise the value of his estate to 50 years of annual income by doing nothing more than ridding his estate of copyholds. Of course rental revenue would exceed copyhold value, but the conversion also gave the landlord unconditional freedom in the use of his rental land, for instance in timber and mining. Land could not be confiscated for enclosure, but there was a legal process by which landowners could be coerced to accede to enclosure. A small holder was unlikely to win an opposition to a great landlord; even if he strained against enclosure, if the bill passed the smallholder was obligated to pay a proportional share of the legal costs for achieving the enclosure, and the House of Commons, when involved in an enclosure act, received high payment for executing the enclosure, for which the smallholding opponents were compelled to pay a proportionate share.\(^\text{169}\) Finally, the requirements for the physical act of enclosure, such as hedging and fencing, were a cost falling even on those opposed to enclosure. If a single small holder possessed 1/5 of the area to be enclosed, his opposition to enclosure would constitute a successful veto in a parliamentary hearing; but a group of smallholders collectively possessing 1/5 of the land would be overruled and one who owned 1/5 of the land would ipso facto not be a small

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holder. The small holder could at best escape the legal expenses of parliamentary enclosure if he sold out to the landlord before the enclosure was completed in parliament.

**ENGROSSMENT**

Oppose or cooperate, the total cost for the yeoman was so heavy that resultant debt appeared insurmountable. If it appeared that the farm would fail to provide a living after imposition of the debt, the smallholder could escape by selling to the landlord, who on the contrary would in the long run profit from the debt. The engrossment could in the short term go sour for the landlord. From 1730 to 1750, for instance, there were not enough tenants in the aggregate to occupy engrossments. Some of the rural industrial employment had begun to be more remunerative than agricultural labor, with the result that some laborers, once evicted from their personal holdings, thereafter refused to work for landlords who had failed to show fidelity to the traditional duty of solicitude for his laborers.

Generally, the accumulating capital resulting from the rent laws made it remunerative for the landlord to buy as much of the small holdings as he possibly could. Enclosure was expensive, but unlike smallholders they did not need loans to transact, and the return on enclosure was better than in any trade investment; following enclosure rents doubled, automatically adjusting rent to rising food prices, and they gained about 20% over the money invested. RedISTRIBUTION of English land infused the lower agricultural classes with diffidence; small freeholders did not understand the overarching economic trends, but understood that a small leasehold could not succeed if placed in direct competition with major landholdings. Mystified about whether the modern technology might have put him at a greater disadvantage than he understood, he tended to sell his property to the landlord

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instead of placing himself at greater risk.\textsuperscript{174}

While in the earlier Tudor and Stuart periods enclosure was for sheep grazing, the compelling interest of 18th century enclosure was inflation in food prices; land would produce more if freed from small tenures.\textsuperscript{175} Farm size increased either due to enclosure or, as here, engrossment; either landlords engrossed as a preliminary to petition for enclosure, or, as above, smallholders sold out after enclosure to escape the appended costs. Although enclosure was not always the cause of engrossment, enclosure and engrossment served the same motive: aggrandizement of aristocratic and gentry holdings. One dynamic for this motive was the greater profitability of consolidated land, but equally powerful was the direct dependence of social rank on landholding and, among the landed aristocracy, increasing political power in accompaniment with larger landholding.\textsuperscript{176}

The county provided two MPs, who were elected from freeholders earning more than 40\$ per year. However, freeholders were usually tenants, and how each voter elected was an open public record; elections were thus controlled by landlords who controlled the electors. Uncertainty in election developed only when rival landlords instructed their subordinates to vote differently.\textsuperscript{177} The purchased conversion of copyhold to leasehold therefore became a fixed and universal procedure by the second quarter of the 18th century.\textsuperscript{178}


Advantage of the landlord over yeoman was pronounced in the type of agriculture pursued. Although capitalistic agriculture was much more profitable than subsistence agriculture, the yeoman clung to subsistence production because food adequacy was always insecure and because shortfall and famine were neither predictable nor remediable. Transportation of foods even from neighboring areas to a famine-stricken area was untrustworthy; even a neighboring region that traditionally transported food to the region in question might in a state of dearth suddenly refuse to do so.\(^{179}\) It was safer to practice the unprofitable strategy insofar as it assured a minimum of edible produce in bad times. The insecurity of food supply was less perilous for the landlords, with the consequence that they, unlike yeomen, could afford the risk of the more profitable type of agriculture. The wealthy, i.e. the landlords, constantly earned more per unit of agriculture, because yeomen concentrated on grain production, while landlords pursued the more profitable pastoral agriculture or inedible arable products, instead of low profit margin grain that secured against famine. Regional subsistence agriculture remained a characteristic of yeomen long after optional types of agriculture were more profitable.

The landlords conceived the high rents as proof of the rising productivity, but in reality rent evidenced the power of landlords to extract all profits from tenants; higher rents were charged on those who would not convert to market production, so that they would have to give up their tenancies. One extremity was the danger of famine, but attendance to that risk intensified the peril of the opposite extremity: the landlord. The aggrandizement of the landlord was not due to superior agricultural techniques of the large plantation; more characteristically scarcity compelled yeomen to use every improvement in agricultural method.\(^{180}\) The Parliamentary enclosures of the 18th century increased the aristocracy’s wealth not by raising the land productivity, but by returning vacated land from dispossessed yeomen to the landlords. In the later 18th century population increased, causing food prices

\(^{179}\) Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 38.

\(^{180}\) Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p.57.
to increase, and parliamentary enclosure at the same time reduced the remuneration of agricultural labor; welfare recipients increased.\textsuperscript{181}

From 1680 to 1740 small freeholders and lesser gentry disappeared in favor of nobility and squirearchy. Gentry that lived from rentals alone tended to lose its land; it was estimated that within three generations the probability of the family losing its estate was 50\%. On the other hand, successful merchants and professionals bought up the liberated estates, not for speculative designs, but because land holding was indispensable for entry into a higher social class. Estates with annual rental income of ca. £1,000 were immobile, while estates of £2-3,000 grew from the trend.\textsuperscript{182} Much of the Tory hatred accumulated from the expropriation of small freeholds from Charles II through George III, against the Whig-commerce ascendency. Country gentry were Tories who suffered the land tax, which constantly diminished their land assets.\textsuperscript{183}

\textbf{DISPLACEMENT}

If the profits of enclosure had been more equitably distributed the social harm of countless unemployed and landless vagrants might have been avoided. However, the rents, taxes, and tithes deprived peasants of both land and manufacturing side-employment.\textsuperscript{184} In the 1780s the law began to disallow coexistent property in the same land; it was argued from property improvement through the 1790s that property in land must be exclusive.\textsuperscript{185} Usufruct rights had been formulated in the previous era of subsistence agriculture, before land was conceived as a market commodity. The law was now aggressively used to extirpate open field agriculture wherever British law had application.\textsuperscript{186} The enclosure movement

\begin{itemize}
  \item \textsuperscript{182} Cf. Mathias, Peter; \textit{The First Industrial Nation An Economic History of Britain}, Methuen & Co. Ltd., London, 1969, p. 54.
\end{itemize}
of these two centuries incessantly increased the numbers of landless wage dependent laborers.\textsuperscript{187}

The indigent rural vagrants descended from the class of smallholders, not from urban middle classes; the unique feature that distinguished England from all other European countries was the nonexistence of small freeholders.\textsuperscript{188} One might wonder why this landless rural proletariat should have been the result only of forces affecting the rural, not the urban lower classes. While equally powerful classes were wholly excluded from political life and the relative economic power of the aristocracy was diminishing, paradoxically, land property alone was increasingly the basis of political power. Gentry had no way to achieve political voice but by expropriating more land from the underclass landholders, and if a merchant wished political participation, he did so not by protesting a right to more commercial interest in government, but by aping himself as country gentry by purchase of land. Finally, factories displaced cottage industry, so that the final financial support of rural cottage life disappeared.\textsuperscript{189}

Possibly for quite different reasons, capitalistic agriculture seems to exemplify an axiom of capitalism in general: profit margins increase by consolidating the industry. Peasants persisted in preferring manorial agriculture, strip-farming; this was inapposite because it precluded improvement. Their persistence in strip farming was in its conservatism; although it was less productive, strip farming was a precaution against blight, because the separation of crops, strip-for-strip, helped to prevent contagion of plant diseases. The benefit of open field agriculture thus prolonged the existence of small holdings; when the resistance of common farmers to enclosure was overcome, rural composition changed to one of wealthier, but fewer, land owners and the extinction of yeomen.\textsuperscript{190} If a yeoman with

about 100 acres tried to modernize he would discover that the possible improvements would not be effective as on large plantations; in the long term even if they kept land and made improvements they could not compete against gentry. Yeomen therefore sold their land in return for becoming tenants on an estate of scale.\(^{191}\)

At the Reformation, church property was appropriated and distributed to the great landlords; thereafter the landlords usurped the commons over the next two centuries.\(^{192}\) From 1500 to 1750 one half of all English land had already been enclosed; for the squatters, smallholders, and even some of the lesser gentry, it was necessary either to become unpropertied agricultural laborers or to start new lives in the cities.\(^{193}\) Yeomen therefore took a more cautious attitude towards the clear opportunities of greater profit, because any mistake they made would be fatal. In consequence the higher profit rate of the landlords amplified their solvency over yeomen; the long term impoverishment relative to the profit oriented landlords pressured yeomen to sell their land as the last recourse to elude imminent bankruptcy. Thereupon they became either hired labor on the landlord's plantation or in the rural manufacturing enterprises.\(^{194}\) There was no economic function for small freeholds in the 18th century, inasmuch as farming was more efficient by mass production and the improvement of transportation secured a locale safe against famine.\(^{195}\)

Evicted peasants lost their rights in the commons and the wasteland, and employment

\(^{194}\) Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 57.
in rural industry embedded them in a money economy, in which they had no money. Those who did not sell their land prior to enclosure were loaded with debt to pay for something they opposed; inevitably the debts pulled them out of subsistence economy into a fervid need for money as well. The industrially employed needed to procure whatever they needed through the medium of money.\textsuperscript{196} Manufacture in the rural locales often failed; these agricultural refugees who had relied on employment in small towns congested, drove down wage rates due to the superfluity they constituted, and aggravated the cost of poor rates.\textsuperscript{197}

Parliamentary enclosure extirpated every carry-over from the manorial open field system. For centuries the division of properties remained the same; the only alteration had been by sale intact or inheritance. As parliamentary enclosure proceeded, original divisions were scrambled and the original equality of properties disappeared.\textsuperscript{198} Conversion to the capitalist system resulted in a composition of absentee landlords and tenants deputized to manage the unpropertied labor. By the end of the 18th century landed aristocracy and gentry owned at least 80\% of agrarian property, while smallholds occupied a little over 15\% of the land, in units of less than 50 acres.\textsuperscript{199} Giant estates developed from the extinction of small holdings and heritable usufruct; instead of small holders numberless day-laborers did the work of the landlords.\textsuperscript{200} The new organization reduced labor by $\frac{2}{3}$ to $\frac{3}{4}$; the displaced labor now took employment in rural industry, and their population continued to increase.\textsuperscript{201}

The distinction of Parliamentary Acts of enclosure was that, once ratified, such an enclosure bill was compulsory. A semblance of democracy or consent was provided in the stipulation that every freeholder in the proposed enclosure was to have a vote in the bill. But this was somewhat illusory. When preparation for enclosure was enacted, three, five, or seven commissioners were appointed to determine the enclosure, presumably so that the plurality would guarantee impartiality. Although appointed by parliament, they were nominated by the landlords calling for the enclosure. Parliament gave them unlimited authority, with no appeal over their decisions. Commoners had no representation in parliament. Landlords either nominated individuals who would determine enclosure according to their dictates, or the landlords would have themselves appointed as the commissioners.202

Perhaps a large majority was necessary to introduce a bill of enclosure to Parliament.203 However, if a landlord happened to own 75-80% of the land concerned, and a dozen other individuals owned the remaining 15%, then the landlord’s single vote would constitute a binding majority over the other hundred landowners. In such an instance the other dozen freeholders were without any further choice; they were compelled by the vote of one to cooperate in the enclosure.204 Because the commissioners were either the landlords or in the landlords’ employment, they designed the enclosure to give the best land to the landlord and

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202 Arthur Young: “they are a sort of despotic monarch, into whose hands the property of the parish is invested, to recast and redistribute at their pleasure”…”The Lord of the soil, the rector and a few of the principal commoners monopolize and distribute the appointments”. Cf. Mantoux, Paul; The Industrial Revolution in the Eighteenth Century An Outline of the Beginnings of the Modern Factory System in England, Harper Torchbooks, New York, 1962, p. 168.
204 Wigston Magna was enclosed by private parliamentary act in 1764; “private” here means that the group wishing the enclosure engaged the services of parliament rather than that parliament herself originated the bill. One tenth of the families of Wigston Magna, possessing 4/5 of the land, could successfully promote the bill over the 90% who opposed. Half of the Wigston Magna population were at that time engaged in agriculture, either as tenants or simple laborers. Cf. Levine, David; Reproducing Families The Political Economy of English Population History, Cambridge University press, 1987, p. 135.
the worst to the peasants. His rights to the commons were abolished, although in recompense he received an amount of the wasteland proportional to the amount of livestock he formerly grazed, which however was too small to be useful.\footnote{Cf. Mantoux, Paul; \textit{The Industrial Revolution in the Eighteenth Century An Outline of the Beginnings of the Modern Factory System in England}, Harper Torchbooks, New York, 1962, p. 169.} Although cottagers were entitled to a small landholding from the enclosure of commons, the landlord, not the cottager, was the recipient if the cottage belonged to the landlord.\footnote{Cf. Lipson, E.; \textit{The Growth of English Society}, Adam and Charles Black, London, 1949, p. 137.}

Once the enclosure was enacted, most of the small freeholders would sell their land to escape the expenses of enclosure. The yeoman would be obligated to fence in the enclosure and, although he opposed the enclosure bill in the first place, he was obligated to pay a very heavy charge for the legal expenses of impetrating the bill. Perhaps the government encouraged Parliamentary Acts of enclosure. French land tax applied to every peasant, and French taxation had begun in competition with the original right of the Lord to tax his peasants. There was in France a strong need to deprive the landlord of the right to tax his peasants because such local taxation detracted from the central government; normally the French nobility valiantly defended their peasants against national taxation on the motive that the less the monarchy got out of them, the more there would be for the landed nobility to extract. England by contrast traditionally taxed \textit{manors}, \textit{mutatis mutandis}, landlords, and allowed the landlords to assess taxes in their own region on the supposition that the familiarity of the landlord would enable him to distribute the tax burden more fairly. Taxation strengthened the aristocracy and its authority. The excise tax was invisible; it was collected ubiquitously and thereby disguised the fact that it chiefly targeted the lower classes. Similarly the land tax was supposedly the great tax assigned exclusively to the wealthy, but this was also a game with mirrors; the landowners blithely passed on the land tax to the tenants in the form of rent.\footnote{Cf. Price, Richard; \textit{British Society 1680-1880. Dynamism, Development, Change}, Cambridge University Press, 1999, p. 136.} Since the landlord instituted taxes as he liked
and national taxation started from the landlord, government had no particular interest in hindering the landlord’s ability to enclose his local population.\textsuperscript{208}

Gregory King’s statistics of 1688 indicate that gentry possessed ca. 50\% and yeomen perhaps 33\% of the land.\textsuperscript{209} From the first Parliamentary enclosure of 1604 to the last in 1914 there were 5,265 Parliamentary enclosures.\textsuperscript{210} Landlords resorted to the parliamentary act only when other procedures of enclosure had already failed, as Parliamentary Act was especially expensive; 3,828 of the above sum were consummated in the war years from 1750 to 1819.\textsuperscript{211} The parliamentary acts of this period consolidated 20.29\% of English soil. 3,093 of the Acts enclosed 4.5 million acres of preexisting arable, and 2,172 of the Acts enclosed 2.3 million acres of wasteland. Private acts of enclosure covered an additional great proportion of total English land, and functioned almost as coercively as Parliamentary Acts. Two or three great landlords would conspire to enclose their land; superficially the enclosure proceeded democratically, so to say, insofar as all land owners concerned had a vote, but since the accumulated land of the many yeomen was nevertheless proportionately small, they lost their open field system even though they all voted against enclosure. Whatever the costs of private or parliamentary enclosure, the costs were easily buried by the rent hikes that immediately ensued.

\textbf{RURAL EQUILIBRIUM}

In 1821 the population of England was double what it had been in 1750, yet England had not yet needed to import grain in substantial quantity. The rising cost of grain and rising agricultural incomes had successfully encouraged every rationalization of agriculture.\textsuperscript{212}

\begin{footnotesize}
\textsuperscript{211} Cf. M. J. Daunton; \textit{Progress and Poverty, An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 102.
\end{footnotesize}
While agricultural expansion had deracinated the peasants, it had managed to feed the industrial proletariat whom these people had become. During the Napoleonic wars prices inflated in such a way that commoners could buy small land plots and, given the high prices, temporarily support themselves from the small holdings. Following Waterloo prices deeply fell, small holdings failed and poor rates became exorbitant. Once again, only large holders could tolerate the recession.\textsuperscript{213}

In this period tenants worked 80\%, by the twentieth century more than 95\%, of English land, but such tenants had no motivation or capital to renew land improvement; at the same time landlords refrained from introduction of agricultural machinery, which would have infuriated the underemployed rural population.\textsuperscript{214} Yeomen had become tenants instead of smallholders. Roughly 75\% of English farmland was rental, to rise to 95\% by 1910.\textsuperscript{215}

The impediment to enclosure and specialization was that in event of poor harvest, agriculture would not have money to import food, and in the interim had not grown its own. For the most part food production had expanded ahead of population growth; from 1715 to 1750 there was a considerable grain export. Ca. 1750 England was exporting as much as was needed to feed \(\frac{1}{4}\) of her population: grain for a million people. The domestic free trade policy liberated communities for capitalistic agriculture because it amplified assurance of sufficient grain supply. But in the second half of the 18th century population growth accelerated beyond food supply, reducing export and raising prices. In 1765 England exported no grain, and by 1800 England imported grain. By 1840 England imported enough grain to feed 15\% of her population.\textsuperscript{216} The sliding import-export policy of the later 17th century had become obsolete.\textsuperscript{217}
EARLY INDUSTRY

PREINDUSTRIAL AGRICULTURE

The England of our period was not industrial, but was in transition thereto. It was predominantly an agricultural society; the government was still agricultural. The progressive strengthening of a monetary exchange inevitably entailed the degeneration of agricultural oligarchy. Money made possible the unlimited accumulation and storage of wealth, whereas nonmonetary agricultural wealth was limited by the amount of land one could acquire. An effect of this was the time lapse of English government tradition. In as much as only a landlord could gain admission into the parliamentary oligarchy, the efficacy of government depended on the condition that land ultimately be the only source of wealth. The reason argued for limiting MPs to large land holders had been his reliability: he could not wrap up his landed property in the dark of the night and abscond to another country. His absolute dependence on his land for his wealth made his patriotism and cooperation. The opposite was true of the merchant. As commerce and monetary wealth strengthened, the organization of prestige and political power on landed wealth became anachronistic, and the institutionalized negligence of commercial interests became untenable: insofar as MPs were overwhelmingly the landed interest and merchants were excluded from government, the tendency of the landed nobility to take a rivalrous attitude towards the English commercial interests had to become increasingly detrimental to England.

The labor class lacks a satisfying history because it is not characterized by personalities, changes of policy and signal events; it is usually dealt with anthropologically, concentrating on labor and living conditions. The topic of labor, although sparsely recorded, is primary, inasmuch as the labor class is the economic possibility of every other class that develops.

It might be convenient to conceive agricultural transition through a lifeboat concept; how many people could rely on a structure that provides survival without its sinking from overcapacity? In the English lifeboat, aristocracy would want population increase, because the more people were on the boat, the wealthier the better sort of boat people would be; but
if too many people were on board, the boat would sink. Until the 18th century the capacity for food production was absolutely limited; population would not grow, no matter how society was arranged, because the food supply formed a ceiling. Food shortage could not be compensated by surplus in the adjacent area because transportation of food was too primitive and unprofitable.\textsuperscript{218} Hills almost entirely cancelled the benefit of wheels. Until the middle of the 17th century famine was taken for granted; England was the first country of European history to achieve enough surplus to comfortably weather a year of bad crops. Agricultural improvement promoted by enclosure liberated England in that agricultural experiments could be ventured without raising immediate starvation in the event of error.\textsuperscript{219} Because nutrition depended upon local cultivation, until the 18th century famine regularly succeeded crop failure, preventing population growth. However, by 1650 subsistence economy phased into a production economy, in which famine did not recur in predictable periodicity; even though crop failures still frequently occurred, famine and depopulation no longer strictly attended every failure.\textsuperscript{220} From about 1550 the productive economy had started to achieve a surplus product that sufficed in times of bad harvest.

The usual formulation is that the peasants, once they had been vacated from the land by enclosure, migrated to small towns where they substituted farm work with manual industry. The process was aggravated by many legal alterations regarding property and vagrancy. As enclosure and pastoral farming reduced demand for agricultural employment, peasants added small manual employment to their reduced agricultural activity. Substitution of arable with the more profitable pastoral agriculture demanded less employment per unit; provisionally labor was liberated for rural manufacture.\textsuperscript{221} But the fact that agriculture

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remained the primary employment at least suggests that it was preliminarily still more remunerative. Rural manufacture developed because agricultural labor declined, not because of preference; there was no depopulation in the country, nor retrenchment of agricultural labor in absolute terms, but the percentage of agricultural labor declined, and the work force was slowly pressed into manufacture as agriculture declined. An essential difference between agriculture and manufacture was the fixed cost of agriculture; rent did not disappear when land was left uncultivated. Consequently labor is a variable cost in manufacture, but not in agriculture. If prices diminish in manufacture, the merchant reduces cost by cutting back production; if prices diminish in agriculture, the landlord persists in full production. This was to become a principal factor in the later development of external food markets and the bounty. Eventually country laborers experienced lower standards of living, qua industrial labor, than they had in agriculture of the same location, as agricultural labor closed up behind them.

In the premodern period it had been common to buy all the harvest directly from the farmer, before delivery to the market, withhold the grain to produce artificial scarcity, and then achieve inordinate profit by releasing the grain at inflated prices. Because of the attempt to stall market delivery of grain, the manorial Lord had been invested with a monopoly over all local trade; he derived fees for all market transactions, and thus was well motivated to track down and punish all forestallers. The arrest of grain engrossment was vital, since food shortage was the only and certain occasion for labor class rioting. The manorial Lord had a royal monopoly over the weekly markets accommodated to local consumption; trade monopoly rendered to the Lord a percentage on all exchanges, often implemented through a blanket charge for use of the market square. Insofar as there were only markets, the aristocracy thus controlled not only agriculture but whatever commerce

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223 “In 1693 there were around 680 active markets in England and Wales and 728 in 1792, ranging from wholesale markets which linked the region to the national or international economy down to small-scale local retailing.” Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 322.
there was.

With the demise of feudalism, in which the Lord was in absolute control (Leets Court), something in the place of autocracy was likely to emerge. With the passage of time into the later 17th century the seigneurial countermeasure against engrossment no longer worked well; the manorial Lord’s trade autocracy prevented forestalling, but national government encouraged long distance grain trade to spur production and provide against regional food deficits; the manorial Lord’s right to tax regional market transactions inhibited this desideratum.

It is significant that the exodus of rural population was not directly into London or other cities, but to towns or villages of the province. Economic expansion was first supported by domestic, not foreign trade. Employment was posterior to sale; where there were people willing to buy, there was a possibility of trade, and after an opportunity of trade appeared, an opportunity of employment. Economic thought retarded this development. One of the side effects of political centralization had been a power of the Crown to grant charters to manorial lords for monopoly of local trade, for the use of which the Lord charged fees.225 The power of the Lord over his local economy would tend to inhibit expansion of trade. The charter kept the peasants in the Lord’s economic cage, following the point when they were no longer serfs, and would have been likely to initiate free markets; on the other hand external merchants attempted to subvert the extra tax of this market regulation, and thereby became the enemies of the landed class. Repression of the merchants inhibited trade.

The contest remained undecided because of governmental ambivalence. Whereas chartered monopolies might have compensated the nobility-gentry for the decay of feudalism, they inhibited trade, but then again the merchants who promoted trade were unlicensed and illegal, inasmuch as their activity violated guild privileges. The early

224 There were roughly 680 weekly markets in 1693 and 728 in 1792. Cf. M. J. Daunton; Progress and Poverty. An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 322.

EVOLUTION OF EARLY MODERN ENGLISH SOCIETY

monopolies were inaugurated by royal grant, and were to be extensions of royal will; the monopoly was to perform its service at fixed prices so that unauthorized agents thus banned from the trade (middlemen) would be preempted from taking inordinate profits from the public.226 Thus the original intent of the monopoly had been to protect the common people from commercial abuse. The central government had successfully abolished internal customs duties, for the sake of greater trade; as the permission of merchants to disregard the manorial trade privileges would have the same effect, there was a potentiality to repeal manorial trade charters.

Employment developed first from internal transportation and simple manufacture, and only after internal trade matured could external trade begin to feature in the market; the internal roads necessary for inland trade would have to reach completion before they would conduce to external trade. The landless peasants collected in rural towns produced impetus for inland trade. The rural manufacturing areas, not producing their own food, necessitated that neighboring districts produce it for the manufacturing colony. Initial industrial development in one area would consequently discourage a neighboring area from manufacturing enterprise, because the need of the first area for food would give the second area a preferable option to engage in agricultural trade.

Aside from transportation economic expansion was possible only if the given area had something that others would be willing to buy. Insofar as the purchasing areas were local, sale was impossible because the purchaser produced the same thing; in remoter locations that did not produce the same thing, transportation made exchange too expensive. Furthermore, those things that area 1 could produce for sale in area 2, area 1 did not produce, because area 2 had not initiated a demand; until that time area 1 produced self-sufficient items that were not elsewhere salable. The more highly specialized the product the more vendible it is; the narrower the actual market the less affordable it was to produce the salable product. There was no demand for the specialized product in the proximately local markets, while the

remote markets were inaccessible. Development therefore had to extend to remoter markets in order to facilitate local employment.

There could be no trade because there was no demand, there could be no demand until there was trade; the structures required to meet demand had to be completed before there could be real demand, but the structures required could not be desirable until the demand was already there. The movement seems to have been organic; one should not infer that capitalistic expansion of trade had been an intentional objective; throughout the mercantile period it had been assumed that domestic trade was unimportant because it merely shifted the same money around instead of winning extra money from other countries.

Conditions were confused and contradictory. Why did the English allow peasant migration, insofar as they did? Small free holding, which developed among the luckier of the peasants at the decline of feudalism, did not imitate the primogeniture of the gentry; as in France, landholding peasants adopted partible inheritance.227 When the agricultural population started to disaggregate from the corruption of feudalism and the enclosure movement, the landlords did not reestablish control over the population through manorial powers; they allowed the traditional demography to dissolve. England did not resurrect laws for a new quasi serfdom that would keep the peasants at their origins, although the Elizabethan Statute of Apprentices appears to have been a compromise in this direction. Small free holding could not persist more than a few decades; partition made the temporary freehold too small to support peasant families, so that the small freehold was quickly reabsorbed into the great landed estates. Government had encouraged long term employment, but the progression of enclosure discouraged it; half of the agricultural employment of peasants had been contracted for only two years, whereas by 1830 only 15% of agricultural employment contracted for as much as two years.228

There was labor surplus, and the landed aristocracy could get cheaper labor by

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implementing insecure conditions. The rural population increased not because they had become more prosperous, but because children were an economic asset as extra labor within family industry. The renowned inventiveness of Britain appeared only in later phases of the early industrial revolution, because invention had to compete with rural labor, the misery of which made it cheaper to use labor than to implement labor-saving devices. The initial drainage of agricultural labor made the landholding class, strangely, hostile to the emergence of small manufacturing businesses in their country provinces.\textsuperscript{229} Why? Rural industry would of course accelerate depletion of rural labor, but the primary cause of rural migration was labor surplus resulting from enclosure; the landlords themselves forced the deracination of the peasant tenants. Serious reservation against rural industry would develop if industry had deprived agriculture of labor, or if manufacturing labor would sustain a higher price for agricultural labor; the absence of alternative employment would then guarantee labor supply at peak seasons. But the landlords themselves had loosened the labor dependence; the new methods appropriate to enclosure retrenched agricultural labor demand, and the abolition of contingent rights to the commons made it decisively impossible for the prior numbers of agricultural peasants to persist. It appears contradictory that the landlords should have fostered conditions that effectively evicted peasants from the farm, and resent rural manufacturing that ushered the same intention.

Agricultural unemployment would raise the poor rates, which the landlords would, indirectly, have to pay; rural industry would on the other hand relieve the landlords of high poor rates. It might be surmised that maintenance of unemployed agricultural workers on poor rates might be serviceable for peak seasonal work as well as for holding down agricultural wages. The impoverishment of rural labor enabled landlords to force cheaper bargains with a workforce more desperate; from this hypothesis rural industry would be unwelcome because it would diminish their prostration.

But this is not persuasive, first because rural manufacturing employment was a part

\textsuperscript{229} Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 159.
time pursuit only in off peak agricultural seasons, and in order for the landowners to serve themselves of prostration, the laborers had to remain there, and manufacturing accomplished this. The quotient of revenue of rural industry was less than its quotient of labor\textsuperscript{230}; this implies first that the preference of labor was for agriculture, and second that industry was only a second resort in the event that agricultural employment was satiated. Presumably paying local poor rates was cheaper than the alternative: paying higher wages to workers less underemployed.

Generally rural industry appeared in areas of low agricultural productivity. When the area had something agricultural that was salable, it would not develop manufacture because labor would be preoccupied in agriculture; therefore intervening on this labor pool would not be cheap. The economic prosperity of such agriculture would sustain social structures such as villages and commons, whose administration would restrict external settlement.\textsuperscript{231} Given that in areas with something salable, agricultural employment would be high, rural industry concentrated in rural locations of low productivity; in consequence it appeared where peasants had emerged from feudalism with small freeholds, because small freeholds, unable to participate in commercial agriculture, were impoverished.

It remains perplexing why the common freeholders had not imitated the aristocratic practice of primogeniture. Simply put, there was no point to it; primogeniture could have had no trajectory because the amount to be inherited could not support some contingent interest. Partible inheritance compounded the need for inhabitants to work part time in manufacture to supplement the inadequate returns from agriculture. In essence, enclosure capitalized land; it turned land into a commodity, susceptible to non agricultural business fluctuations. In consequence peasants who were lucky enough to acquire freeholds could not afford to keep them. Any topical disaster such as plague or harvest failure was something that the landlord would weather, but which dispossessed a small holder who was minimally


\textsuperscript{231} Cf. M. J. Daunton; \textit{Progress and Poverty, An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 150.
solvent only under ideal conditions.\textsuperscript{232}

\textbf{GUILD}

Rural cloth manufacture, the refuge of the dispossessed, was a violation of guild privilege; it was not due to a brachiation of the guild organization into the country. However, guilds did not have the economic strength to monitor industry outside of the towns; government, which did have the means, nevertheless did not intervene; the manufacturing relieved rural unemployment, and if government had suppressed such illegal enterprises, social disruption and rioting would ensue from unemployment.

The Guilds, a legacy of the Middle Ages, controlled all industrial activity; they had a semi-public function in that they incorporated by royal grant and were deputized to carry out such municipal functions as regulation of quality, production volume, and employment. They had monopoly rights over manufacture, from municipal by-laws and royal charter; non-guild activities were thereby illegal.\textsuperscript{233} But this was ambiguous, since guilds were meant to regulate urban, not rural, life; government invested guilds with monopoly rights to an urban production or service.\textsuperscript{234} This arrangement originated from a trade; government would award a monopoly to a guild for some public need or service in return for performance of what government lacked organization to accomplish. The guild monopoly was enacted through \textit{apprenticeship}; this institution should eventually qualify the individual to become a master, and preclude anyone without apprenticeship from participation in the trade. The monopoly specified the trade and specified the town, but it had never clearly articulated the rights of monopoly over locations outside of the town.

Government’s need to delegate quasi-government or public services to a private organization had diminished by the time of feudal collapse, so that government was not

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\textsuperscript{232} Cf. Wilson, Charles; \textit{England’s Apprenticeship 1603-1763}, pub. Longman, 1965, p. 120.
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getting a particularly important return for its monopoly award to guilds. Development of rural industry was an aberration; towns form exactly because of the convenience of concentrating commercial and industrial activities in one place; location of manufacturing in the country would detract from profitability, so that some countervailing reason is necessary to explain its bare occurrence.

The urban guilds were unable to prevent the overwhelming import of non-guild products flowing in from the country, partially because guilds were formed only for local jurisdictions at a time when wide internal trade did not exist. In 1712 Parliament passed an act for the maintenance of guild regulation, especially regarding apprenticeship and quality, but resistance to non-guild trades was ineffectual; common law decisions usually overrode the nominal rights of the guild.

Guilds did accomplish one thing for which government lacked provisions; they regulated the prices, the employment and the quality of their given service. Because government assigned responsibility for such regulations to the guild, government had no legislation to substitute for the lack of a guild. Whereas the guild had great experience in monopoly, union, and regulation, these benefits did not extend to rural industry because the initiators of rural labor had set up there precisely to escape guild control.

Rural industry was financed not by the country, but by city capital, and the merchants who financed cottage industry were not from urban guilds; they were entrepreneurs who discovered profit by circumventing guild regulations. The change of economic conditions created a wholly new group of merchants, who came into existence with the economic alteration. The guilds, who had dominated the market, instead of adapting to new conditions insisted on their traditional practice and impotently posed themselves as opponents of the new merchants. The urban guilds had failed to recruit enough labor to meet demand. This did not perturb them because they operated on the traditional principle that scarcity raised prices, and the guild had a monopoly over all legal labor. Illegal, incoming production from the country overwhelmed urban production. This could have been counteracted by raising wages, but by our time the guilds had already corrupted; the patrician echelon of the guild made itself wealthy by allowing only very low revenue for the common guild members.
Therefore the non-guild merchants could achieve high profits by taking employment into the country. Apprenticeship as regulated by Elizabeth might have concerned urban employment but not the consequences of the great agricultural evacuations resulting from enclosure. Urban guilds occasionally tried to act against rural industry, where the laborers did not have the legally enjoined qualification of apprenticeship; non-guild merchants were using women, children, and agricultural workers, all of whom were much cheaper. 235

Guilds did not need to produce according to real demand, for by controlling the number of legally employed artisans and monopoly prices they commanded their desired revenue without correspondence to public demand. The emerging horde of unemployed collected in country provinces where the guilds were unable to impose guild law. 236 One might wonder why the guilds could suppress unlicensed industry in cities but not in the country. The JPs in the country were not the same as the JPs in the guild; protest against violation of the apprentice law was ineffective, since the Justices of the Peace, who had jurisdiction over the regulation of the poor rates, preferred to see their peasants employed rather than receiving welfare payment. Rural production was not for rural consumers, and therefore did not generate contending interests; secondly, the country poor rates were lower because of the employment that it provided to its uprooted peasants.

As London expanded beyond the prior city limits the guilds were directly confronted by unlicensed industry, and were defeated. 237 Rights of regulation had been justified by the “mystery” of each vocation; this mystery connoted the knowledge-skill for rendering a product or service properly, and was to be kept a secret from all who were not members of the guild. Unfortunately the “mystery” eventually turned out to connote how the guilds managed to conduct a skill at prices far out of proportion to labor cost involved; the mystery consisted in restricting membership in the guild and making it illegal for any non-member

to deal in the same trade. Once the non-guild artisans in the countryside quickly elucidated the mystery, the guilds were unable to subjugate the unlicensed artisans because the public supported cheaper prices.

Wage limits for laborers had been legislated for the first time on the occasion of the Black Death; the 1349 Ordinance of Laborers and the 1351 Statute of Laborers had been issued to abet seigneurial coercion of labor. The Black Death, having decimated the labor class, enabled the surviving labor to demand higher wages because labor demand could not be satisfied. Reduced population had raised wages and reduced the revenue of the landed class. Government reacted by attempting to legally coerce lower wages. This precedent led to the Elizabethan labor laws, but by the time of the Stuarts, it was the political organization of labor, the guilds, which were making labor inordinately expensive.\(^\text{238}\)

In 1750 the supposed guild authority was eliminated by a statute licensing artisans having no affiliation to a guild.\(^\text{239}\) The guild system corrupted due to the amount of illegal non-guild work; the high prices of the guilds invited illegal labor to do the work more cheaply. The ordinary members in the guilds worked perhaps 14 hours a day for a wage that was sufficient for a family life in normal conditions; but in recession, especially if the wife and children were not working, they were in danger of poverty.\(^\text{240}\) Work became inadequate when guilds were unable to repress external employment, as for instance when Cromwell empowered his demobilized soldiers to take up trades without the statutory apprenticeship.\(^\text{241}\)

Protocapitalistic practices introduced a wage problem that could not have existed in the agrarian economy prior to the Statute of Apprentices. The guild structure had protected both laborers and the public by its power to regulate fees and wages, by invention of the \textit{numerus clausus}; it calculated the number of artisans a community could support, and


\(^\text{239}\) Artisanal and retail trades were not formally liberated from guild regulation until 1830.


maintained employment at that number such as would maintain a suitable standard of living. Competition was considered an evil since it forced prices below this standard. In the 14th and 15th centuries the guild was deputed the regulation of wages, from what was assumed to be an original right of the State. The laborer sold what he produced, not his labor, and sold directly to the consumer, not to a middleman; that is, the guild was not a middleman, but a semi-public institute to regulate trade.

The guild’s deliberate prohibition of free trade comprised a stint: a proportion of work any member was allowed to perform, supposing that any excesses in the work done would unbalance the amount of work available to other members. To prevent price distortions presumed to derive from competition, the guild used the stint to limit the amount each member was allowed to sell; this was not detrimental to the laborer, because a liberty to sell as much as he could would have lowered prices. The regulated wage system obviated competition by restricting artisans to a number that, given the stint, would provide exactly as much labor at a certain price as the community could use.

Informally however the guild system had a penchant to inhibit the actual demand for labor, for the guilds restricted labor to keep profits and prices high by artificial scarcity. The 17th century guild system organized each trade under one guild, although in smaller boroughs guilds were umbrella organizations that unified different trades in one guild. One became a guild member by apprenticeship, inheritance or purchase; the attraction of membership was the security of one’s business and the freedom from competition, but this seems to beg the question. Since towns in large part were defined by a guild, in that a town came into existence precisely because of the settlement of a certain trade in that location, the subsequent incorporation of a town by the king virtually meant that to have the rights of citizenship in that town was to be a member of its guild.

242 “In Winchester from the 1660’s there was a guild for the carpenters, joiners and masons; one for the tailors and hosiers; one for the butchers; and another for leather-using craftsmen.” Cf. Chalklin, Christopher; The Rise of the English Town 1650-1850, Cambridge University press, 2001, p. 60.
DEMISE OF THE GUILD

Authorized by municipal authority, the guilds of the Middle Ages regulated product quality, production, and recruitment according to demands of the market. These objectives were not germane; the guild was a private enterprise, but its purposes were imposed on it by the government. The guilds had accordingly corrupted; though a purpose had been protection of the interest of the worker, eventually an exclusivist group would take over control of the guild, award patrician wealth to themselves, and impoverish the ordinary members. Associations of journeymen within the guild would organize against the guild. The journeyman associations were not effective against the oppression in that they demanded higher wages. Since the guild patricians had gained their power by accommodating the public’s demand for low prices, and by inference low wages, the guild management prevailed, and such internal journeyman associations were disbanded by court order.²⁴³

Guilds had been instituted to eradicate the evil effects of competition, but the lower prices resulting from rural competition deprived guilds of moral authority. Whereas formerly the JP had acted against the union within the union, the journeyman association within and against the guild, the “restraint of trade” clause was now used against the guild; it had been appreciated that the illegal manufacturing bases were producing more cheaply than the guilds.²⁴⁴ Capitalism did not grow from the guilds, but from the illegal artisans who worked in defiance of guilds; thus emerged the problem of whether the State should regulate prices and wages, when the guilds had become incapable of doing so. The state remained silent about this contradiction; how could the state regulate non-guild manufacturing enterprise for so long as its existence was not legally recognized? When government was silent, combinations of workers attempted to impetrate better wages and working conditions. Government regarded self-motivated organizations as encroachment on its native and original authority, as the prior authority of guilds had been delegated from government; thus

originated the view of labor unions as criminal. Under the principle of freedom in business activity, labor combination was interpreted as restraint of trade; by organizing workers through such interests as higher wages and precluding anyone who did not combine in the plea, the combination was acting “in restraint of trade.” The Tudor governments took over regulation of industry; combinations for better wages and conditions were stigmatized as criminal conspiracy.

The presumed superiority of the State in this issue was its disinterest. While seeking just conditions and wages for the worker, it denied that the laborer should participate in adjusting wages, because of his interest. A series of labor laws were issued in the Elizabethan reign, under the medieval justification of protecting the people; the State assumed authority to permit or forbid commercial enterprise and make assizes for prices and wages. The original common law ruling was reinforced between Edward I and George IV by 30 statutes to the same effect. The legal ground for the government-administered wage assize was also the “restraint of trade”; if wages were excessive, the price of the product would rise, which would make it less competitive and reduce its export volume, thus restraining trade. One might contrarily opine that this control over the sale of the product had been extorted from the producers, producing the illusion that wages were something like a gift to the laborer, in place of the prima facie position that the product with all its effects belonged wholly to the producer.

The Statute of Artificers and Apprentices of 1563 was the first modern act for establishing labor conditions; it was not repealed for two centuries (1814). It consisted of 35 clauses adopted from successful guild regulations, but applied nationwide. For any skilled labor, apprenticeship was obligatory; Justices of the Peace were authorized to regulate wages annually according to the prices of bread and ale. A laborer had to be

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245 Between Edward I and George IV more than 30 statutes were enacted against worker combinations that were in restraint of trade. Cf. Walker, J.; British Economic and Social History 1700-1980, pub. MacDonald and Evans, Plymouth, 1981, p. 248.

employed for a minimum of one year. The statute had no application to industries such as cotton that came into existence only after ratification of the statute; villages that developed after the enactment were immune to its provisions. British adjective law established that no law could have application to an entity that appeared posterior to the law. Hence labor and wage laws which applied to wool, and would apply quite transparently to the cotton industry, did not apply to cotton, because cotton manufacture was posterior to the passage of the textile laws. Starting with the English Civil War, demobilized soldiers were regularly exonerated from obligatory apprenticeships. By the 1670s the apprenticeship limitation was already defunct.

The fundamental assault on guild organization originated from Thomas Mun, who challenged the idea that the gold hoard was the supreme object of economy. The old strategy comprised the practice of restraining production to force high prices; this in turn depended on the guild practice of tightly limiting the number of employees in a trade. Mun however recommended large volume foreign trade surplus, which was to be effected by underselling trade rivals; competition was the essential device for lowering prices. The apprenticeship laws were inaugurated when it was attempted to prevent competition; when competition was encouraged, the apprenticeship laws were dropped. Instead of a high unit price England sought to sell export goods as cheaply as possible.

The artisan level had come to hate guild legislation because its detailed regulations frustrated the perceived opportunities to make money. The apprenticeship laws were the most hated of all because they subordinated the artisan for at least seven years, and repressed many affiliated conditions of trade; artisans supposed that employment and wages would improve if they freely found their level on the basis of supply and demand. This might have been naïve; labor had been exploited worst in small factories, unregulated

by guild laws.\textsuperscript{250} In the ideal guild system the artisan passed through regulated stages as apprentice, journeyman, and finally independent master. In place of that, the new factory system may not have required the long apprenticeship, but the artisans were collected into one enterprise as employees, and never rose beyond the status of virtual journeyman.\textsuperscript{251}

The guild figured as a pretext for a group to take control of a market; the venture was presented to the Crown as providing greater public benefit and augmentation of royal revenue. In practice later guild organizations were inexpert in the trade and lacked sufficient capital; the production rate plummeted, but the guild profited by selling at scarcity value. The concurrent country industry instigated the reactive idea that restraining production in order to sell at high scarcity prices might not be as serviceable, or profitable, as selling things in abundance at low prices.

**NON-GUILD LABOR**

Labor had been liberated from feudal bondage, and the landed class did not try to reassert its control, but national 18\textsuperscript{th} social institutions thoroughly subjugated labor. From 1600 to 1650 wages were almost below subsistence, presumably because Justices of the Peace controlled the wage assize into the 18\textsuperscript{th} century; although the assize had been meant to protect labor, JPs were of the class that employed labor, and assessed wages accordingly. Underemployment was the norm under these conditions. Although commerce produced employments in shipping, they were unstable; the employing middle class preferred to keep a labor surplus of unemployed for the sake of seasonal labor demand.\textsuperscript{252} Enclosure induced large scale migration to semi-urban areas where there was minor manufacturing.

Deracination, connoting the peasants’ loss of access to land, increased the market for manufactured commodities which they could no longer make at home.\textsuperscript{253} It depressed

\textsuperscript{252} Cf. Wilson, Charles; *England’s Apprenticeship* 1603-1763, pub. Longman, 1965, p. 344.
the cost of labor, since the population growth ensuing from release from agricultural labor was located in the underclasses, not the middle class or aristocracy.\textsuperscript{254} A wage proletariat developed first in mining and manufacture, followed by an agrarian proletariat in southern and middle England.\textsuperscript{255} Labor in the 18\textsuperscript{th} century cottage industries experienced more freedom to set their own pace and to choose employment than they had known as agricultural labor, although this freedom was annihilated as soon as they had to conform to the factory machinery.\textsuperscript{256} Even prior to industrialization the faint whiff of freedom disappeared from labor, although from the nature of subsistence more than autonomy. Agriculture and manufacture had sometimes allowed the laborer to live and eat with the employer, but this thread faded out instead of developing into some regimen more substantial. This might equivocally appear as an advance in labor autonomy, or as a step in progressive impoverishment.\textsuperscript{257}

The manufacturing laborer seemed more free than usual because the law did not compel him to work under only one specific employer, inasmuch as such a laborer worked in his home, owned the requisite tools, and sold products directly. The third condition decayed the most quickly.\textsuperscript{258} Especially in the textile industry a cottage producer relapsed into wage-employment for a merchant due to the inherent nature of the product. The product passed through several stages of production, each stage being performed by a different artisan. As the product was ordered according to a remote wholesaler’s specifications, those specifications had to be worked into the cloth at different stages by the different workers; since only the merchant knew those specifications, it was impractical to produce independently and yet depend at each stage on the merchant’s instructions.\textsuperscript{259}

Diagnosis of the combination of poor labor performance with insolence concluded

that high wages gave laborers too much of a margin for recalcitrance; it was opined that the best workmanship resulted when subsistence was precarious and other half starved laborers were eager to replace the employee. The employers’ immediate experience corroborated the impression that quality always sank when the laborer’s security increased. If a worker and his family could not eat if he did not work six days a week, employers would have labor assurance if the wage was not enough unless the laborer worked six days. Intrinsically pleasure in work, social reputation, or surplus money would not motivate labor. Higher wages neither motivated higher consumption, nor did opportunity for more money entice labor to work regular hours. Although the wage assize lost force, throughout the 18th century wages remained stable, though labor became constantly more impoverished; incessant inflation raised all prices and reduced the purchasing power of the wages, but wages were never adjusted upwards to accord with inflation.

A complication in this trend had been the price assize, which fit very well with guild organization but disastrously with what followed the guild. Whether in the country or the city, millers and bakers were for instance categorized as public servants; this was an aftereffect of the royal permission governing guild organizations. As public servants, millers and bakers were not allowed to earn conspicuous profits. The price of the bread was determined not by the baker, but by a municipal authority. The regulation was important for its effect in dissuading laborers from staging market riots against high prices.

The assize was an exemplary instance of paternalist control; prices were assigned according to how much revenue a person of a given social role ought to have; it prevented lower level businessmen from achieving wealth. This stimulated eagerness to bring others into one’s employment. Since the just price laws restricted how much a vendor could

charge, and there were natural limitations on an individual’s working hours, personal wealth seemed an impossible aspiration. However, if the businessman could bring others under employment, and take a margin from their productivity, then the possibility of gain was unlimited, as it wasn’t affected by the just price laws. This had the effect of impoverishing the laborers in the long term. The assize of bread was repealed in 1813; in 1792 the Spitalfieds Act of 1773, which limited textile wages, was repealed in 1823.263

The new liberty of the laborer was specious because, although now without personal dependence on lords and esquires, laborers were desperately dependent on the impersonal labor market; labor degeneration ensued from noncommunication between upper and lower classes. Employing classes reacted to the remission of deference by deliberately reducing wages to a minimum; presumably keeping laborers always on the verge of starvation would teach them to respect their employers.264 Prior to factory employment the objective problem was the unwillingness of labor to work beyond bare necessity, hence the strategy to make six days of work barest necessity.265

This inference was slightly hypocritical; consumption was virulently prominent as a gauge of social elevation, and sumptuary laws were still jealously maintained; tea drinking, smoking and forms of dress were prohibited to the labor class because such consumption obscured social distinction; part of the motive behind subsistence wages was to preempt this possibility.

Something more substantial underlay this anxiety; there was a realistic worry that a laborer, receiving higher pay, would incline to produce more children instead of using the money on consumption. The English population converted to wage dependency much earlier than the other European countries. Money economy was partially necessitated by urbanization, which also proliferated new middle class professions. The middle class created a larger domestic market for consumer goods than could be developed in the other European

This domestic market was supported mainly by the middle class and a thin upper layer of the labor class. Since a labor class has a higher proclivity to spend money on having more children than on consumables, it was risky to encourage the labor class to be consumers, or to provide the money for its possibility. Extra labor class children would swell the numbers of the labor class, without expanding employment or wealth. Ascent to a higher standard of living depended on a tandem condition: 1) increasing employment and money, 2) no increase of population. Greater remuneration could not have been entrusted to the labor class as long as it was probable that they would cancel British affluence by excessive procreation. When the sumptuary laws were abolished, laborers did spend more money in imitation of upper class consumption. Employers eulogized the virtues of minimal wages, but in practice they discovered that if they increased wages, more laborers sought employment, which forced those already employed to work harder in order to protect their employment. Higher wages in the 18th century had the effect of creating a superfluity of labor, giving the employer the upper hand, although in the 17th century high wages preponderantly generated indolence. After 1750 wage incentives began to function well to improve labor performance.

The rising agricultural demand starting from ca. 1750 inspired the landlords to accelerate enclosure to get the maximum benefit from the trend. By the 1780s the political superstructure attempted to eliminate coexistent properties in the same land with an ideology of class discipline: capitalistic functioning required property in land to be exclusive. The rate of enclosure reached its apex in the 1790s. Laborers resorted to the just price, the price assize, as a ground to demand higher wages. While landlords profited magnificently from higher prices, labor conducted protest riots: there were wage-related insurrections in 1709, 1738, 1749, and 1793.}

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D. Morgan Pierce

1740, 1756-7, 1766-7, 1773, 1782, and, most strongly, 1795 and 1800-1. The labor class, at once the heart of production, was prone to stage market riots, in which they would take over stocks of grain, meat, wool, etc. and sell them at whatever they estimated to be the “just price.”\footnote{270}

Inflation with stationary wages continued to affict the labor class. In 1795 various efforts were made to pacify labor. Subscriptions were made to reduce the bread price to the real purchasing power of labor wages. The Poor Rates were used to subsidize wages, culminating in the Speenhamland system. The inequity arising from subscriptions that relieved one area, instead of another, fomented riots.\footnote{271} From the Glorious Revolution labor had pleaded for the enforcement of the obsolete Tudor wage assizes;\footnote{272} this was rather pathetic, since there was nothing happy to remember from the time they had been earnestly enforced. Labor agitation always tried to present its demands on a precedented legal basis. Laborers used the Tudor wage assize laws to petition government for higher wages; government made a conclusive reply in 1813 by legislation that repealed the Wage Assize Act of 1563.\footnote{273} The 1813 repeal deleted the wage-fixing clauses of the Wage Assize Act; this constituted a shift from paternalistic Elizabethan wage regulation to laissez-faire.\footnote{274} Labor had no political voice whatever; presumption intoned that they should perform their duty but leave management of society to the intelligentsia. The House of Commons was not occupied by commoners, but by aristocracy (upper gentry), or those with equivalent wealth.

Guilds were the labor organization of the High Middle Ages, but every other political body was organized as a \textit{corporation}; its most important characteristic was that it resulted exclusively from royal grant, so that any informal social group that was adverse to the king was automatically illegal, inasmuch as it was not incorporated. The aristocracy had the

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\footnote{274}{Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 277.}
towns located on their demesnes incorporated, ostensibly so that the town would have legal status, but perhaps more for the personal advantage that incorporation entitled the manorial lord to place a deputy in the House of Commons.\textsuperscript{275} The corporation accumulated revenue from property ownership, and from fines ensuing from refusal of office. As the successor to the manorial right, the corporation received payment for use of the markets square, seaport, etc.\textsuperscript{276} Since this representative to the House of Commons was appointed or selected by the manorial lord, there was little occurring in the House of Commons which would remind one of commoners.

The only means for voicing a popular sentiment was to riot. If there were a political element in popular disturbance, it expressed a simplistic interest such as in unemployment, taxes, or wages. On the other hand the city proletariat was quite prone to start a riot at the behest of a higher social figure, such as a politician, because looting provided many things for which they had no money. This equivocal focus, one side for heartfelt interest, the other for patrician loyalty, explains why English riots regularly aggravated and degenerated into purposes for which riots had not been originally instigated. Popular rioting was a mainspring of the laws that made more than 200 offenses punishable by death.\textsuperscript{277} The poor were regarded as dispensable for so long as national wealth was insufficient; a crime was an opportunity to eliminate one of the superfluous more than it was a stimulus to reflect on the miserable social conditions that inevitably generated crime.

**STATUTE OF APPRENTICES**

Rural trade materialized only if the region produced something that was saleable; in the case that it did not, drastic demographic change would eventuate. By the opening of the 18\textsuperscript{th} century rural trade materialized only if the region produced something that was saleable; in the case that it did not, drastic demographic change would eventuate. By the opening of the 18\textsuperscript{th} century rural trade materialized only if the region produced something that was saleable; in the case that it did not, drastic demographic change would eventuate.

\textsuperscript{275} The charter to incorporate gave a town the right to abstract property ownership, to sue and make local laws; translating this, it gave the manorial Lord these powers, as well as powers of admiralty over a port or river. Cf. Chalklin, Christopher; The Rise of the English Town 1650-1850, Cambridge University press, 2001, p. 60.


century grain had become a major English export, but prior to export commerce grain trade had to permeate the domestic market. Government took aggressive interest in the expansion of grain production, although this infringed on the manorial control over local markets. This period ended in 1790, when England started to import grain.278

This might be received as a dead fact: England bought foreign grain because she could not produce enough food. It is however puzzling that the countries that bought English grain, by the same reason of domestic shortage, should suddenly find profit and capacity to sell grain to England; this would imply that the price of grain in these countries, which had been comparatively high due to relative scarcity, should suddenly be able to sell grain at a higher price than domestic sales to a country whose relative grain price had been lower. Rather than to assume absolute grain shortage in England, the new policy might be interpreted to have been discretionary. It appeared to have been more profitable for England to deploy its available labor to expand industry rather than to retrench industry for the expansion of agricultural labor at higher grain prices. Whereas agriculture was without doubt more profitable than manufacturing labor in the early phase of cottage industry, at an indefinite later point it had become more profitable to apply labor to industry rather than to agriculture. For some reason industry seemed to have become absolutely more profitable than agriculture, even at the very time at which agricultural prices were steeply rising. When England approached full agricultural capacity vis-à-vis her present technology, she might have rebalanced labor between agriculture and industry to reflect the rise of rents and agricultural prices, or she might have deported excess population to Ireland or America, or have imported grain. That England concentrated univocally on the third option suggests an assumption that no agricultural improvement could vie with the prospects of industry.

Underlying industry’s transition from being less to more profitable than agriculture had been the unprofitability of agriculture unless it were commercial, though agriculture could not shift from subsistence to commercial farming as long as transportation was primitive.

If an area had a vendible agricultural product, it would shift to commercial farming more quickly, whereas an area whose agriculture was altogether unremarkable would remain in subsistence agriculture despite deracination of the serfs. In the former instance rural industry would not develop because strong demand for agricultural labor would persist. In the latter instance, an uneven distribution of unemployment would pile up in the local villages. Migration to areas where there was reputedly agricultural or industrial employment ought to have ensued.

Investment changes whenever the rate of return on current investment declines. Adam Smith accordingly theorized that agriculture would be the first object of investment because it would render the highest rate of return; his premise that agriculture provides a higher rate of return than any other human effort derives from the premise that human labor is the only cost. Agriculture renders the highest return because it is mostly a product of nature, and only fractionally a result of labor. Every activity besides agriculture is virtually 100% a product of labor, and therefore must bear a proportionately higher cost. Therefore food surplus should be the origin of any higher economic development; surplus could originate nowhere else. Even if markets were too remote to allow sale of agricultural product, immigration would result from the low cost of food, and manufacture from the immigration. If an area had something that other places would buy, it would be undermanned and attract labor, while counties with nothing salable would diminish in population. Since furthermore the British comparative advantage was greater in agriculture than in industry, improvement of agricultural productivity should have correlativey resulted in a less advanced industrial sector. If agriculture was intrinsically more profitable than industry, industry would have a low skill quotient and concentrate on cheap low quality goods. Because Britain would incline to manufacture of low level goods requiring less skill, the labor drained from land and absorbed in industry would be destined to a lower standard of living. The increase of labor productivity redounded to the owners of capitalist agriculture, not the labor force.279

One would expect industrial employment to have grown where agriculture was subsistence farming, while commercial farming areas should have prospered from feeding the population densities of cottage industry. However, there was a worrisome difference between a peasant population ensconced in serfdom and one that was, although still agricultural, free. The landlords did not deploy their manorial powers to harness the disfranchised agricultural labor, as in contrast the Jim Crow laws had muted social turbulence likely to have arisen from agricultural emancipation. The landlords, not obligated to the uprooted peasants as they had been to serfs, needed nothing from the peasants that could motivate them to assume new obligations arising from the end of serfdom. Peasants who were not serfs, wandering in massive groups over the country in search of employment, unleashed from the traditional deference to landlords, could easily have brewed into social revolution, either in the form of a peasant war or in the factional hands of a lord who appreciated their potentiality as a peasant army; it was dangerous to let unemployed, underfed peasants coagulate in any form other than employment or military service.

This anxiety was a considerable brake on free market economy. The Statute of Artificers of 1563 and the Poor Laws of 1598-1601 arrested free labor movement. The Statute of Artificers made subsistence the defining moment of social order; it emphasized the priority of tillage before all else. Implicit in this emphasis was anxiety over excessive industrial development, according to which rural industry had developed, not as a previewed ideal, but as a morbid abreaction to shrinkage of agricultural employment. The cottage textile industry was discountenanced because its development allowed a development of pasture at the expense of arable farming. The Statute of Artificers required that the lord, if he employed, employ for a minimum of a one year period, and made it illegal for the laborer to refuse agricultural employment at whatever payment was offered.

In the place of guild hegemony that had by now had failed, the same statute imposed a national apprenticeship regulation on all non-agricultural occupations, which not only made

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it illegal to work without going through apprenticeship, but by means of indenture made it illegal for a person involved in apprenticeship to desist working in that capacity.\textsuperscript{281} The government, i.e. the J.P., was authorized to determine, annually, what the individual’s wages should be, on a calculation based on commodity prices; the individual could not voluntarily elect an occupation, quit an occupation, or determine what he would charge for his labor.

The Statute was not malevolent; the price and wage assize was intended to prevent inflation. However, the intended inhibition of labor migration in effect outlawed competitive prices and prevented liberalization of the market. These restrictions, although unintended side-effects, were also conceived to be all for the better; competition was thought to be an evil. Following the corruption of the guilds, power was once again removed from the individual laborer to be put in the hands of government, i.e. the J.P.

\textbf{Poor Laws}

There had been commercial growth in this period, but such growth benefited middle and upper classes without providing underclass employment. Since the poor could not assimilate into the new money flows, they were relegated to relief when evicted from agriculture.\textsuperscript{282} Gregory King, the demographer of the 17\textsuperscript{th} century, distinguished between those who diminished and those who augmented the wealth of the nation; he classified more than half of the population as those who consumed more than they produced.\textsuperscript{283} As too much starvation could destabilize society’s power balance, it was of some value to government to assuage popular discontent.

The poor rates were individuated for each parish, to be financed separately by each parish. Since the parish poor-rates were not assimilable into the poor rates of another parish, it was in the interest of each parish to prevent incoming laborers from obtaining rights to poor-law provisions. Consequently migrating laborers were conceived as “rogues,

\begin{footnotes}
\footnotetext{281}{Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 275.}
\end{footnotes}
vagabonds and sturdy beggars” so as to preempt their claim for relief; good physical health would automatically disqualify a migrant laborer from relief. To make the distinction more persuasive the vagrancy law provided that a destitute stranger could be pilloried, whipped, beaten, or in stronger instances be branded, or have a hole bored through his ear or tongue with a red hot iron; these were effective encouragements for the unemployed laborer to procrastinate migrating from his native parish. Parishes tried to keep a distinction between their native unemployed, whom they were willing to support, and the external migratory workers, whom they could legitimately exclude from welfare claims.

The landed aristocracy had used parliament to criminalize behavior that impinged on their economic interests.284 Employment deficit was a hindrance to infant rural industry, but not to the aristocratic landlords; the peasants always preferred agricultural to manufacturing work. The 1563 Statute of Artificers authorized the JPs to fix the wage assize; by setting a maximum legal wage, each parish could guarantee that its wages would be more miserable than those of other parishes, and thus prevent labor migration even in the event that its industrial colony did have available employment. The supplementary statute of 1589 authorized Justices of the Peace to tear down cottages not possessed of 4 acres of land. This was in conformity with the Elizabethan ruling that no Englishman should have a country dwelling without a minimum subsistence of 4 acres. To prevent swelling poor rate recipients and higher taxation, the statute was used to tear down any vacant cottage that might legalize a settlement; a newcomer might have to provide a bond as a guarantee against his becoming a welfare dependant.285

It had been legislated that entitlement to welfare support was located at the parish of birth; a new Poor Rate Act of 1503 changed the entitlement to the parish where the individual had last lived for three consecutive years, and the Act of 1597 reduced this to one year; the alleviation of the requirement was undertaken in an abortive effort to reduce the


hordes of vagrants. Nevertheless a vagrant was not free to wander into any parish, establish residence for the required period, and demand welfare support.\footnote{Cf. M. J. Daunton; Progress and Poverty. An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 460.}

The Act of 1597 required each parish to raise a rate for the support of its local poor, but this meant that each parish would try to push the poor into the neighboring parish. In the closed parishes, the agents pulled down any vacant cottages to prevent migrant laborers from occupying them, as provided for in the Elizabethan statute; demolition was to minimize the labor population residing in the parish and thus reduce poor rates. Unemployed men with families, more than single men, were expelled, people in their death throes were moved into the neighboring parish to avoid funeral expense, and pregnant women, especially when they were in labor, were pushed into the neighboring parish, so that the neighboring parish would have the poor rate obligation for the newborn. Otherwise, pregnant women were forcibly married so that the husband instead of the parish would be liable for the child’s welfare.

The Poor Law Act of 1597 empowered each parish to levy a tax for welfare relief, although one must wonder how grateful they were for receipt of this new power; the Poor Laws of 1598-1601 assuaged the burden by regulating that the helpless laborer could receive help only from his parish of origin, relieving the parishes of inundation by poor law dependants. This remedial legislation however effectively arrested the equilibrium that should have resulted from labor migration. To depress poor-rates each parish did its best to make unemployed laborers the responsibility of another parish. If the Poor Law had enforced a security to provide for welfare elsewhere than in the county of birth, laborers would have been prone to migrate to areas of greater employment. However one must remember that labor migration would benefit the bourgeois industrial class, by providing labor for their factories, but it was landed aristocracy who sat in parliament, and for them rural migration was of no benefit. It was the growth of rural industrial pockets that undermined the capacity of the landlord to control provincial and borough elections. In the early phase resolution of this dilemma was overwhelmingly in the favor of the former
option; poor rates were collected separately, and spent separately, in each parish, so that in consequence each parish fiercely contrived to minimize the welfare recipients and disqualify all destitute not native to the given parish. This froze labor migration.

The Act of Settlement of 1662 empowered the parish to expel vagrants. It regulated that anyone who was neither a land owner nor a native could be transported to his parish of birth unless he could provide security that he would never apply for welfare relief. The Settlement Act had been made necessary from the effects of the 1563 Act; parishes that provided better relief than others were overwhelmed with external paupers seeking better relief. The 1662 Act was irrational; evidently the solution would have been to make poor rates uniform throughout Britain, but that would have entailed a centralized dispensing agency. The 1662 Act happily eluded the correct solution, which would have relocated the expense to the national government.

The power to discriminate amongst poor relief claimants protected the parish from excessive obligation, but it forced poor rate recipients to remain in their native parish even when employment was elsewhere available. The benefit of having repealed the apprenticeship and wage assize of the Statute of Artificers was ambiguous because the Elizabethan Poor Law remained in effect. Instead of instituting a national poor rate, the Settlement Act of 1662 enacted that two JPs of a parish could expel anyone who possessed no real estate nor held a rental costing more than £10 a year, if he were not a native of the parish, had been there less than 40 days, was no one’s apprentice, and threatened dependency. The migrant might not be expelled, but he would never acquire a welfare claim on the parish. The requirement of £10 annual rent served to discriminate between solvent entrants and vagrant laborers. The act was revised and reissued in 1685 and 1691; a person who had been dismissed could not seek employment elsewhere in the parish,

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289 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 442.
although under Elizabethan law it was also illegal to be unemployed.

Until 1662 the Privy Council, i.e. the central government, was authorized to interfere in the management of parish poor rates, and the Justices of the Peace presiding at the Quarter Sessions could order the parish to revise its poor rates. Such a revision would always be a revision upwards, for which however the neither Privy Council of national government nor the Quarter Sessions commissioners made no contribution whatever. Following from the 1662 Act the Privy Council (nor the Quarter Sessions Commissioners) could not order such a revision; jurisdiction was entirely conceded to the local authorities. Thus central government, now entirely unconnected, could not be appealed or sued to provide any of the money, and the parishes, now uncontrolled by the Privy Council, could proceed to define a narrower scope for their poor relief duties. Parish agents for poor relief were compulsorily appointed and unpaid, preparing strong temptation for embezzlement. Insofar as parish agents thought for the sake of the community, they reduced the poor rate dispensations as much as possible, probably with the same recklessness as they ferreted out opportunities for embezzlement. Since the poor rate was raised and spent separately in each of the 15,000 parishes, each parish had to provide the lowest possible poor rates so that it would not attract new recipients from other parishes.

By the 18th century a parish regularly punished vagrant laborers for nonresidence and simultaneously prevented them from acquiring employment or legal habitation. It was especially the healthy, able-bodied laborer who was demonized, whereas in the conditions of the late phase of this period, it was the same able-bodied laborer who, in the Speenhamland laws, was singled out for protection by welfare relief. In the early phase presently under consideration, the punitive liabilities of labor migration effectively constipated the labor maldistribution. The Statute of Apprentices prevented insurrectionary liabilities of industrial migration by its punitive action on vagabondage, but at the same time aggravated the pockets of high unemployment, discouraging those who didn’t care to be flogged or mutilated from seeking remote employment. In this period government regarded unemployment and indigence as undesirable. Anyone who had no money, food, or shelter was to be identified as a “sturdy beggar,” because his sturdiness exempted the
hapless village that was stuck with him from having to draw from tax revenue for his support. *Sturdy beggar* implied that he was able to work, but had malevolently wandered from his home in order to inveigle welfare support. The Vagrancy Acts, ranging from 1597 until 1744, usually with increasing severity, prescribed that “rogues, vagabonds and sturdy beggars” were to be physically punished and afterwards either returned to the parish of origin or to a house of correction.\(^{290}\) A man and his family were interned in the poorhouse if he had received poor rates for a certain passage of time. This was intended to be a punitive humiliation, but in the Speenhamland system, the interns pretended to be incompetent for fear of being expelled from the poorhouse and being made to work.

It was surmised that welfare relief was a bad policy because by helping the poor to avoid working it aggravated the tax rates. The merchants could reduce wages permanently, because the Speenhamland rates would compensate any deficit; the workers, secure that they would be supported in any case, rapidly abandoned their standards of skill and reliability. When equilibrium between marriage and carrying capacity of the land no longer functioned, it was feared that welfare provision would enable paupers to marry and procreate, without restraint from the economic capacity of the region. Although poor relief measures were ostensibly for the welfare of common people, humane concern for the destitute peasant’s life was inseparably the obverse of society’s concern with labor supply.

The pressures of enclosure, unemployment, and vagabondage had turned the application of welfare premises from the benefit of the poor more towards the benefit of business. It was ambiguous whether the beneficiary of state-sponsored labor regulations, ostensibly for the worker’s protection, was the laborer or employer. The State’s authority to regulate trade devolved upon a power to fix maximum, not minimum, wages; it was reasoned that more people would be employed if small wages were paid, and on the sturdy beggar premise it was premised that workers would shun employment if they were paid an excess over what was necessary, whereas workers would not migrate, making a nuisance of

themselves as vagabonds, if they were prescient of not finding higher wages elsewhere. This solidified in the lasting conclusion that the best protection of the labor class was to guard against sufficient wages; if the worker were paid as little as possible, he would be more reliable.

The poor rate bottleneck occurred simultaneously with rural industry’s generation of an insatiable but conflicted labor demand, thus promoting labor migration. The industrial pockets amounted to country villages, although such villages were not incorporated as the earlier ones had been. Such towns chiefly functioned as market centers for the surrounding country, and no more than a few thousand people lived in them. But at least the town population was no longer primarily agricultural; early cottage industry had thrown up these towns to domicile the population being squeezed out of agriculture. In this period they remained intimately intertwined with the country population, and would have returned to agriculture if only they could have, but most of them had become totally dependent on the cottage manufacturing employment. Deep alienation from the country life did not start until much later, with the institution of factory life. The mentality of the cottage people exhibited a lingering feudalism; the landlords were not for a very long time to lose power due to industrial development, for they controlled the devotion of the cottage worker far more than the mercantile employers.\footnote{Cf. Marshall, Dorothy; \textit{English People in the Eighteenth Century}, Longmans, London, p. 39.}

The parish government did not want to admit incoming labor, even though they fulfilled an employment demand, because, once settled and employed, they might establish a future claim on poor rates.\footnote{Cf. Williams, Basil, F.B.A.; \textit{The Whig Supremacy 1714-1760}, Oxford Clarendon Press, 1962, p. 130.} Legislation and its execution therefore became ambivalent. If the unemployed were made eligible for poor relief, there would be no rational ground for them to work, because wage payment would not be appreciably better. But if poor relief were sufficiently abstemious to make labor seem preferable, the receipt of welfare would not maintain them, and the humane purpose of welfare would be defeated. There was, furthermore, no alternative but to pay migrants very low wages, because potential employers
would otherwise prefer non-vagrant workers.

The monarchy appointed private companies to take monopoly control of certain industries and public services, but this device was ventured only in cities. Where rural industrialization had developed, neighboring districts might be expected to have converted from subsistence to commercial agriculture by virtue of the industrial pocket’s demand for food. The excess unemployment should have drained either into the agricultural supplier or into rural manufacture. The transition was not so liquid because the poor laws conveyed a new jeopardy. In a concession to labor distress the Settlement Act of 1662 had reduced the required period of residency and instituted new means of acquisition more suited to a laborer. The interest was that labor should not be prevented from going where they were needed. Alternatively, since leaving a parish would entail forfeiture of welfare rights, laborers, unwilling to surrender such rights, might remain unemployed instead of going to another parish that needed their labor. A right to poor relief in the location of temporary employment would improve productivity because of the greater security in migrating to stronger labor demand; mitigations of the law of settlement at the end of the 17th century and eventually the Speenhamland system strengthened labor migration. To accommodate labor demand the Act of 1662 allowed migrant laborers to work seasonally in one parish while retaining welfare rights in their native parish.\footnote{Temporary settlement was expedited by provision of a settlement certificate which confirmed the residence of house and family in another parish that remained responsible for the worker’s welfare relief. Cf. M. J. Daunton; \textit{Progress and Poverty, An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 461.}

But guarantees against abuse of this law, for instance the lingering of workers beyond the time they were useful, had become exigent. Even when rural industry provided employment, the parish inhibited employment of migrant workers because the prospective economic recessions germane to manufacture would throw these provisionally employed workers on to the responsibility of the parish rate-payers.\footnote{Cf. Rule, John; \textit{Albion’s People English Society 1714-1815}, Longman, London, 1992, p. 119.} The Poor Law Act of 1697 provided that labor and residency permits be issued to temporary laborers.\footnote{The statute of...
1662, being too inclusive and inconsiderate, was amended to allow for seasonal migratory labor and demobilized soldiers. Certificates enabled artisans to live temporarily in a place of employment, while simultaneously excluding them from appeal for poor relief; their residence would not legally count as settlement. One needed to hold property to qualify for poor relief, whereas if one were wholly destitute one did not qualify; the absurdity of this was partially effaced by the provision that a destitute person would remain entitled to poor relief in his native parish. The Poor Relief Act of 1691 left jurisdiction in the hands of the “overseer of the poor,” but deprived him of power to provide relief unless approved by a JP.296

The Act of 1691 authorized the Justice of the Peace to control poor rate expenditure, but against expectation it increased local poor rates. Parishes instituted laws to repress the immigration of non-residents who might plan through settlement to draw on the parish poor rates. The 1662 Act, which provided for expulsion of immigrant poor from a parish, might be interpreted as a punitive attitude toward impecuniousness, or its primary motive might have been to protect a parish with more generous poor rates from inundation by external poor.297 Perhaps the most likely motive was that national government wanted to escape the expense of the poor, the greatest national expense of all; if indigent people had been free to tap any parish, the system would have been unworkable unless poor rates had been uniform, which in turn would have necessitated their unification into a national rather than a parish payment agency.

The primary desire was to eliminate the poor, but if this proved impossible a second best desire was to cage them into any minimal employment that would relieve the poor rates. In 1691 Justices of the Peace with authority to dispense welfare relief replaced the overseers of the poor; consequently decision over dispensation became undelegated and

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beyond appeal. The alteration had been intended to save money. Previously plaintiffs had
claimed poor relief on spurious grounds, and, when the overseer refused relief, his decision
was contested by appeal to the JP; the JP, overwhelmed and lacking time, expeditiously
overturned the overseer’s judgment just to get it off his desk. An Act of 1697 coerced
artisans to accept apprentices on pain of a £10 fine for refusal. The same Act required that
any person permitted to beg wear a badge indicating pauperism; anyone begging without the
badge would be expelled. Finally, JPs were empowered to induct vagrants into the army, and
an Act of 1704 allowed the same for the navy. A vagrant could be inducted starting from the
age of ten, and he was committed for eleven years of service.298

In the 18th century there were no longer armies of indigents wandering across the
country; the Settlement Laws had the effect of shortening but not eliminating labor
migration. Additional vagrancy statutes of 1714, 1740, and 1744 intimidated laborers
from risking long distances.299 The effect of the mitigations of the 1662 and later Acts was
to transfer labor from defunct to industrializing rural parishes, as the liability of a failed
settlement consisted in merely returning the laborer to his native parish.300 The Poor Law
Acts of 1685 and 1692 required an entrant to a village to notify the parish, in failure of
which he would be ineligible for settlement and access to the Poor Rates. In 40 days of
the receipt of the notification the parish was free to consider objections. By the previous
ordinance (1662) the entrant may have eluded notice of the parish for 40 days and thus
circumvented measures for legal expulsion.301

Nevertheless the intention to keep the English labor force in elastic supply had failed.
The Poor Law Removal Act of 1795 prohibited eviction of external laborers from a parish
until the moment they became dependent, whereas the previous Act of 1662 provided for

298 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and
300 Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain
301 Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain
eviction on suspicion that an alien resident might become dependent; the cost of returning the laborer to his original parish had been chargeable to the original parish by the Act of 1662, but the Act of 1795 made it chargeable to the evicting parish.

The new Act was evidently intended to encourage labor migration. Laborers with families nevertheless did not venture on this relaxation because parishes systematically evicted the unemployed at the first scent of recession. At no time in our period was a satisfactory solution discovered; in southern England there was chronic unemployment at the same time as there was labor deficit in the northern counties.\textsuperscript{302}

Since the poor rates were not to be centralized, some other device was needed to straiten eligibility for welfare relief. The Elizabethan labor statutes had fatuously supposed that by making unemployment illegal, unemployment would disappear. In 1647 London welfare institutions united into a corporation for the poor; in 1691 a joint stock company was devised whose purpose was to erect workhouses. The workhouse was instituted for the correction of the vagrants, motivated by the absurd premise that the vagrants were unemployed only due to their moral failings.

The Poor Law Act of 1723 provided for workhouses to employment and sequestration of the vagrant poor. The Act authorized parishes to erect workhouses, by virtue of which any pauper in good health was required to work as a condition by which he could receive relief. The parishes accordingly used the statute as a device to cut the poor rates.\textsuperscript{303} The 1723 Act stipulated that the parish may refuse poor relief to anyone refusing to work in it, although, being a native resident, he was otherwise entitled to poor relief of his parish.

Vagrancy Acts from 1597 to 1744 repressed peasant migrations by providing that vagrants might be “whipped bloody” and then returned to their original parish or to a house of correction.\textsuperscript{304} The workhouse was partially effective against rising poor rates. Another

early attempt to solve the dilemma was to organize welfare recipients into groups who were then compelled to work distributively on the farms of the various rate-payers, in the intention of making welfare receipt more unpleasant than regular employment.

By 1750 there were about 70 workhouses throughout provincial England, but this created a new dilemma. Although committed to succoring the poor, tax payers wanted to avert fraud. It was therefore desirable that welfare support, qua workhouse, be poignantly unpleasant so that no one would find freeloding on the poor rates preferable to working. But this was infeasible; considering how awful the working conditions of the labor class were, the conditions of welfare could not be sufficiently awful, or if they were, they were not succoring the poor. The tenuousness of the workhouse’s intended psychological effect reinforced the pejorative conception of the labor class. The first Parliamentary Act for establishing a workhouse obtained in 1696. A joint stock company opened Bishopsgate Workhouse in 1699.\textsuperscript{305} Compulsory labor in the workhouse was expected to cancel the cost of the workhouse, and perhaps to provide a profit to the parish. There were almost 50 workhouses in London alone by 1732.

The workhouse did not eliminate unemployment, and anything that the workhouse might produce would displace the products of private businesses; the workhouse never broke even, nor vindicated the charge that the poor were unemployed because of ingrained immorality.\textsuperscript{306} Perhaps because of the fundamental hopelessness and infeasibility of the workhouse idea, administrators usually succumbed to embezzlement of funds and materials.\textsuperscript{307} The workhouse turned out to be expensive, and to aggravate unemployment by detracting from private enterprises with which they inadvertently formed competition.\textsuperscript{308} In 1750 workhouses depressed the cost of the poor rates to £689,000, but by 1776 cost ascended to £1,530,000.\textsuperscript{309} Workhouses were gradually abandoned in favor of the previous

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\item \textsuperscript{305} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 445.
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method of outdoor relief. One quarter of the population was destitute; treatment of the
poor had to be stringent because England couldn’t have afforded to treat the poor more
generously.\textsuperscript{310} Although there was a wealthy class, the use of their aggregate wealth would
not have been large enough to work any effect on the vast poverty.

The Poor Laws in the early phase were preoccupied with eliminating vagrancy and
mendicancy, while in their later phase they were applied in the interest of securing a labor
pool, as exemplified in the late Speenhamland system. Elizabethan laws had protected the
proletariat by obliging employers to employ categories of lower labor for a minimal period
of two years, but as enclosure accelerated, labor markets did not compel landlords to concur;
by 1830 only 15\% of agricultural employment was for a period for as long as two years.\textsuperscript{311}
The Settlement Laws had inadvertently subverted the Elizabethan Labor Law; a laborer had
to be employed for a minimum of one or two years, but a worker could claim settlement,
and a right to poor relief, after a residence of one year. Consequently laborers nation wide
were employed for eleven months only, and the labor law was quietly forgotten. Parishes
employed workers for less than a year, to elude granting settlement. Because the Settlement
Laws in effect made the villages compete on which would support the smallest number of
paupers, any imbalance such as unemployment in the cloth industry would make hordes
of unemployed converge on any parish that provided more than neighboring parishes.\textsuperscript{312}

Until 1662 the Privy Council had nominal jurisdiction over application of these laws, but
as of 1662 administration was entirely local, thereby releasing national government of
the expense, at which time supervisors degenerated to cruelty or to some fraud by which
they could profit from the situation. Just when the migrant poor swelled at the start of the
industrial revolution, no national agency supervised parish government’s frenzy to reduce

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\textsuperscript{309} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and
Evans Ltd., Plymouth, 1971, p. 446.
\textsuperscript{310} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and
Evans Ltd., Plymouth, 1971, p. 444.
\textsuperscript{311} Cf. Price, Richard; \textit{British Society 1680-1880, Dynamism, Development, Change}, Cambridge
\end{flushleft}
poor relief. Pauper children were sold into apprenticeship to agencies outside the parish; since the agency was outside the parish, the parish had no obligation to investigate the fate of the children thereafter; the agencies took children into apprenticeship to collect a fee, but promptly abandoned the children or sold them to factories.\textsuperscript{313}

Long before the Speenhamland system, wages for cottage labor sometimes dropped far below what was needed to support a family. As the population in a parish capable of paying poor rates dwindled and recipients increased, parishes inclined to disqualify claimants. However parishes turned to supplementing insufficient wages to prevent increase of unemployment and dependency.\textsuperscript{314} It would be cheaper to supply the deficit left by the manufacturing wages than to let a family fall into vagrancy. Government was solicitous of the textile industry because of the enormous numbers of vagrant poor who would materialize if there were no cottage employment. For the entire period cloth was overwhelmingly the largest industry after agriculture; it alone was responsible for the bulk of underclass employment. As an export the proportion of cloth declined from 75\% to 50\% of total export profit between 1660 and 1700, although in the same period the export volume of cloth increased.\textsuperscript{315}

This anticipated the Speenhamland approach; employers were eager to have liquid labor migration, since labor deficiency impeded commercial opportunities. From this interest laborers were welcomed into a community, and when there was a recession they lost employment but were sustained in the interim by welfare allotment, or, if they were in employment but received too little, a welfare allotment was deliberately designed to supplement their insufficient wages. This was a reversal of the labor combination approach; instead of reducing prices, the normal (high) prices would be maintained, and the low wages would be supplemented to be adequate for the high prices. The Speenhamland system exhibited extreme ambivalence towards the laborer. On the one hand, wages were extremely low, to prevent migration; on the other hand the supplement was paid- to prevent

\textsuperscript{315} Cf. Wilson, Charles; England’s Apprenticeship 1603-1763, pub. Longman, 1965, p. 188.
migration; since the two premises are contradictory, one of them should be false. In fact they are in unison; the supplement was designed to keep labor intact, but to keep it definitely impoverished. It was not ever an English ideal to have a materially aspirant, prosperous labor class. Thus the Speenhamland system fit perfectly with the earlier labor dogma; only a starving worker will work hard. The ideal was a level of remuneration that just barely provided for the minimum necessities of the laborers. The equation was simply that low wages produced low costs, low cost produced low prices, and low prices produced success in sales competition.\textsuperscript{316} Very soon the merchants discovered they could get a labor force for free, as it were, by paying a wage so low that the parish poor rates were virtually paying the whole wage.

The original reasoning for Speenhamland had been twofold. First, sporadic industrial employment was too short termed and unpredictable to provide security. On the other hand, such an enterprise could fail if there were not sufficient employment at the moment that demand materialized, and, because of the vagrancy laws, labor would migrate only when there was labor demand. Secondly, actual wages may not have been able to draw an effective labor supply even when there was an excess of unemployed. The Speenhamland system kept sufficient labor in reserve by giving the unemployed welfare relief when there was no employment, and supplemented actual wages when employment did not pay a living wage.\textsuperscript{317}

Having come into the hands of urban commercial interests, the Speenhamland approach, providing outdoor welfare for unemployed workers, also ended in failure. Through various conspiracies between employers and welfare agents the employers got the poor rates to pay most of the workers’ wages, and in regions where this approach was taken, even where there was full employment, the poor rates ascended higher than anywhere else. The Parish Relief Act of 1800 allowed parishes to sell food to the poor at a deficit.


This approach had the effect of making middlemen appear to have caused the high grain prices. Speenhamland-like subsidies paid to the underemployed discouraged workers from migrating to areas of greater labor demand.

**Wages**

Prior to mercantilism the nation-state government had had to rationalize trade routes and dissolve embargoes of towns against each other to improve its merchant class; until then it had been natural to delegate control of labor to guilds in order to facilitate the external goals of government.\(^{318}\) The guild regulation functioned when manufacture was handicraft, but by the 17th century, guild regulation lost its efficiency because markets became either extensive or remote; only competition and free entry into trade could cope with these conditions. Guilds worked well only for local economy, but failed to function over remote distances. Whereas guild authority had always been a strictly urban phenomenon, the approach towards more extensive market uniformity made inevitable the reversion of industrial authority from guild to government, and the extension of labor law to apply to rural population as well. The government took the place of the manorial lords to enforce vagrancy laws. Roughly 60% of urban population were waged, that is, urban inhabitants who subsisted on a minimum in good times but reverted to poor relief in recessions.\(^{319}\) Equilibrium between population and food production sustained low food prices, high wages, and early marriages, but minor industrial employment caused population to increase disproportionately to food production. Wages fell due to surplus labor, and food prices rose as agricultural production failed to keep up with population growth. Landlords benefited enormously, for doing nothing.

The early vagrancy and minimal wage laws, impeding the acquisition of appropriately skilled labor, were maladapted for industrialization, but there was little impetus to correct


this because industrialization was part of a vision of dystopia. Maximum wage laws did not make distinctions in the relative skill within a class of worker, thereby inadvertently guaranteeing for every level of labor, an inferior standard. It became economically rational for employers in critical situations to pay more than twice as much as was legally permitted.320

Wage regulation was administered under the precept that the employer would hire more workers if they could be employed cheaply; the heartening consideration for the worker was that a lesser number of them would remain unemployed. To the same purpose Elizabeth and the early Stuarts prohibited enclosure, in order to preserve the peasants’ means of life, who would otherwise become vagabonds. For the sake of general welfare the monarchy compelled employers to employ more people than they otherwise would, forbade employers to release apprentices when they were unprofitable, and subdivided employments to make more workplaces. Merchants were required to continue cloth orders in the absence of market demand.321 For the same consideration the Law of Apprentices prescribed extreme subdivision of labor; e.g. it was illegal for the brick-layer to carry the bricks and illegal for the brick carrier to lay the bricks. This sort of regulation multiplied employments, but also guaranteed that all those employed would be underemployed, and furthermore had no happy effect such as that in Adam Smith’s recommendation of the division of labor.

Transition to higher wages came after this “responsibility of the state” went out of fashion, in favor of a need to increase commercial circulation between factory and farm. A state would naturally want to assume any powers that it could; letting the labor class take power of self-representation would be a lost opportunity for aggrandizement of state power, or, more pointedly, a focus for peasant revolt. The pejorative assessment of the laborer originated when the state took the role of determining conditions for the workers ranking

320 Even as early as the end of the 16th century in Buckinghamshire, for example, already skilled labor and artisans were receiving wages twice as high as the legal limit. Cf. Lipson, E., M.A.; The Economic History of England: The Age of Mercantilism, vol. 3, A&C Black, Ltd., 1931, p. 275.
lower than the artisan level. It was reasoned that very low prices ensuing from the Statute of Apprentices were integral to a prosperous economy; domestic and external markets would be vibrant if people were stimulated to consume more. When it was thematized whether high or low wages would promote the economy, it was not out of humane solicitude for labor conditions:

“tis a certain maxim that cheapness of labor, and consequently the cheapness of goods, is the only means to increase their consumption either at home or abroad, and so enlarge the demand for labor.”322

Greater consumption would ensue from a capacity to buy cheaply; more employment would result if consumption increased demand. Subsistence wages should therefore be paid in order to minimize consumer prices.323

During the Civil War and Commonwealth years the discrepancy between legal maximum wage and actual wage was not rectified because government was too challenged by greater issues to afford additional antagonism, but by the time of the Restoration the real economic conditions made laissez-faire appear more expedient than the wage assize laws. Maximum wage had obtained during the era of the guild, but following the guild the maximum wage law lacked a propitious framework. Although the Statute of Apprentices reduced vagabondage by discouraging labor migration, the insufficiency of labor recruitment harmed manufacture.

The advent of machine manufacture forced government to concern itself once again with wages.324 In contravention of the prevalent labor theory, economy expanded where wages were highest; British society, not merely the laborer, benefited from higher wages. This militated against the theory that, since laborers had a surplus neither for saving nor consumption, wages could not meander into the investment fund; presumably there ought to

have been no way in which high wages could positively affect national economy.

Apparently the contradiction with theory had to do with improvement of productivity resulting from ability to select superior labor. The Law of Apprentices provided severe corporal punishment for an indigent commoner found outside his parish of birth, and it was illegal for an employer to pay wages above the level set by the Justice of the Peace. Since the maximum wage law prescribed punishment for the employer and employee if one accepted work with higher than average wages, the laborer was unmotivated to enhance his ability, nor was a superior laborer enthusiastic to compete for better employment; the employer had no means to attract better labor.

The wage legislation of 1722, premising that high wages would motivate laborers to take more leisure, posited that low wage levels were essential for a reliable labor force. Workhouses, deliberately designed to be more miserable than ordinary working conditions, were supposed to encourage people into low wage employment. However, intervening conditions might have undermined the consistency of this approach. Later in the 18th century, with the explicit recognition that external commerce was essential, and the attendant erection of factories, worry over this sort of labor indiscipline was superseded; the laborer either worked in a disciplined regimen, or he did not work at all. Once indiscipline was overcome, the countervailing reasons for higher wages could capture attention.325 Child, Burke, Defoe, and Arthur Young advertised the virtues of higher wages, although their idea, that the employer would make more money wherever he paid workers more than he needed to, did not meet with common sense very elegantly. For half a century the idea, though espoused, did not find a receptive audience, because the antecedent economic theory was intuitively convincing.326 The older economic theory was not superseded until long after certain pockets of practical experience had established the opposite results of what was expected. In 1756 the law imposing a maximum wage in woolen manufacture was repealed;

a sufficient labor supply for wool instantly appeared, because the new permission made it worth the risk for people from areas of less employment to migrate. Within the following half century the state gradually repealed all wage regulations.\footnote{327}

Low food prices until about 1750 shifted some spending to better quality food, but also produced a disposable income for non-essentials. After 1750 with population growth food prices increased, but a habitual trend had been set for luxury or nonessential purchase. This habituation perhaps impelled the resolution to import external grain, thus keeping grain prices low and liberating money for manufacture expenditure. England had shifted a far greater proportion of her population out of agriculture in the 18\textsuperscript{th} century, and had used its expanding foreign trade to import, rather than domestically to develop many raw materials.\footnote{328} Import duties between 1690-1704 increased 400\%; it was a dubious tactic taken for financing the War of the League of Augsburg, but the customs duties were not afterwards reduced. They had been instituted for fiscal needs, but they were retained for commercial purposes.

Previously high import duties had been imposed indiscriminately in order to achieve a maximum of fiscal revenue, but now the Customs Service was used to shape a desired economic plan. Prior to Walpole the tariff had to satisfy contradictory purposes. Ideally foreign countries should extinguish all of their import duties, so that England could export with complete freedom, and on the English side, protective tariffs should be raised so that competitive foreign exports were kept completely out of the market. England had tried to approximate this ideal limit, but in doing so, English customs revenue would be entirely annihilated. This however had been impossible, because government depended heavily on tariffs for national revenue, and the loss from customs duties could not, at that time, have been shifted to some other form of taxation.\footnote{329} In consequence England allowed

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foreign imports that afflicted domestic industry, in order to get the customs revenue. In 1722 Walpole established high import duties on non-necessaries and luxuries, but largely abolished export duties because of their negative effect on external sale. He similarly eliminated import duties on importation of raw materials, so that domestic production of value added goods would be promoted.\textsuperscript{330} Hence the pattern became: no import restrictions on raw material, and prohibitive tariffs on elaborated commodities; conversely, no customs duty on domestic export of finished products, and export prohibition on raw materials. The trade composition manifested the insight that greater wealth could be acquired from manufacture than what the same input would earn from primary production.

\textbf{Perquisites}

The transition from non-monetary to monetary wages produced confusion. Perquisites had been an effective method of payment, because, as a social relation as well as a payment, non-monetary exchanges prolonged a harmony between employer and worker; if a worker ate with the employer or slept in his house, the worker would feel a personal loyalty.\textsuperscript{331} In the regime of wage labor such perquisites came to be regarded as theft. Formerly the aristocratic class used perquisites as a means of ingratiating the mob with aristocratic rule, but industrial employers did not share in aristocratic traditions. When workers purloined, it was in the thought that gifts were owed to them, as a return for not fomenting a riot, and as traditional rights of the working poor.\textsuperscript{332}

The \textit{noblesse oblige} tradition of appeasing the masses continued in some of the efforts to avert rioting. Parishes organized money subscriptions to buy imported grain, or to prevent grain from being exported, so that the proletariat could continue to buy cheaply. Similarly voluntary subsidies were raised to provide for the poor rates, and afterwards to finance the Speenhamland system. There was a great deal of common sense in the \textit{oblige} of \textit{noblesse}

oblige, since these contributions, though voluntary and philanthropic, were no more than what was absolutely necessary to avert impending labor riots.\textsuperscript{333}

\textbf{OUTWORK}

Transition to a capitalistic type of agriculture dispossessed small farmers; when the value of land began to be conceived explicitly in terms of profitability, those with more money naturally bought up the land of those with less.\textsuperscript{334} The capitalistic agriculture of the enclosure used about $\frac{1}{4}$ to $\frac{1}{3}$ of the labor occupied in the feudal open field system; part of the reason for enclosure was the cost reduction in labor.\textsuperscript{335} Peasants who took up manufacturing work to supplement their failing grip on agriculture, even if they possessed a few acres, could not surpass the market disruptions to retreat into agriculture, if their putting-out employment failed to sustain them.\textsuperscript{336} The country filled up with vagrants.

By the 18\textsuperscript{th} century, population growth of industrial regions was much higher than national population growth, labor was flowing from land into industry, and food production needed augmentation to feed the industrial labor. Sufficient industrial labor could form because of population growth, but pressure on a diminishing agricultural population to feed more people than ever before was a natural inhibitor of industrialization. One must also remember that rural industrial development was not conceived as an ideal. If food productivity did not match the growth of industrial population, food prices would increase. When food takes the greater part of wages, higher food prices bring about regression of nonessential items such as manufactures, and necessitates payment of higher wages to match the cost of higher food prices; in effect it forces an equilibrium between agriculture and manufacture that halts industrial expansion. If on the other hand rising food prices are

\textsuperscript{334} Cf. Wilson, Charles; \textit{England’s Apprenticeship 1603-1763}, pub. Longman, 1965, p. 120.
\textsuperscript{335} In Levine’s case study of Wigston Magna, the previous agricultural families were almost completely cut off from land, and persisted by manufacturing employment. Population increased after they were evicted from agriculture. Cf. Levine, David; \textit{Reproducing Families The Political Economy of English Population History}, Cambridge University press, 1987, p. 136.
alleviated by food importation, the export used to pay for food import might eliminate the balance needed to import raw materials or fixed industrial capital.\(^{337}\)

Increased agricultural production with fewer laborers necessitated investment in agriculture, at the same time as investment was needed for industry. A stationary population would have mitigated the pressure for increased agricultural production, but then it would have been difficult to draw labor from agriculture into industry. Thus the solution in the 18\(^{th}\) century was cottage industry: laborers worked part time in agriculture and part time in manufacturing.\(^{338}\)

80% of the English population was engaged in agriculture, but people had turned to outwork to supplement their livings. A sophisticated investment was beyond the imagination of commoners, and far beyond any money they might save. If they produced a surplus they would use it in a family transaction, such as a marriage, or purchase of tools, or employment of apprentices for a small enterprise.\(^{339}\) In times when there existed neither device nor the bare thought of capitalizing surplus, a person who happened to have a surplus would quickly change it into something that produced an immediate return.

With the gradual transition to capitalistic organization (non-guild), anyone could commence a trade, but remuneration was no longer secure, and only bankruptcy limited the number of artisans. The worker was then allowed, or rather required, to produce limitlessly, without stint. The layering of worker, manufacturer, and merchant denuded the worker of the correlation determined by direct sale between worker and consumer. The worker produced without stint only under the proviso that the product belonged wholly to the employer, not the immediate creator; the payment of the worker in effect was exchanged for his labor, not the market value of his product. Alteration of payment in favor of the merchant was an effect of market remoteness, which disabled the worker from understanding the market price


for his product or of assessing what proportion of the market price the merchant was taking; prices would be much higher in the remote market than prices in the worker’s locality. This discrepancy between the worker’s imagination of market price and the real market price became ever greater as the machine enabled the same labor to produce multiples more than previously.

The State, depriving the labor class of participation in determination of its wages, in the 17th and 18th centuries proposed itself to be the guardian of decent remuneration of the labor class. This obviated the jeopardy that the labor class might arrogate a right to negotiate over wages, and to survey the volume and price of the product, as did eventuate in the nineteenth century. Government did not arrogate the power to regulate wages for those in craft guilds, but only for unskilled labor not in guild membership. Assuming that social stability rested on full employment, and more laborers could be afforded if wages were minimal, more stability would arise from employing more people, at minimal wages, than by employing fewer people at higher wages. But this conception worked appropriately only in the earliest period of commerce and agriculture, when manufacture had not yet become a preoccupation. Vast numbers of the underclass unemployed were absorbed in nonproductive positions as maids, footmen, etc., although unemployment was still dissipated, not yet drastically concentrated in London. The underclass clientage ambiguously signified either easy exploitation for the middle classes or pacification of a threatening incubus that might at any time tear society to shreds if their employers failed to hamstring them. This threat imparted the attitude that this underclass, about 50% of the population, should not be considered to be truly entitled citizens of Britain.

A certain prophylactic oppression of labor was normal practice throughout Europe; England alone had devised a system of welfare relief. The welfare system was financed by local, not national taxation, but was enjoined on the parishes by national government. The

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plan was not graciously received; a contemporary, Brewster, denounced compulsory charity, i.e. welfare supported by taxation, because the practice would undermine deference; one can hold a tiger by the tail only if one does so from the time it was a kitten. At that time private charity was conditioned on a quid pro quo; recipients had to show deference. It was thought that formulation of charity as an entitlement would instigate social discord. Brewster supposed that a noncontingent entitlement to economic relief would undermine a will to self sufficiency, creating a permanent dependent class. Although an integral component of British economy, the labor class was an ineliminable menace at the same time. That Justices of the Peace were the agents empowered to regulate wages and prices on the local level intimates government anxiety at the dire possibilities of a disaffected proletariat. Since Justices of the Peace were invariably land-owning gentry, the employer of labor, the “just wage” so determined was unlikely to be delightful to the hired labor. Determinations by the Justices of the Peace were not negotiated with some form of advocacy for the laborer. The idea that the laborer should have a degree of autonomy in the determination of the just wage was not even once raised for discussion. In the precommercial period when employment was mostly agricultural the law of just prices eventuated in low wages and draconian vagrancy laws.

Small entrepreneurs excluded from trade by guild regulations sought to escape guild constraints and its expensive production by rural labor surplus. No fixed capital was needed, since the work was done in the peasant cottages, and in the first phase laborers owned the requisite tools, although they did not own the raw materials nor did they put their products out to market. The labor of underemployed provinces was cheaper than urban labor, although gradually the country labor depended on tools and materials received from the entrepreneur.

The laborer never organized a competitive market with the putting-out system; his vulnerability derived from dealing exclusively with one merchant. Although the piece rate was held constant by the JP’s jurisdiction over the wage assize, the merchant achieved deductions by withholding payment or imposing a fine for supposedly poor quality. Debt bondage was the standard method to tame labor; laborers often needed to be paid in advance, and when work was completed they discovered that debt was not yet extinguished. Alternatively, some workers purchased on credit, and when the merchant delayed payment they found themselves dependent on him for money owed, which they had to pay to their creditors.345

Rural Economy

Evasion of guild control resulted in proliferation of technically illegal family manufactures especially from around 1650; for as long as economic demands were sporadic, family unit outwork displaced guilds as the prevalent form of production.346 The outwork system was mainly for textile manufacture, although certain metal productions such as needle and nail manufacture were also amenable.347 At the emergence of the putting-out system, some villagers possessed land, although most of them needed by-employment due to insufficient acreage.348

Enclosure seems to have propagated the putting out system by inducing land shortage. Peasants supplemented the diminishing budget from agricultural labor with outwork.349

Evolution of Early Modern English Society

Such villagers had been accustomed to doing agricultural work on other people’s estates, at least seasonally. They had also become dependent on the poor rates until the opportunity of manufacturing out-work made its appearance. Unlike gentry, property of yeomen descended by partible inheritance; as the diminishing yeoman inheritance became insufficient, income from commissioned cottage industry supplemented the income from agricultural labor. The workers’ land possession enabled merchants to pay less than in urban environments.

Relying on the security of their presumed monopoly, guilds kept their prices above free market prices; lower rural food prices, less need for cash, family-unit labor, and inability of workers to congregate made rural labor cheaper, and in the early phase gave the worker more independence. Especially rights to the commons for livestock gave the peasant-laborers some latitude, although rights to commons were eroded and eventually abolished. Agricultural population had been stable because of forbearance from marriage and child bearing in times of dearth; in the early industrial era this natural rhythm was lost because the local market had ceased to be the vent for local produce. No property criterion governed cottage industry marriage, because no capital was needed for manufacturing employment.

Generational parsing of holdings increased dependence on supplementary employment. Those involved in nonagricultural rural employment, such as mining or cloth manufacture, usually had small land holdings and took employment in seasonal agricultural demand. The continuing employment in agriculture, with cottage manufacture as by-employment, accounts for the capacity of country labor to produce more cheaply than urban labor. Grazing rights had been a distinct phase at the commencement of the cottage industry era, compensating against low manufacturing wages. Wage payment was also retrenched

because the laborer’s wife and children, who were not separately waged, participated in the laborer’s work.\textsuperscript{354} Plausibly the transition from feudalism to cottage industry improved productivity because female labor was more efficient in piece work than field work.

**Backward Slope**

There was a balance between agricultural and manufacturing work, which got upset, against the interest of the manufacturing side, when the demand for manufacturing increased. Whenever possible, rural labor evaluated agriculture as primary and outwork as supplementary. The *backward employment slope* epitomized labor stagnation: the greater the availability of employment, the more workers shunned employment. Workers did only enough casual industrial labor to fill the shortcoming of their agricultural employment, and quit abruptly, despite the prospect of a surplus, at the moment he had what was sufficient. The attitude was natural in serfdom, when, everything belonging to the Lord, no such thing as a surplus could exist.

The employing class inherited a quite different legacy from feudalism; peasants were supposed to obey. In the post feudal era peasant labor was perceived primarily as a source of profit, and the unprecedented disposal of the peasant over his own labor was resented because it obstructed profit options. The contemporary Puritan movement counteracted the labor attitude with an ethic that the true Christian would work incessantly, unconditionally, and without motivation for wealth or enjoyment; Puritans were the employers. During feudalism *villeins*, conceived as the Lord’s property, could not arbitrarily choose to work or not to work; the present laborer’s capricious refusal to labor when labor was needed presented itself as a betrayal of customary behavior. Laborers would gladly avoid work if there were a way to get support without working. Paradoxically, if payment for employment was raised, people would work less, because the higher wage enabled them to live for a week in their accustomed way for just two or three days of work.

EVOLUTION OF EARLY MODERN ENGLISH SOCIETY

Production lagged exactly when demand required increased production. The laborer’s pattern of quitting work according to his own needs rather than those of the work itself formed partially because labor had not yet developed an idea of producing a surplus for future consumption. A “future” was not thinkable in feudalism, when the peasant’s welfare was decided entirely outside of his deliberation; a “future” was not conceivable among the common order of people until monetization had thoroughly permeated society.

Any action on the part of commoners to condition the availability of their labor to the patriarchal class was conceived to breach obligatory deference to their superiors. The upper classes regarded the unwillingness of laborers to take as much work as possible as proof of social deterioration. Consequently the Apprenticeship and Poor Laws reconstituted the peasants as livestock; the Elizabethan labor law made it illegal for a peasant to be unemployed. The common wisdom was therefore to pay extremely little, so that daily sustenance would compel them to work five or six days a week. Hunger was to force labor to work six days a week; payment had to be minimal so that hunger would promptly exert its effect. The employing class decided that the only way to manage labor supply was to keep laborers in a state of extreme poverty so that they would have no choice but to work every day. This tradition for the proper way to manage the lower classes was firmly entrenched when England started to apply the same idea to American colonial recalcitrance.

The Poor Laws had been instituted against poverty, but poverty had become desirable if only hunger would motivate laborers to accept employment. The rights of usufruct had been gradually expropriated from peasant-laborers, who had hitherto relied on their agriculture to be able to refuse demands for industrial labor. Deprived of use rights on the commons, they could not retain their imagined independence because they were now absolutely dependent on wage labor.

The shift from non-guild independent artisan production to *putting out* was very early. The merchant supplied raw materials and tools, while laborers became employable piece workers who could get work only when commissioned by their merchant. Creating debt by putting out forced the worker to do more than he wanted, by making him work *as if* he were thinking of the future. As peasant-workers fell into debt from the long term effect of partible inheritance, dependence on commission became absolute. The merchant could control production volume by keeping all employees insecure with a minimal piece rate, and then supply a greater or lesser number of undersupplied workers according to fluctuation in demand. The desperate dependence of the laborer increased the profit margin, because the merchant could take more of the laborer’s surplus in return for employing him at all. This control was achieved by splitting manufacture into several steps, using different laborers unknown to each other, so that labor resistance would be ineffective if the laborer tried to withhold labor in demand for better terms.\(^{358}\) Laborers are normally indifferent and hostile to each other, in a competitive stance, unless they can perceive a common enemy; solidarity never develops from bare consciousness that they are all the same. For as long as the merchant can keep workers dispersed, and the worker remains aware that others would like to take over his work, laborers will continue in mutual antipathy.

**Piece-work**

The putting out system expanded very rapidly wherever it was functional; by Levine’s case study, there were 50 cloth frames in Leicester in 1660, but by 1795 43% of the county’s employment depended on home cloth manufacture.\(^{359}\) Although cottage industry was technically illegal, when it collided with the priority of the guilds, cottage industry prevailed. The wage assize legally regulated payment in cottage industry until the 1680s; the JP determined payment of piece-work, not the merchant or laborer.\(^{360}\)

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of the putting out system was the capacity to quickly expand and contract. Production being located in the producer’s home, the merchant was not committed to long term profits of a certain magnitude due to debt on his investment; he could employ or dismiss producers in very short term according to the prospects of his volatile market. When demand receded, the entrepreneur expended his stock without renewing it. Employment of producers was therefore sporadic, and workers continued to rely on their agricultural activity. The backwardness of commercial information about such things as regional demand, harvest results, money supply, etc. led to many inaccurate decisions, which impeded the efficiency of the outwork market. Feedback from the location of final sale was too slow to guide production.

Paradoxically, enclosure instigated impopulation via cottage industry; one would presume the opposite, since eviction from land should have made peasants more insecure. The contingency of peasant marriage on land inheritance kept population in equilibrium with food production. In rural areas of manufacturing scarcity there was a high proportion of late marriage and unmarried adults; where there was manufacturing employment the marriage index ascended. The average marriage age was 27 in the first half of the 18th century, but in the textile areas it was about 20. Whereas agricultural marriage was conditioned by inheritance, industrial wages were invariant with respect to age, and therefore cottage industry gave no reason to marry later rather than earlier. Peasants deprived of agricultural subsistence relied more on cottage industry, which removed the reason to delay marriage, because prospective land inheritance could no longer be an operative factor. Higher

reproduction rates intensified reliance on cottage industry because there was no more land than before; consequently the rural proletariat became irreversibly dependent on cottage industry, which nevertheless remained as insecure as previously.\textsuperscript{366}

Whereas agriculture could proceed without much awareness of the world, the putting out system highlighted the dependence of production on remote demand, because its products had no market in the producing locale and because of the rapid employment and dismissal pattern according to incoming demand. In this, cottage industry anticipated the nature of factory production.\textsuperscript{367} Cottage industry had induced a consciousness of a type of independence that had never appeared in agricultural work; it apparently allowed the worker to decide on his rate of production, for as long as ownership of the pertinent tools was his.\textsuperscript{368} However, the producer eventually became dependent, even when he persisted in buying his raw materials instead of receiving them from the merchant. Whether he bought, borrowed, or bought on credit, his uniform tendency to sell the product to the same person who supplied the raw material connoted dependency. The only extrication would have been to sell his product directly in the market, but this was impossible because cottage products were never in demand in the local market. What made cottage sales profit a euphemism for a wage was that whatever he produced depended on whether his merchant made a request for it.\textsuperscript{369} A cottage worker was inevitably in a servile position without a chance of social ascent.

The factor did not supply and receive at the separate cottages; cottage laborers did the traveling. As cottage production increased, the cost in time to the worker converted into less productivity, since the traveling back and forth would displace one day a week of work.\textsuperscript{370}

Factories tended to appear when better production efficiency was necessary, while cottage outwork persisted in productions of sporadic demand. The putting out system depended on merchant capital, and its transformation into the first factory organizations resulted from the same merchant capital. To emphasize: factory owners were of the same group as cottage industry merchants, whereas cottage industry entrepreneurs were separate and opposed to guilds. If external demand expanded, more cottages would need to be employed, and this entailed a geographic problem. The dispersal of production in many cottages aggravated the difficulty of supplying raw materials and collecting products within prescribed time frames, and the qualities of productions were often specified by the purchaser, so that products could not be laid up in stock. Furthermore, orders of specific qualities were incompatible with inability to supervise production of cottage industry.  

371 Although expense deterred merchants from erecting factories, problems of timing and quality pressed this decision.

THE FACTORY

Though the workhouse failed, the factory emerged from the idea of the workhouse: laborers regimented in organized functions. There is a problem of interpreting why cottage industry should have been succeeded by factories. To both employer and employee the cottage organization should have been prima facie preferable; for the employer it reduced capital expenditure, for the employee it provided feelings of freedom and autonomy.

Inadequacy of supervision in cottage production undermined the possibility of expansion, while cost inhibited erection of factory premises; a factory could profit the merchant only if he were certain of the long term. The merchant would be reluctant to build a factory even with the potentiality of an amenable market, and expansion of the number of cottages in his employment would cost him nothing.  

372 The high profits from low-waged, low capitalized cottage work might have provided capital to build factory premises, but this

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D. Morgan Pierce

does not account for motivation; as long as cottage labor saved the cost of a factory, the merchant ought to have preferred to spend surplus capital on something remunerative.

One might suppose that mechanized labor accounts for transition to factory labor; the machines were too big and expensive to install in cottages, so the machine required greater conformity from the laborer to his labor. This is not the explanation, because factory organization was necessitated before the appearance of heavy machinery. Moreover the factory destroyed the compatibility of agriculture and industry, because a factory worker was no longer able to work part time, or seasonally, at agriculture; this was a strong impediment to development of factory labor. This reinforced the hostility of the landed aristocrat against rural labor, because any of the population absorbed into the factory economy detracted from the local aristocrat’s power to control county elections. If workers could not perform both agricultural and factory labor, the factory would make agricultural wages more expensive.

On the other hand the factory constituted a convenient transition. At the same time as factories appeared, enclosure was depriving the peasants of small land holdings and of usufruct in the commons; they had no alternative but full time industrial work.\textsuperscript{373} Two drawbacks of cottage industry, employee autonomy and embezzlement, give an account of factory emergence, when considered in combination with foreign commerce. One might question whether centralization was the cause, or the reason, for erection of factories. Labor refractoriness and embezzlement were symptoms of fragmented labor; they would necessarily disappear upon centralization. Possibly the purpose of introducing the factory was to subdue labor indiscipline. It might be thought that mechanization caused the need for labor discipline, and therefore entailed centralization, or that labor discipline was first achieved, for other reasons, and happily prepared the possibility for mechanization without original intention.\textsuperscript{374} Centralization, however, had become necessary before the invention of


\textsuperscript{374} Cf. M. J. Daunton; Progress and Poverty. An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 163.
machines, which in themselves necessitated centralization; it is probable that the object of centralization was labor indiscipline, because of the indispensability of external markets to industrial expansion.

**Combination**

In the 18th century artisanal combinations developed in strength despite strenuous governmental opposition, culminating in the many parliamentary Combination Acts from 1800 to 1824, which made labor combination illegal.\(^{375}\) The London combinations were more successful than the rural combinations.\(^{376}\) 18th century labor combinations were characteristically connected to reaction against rising prices; they did not materialize to demand higher wages.\(^{377}\) From roughly 1700 early worker combinations tried to organize closed shops, qualifying apprenticeship, money relief for strikers, and a circuit system for underemployed members.

What is striking about these initiatives is that they are reactionary; they conform to the earlier ideals of the guild system, and completely lack the 19th century union ideas of social revolution.\(^{378}\) Rioting focused on destruction of property, without physically harming the person targeted in the riot. The rioters did not commit egocentric violence, but used violence to demonstrate some traditional notion of justice due to the community as a whole. The inflicted destruction always concentrated on the locus of the injustice, and did not extend to anything not connected with the injustice. Law breaking was enacted on the basis of an older, traditional “law” that was supposed to override the formal law.\(^ {379}\) The early combinations attempted to legitimate their riots with reference to obsolete apprentice

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clauses of the Elizabethan labor laws; the legitimating clauses, largely applying to events of a surpassed era, cohered very awkwardly with their demands.\footnote{Cf. Thompson, E.P.; \textit{Customs in Common}, The Merlin Press, London, 1991, p. 10.}

The peculiar impulse of the early combinations to demand price assize, rather than higher wages, was interrelated with market prices and export; grain was exported because prices were higher in the external market. External sale automatically raised the price of domestic grain. Consequently riots were organized to block the export of grain, i.e. insistence on selling the grain at the lower, domestic price instead of sending it out for the external price.\footnote{Cf. Chalklin, Christopher; \textit{The Rise of the English Town 1650-1850}, Cambridge University press, 2001, p. 71.} In 1721 however roughly 7,000 London tailors did demonstrate for higher wages and shorter hours; Parliament in response issued an Act making labor combinations illegal, and established penalties both for employers and employees if wages higher than those of the wage assize were paid. It was also made illegal for an unemployed laborer (journeyman) to refuse work at the given wages.\footnote{In 1719, Newcastle keelmen went on strike for higher wages; an army regiment and man-of-war were sent to pacify them. In 1726 clothworkers in Somerset and Devon rioted and broke looms in demand for higher wages; Parliament passed an act making it illegal to quit employment, and again made worker combinations illegal. Parliament did however allow employers to form combinations. Cf. Williams, Basil, F.B.A.; \textit{The Whig Supremacy 1714-1760}, Oxford Clarendon Press, 1962, p. 143.}

All of the anti-combination acts were accompanied by negative reference to the wage assize. On the occasion of a paper-makers’ strike, when the Act of 1796 was in its stage as a bill, a clause referring to the assize was formulated, but deleted; all trade unionism was forbidden by Act of Parliament in 1799. Labor had relied on the closed shop clauses of the Statute of Artificers to reduce employment in their occupations, so Parliament repealed the statute in 1814. The Elizabethan Statute of Artificers was not repealed in a fever of generosity and libertarianism towards the workers, but as a new wave of hostility towards them.\footnote{The Statute of Artificers was declaimed as a hindrance to commerce; prior to its repeal it was refused application to cotton in 1756 and dyeing in 1777; the apprenticeship clause was rescinded for hat making also in 1777 and for wool in 1809. Cf. Rule, John; \textit{The Vital Century England’s Developing Economy, 1714-1815}, Longman, London, p. 314.}
English riots were not mindless; they consistently exhibited an intention to intimidate, but were adept at avoiding collateral damage. The riots were largely successful. Riots forced grain into market instead of export, lowered food prices, and prevented certain kinds of fraud.  

**FACTORY LABOR**

The two defects of cottage industry (backward slope, embezzlement) would not motivate erection of factories from internal demand, because the domestic demand of a relatively small market such as that of England could never have overstrained the supply capacity of cottage production. Only large but temperamental foreign demand could entail factory production. Temperamental, because a foreign country would have its own means of production, and would tend whenever possible to achieve import substitution. Delay in supply could result in permanent loss of such a market. Factory production alone could respond reliably against such a critical moment.

The chartered trading companies and the colonies of settlement produced an enviable problem: a market too large to supply. Manual manufacture was superseded by powered machinery whenever there was outstanding demand, and steam power would multiply production. Unlike their forbears, workhouses, factories proved profitable, because they were stocked with appropriate machinery.

Invention and implementation of steam power immediately depended on low interest rates. Capital for industrial machinery came primarily from the profits of external trade and to a lesser extent from the investment money of the landed aristocracy. High food prices of the 1760s induced industrialists to reduce labor with machinery wherever possible, as wages ineluctably rose with food prices. The machines were not welcome to the labor force

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because they reduced employment; however, factories raised labor performance by affording close supervision. The mechanization of the 1760s was a partial cause of the labor outrage embodied in the Wilkes episodes.\(^{387}\)

Until a parliamentary Labor Act of 1861 this was the period of child factory labor. Workhouses were eager to transfer the parish orphans to factory labor in order to escape their cost; factories favored child labor because children were more pliable than men or women. Discovery that children might be useful in wage and factory work led government to eliminate restraints on early marriage and childbirth.\(^{388}\) Adult factory laborers often brought their children into factory labor with themselves, and subsequently parents sold their children into factory labor.\(^{389}\)

Female employment had more complicated motivation. The majority of the uprooted migrants had been women, who, as migrants, had a higher mortality rate.\(^{390}\) The principal benefit of female employment was intimidation of male laborers. Women were paid far less than men for all of the usual reasons, but among these reasons one was particularly important in this context; male pride in superiority. There was no objective reason that women should be paid less, except that men (husbands) would find it quite congenial to think that women were less capable and should be paid less. Men would not organize pressure and protest for female labor equality; companies could therefore exploit women with carte blanche. Because women could do most of the same factory labor, but were paid less, employers could threaten to replace male with female labor. This dampened the stridency of the male laborer’s demand for higher wages etc.; this might have influenced the laborer’s tendency to demand lower prices rather than higher wages. If labor achieved higher wage rates, the employer would seek innovations or machines that would enable


replacement of male with female or child labor.\(^{391}\)

**INDUSTRIAL MARKETING**

The Romans did not press technology because it would deprive labor of employment. The reasoning is perhaps not as perverse as it appears. If an invention were implemented, it would save the cost of labor, but reduce employment; what should be done with the disemployed? Roman thinking was to the effect that the arrangement that employed the most people would be the best. Why should it be economical to pay more than necessary for extra labor, rather than to procure production more cheaply, and shoulder the unemployed? Reference to further conditions is required to explain when the cheapest and most efficient production method is preferable, when the new method liberates capital that could otherwise be used more profitably, but which entails more unemployment than the old production method. The Roman perspective was to the effect that keeping a greater number of people employed would be better than allowing any unavoidable unemployment, which would lead to social disturbance, even if the employment cost more money than the object of employment required.

Individual productivity of English agriculture had to increase to feed the nonagricultural population; at the same time marginal agricultural labor was expelled. This agricultural pressure advantaged the national economy because the per capita economic product in industry had become higher than that of agriculture, thus expanding national wealth.\(^{392}\) The agriculturally unemployed were channeled into industries of increasing return; the laborer would achieve higher per capita production in nonagricultural industries than in agriculture, where the vanishing margin of noncapitalized land guaranteed diminishing returns.\(^{393}\) The British divergence from the Roman view of technologically induced unemployment was

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\(^{392}\) Cf. Mathias, Peter; [*The First Industrial Nation An Economic History of Britain*], Methuen & Co. Ltd., London, 1969, p. 64.

accommodated by the premise that the unemployed could find new employment with higher productivity than that which they originally had. One must investigate how this difference between Roman and British unemployment obtained.

An invention produces greater volume and reduces the unit price, but the conserved capital is of no advantage if there is no demand to absorb the full production. According to conditions, less efficient total production may be more profitable than maximally efficient underproduction. Invention saves labor cost, but also depresses the fund of money available to buy the product. The invention would be disadvantageous, and straightforwardly unprofitable, if the labor displaced did not have a new series of employments, and the social turmoil would cost more than the capital conserved. Given its agricultural economy England ought not to have been able to benefit from technological advance. A greater production per unit of labor and capital results from technological improvement, but this is a happy outcome only if there is a market to consume the larger output.\textsuperscript{394} The purchasing power of agrarian England should not have been sufficient to profit over the cost of innovation. An economy of scale reduces per-unit prices so that a larger market can purchase the product, but if there is no larger market answering to the innovation, the cheaper price is to no avail; the enterprise will fail from dead stock. The condition for expanding technology is a large demand that \textit{anticipates} the greater production. Enterprise in an early industrial phase always creates a surplus, which might then be used as capital, but in this it fails. Investment for a more advanced industrial stage gets started only if capital derived from the surplus is invested. In a small market, such an investment of larger magnitude will not create a profitable return to the investor, and therefore the needed investment is foregone.

The particular success of agriculture from 1715 to 1750, resulting in low food prices, constituted the fundamental stimulus of industrial development. Low food prices are accompanied by lower prices for non-nutritional agricultural raw materials used by industry, while low food prices help to keep wages low. The labor class moreover acquired a surplus income beyond food which amplified the domestic manufacture market.\textsuperscript{395} The abundance

of agriculture was however deleterious to the landed aristocracy; abundant harvest connoted lower food prices, but higher labor cost, since more labor would be required for harvest. Thus profits for tenants and landlords would be low.

Most English poor, rural or urban, earned wages; therefore the buying power of their revenue increased when good harvests made general market prices fall. As consumer demand of the poor rose while landlords and tenants suffered from abundant harvests, landlords sought improvements that would reduce cost.\textsuperscript{396} Harm to the landlord could be forestalled by a good export market.\textsuperscript{397} But grain export would be repugnant to industry, first because wages would fall when food and general prices fell, so that both agricultural and industrial proletariats would have a surplus to spend on commodities other than food. Thus landlords would favor an external market policy, and no one else would. On the other hand, only landowners sat in parliament.

Efficiency, i.e. lower cost, improved with plantation size; it was achieved by conversion of customary tenure (copyhold) and freeholds to leasehold, rescindable at any time. Profitability from expanded production entailed external markets; overseas markets necessitated middlemen.\textsuperscript{398} British external commerce increased 400\% due to middlemen.\textsuperscript{399} In this instance domestic commerce increased as a result of the amplified external market. The raw material of industry derived from agricultural productions, which were cheap in the case of abundant harvests. The costs of industry therefore fell with bumper crops, and the demand for manufacture increased when, food being cheaper, greater budget existed for alternative purchase or investment. Initial profit encouraged employment of more labor and

\begin{footnotesize}
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\item Cf. Deane, Phyllis; \textit{The First Industrial Revolution}, Cambridge University Press, 1965, p. 47.  
\item Cf. Mathias, Peter; \textit{The First Industrial Nation An Economic History of Britain}, Methuen & Co. Ltd., London, 1969, p. 64.  
\end{enumerate}
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capital, which culminated in economies of scale; less labor per unit was required, and the lower price expanded the effective market.400

The ambivalent effect of grain exportation on industry reverberated into a conflict between producer and merchant in the early phase of our period. The rural cloth merchant was independent, as he was not affiliated with guilds, although he sold cloth to urban clothiers. The producer on the other hand could achieve autonomy despite dependence on the market only if he consolidated a monopoly in production. If cloth merchants had been many and unassociated, the producer could have controlled the relation between producer and merchant. However, the producers had not consolidated; instead the producer had a self-destructive custom of dealing exclusively with only one merchant, and producers did not communicate with each other. For so long as they believed that land possession afforded them a certain autonomy vis-à-vis the merchant, producers were not motivated to unify into a group; by the time that the small land holdings disappeared, it was the cloth merchant who had unified control over the producer-merchant relation.401

In some cases the producer subordinated himself to the merchant, if he received a sizeable profit from his production; in other cases the producer undertook wholesaling in order to save the profit otherwise going to the merchant. Which direction this took determined the direction of capital accumulation; because marketing and production deeply depended on each other, there was no ultimate resolution of power either to producer or merchant.402 The producer called for protectionism, to maintain the price of his product, but equally because he was immediately vulnerable to labor protest. If unemployment emerged, labor violence would upset the social equilibrium. If commerce allowed free importation, especially of grain, the English grain market would be hostage to fluctuations of continental grain trade; it was thought that this dependence would destabilize English society. On

the other hand, the merchant inclined to *laissez-faire* because profit was proportionate to expansion of trade volume. It was the merchant who had gotten ascendancy.

However, the influence of foreign grain prices was a reason for government support of the chartered monopoly companies against the preferences of the middle class. The Merchant Adventurers had originally been established to promote Dutch trade, but because of its monopoly privileges it excluded other enterprise from Dutch trade to benefit the clique controlling the company. One purpose of its institution had been to stabilize cloth prices by eliminating competition between different English overseas commercial companies; in this maneuver it was thought that competition added unnecessary cost, and that unification in monopoly would minimize cost. Membership in the Merchant Adventurers however became a necessary, but jealously reserved, qualification for legally entering Dutch trade, so that incumbents could maintain high prices for themselves; instead of competition, the suborganizations that had been competitors did not compete, but they were, as members, exploited by the managing class of the Merchant Adventurers.  

The Merchant Adventurers was the quintessential embodiment of the economic thinking that production should be reduced to scarcity in order to keep prices at a very high level.

Protectionism was also thought to preserve domestic employment, inasmuch as it prevented laborers of other countries from manufacturing and agricultural work that Englishmen could do.  

Government was ambivalent; it inclined to protectionism because import from monopoly companies could stifle home industries, but revenue from customs duties increased with trade volume. Harm to native industry from import excess was the prevalent anxiety, so that on this point government supported native manufacturers.

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INDUSTRIAL CAPITAL

Within the category of industry per se, capital ultimately benefited more than labor. Industrial production sought regions of lower wages and consolidated smaller into larger units to achieve economies of scale. The relatively large employers in early industry undertook to convert independent producers into journeymen-employees.\textsuperscript{406} Cottage industry workers had been independent; they were not characterized as journeymen. The structure of cottage industry consisted of the laborer and his patron, but the patron was in turn a small entity, quite precarious and subservient to a large wholesaler in a city.

Industrial development was dependent on capital; any merchant or producer who was not accepted into a credit network went bankrupt. The merchant usually provided the manufacturer, who could not have provided himself, with raw materials. The product was in turn sold on credit. Transactions were made through “book debt,” by which sale and purchase did not involve money exchange. Direct money exchange economized by cutting out the profits of the middleman, but exhausted liquidity until the next season. The middleman on the other hand obtained raw materials with a money purchase, but sold them to producers on long term credit. Thus the merchant provided the manufacturer with credit and controlled the supply.\textsuperscript{407} Credit dependence provided a little liquidity where circulating capital was inadequate, but it reduced the political voice of the manufacturer thus dependent.

Factories rationalized both parts of this loose organization, especially in urban conglomerations; most laborers were again categorized as journeymen, due to coming into employment with large enterprises. In the country the scarcity of credit put the capacity to found, or sustain, an independent enterprise beyond the reach of most artisans.\textsuperscript{408} It was not technology, but credit, which achieved this conversion. Neither the market nor the supply of

raw materials was local; if anyone controlled the transportation network he would control
the artisans. If the artisan could employ a factor for the distribution network he could retain
his independence, but otherwise the merchant would separate the artisan from his only
means of access to his market and therein subordinate him. Credit accessibility determined
whether a producer could have his own distribution network or whether he would become a
dependent on another’s network.\footnote{409} To prevent independence resort was taken to an obsolete
guild law that obligated journeymen to accept any work offered at the statutory rate, by
which the journeyman could be forced into employment and prevented from setting himself
up as a master.\footnote{410} This minimized the labor cost.

**Industrial Finance**

The country banks issued far more notes than they could back because discounting
was their main source of profit; a bank assumed that at any time, at the outermost their note
holders would ask for redemption of 20% of the notes issued, so that it was safe if 80%
of the notes were not backed. The bank had to be carefully selective for whom it would
perform credit service because it had to be sure that at all times it would never have less
than 20% backing for its daily operation. If a merchant did not have the aid of a bank he
would promise to pay his creditor perhaps three months later, that is, within the time frame
in which he could clear his stock and repay with the sales revenue. If a bank discounted for
the merchant, the payee would be paid immediately, not three months later. Natural selection
favored the merchant aided by bank credit over one who could pay only at the termination
of the business cycle.\footnote{411}

The most paradoxical problem of capitalism is over-production: being poor from
having too much. Say’s Law ought to make glut impossible, simply because money

always consists in exchange of one good for another. Economy of scale usually promotes prosperity, because it makes the unit cheaper. Overproduction is an economy of scale that makes the unit cheaper, but in this case market elasticity does not allow an expansion of purchase proportionate to the lowering of price; somehow, the one group of desired goods fails to exchange for the other group of desired goods. In consequence the industrialist loses money because the price reduction he has achieved fails to arouse enough consumption to pay for his production cost. The question is then why the inelastic market (i.e. lower prices will not increase the number of purchasers) cannot regain equilibrium by raising the price, or why new markets cannot be opened. The fact that competitive companies raise the same production in ignorance of each other accounts only for temporary glut, but that sort of glut is self-correcting, for in the short term both companies should readjust and shift capital to more profitable products.

First emphasis is upon economy of scale, reduced labor cost, and low prices, yet an opposite and larger problem emerges. Given the competitiveness of capitalistic strategy, each rival tries to produce as many units for sale as possible and, because profit presupposes underselling the competitor, reducing price as much as possible. Merchants of the time were unfamiliar with the side-effects of this conjunction because the previous economic regime had discountenanced and prevented competition. By 1750 the surfeit of products was a much greater threat to viability than independent production; each producer would go bankrupt because of the necessity to sell his dead stock at inordinately low prices. Monopoly was a plausible solution because nothing but the existence of competitors compelled the striving to depress prices. Combining artisans into one large group would reduce competitive pressure. Technical advance reduced labor demand, reduced cost, and eventually made fixed capital more decisive than circulating capital. Industry was able to increase production and profit while reducing the corresponding labor cost; benefits accruing

413 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 441.
to the investor and consumer promoted preference for mechanization.\textsuperscript{414} The amount of circulating capital per unit fell, although collectively it increased.\textsuperscript{415} The appearance of rising prices and profits resulting from inflation encouraged investment; revenue was converted into capital rather than consumption.

Investment depended on elastic demand; by increasing output and reducing prices, market demand increased and more profit came from cheaper prices, together with increased labor demand; increased investment would not stop until lower prices ceased to expand the market. As prices fell, market demand expanded more than proportionately, so that profit margin did not diminish from lower prices. But this scenario depends on elasticity. As factory production was infinitely productive by comparison to handicraft, factories ought to have quickly saturated markets and killed growth within a short time. England had not created, and did not want, mass consumption; labor classes were not intended to be a part of the consumer market. Laborers were regarded as moral inferiors, characterized by indolence and immorality; they were pauperized partially in order to impute subhuman status to them. The expansive demand was located in the middle classes, and these numbers were still relatively small.\textsuperscript{416}

By 1750 the constantly sinking price level was the main threat to the artisan.\textsuperscript{417} Artisans came to think that the atavistic guild organization would be able to protect employment.\textsuperscript{418} Given the ideal of oligarchic rule and the dread of democratic movements, the English upper classes would be very cautious of giving the labor class a role in consumption, entailing the idea of liberal wages and the horror that working people would achieve a political role if they had disposable money. The foreign market however sustained

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\item \textsuperscript{414} Cf. Deane, Phyllis; \textit{The First Industrial Revolution}, Cambridge University Press, 1965, p. 136.
\item \textsuperscript{415} In the wool industry circulating capital exceeded 50% of reproducible capital. Cf. Rule, John; \textit{The Vital Century England’s Developing Economy, 1714-1815}, Longman, London, p. 160.
\item \textsuperscript{416} Cf. Price, Richard; \textit{British Society 1680-1880, Dynamism, Development, Change}, Cambridge University Press, 1999, p. 34.
\end{itemize}
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later industrial growth.\textsuperscript{419} External commerce signified that production need not stop with saturation of the domestic market.\textsuperscript{420}

External commerce developed a deeper fissure between elite and bourgeois commerce. Many producers, not only bourgeois merchants, inaugurated overseas trade; if they saturated the domestic market they needed external markets. All of the English merchants involved in the American colonies were of this type; they were not scions of the major chartered trading companies. It was this same group who constituted the interlopers, illegally trading in the reserved spheres of the chartered companies, all over the world. They called for abolition of the chartered companies’ legally constituted monopolies, and for further colonial conquest, so that they might adequately widen their markets.

**Forced Savings**

The needed capital for industrial expansion came from the balance of investment and consumption. The consuming public had to be diverted from devoting their full income to consumption.\textsuperscript{421} Throughout the 18\textsuperscript{th} century inflation outpaced wages, but profits outpaced both; the wage lag gave industrialists enough confidence to invest profits back into production and sell in greater quantity at lower cost. The market demand consisted of laborers who bought the product at inflated prices with wages that had not correspondingly inflated.\textsuperscript{422}

The English method of depoliticizing the common people had been to impoverish them, but stratification with inherited privilege should have created instability. The impossibility of social ascent entailed that most of the population accept that they were less valuable

\textsuperscript{419} In the 1780s export volume was three to four times greater than in the 1760s; export at 1800 was 10 times greater than in the 1780s, and at the end of the Napoleonic wars trade volume was three times greater than in 1800. Cf. Deane, Phyllis; *The First Industrial Revolution*, Cambridge University Press, 1965, p. 89.


than higher-class people. Self-hatred is however a highly unstable basis for stratification, although the aristocracy improvised every imaginable form of snobbery to reinforce the presumption that lower class people were irremediably inferior. The pressure in the labor class eventually relieved itself through religion.

**Token Payment**

Employers often paid workers in kind; this was repugnant to the laborer, since the product was not salable at a good market price in the immediate vicinity, although it helped the merchant to clear his stock. Alternatively payment might be delayed for long periods.\(^423\) Inadequate information on gluts and scarcities was a constant cost in revenue and lost opportunity; if it could not be accurately discovered where market demand was strong, or if credit could not be supplied in a timely way to a given area, large delays in clearance of a stock would result. Timely information was essential to depressing prices and delivering goods to the most propitious locations, but such information was not available.\(^424\)

Throughout the 18\(^{th}\) century there was a shortage of money: gold sold for more in Europe, with the consequence that it couldn’t be kept in England. In 1717, Sir Isaac Newton arranged to lower the price of gold from 21s 6d to 21s; it was made illegal to pay or receive gold at any higher price. The artificiality of this countermeasure was ridiculous; current rumor had it that Newton had passed into senility. It set the value of gold at European levels so that it would not leak out of England. However, it failed to create a par with the Far East, which would therefore buy silver for more than it was worth in Europe. Therefore the English, illegally, changed imported gold for silver coin, which they could then sell at a profit to the Far East.\(^425\) The market fragmentation of silver and gold prices underlay a chronic shortage of money throughout the 18\(^{th}\) century.


\(^424\) Cf. Deane, Phyllis; *The First Industrial Revolution*, Cambridge University Press, 1965, p. 82.

As currency was in short supply, employers could otherwise pay labor in tokens, which was virtually a cheap way to receive credit from laborers and shopkeepers.\(^{426}\) Although the wage was denoted in monetary terms, the tokens were expended only in a proprietary shop organized by the employer. It is highly peculiar that the earliest riots had been motivated by lower prices rather than higher wages; the wage being one and prices being many, common sense would suggest that a wage rise would be more efficient than price depression. Initially a conceptual illusion probably was the aftereffect of the wage assize; the wage payment did not appear unfair because it was never reduced, whereas general prices constantly went up. Workers thus thought that prices had failed to be correlated with the wage assize.

But there was something more fundamental to this illusion. Prior to monetization, it was thinkable that prices could be *ordained*, as if prices were something under human control; but once commodities have been interconnected with remote and foreign markets, the idea that prices could be controlled appears absurd. Starting from the 16\(^{th}\) century Spanish bullion inflow, it would have been altogether impossible to maintain prices, because *price* connoted a quantity of gold or silver. When an unusual quantity of gold (or silver) entered England, a new balance between gold and commodity could not help but ensue. If the new ratio were recognized by virtue of minting the gold into coin, the *price* of commodities would necessarily change. Prices would have to find a new equilibrium with the new amount of gold. The simplest possibility would be if the total amount of commodity increased in exact proportion to the increase of gold; prices would then remain the same because the extra gold would simply buy the extra commodity. If commodity did not increase, then the extra minted gold coin would constitute an increase of market demand. Since per hypothesis the higher demand could not buy more commodity, because there was no more commodity to be bought, the prices of the available commodity must rise until they are exactly equal to the amount of money composing demand.

It has already been established that workers were “protected” by maintaining wages at

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the same level. However, prices could not be maintained; as prices rose, the “same” wages lost buying power. Authorities reacted to inflationary threat by holding wages down; the theory was that prices would cease to go up if disposable money were reduced; raising wages would do nothing but aggravate inflation. The previous insistence on maintenance of the wage assize had in fact necessitated the abandonment of the price assize. Each violation of the price assize retrenched the buying power of the protected wage, and this eventually made the laborer sensitive to any sudden price rise.

Insufficiency of legal tender currency led companies to pay workers in token substitutes. Payment of a proprietary currency, not even legally binding according to English law, in shops that did not even transact in legal currency, suppressed labor consciousness of what their real wages were; they were estranged from a comparison between the buying power of real money and that of company tokens. That tokens were not legal tender heightened ambiguity; ordinary shops either utterly refused to accept payment in tokens, or, if they did, charged a much higher price than was charged in legal tender. In any case the employer must have gained some economy by tokens, which he might have passed on to his employees by lowering company store prices; probably this device assuaged disposition to riot.\footnote{The Dowlais Iron Company in 1821 sold flour to its workers at 40s per sack when the market price was 75s. Cf. M. J. Daunton; Progress and Poverty. An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 426.} Other companies used the token device to sell its employees goods at above market prices, and succeeded because the payment of tokens confined employees to purchase only at the company store. The motive was not the simplistic one of making a profit, but of getting the employees into debt; they would become captivated in perpetual employment in the company by the inevitable accumulation of debt to the company store.

Possibly the feudal context explains working class compliancy with the wage scheme. In the 18th century the normal mode of land possession was tenancy, diffracted through copyhold, leasehold, and day labor. No proposal that every man had a natural right to a small freehold had ever emerged. In the feudal era the farmer had a right to farm the land he farmed, but not a right to own it; the owner had a right of property in land, but not a right
to farm it. The feudal era had spawned many schemes of coexistent property right. This prima facie circumstance was roughly reproduced in the 18th century practice of buying ownership of the land, and then renting use of the land. This practice, by which there were tenants but not owners, might have preformed a labor mentality that accepted the construal that the merchant who bought the laborer’s labor, or product, was also the owner of the machinery by which the laborer could make the product; this might have influenced the later interpretation that the owner of labor time was therefore the owner of the products of labor time.

**Embezzlement**

Embezzlement was the obverse of truck payment; when it benefited the employer, it was perquisite; when it seemed to go to the worker’s benefit, it was theft. The ambivalence balanced fundamentally on government’s ability to issue coins in small denomination. Government had minted copper coins; a deep problem with copper as legal tender of small denomination was that copper had much utility. Silver and gold were in this respect ideal for coinage, exactly because other than for exchange both metals were entirely useless. Copper was appropriate for low denomination coinage because it was cheap, but on the other hand industrial demand created a liability that coin would be melted down the instant its copper content surpassed the nominal value of the coin. Government did not attempt to keep the copper coin supply replete; regional shortage compounded from the cost of transporting copper coin.\(^{428}\)

From a macroeconomic viewpoint payment in legal tender had to be in all ways better, despite advantages that employers gouged out of token-money. Laborers were also able to exploit token payment to their advantage. This took the form of claiming things as perquisites which the employer would not readily regard as such; hence something that a laborer called a perquisite would be called embezzlement by the employer. When coin

was in shortage, employers, with no alternative but to pay non-monetized wages, had to be lenient; they suffered a wider interpretation of perquisites.

In times of lower labor demand the employer would attempt to roll back the definition of entitlement, whereas when labor demand was tight he would overlook the petty liberties the laborer took with company property. The conflict was like trench warfare; no final victory could materialize for as long as legal tender in small denomination did not exist. When employers discovered that they could obtain and control labor more cheaply with money wages than with tokens, they cooperated with government in the abolition of token payment. Employers negotiated with labor to substitute a simple money substitute for perquisites to which labor had thought it had a customary right; once the substitution was clarified, all “perquisites” were unambiguously criminalized. Payment in tokens was made illegal by parliamentary statute in 1817; in 1821 government issued copper coin in great volume to make abolition of token payment feasible. A parliamentary act of 1749 specified that embezzlement of the labor class variety was a criminal act, establishing that it was to be punished by imprisonment or whipping, whereas it had previously been defined as breach of contract, remediable by restitution.

**INDUSTRIAL INVESTMENT**

Investors did not use surplus capital on foreign expenditure; it was converted into purchasing power for consumption of domestic products. This made innovation with economies of scale propitious. Although industrialization depended on foreign markets, industry did not initially expand on the basis of foreign demand because there could not have been enough confidence to trust the lag in such precarious investment conditions.

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British industry flourished through the French and Indian War, the American War, and the Napoleonic wars because industrial demand was mainly domestic.\textsuperscript{432} Population growth throughout the period increased aggregate expenditure even if distributive expenditure did not grow. Eviction of peasants by enclosure engendered a rural cottage population that could no longer produce food and clothing for themselves. They became more dependent on the market; distributive spending did in fact increase.\textsuperscript{433}

**NONRETURNABLE INVESTMENT**

When industrial advance depended on investment that would not return a direct profit, continental nations promoted economy by accomplishing the investment from tax revenue. But England did not, and private capitalists were disinclined to invest in something that bore no return. The “forced savings” of the labor class would not have provided enough capital. Although the Bank of England had been largely founded on Dutch investment in the early part of our period, Holland was no longer heavily invested in the Bank of England by the time of the early industrial revolution, and government did not otherwise borrow for this purpose.\textsuperscript{434} Government characteristically withdrew from domestic expenses. Indirectly, government impeded economic development; the Usury Laws made 5\% the maximum interest on commercial loans, but government borrowed money at higher interest rates, thus superseding any loan that a commercial bank could make. The Bubble Act, more or less making common stock companies illegal, greatly impeded industrial development until its repeal in 1833.

The only option for industrial development was to form a private company dedicated to a road, bridge, etc. and to recoup the expense by making a profit-oriented business out of its use. Various industries of an economy would prosper only given certain infrastructure,

\textsuperscript{432} Cf. Deane, Phyllis; The First Industrial Revolution, Cambridge University Press, 1965, p. 49.
\textsuperscript{434} In consequence of the Napoleonic Wars Amsterdam ceased to dominate the European financial world; London started to lend instead of borrow. Cf. Deane, Phyllis; The First Industrial Revolution, Cambridge University Press, 1965, p. 162.
but infrastructure was not the province of any particular industry and it would not have paid off for any industry to finance its installation. Since only a fraction of the benefit would accrue to the company, any company would prefer to forego the natural resources, or market expansion, than undertake the cost. The English, quite uniquely, built their communication and transportation infrastructure without government participation.\footnote{Cf. Deane, Phyllis; \textit{The First Industrial Revolution}, Cambridge University Press, 1965, p. 70.}

\textbf{INDUSTRIAL FINANCE}

This initial posture towards industry seems not to have been inadvertent, but to have been a result of negative or at least confused interest. Government was intimately cooperative with the giant trading companies and the Bank of England; exactly therefore industry did not progress. Industry was a small, not a great enterprise. Although the Bubble Act inhibited industrial progress, it was highly propitious to the giant chartered trading companies, to the Bank of England, and even to the South Sea Company after the crash. It continued to protect old companies, with their old organizations, from competition from new companies. Since elite merchants from the major companies controlled the Bank of England, it was policy of the Bank of England not to lend to industry. Industry, being made up of small enterprises and closely allied with lesser merchants, advocated free trade, that is, an end to the strangle hold chartered companies held on foreign trade. Since the success of small companies was predicated on the disintegration of chartered monopoly control, the Bank of England, administered by directors of the chartered trade companies, never extended credit to the country or the small companies domiciled there, and this at a time when the Bank of England was the only institution capable of great credit.

Small industrialists bought raw materials on credit and sold products to merchants, less on credit; this interval allowed for the circulating capital of production and wages. Early industry did not require high capital expenditure because it did not yet involve much fixed capital. Of the early industries mining required the greatest fixed capital, but it was not as much as 50\%.\footnote{Cf. Deane, Phyllis; \textit{The First Industrial Revolution}, Cambridge University Press, 1965, p. 70.} Very often the budding industrialist owned land, so that he could finance
his enterprise in the same way as landlords: mortgaging the land. Thus industry could meet its capital expense, despite the hostility from London, because capital was small enough to be provided by a country bank.\footnote{Cf. Rule, John;  \textit{The Vital Century. England's Developing Economy, 1714-1815}, Longman, London, p. 160.}

The Bubble Act resolutely prevented country banks from developing large credit capabilities; without incorporation by Parliamentary Act a bank could have no more than six investors.\footnote{Cf. Rule, John;  \textit{The Vital Century. England's Developing Economy, 1714-1815}, Longman, London, p. 165.} Supposedly to prevent the reoccurrence of something like the South Sea stock market crash, joint stock companies were legally forbidden, but joint stocks were the only thinkable way in which giant capitalized projects could be financed. This made the financing of industries, or the financing of a bank large enough to finance an industry, impossible. This explains the peculiarity of industrial growth: small enterprises proliferated, but eventually if they survived it was because they amalgamated into larger units.\footnote{Cf. Deane, Phyllis;  \textit{The First Industrial Revolution}, Cambridge University Press, 1965, p. 178.} There was no investment money to inaugurate a large company; if a small company were strong enough to finance itself, however, it would go into merger with another enterprise which had also done well enough to continue existing; neither one would have surplus capital, so the only affordable way of growth was the united capital arising from merger. Higher investment in fixed capital was raised through the process of amalgamation, still without the services of a central bank.

A historical pattern obtains in which a social order typically arises by unifying a great number of people, but then to advance its growth needs to destroy a great number of its united members. In this case the substrate of the destruction is fixed capital. Artificially powered machinery of course created new vocations and opportunities of work at the same time as it obliterated the older method of production, but that is a bit too Polyanna-like; the new machine is introduced only because in final analysis it drastically reduces total labor cost. The power of the company grows with the enrichment of an inner circle, at the same
time as ordinary members are eliminated. The maturation of industrial development was essentially a shifting of investment from circulating to fixed capital, as embodied in the transition from cottage industry to the mechanized factory. Industrialists were motivated to promote innovation, because innovation reduced dependence on labor, and the labor that remained became more subjugated to the employer.440

Perhaps the Romans rejected innovation, even when more economical, when it fomented extensive unemployment, but one must wonder whether English conditions were such that allowed solicitude for labor. The demise of the guild, emergence of the free labor market, and artificially powered machinery reduced political concern for labor conditions. With maturation of industrial development, investment shifted from circulating to fixed capital, as embodied in the transition from cottage industry to the mechanized factory.

Artisans and journeymen were legally protected when members of guilds, but in the free labor market laborers were entirely without legal protections, susceptible to dismissal at any time; there was no law from Elizabethan times binding employment for a minimal one year period.441 To repeat, adjective law made any statute applicable only to those conditions that existed at the time of the statute; new industries escaped such restrictions. Walpole, who bristled at labor combinations and claims made from Tudor labor laws, in 1725 managed to expunge labor’s political power in London. In 1720 and 1744 Parliamentary Acts prohibited labor combinations.442 By and large English industry did throw off employment whenever greater efficiency was innovated; England was inclined to destroy a population sector for the sake of better economy and living standards, for some.443 Those dismissed from work were largely relegated to bare subsistence.

Forced savings achieved through price inflation abetted industrial profit although at the same time it reduced domestic mass consumption. Wages did not rise with price

inflation, and of course the labor that was thrown out of work became the economic burden of the proletariat that was still employed. Investment increases from the basis of wider profit margins, and greater profit proceeds from technological innovation; however, disemployment resulting from the same innovation may reduce the potential market, and discourage risk of continuing investment. This self-cancellation from innovation can be circumvented only if improved profits are accompanied by notice of a new investment opportunity that is not adversely affected by the unemployment. It was worthwhile for English investors to depress wages by inflation because the English did not count laborers in their consumer market to begin with.

The giant chartered companies supported Walpole’s pacifism, because their supreme profits depended on the status quo, whereas small interests advocated war against Spain in order to widen new market prospects by annexing Spain’s Caribbean islands. Industry and middling commercial companies advocated imperialistic war because their survival depended either on free trade or new markets. If the chartered companies with government prevented free trade, then the only option left was to circumvent the chartered companies, by claiming new markets that the chartered companies had not preempted.

Starting from 1750 consolidation of industry lifted manufacture to constitute a substantial portion of the national economy. Industry and bourgeois commerce called for more foreign outlets, but these demands were not made in a vacuum; they were adverse to the chartered companies. Their market was the Atlantic colonies, and they encroached on the protected Far East Markets. Their demand for access to wider markets for industrial expansion antagonized government and the elite companies. Industrialists wanted inflation and easy credit, which would generate capital to venture on new projects, whereas the chartered companies wanted money issues tied to bullion and tight credit, which would secure their dominant position by depriving others of capital.

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WAGE PAYMENT

Plausibly there had been a moment in history when it was undecided whether labor should be paid in terms of the value of its product or in terms of labor time. The proletariat, having previously been serfdom, was accustomed to non-ownership of its means of production. As the agricultural proletariat had no preconceived notions of wage rights when it entered its new station, laborers were not a factor, in the sense that workers would form any friction within deliberation; decision had to originate from the employers and for the sake of the employers.

The decision was not obvious; in the guild system each member earned according to his product, not his time, and prior to the factory period, payment in the putting-out system was according to piecework, not time. If a worker in the putting-out arrangement was paid by piecework, perhaps his remuneration would have floated with inflation. As this sort of payment was universally accepted by the laborers, it ought to have been likely for the employers to build on a practice that was already accepted.

It should have been likely for the employers to choose payment in terms of product value. Payment of money wages was improbable for the simple reason that money, except in international commerce or other high level transactions, was uncommon. In early manufacture workers were often paid in kind, that is to say, for payment they got to keep some of what they produced. So, it is not implausible that merchants and manufacturers might have conceived payment in terms of product, mutatis mutandis, of product value instead of labor time. But they did not. The decision is remarkable because it was a very long time before the advent of machine manufacture, so it was impossible for these decision makers to anticipate the mountainous advantage that was eventually to redound to themselves from the decision they had made. Secondly, the need to pay in money, which was the likely result of payment in terms of labor time, was a great inconvenience to the merchant-employers. It meant that the merchants would have to have the money payment in hand. There was a general distrust of money because of adulteration, in the case that

the money was bullion. On the other hand paper money was not trustworthy because it was not uniform; small country banks issued their own notes, and the notes were not convertible with those of other small banks. The proto-central bank, the Bank of England, did not issue small denominations, because its note-issue was designed exclusively for international transactions of very high amounts. The Bank of England had no obligation to bail out country banks, and bankruptcies were frequent. It was difficult for merchants or manufacturers to obtain money of any sort in small enough denomination to service wage payments. Thirdly, merchants and manufacturers were usually only cyclically solvent, especially when markets were more local than remote; they were likely to have funds for payment only after they had sold their product. It would seem that paying the worker in kind, which was further associated with payment for product, would have been the easiest tactic for the employer. Why, then, did employers take up what appears counterintuitive for them, to pay workers an abstract wage based on labor time?

Perhaps the most dramatic part of this mystery is that the balance of power between such an employer and the laborers was deeply on the side of labor. One automatically assumes that the employer had enough of the upper hand to bully his way through an agreement, but in this instance such a psychological advantage was missing. In the early period the manufacturer-merchants did not derive from the guilds. Such early merchants were runaways, refugees, from serfdom. They formed the counter current against the legal and conventional methods of trade legitimated in the guild system. Stemming from runaway serfs, they were despised by government, for abandoning their proper place in society and for disturbing trade. They were illegal because they broke the legal monopolies of the guilds, and laws were sporadically issued to repress them. In short, they had no prestige, and no legal backing, to organize employment. Originally they were no wealthier than laborers, as in fact they were also originally laborers. They were few in number in relation to much greater numbers of laborers; they should have been easily overpowered by the preferences of labor. It seems unintelligible how these early putting-out merchants should have been able to substitute piece-work, an already established mode of payment, with payment for labor-time.
Emergent, capitalist manufactures developed in the countryside where they could elude guild control, but could not instantly transform into industrial development. Assume that a region would profit more from an export crop, and the export would finance a partial depletion of agricultural labor, which could then be used in manufacturing enterprises. The region would nevertheless persist in the less profitable subsistence economy because of the actual and time-honored insecurity over the sufficiency of food production for its own needs. Unless capability of food transportation was absolutely certain (it was not), especially in times of crop deficit, the community would not risk producing a more profitable crop with which it would be unable to feed itself.

The rural manufacturing laborers were primarily agricultural laborers who accepted manufacturing only as a supplementary activity when demands of agriculture were low, or when their wives and children could supplement manufacturing income from agriculture. The sporadic nature of manufacturing, on which the laborers tried not to depend, accounts for their compliance with the putting-out system.

EXTERNAL MARKETS

In great contrast to the later factory system, the putting put system allowed the workers to do their manufacturing in times that did not conflict with the time needed for agricultural labor. The labor of both agriculture and putting out manufacture was sporadic, unpredictable, and cyclical; they were compatible because neither involved a uniform amount of labor throughout the year.

The putting-out system paid the worker according to product, and it kept the employer in control of the worker; the manufacturing employer dealt directly with the merchant, and the worker was unable to circumvent the direct relation between manufacturer and merchant. The product was transported to remote or foreign markets, so the worker was in a perfect position to be exploited, as he had no way to know what the market price for his product was. If he were to discover market price, it would be the market price of his own locality, so it would give him some reassurance of fair payment for his labor. But of course his product was never sold in his locality, because the market price there was too low. So he
didn’t know.

The worker’s effective ignorance of the business transaction was maintained by the worker’s dependence on advance payment and provision of raw materials. The worker and manufacturer were presumably interdependent, but in practice the employer had the upper hand. Labor value does not accumulate; if the worker withholds labor, the labor he has foregone does not thereby accumulate into a future accumulated value; the labor value therein is flatly forfeited. Wage money that is foregone does not accumulate for later use. On the contrary an intermission of production and sale might profit the manufacturer, in as much as it provides time to exhaust inventory and raise prices on the ground of scarcity. As withheld labor does not convert into unused funds, the worker cannot withhold a long time; the employer can afford to withhold longer than the worker, in that his constant preoccupation is accumulation of capital.

Although in theory labor, as indispensable as capital, was in an equal position, low wages provided another advantage as important to capitalism as reduction of production cost; the worker couldn’t use his indispensability to negotiate because he never had enough money to feed himself for more than a few days. This accorded with deployment of a minimal wage as a means to force the laborer to work full time. Different ascending legal privileges according to social rank gave immediate advantage to upper class people, but its cumulative accomplishment was supremely important; by making it unimaginable for a commoner to win disputes against people with legal privilege, class divisions remained impassable.

In an age without even foresight of machine labor, it is puzzling how wages, i.e. payment for time, rather than product, had seemed essential to capitalism. As the production of the putting-out system was comparatively low it could not operate on much more than a local market; machine manufacture necessitated a much bigger market, therefore a remote market, due to its massive production; mass production was a cost advantage, but became

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effective only if mass production achieved market clearance. Therefore the progress of
capitalism required cheap transportation and a capacity to eliminate the local production of
the remote markets. Innovation of the wage system should not be conceived in sympathy
with the machine process, but with the development of money economy. Prior to money,
on the precedent of métayage, a laborer would be paid in kind. Payment in kind was possible
primarily when food for the local market was the product; obviously this type of payment
would have abrupt limitations when the product was not food. Such an arrangement was still
possible in the era of the putting-out system, when labor was a part time engagement during
the off-season of agriculture; a full-time employee could not make ends meet from payment
in a large number of buggy-whips.

The laborer gradually insisted on money payment, as money reduced worker
vulnerability to the vicissitudes of market price. Manufacture production was for remote, not
local markets, because the market price was higher in the remote market; to pay the worker
in kind, whose parameter was the local market, would have been an instance of carrying
coals to Newcastle. Imaginably the piece-work system was economical for the employer
for as long as machines were primitive. Machine production was much greater per work
hour, but the sophistication of machinery introduced a major disadvantage for the employer;
interdependence of the machines made it indispensable to congregate labor in a factory,
ineluctably promoting communication within the labor class. Supposing that machines
increased production per work hour by several factors, the employer would prefer to pay
by work-hour, roughly the same sum as piece-work had dictated, rather than by piecework,
in which case wages of the same scale would so much more conspicuously evince the
difference between the net value of the product and the worker’s share in it.

Subsistence payment led to a conception that payment was for labor rather than for

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449 However, Lipson is very deliberate to assert that wages based on time were established before
the introduction of machinery, to the effect that machinery was not what originally determine
the factory wage system. Cf. Lipson, E., M.A.; The Economic History of England: The Age of
the value of what labor produced; why should a machine laborer, whose effort was not
greater than that of a hand worker, be paid more, even admitting the multiple value of the
product of his effort? This converted into the notion that remuneration should be distributed
according to work time. If the just hourly wage, which originated from a tradition limiting
the maximum wage, were calculated on whether a full work week would pay for the
worker’s normal living expenses rather than as a just proportion of the value of his product,
one could infer that the employer accomplished a virtuous public service: to employ many
more workers than if he were compelled to pay them a just proportion of the value of
their product. Inasmuch as machine production presupposed a remote market anyway, the
anxiety that wage laborers would not constitute a market for production was negligible.
The important rift that the machine made between payment for labor or product was then
rationalized by attributing the overwhelming proportion of the value of production to the
machine, in that the workers could not produce a hundredth of their production without the
machine; this implied that machine ownership entitled one to an overwhelming proportion
of the value of final product over the machine operator’s entitlement.

Definition of the public good in terms of export volume probably underwrote this
priority of the ownership of the machine over its labor. England reasoned that national
wealth increased only by an inflow of money from outside the country: hence the priority
of foreign commerce, although the proportion of international trade in the total national
economy did not justify its priority. To enlarge commerce the nation needed a class
subsisting on minimal wages, so that the low cost of production would enable England
to undersell the native production of her commercial competitors in their own markets;
again, this fit beautifully with the judgment of the earlier age, that the starving laborer is
the best laborer. Since almost by definition machines produce as cheaply as the parameters
of contemporary technology allow, every opportunity to raise profits derived from
manipulation of labor cost.

Benjamin Franklin adverted to the priority Britain paid to export production and the
definition of the public good that underlay the supposition that domestic business was
worthless because it failed to capture new wealth from outside. Under such premises a dense
population of impoverished workers receiving subsistence wages was the condition for manufacture of cheap products on an international market. As no other device was so much as imagined, the minimal subsistence of the labor class was seen as indispensable to national power, and as such condoned a highly unequal distribution of returns.\textsuperscript{450}

In this respect the English approach was different, for in those countries endorsing physiocracy, the relative disinterest in foreign commerce eliminated economic incentive to impoverish the labor class. The conception of a poverty-stricken class working for nothing as an economic advantage made England take her poor as an integral component of economy, but not of citizenry. The labor class people might have been regarded as contemptible, or ridiculous, or lamentable, but in any case as a necessary evil: something whose good overrides its evil, rather than as something remediable. The extreme economic inequality was then to be accepted as a proprium of national economic preeminence, inasmuch as plebeian poverty was a condition of national wealth.\textsuperscript{451}

Absolute Monarchy seems to have been most adequate to the conditions of agricultural economy; an agricultural economy does not involve a premium on the maximal poverty of the labor. The Tudors were cognizant of a rising commercial class, but the guild regimen in which they were contained seems to have benefited by retarding, not promoting, commercial growth; the Stuarts on the other hand did not repress commerce so much as to regulate it into harmless quarters, that is to say, to deflect threats to the political ascendancy of the landed aristocracy, who were the royalists in the Civil War. Even in Elizabethan times it was suspected that industry and commerce might disrupt the aristocratic class structure. The Glorious Revolution conclusively gave the merchant class at least equal political power, but it achieved a symbiosis that benefited the aristocracy as much as the merchants. Part of the benefit to the commercial class consisted in depriving the elite merchants of monopoly and despotic powers within the merchant class itself; it increased the power of the merchant


class by raising the liberty of the small merchants, who could now trade in what had been monopolized domains of the greater merchants. England sought to secure external resources for the operation of home industry by concerting herself to control external markets for native industry and commerce.\textsuperscript{452}

The foreign market freed production from the limitations of domestic demand; it also meant that there would be no need to give workers higher wages. Taxation, despite appearances, rested mainly on the commoners and the poor; the land tax did not burden the landlords, but the tenants. Industry, which was a middle class development, was taxed.\textsuperscript{453} Regressive taxation was a natural result of the total control of Parliament by landed aristocracy. Throughout our period the unchanging tendency of all forms of national revenue was a shift from the rich to the wretched of the earth. 26,366 people paid a tax of over £500 per year in 1801 (0.24% of the population). In 1867, 49,500 people paid a tax (of all sorts) of over £1,000 per year (again, exactly 0.24% of the population). The average income of this 0.24% had increased 120%, and their share of total national income had increased by over 10% of their share in 1803.\textsuperscript{454} 2% of the population possessed 20% of national income in 1803, and 10% possessed 40% of national income; by 1867 the share had ascended past 50% of the total. One should notice however that this was not the result of agriculture, but of industry. Income distribution shifted to the wealthy, and was due to industry, but this wealth was not distributed into wages.

The lopsided regressive tax burden swayed the industrial trend away from the impecunious domestic market, and thus made industry-commerce all the more dependent on foreign markets. English industrial development entailed concentration on the external market, since the internal market would have been too small to support industrial expansion. But the external market orientation conveyed a severe economic disadvantage; a domestic


market is a captive market, an external market is not. In order to capture an external market it is necessary to undersell the native equivalent product of that country, or to sell something that the country does not produce; both factors are highly contingent, and in any case the cost of transportation plus the necessity to undersell native domestic products guarantees that external commerce is intrinsically less profitable than the same sale in the domestic market. An effect of minimal wage was to subdue peasant insurgency but to make the labor class insignificant in the consumer’s market; the producers had no money to buy what they produced, so market clearance depended on foreign export. Since the profit margin of external sale was considerably narrower than domestic sale, a much greater amount of that product would have to be sold, at lower prices, to pay for a certain unit of import. This had the effect of bestowing the greater part of the benefit of British industrial efficiency on the foreign consumer rather than on the producer or the merchant.

Any innovation that might undercut world prices would expand the effective market far greater than any imaginable domestic market. English markets were still small and the countryside still too equipped with self-sufficiency, i.e. too impoverished, to cultivate industrialization. Population growth of the later 18th century diminished wages, increased food prices, and reduced demand for commercial products; the landed aristocracy were the only beneficiaries of these trends, and they spent the capital on macro-economically worthless things such as mansions and other appurtenances of prestige.455 These circumstances narrowed an English domestic market that was already small, leaving no alternative but foreign markets.456

Without external commerce England could not have industrialized. Originally concentration on external commerce had been equally beneficial to landed aristocracy; the aristocracy continued to govern, and new policies to strengthen the commercial class were only such as also benefited the aristocracy. When an agricultural market is enclosed, average

prices are lower, and erratic; an export economy keeps agricultural prices high, because extensivity makes prices more stable. The high price stability was often accomplished by depriving the market where the produce was grown and selling it instead in a remote market. The landed gentry were interested in the welfare of their merchant class insofar as the transformation from subsistence to capitalistic agriculture brought the landlords better prices externally than could be had domestically.

Another apparent harmony appeared in the observation that the most prosperous areas were those where wages were highest; it suggested, against common sense, that the per diem cost of labor was not a good criterion to measure the value of labor. Apparently minimizing wages in the long term defeated business expansion; the laborer could constitute a considerably supportive submarket if he were paid enough to be a consumer. The mercantile penchant to keep laborers poor had been not only to reduce costs but to maintain the appropriate servility; combinations appeared with the introduction of wage liquidity. Market integration entailed a new perception of the working class as a class that should be fed at prices that reserved for them a margin of purchasing power. The shift to payment in labor time was codetermined by the pressures dictating wages in money. Nevertheless, the cause-effect relation was not from high wages to better production, but the inverse: high production to higher wages. As manufacture for external commerce grew, demand for labor increased, and demand for more labor came to expression as offer of higher wages.457

The tenuous symbiosis between agriculture and commerce had affected payment of money and labor-time wages. The transportation of residual unemployed to colonies showed some benefit in reducing unemployment and vagabondage. Manufacture added a new element of compulsion in the effort to colonize, inasmuch as one of the long term benefits surmised in colonization was the creation of an artificial and submissive market for its production. Because industrial manufacture in terms of market satiation produces much more per capita than agriculture, agricultural enterprise can stabilize within a small market

area, whereas manufacture needs a much wider market in order to reach stability. This condition is inconsiderable within an era in which manufacture is despised as a falling-off from an agricultural economy, but at that point when manufacture is eventually perceived to be a principal economic asset, colonization is concomitantly valued in its prospect as a captive market. As agriculture is gradually capitalized, farming requires less labor, and surplus labor can migrate either to the factory or colony. This perhaps gives a cogent account for the competitive nature of colonization.
PRIMOGENITURE

GENTRY

England intended its class divisions to be natal and political; it was also assumed that social ranks would equate with relative wealth, primarily in land. Wealth that was embodied in land was considered to be legitimate wealth, regarding political power, whereas wealth in private estate was on the same standard illegitimate, and the exercise of its power was considered to be corruption. Aristocracy supported itself from rent. At the early part of our period, land was the essential mode of wealth, and land dominated Parliament; with the progress of the period commerce began to rival land in wealth and power.

The parliamentary members had originally been landowners, and commercial interest, developing after the formation of parliament, thus appeared to be an illegitimate intrusion; commerce had been conceived to be of a lower class of citizen, definitely to be kept separate from the forces that drove government. By making land the primary instance of wealth, it would be well to observe how legislation tended to discredit the importance of commercial wealth, i.e. personal estate, in all political aspects. Women’s wealth also seems to have been carefully channeled into personal estate. Underlying these conceptions was the Aristotelian premise that only those whose wealth depended on survival of the regime should be entitled to partake in governance; landed property was legitimate because such wealth is immoveable.

Prior to industrial capitalism human inequality was organized according to the degree of command that one’s property exerted over people. A growing population might conceivably have threatened the landed nobility, for ordinary farmers would prefer ownership instead of tenancy, and might have made nobility less important by purchasing

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small farms at the expense of great estates. It was essential to the survival of nobility that the nobility maintain its wealth by rental, not by sale of its lands. Possibly certain legislation was necessary to maintain the proper form of land distribution. Roughly two fifths of the House of Commons were gentry, while the remainder of the House was rural squirearchy.\footnote{Cf. Mingay, G.E.; English Landed Society in the Eighteenth Century, pub. Routledge and Kegan Paul, London, 1976, p.115.}

The nobility was to survive by legislating against countervailing economic interests, which would otherwise have led to more commercial and democratic regimes, by concentrating all landed wealth within the nobility.

Impartible inheritance was the indispensable device; it was accomplished by the laws of primogeniture and strict settlement. Inheritance pursues contradictory objectives: integrity of family property and welfare of the children. Provision for all descendants necessarily demolishes family wealth. If the entirety is bequeathed to one descendant, family wealth is kept intact, but then English society would have to struggle with the problem of aristocratic children for whom provision is inadequate. Large potential profits were perceived in enclosure, and this energized investment in great estates. By a careful strategy of intermarriage and purchase the aristocratic families amassed enormous estates.\footnote{Cf. Plumb, J.H.; England in the 18th Century, Penguin Books, Middlesex, 1979, P. 18.}

Primogeniture and strict settlement, issued by aristocratic bodies, forced land accumulation and virtually made sale from great landed estates illegal.

The marriage settlement combined the interests of the two families; it restrained the power of the husband so as to protect the interests of wife and children.\footnote{Cf. Mingay, G.E.; English Landed Society in the Eighteenth Century, pub. Routledge and Kegan Paul, London, 1976, p.34.}

The laws strengthened the continuity of noble families by acting against land dispersal; preservation of landed wealth meant that a common farmer could acquire land only by rental. Strict settlement protected the integrity of land possession across several generations, thus guaranteeing the persistence of the noble family.\footnote{Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 63.}

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entrance of new members into nobility by destroying the possibility of a land market; it was supposed that a liberal, open land market would promote smallholders. For as long as agriculturalists who would have become smallholders were kept propertyless and lived on the basis of tenancy, they would remain politically impotent. The result of impartible inheritance was to render all people numbering beyond the replacement level into unpropertied laborers.

Prestige was ordered according to property; social coherence between unequals was achieved by the readiness of social superiors to provide things for their inferiors, without which element exercise of power and authority would have collapsed. It was therefore an unequal society in which the privileged had substantial duties to satisfy the poor; it was only when nobility did not have enough resources to benefit the poor that the poor would begin to challenge hierarchy. This relation of duty towards the people one commanded was regulated by patronage. Wealth accumulated through commerce or professions was disregarded, because such wealth was not easily commutable into patronage and therefore did not contribute to social cohesion in the earlier parts of our period. The ideal was to preserve equivalence between political rank and landed economic power. There was however a major threat; at the end of the Tudor era the aristocracy was in palpable decline. The abolition of mortmain, at the time of the repudiation of the Catholic Church, might have precipitated liberalization of the land market, which would have diminished nobility holdings to the benefit of the gentry. The peerage population was only about 1% of the population and, being kept hermetically uncontaminated by the general population, was proportionately declining in relation to the general population. One became a peer by being born a peer; the attrition of peerage was not replenished by some device to introduce new members; lineage was a necessary condition of peerage. Secondly, marriage rates within the peerage were more restrained than the marriage rate of the general population, because marriage in the nobility required precarious and fallible calculation as to whether it would preserve the

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family wealth.

A second fundamental problem resulting from primogeniture was due to the circumstance that only the aristocracy practiced primogeniture. The excluded progeny could not marry, not until later in life. Consequently the commoners, who practiced partible inheritance, propagated at a much higher rate than the aristocracy; eventually this destabilized the aristocratic hegemony. The proximate social rank, the gentry, having a more robust population growth, germinally threatened the hegemony of nobility.\textsuperscript{466} In France this was the pattern; the merchant class moved directly into the aristocracy, the nobles de la robe, and eventually displaced the old nobility, the nobles d’ épée. In England the merchant class could not move directly into government; when wealthy merchants wanted to rise in social recognition or participate in government, they first had to divest themselves of their commercial origins, buy land, and try to pass themselves off as landed wealth over a period of one or two generations.

Given a society that had always used wealth to gradate social rank, there could not have been excessive moral sensibility towards a poverty that was presupposed in its social gradation.\textsuperscript{467} Throughout the era under study national taxation never evinced an intention to palliate the enormous distance between rich and poor.\textsuperscript{468} Otherwise put, there was never an intention to abate the wealth of the extremely wealthy, on which they relied to express their primacy, except to exclude other types of wealth formation from competing.

A profound difference between French and English bourgeois mobility was that whereas the French could directly buy themselves into aristocracy, the English had to give up their commercial source of wealth even before they could so much as attempt to plea for aristocratic acceptance. An Englishman who would become an aristocrat had not only to be wealthy like an aristocrat, but also derive his wealth only in the way that an

\textsuperscript{466} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.


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aristocrat did. Property was the only justification of social rank, but without a distinction identifying the appropriate type of property, the persistence and exclusiveness of the nobility would have collapsed. Whereas a French custom for recognition as a member of the elite was to buy government office, Englishmen who were conspicuously wealthy but not of aristocratic birth were knighted, which preserved the semblance that those in the higher social class were the wealthier ones who possessed land. In consequence, the second influx of French aristocrats, noblesse de la robe, virtually replaced the older aristocracy, as the new aristocrats operated all the government offices that mattered. The English institution of knighthood functioned for the old hierarchy by absorbing into a natal noble class those who acquired comparable stature otherwise, and who would have displaced aristocratic rule if they had not been included. Inverting the natural course of thought, forming any moralistic program of eliminating poverty would have reflected badly on the nobility, to the favor of the commercial class.

Obsolescence of the feudal regime portended the demise of the nobility and their replacement by the gentry. Conversion of manor into rental could result in a preponderance of small holders in fee simple, as had been its result in Holland, with a corresponding diminution of the nobility, exactly as had happened in the Netherlands; the problem was, how to relinquish feudalism without the nobility thereby losing its power; a countervailing legislation was apposite. Nobility reserved all government offices for themselves, in particular the roles of the royal court, and the tactic of building power through marriage affinities became crucial.469

Essential and fundamental to understanding primogeniture: the English country nobility did not directly collect taxes and then more or less remit it to central government. Government collected taxes through its own bureaucracy, bypassing the aristocracy in this function (unlike France). On the other hand land tax was collected directly from the landed nobility, and tenants did not pay land tax; rather, landlords passed the cost of

469 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 239.
land tax on to the common inhabitants through rents. Government did not control how landlords expropriated rent money; it was enough that the landlords, performing this, saved government the cost of doing it. Originally, nobility were paid for their fidelity to the king through infeudation. Afterwards their loyalty could be paid for by granting high paying offices or monopolies. But when these two methods were transcended, how could monarchy pay off the nobility to keep their support?

The purpose of primogeniture was to sustain a propertied oligarchy, and in this instance it is evident how the laws functioned to prevent any disintegration of landed wealth. The English law for colonial debt, where not the same forces had effect, was that an English merchant could confiscate a debtor’s assets, both land and slaves. In England itself, however, a debtor was to be imprisoned for debt, and to be kept in prison until he paid his debt. The lender, however, was in no circumstances allowed to confiscate the debtor’s land in payment for his debt; even if the debtor died, the debtor’s land was entirely immune to the debts he left behind.\textsuperscript{470} It was constructive to dispossess colonial landholders, who had vast estates by English standards, but within England, where government idealized land possession in the hands of a few noble families, legislation was to promote, not distress, the flow of accumulation; here it was more particularly in the interest of the land itself, not of its owner, that disintegration of land was prevented. The only possibility, apart from personal estate, was for the creditor to await repayment from the capital return of the land.

The State made it quite easy to nullify copyhold tenures. Property was given supreme importance, and legal grounds followed; whatever type of legal interpretation gave right of way to property, that interpretation was adopted. Property was theorized to have preceded the existence of the state, and to be the reason for the state’s existence.\textsuperscript{471} Mortgage financing, which developed from the law of bankruptcy, accelerated concentration of land into vast estates. Mortgage financing helped the upper gentry to absorb small land holdings

because, whereas the lender could not confiscate land, the capital liable for that debt would never disappear. As will soon be exhibited more clearly, the owner of an estate was legally unable to sell his land in order to form capital. In 1696 ca. one third of English land was still held in copyhold, and copyhold could be devised, exchanged or sold much more easily than freehold. Manorial custom, which regulated copyhold, could be manipulated in various ways such as entry fee and rental fee to make it quite burdensome to keep a copyhold, even while one’s right to copyhold was legally anchored. The law of bankruptcy did not prohibit mortgaging one’s own land, so that one could virtually acquire as much capital by mortgaging one’s estate as by selling it. By mortgaging his own estate the landowner could call up the capital to buy out a tenant’s copyhold rights; such a landholder very easily acquired a mortgage on the collateral of his land holdings, whereas a copyholder, or a smallholder in fee simple, was unable to defend his tenuous position, because he had no collateral by which he might obtain a mortgage. On the strength of mortgage a landowner was easily able to tolerate the temporary cost to purchasing copyhold, but a copyholder or smallholder could not rely on a mortgage to get him through tenuous conditions.

**COMMERCE**

Between 1600 and 1688 land values rose together with the expansion of trade; this was the main reason why aristocracy and the commercial sector developed amicably. The South Sea Bubble was partially due to trust between land and commerce; the stock inflated because landowners invested their mortgages in the company. Land values plummeted when England lost the American War.

As our period advanced merchants and their lawyers were at times able to accumulate as much wealth in personal estate as the landed nobility had in real estate. But the nature of personal estate wealth was radically different from that of real estate; the law of personal

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estate was not the same as the law of real estate. Wealth drawn from commerce was hostage to market conditions; a business fortune could be lost overnight, whereas wealth from real estate was remarkably stable. Personal estate could be confiscated to redeem debt, but real estate could not. A lender could have a borrower thrown into prison precipitately if he could not pay up a debt within its term.

The law of debt applied to upper class, but since commoners were likely to have nothing but personal estate, the harshness of the law was perhaps due to its application to commoners. There was a logical inconsistency in the axiomatic position that property should have priority before anything else. Wealth should antecede any other consideration, but on the other hand it was equally axiomatic that wealth should be predicated only of the aristocracy. The two axioms could remain contingently consistent only if the aristocracy was exclusively wealthy, but since commerce built up fortunes as large as those of the greatest landlords, the precarious position was dishonestly maintained, for centuries, that commercial wealth was politically irrelevant.

Personal estate was of minor importance to the political aspect of the nation, although the financial devices of the merchant class greatly diversified and amplified this form of wealth. Personal estate was discounted because of its instability; one could not trust that an individual would not lose his apparent wealth in the next wave of transaction. If a merchant aspired to higher social standing, his only approach would be to buy landed estate; the profit margin of agriculture however was much lower than that of successful business. Hence this sort of transitional merchant divided into two groups. If a merchant had a final fortune, he might fully abandon commerce and invest the entirety of his wealth in agriculture; he would derive a smaller return but it would be stable. The other type would buy a country estate, but retain his business activity, where he had a chance to accumulating capital as quickly as he had heretofore. If a merchant aspired to aristocracy he had no choice but to entirely abandon business activity and live entirely from land rental; the other type

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of merchant bought his estate to raise his social standing, but had no chance of ascent into aristocracy.

The more ambitious type could not enter the aristocracy, as they could in France, personally; despite the total conversion to landownership their only ambition could be that their children might then qualify to marry those who were already aristocrats, and hence acquire aristocratic status by virtue of marriage.

In practical terms the only advantage in this form of social ascent was prestige. Those merchants who evinced the strongest ambition for aristocratic absorption were only the most prominent leaders of the business world, such as owners and presidents in the Bank of England or the major trading companies. Why would one want to “advance” into a higher class if doing so would virtually guarantee that one’s capital would not earn as much as it did in the business enterprise one was compelled to abandon? As above, the aristocratic distinction was achievable only over a period of two or three generations, not by the merchant who initiated the transition. Typically such a commercial magnate initiated the transition only at the moment of natural retirement, when the option of deriving more money from the business position was exhausted; he then decided to bestow on his grandchildren the happiness of being aristocratic rather than wealthier. Despite aristocratic contempt, the option of crossing classes was based on the dependence government had on their powerful financial positions.475 The honor that a descendant might attain in having a seat in the Commons, or of becoming a Lord, was that on which a merchant spent his foremost commercial position. Merchant families stridently competed, in business, to amass enough wealth to merit this sort of award from the government.476

Generally relations between land and commerce seem to have been harmonious, but they were also sinister. A bourgeois settled out of commerce and invested in a country home could cherish the not entirely impossible ambition of passage into the nobility. This ambition was important because it supplied the dynamism for ruthless rivalry amidst the gentry

families. Old gentry mixed and intermarried with new gentry, out of financial necessity, but at the same time they resented the people with whom they collaborated and derived common benefits. Among other factors the new gentry were more prone to engrossment, by which some of the old gentry would eventually be displaced. Often, in the case of hereditary owners who had not raised their rents in pace with rising land values and their debts, estates were sold to commercial magnates from London.477

The social status of nobility and gentry functioned as a kind of capital. Whereas England maintained the social supremacy of the nobility, and in certain respects dismissed commercial wealth, a recalcitrant reality was that the commercial class was starting to command more wealth than the nobility: an emerging hypocritical situation in which the gentry/nobility despised the merchant-landlords for attempting to break into a higher class, but whom they had to absorb because they could not sustain their own class position without the money of the intruders.

From 1650 the large English estates grew larger. This was an immediate effect of the law of entailment; neither death nor debt was allowed to fragment an estate. The same entailment laws made it illegal to sell land in order to acquire liquidity. This produced a dilemma. If the landlord did not invest in agricultural improvement the land would produce less and it would be impossible to raise rents. In the long term falling behind modernization would bring about bankruptcy. The greatest landlords in England were in this condition. But they could not alienate land to acquire funds for improvement. In consequence they lived from their present rents and ignored the decay of their estate and its ultimate consequences. One of the only escapes from this was marriage to the daughter of a commercial magnate.478

In this respect social position acted like a capital whose money value the gentry did not want to erode; the nouveaux riches landowners could not break into society except by the patronage of the landed gentry/nobility; by intermarriage the merchant landowners got a tentative entry into aristocratic society and the gentry got enough money to retain their

position.

The original gentry would have preferred to deny the merchant class the least opportunity of filtering into their own class, except for the fact that these persona non grata were virtually the only factor which gave their own class status a capital value. Bolingbroke and the Tories asserted that the merchants need not fear the domination of the landed interest in Parliament in that anything which harmed “the bank, the East India Company, and in general the moneyed interest” would also harm “multitudes of our own party”. This assertion of a community of interest is a bit wry; the merchant class raised the economic status of the landed gentry; by purchasing land they raised the value of the gentry real estate. Furthermore the merchant intruders were eager to ape the appearance of landowners, and thereby disguised the usurpation of one class by another. Agriculture was naturally entwined with commerce in proportion to development of transportation and international commerce. But within the core of this “community of interest,” if anyone’s fate was to lose his land and become déclassé, it was the old gentry, and a large part of this intermingling in the community of interest was that the declining land proprietors had to apprentice their children to law, commerce, or industry because their agricultural base no longer sufficed. Foremost to consider when a structure such as this emerges is that it will go forward, with a residue of resentment, for as long as it expands, but that the resentment will splinter the unity as soon as it starts to contract.

**ENTAILMENT**

From the end of the Tudors aristocracy was declining, in the most graphic sense; the number of peers was growing smaller because they didn’t know how to reproduce themselves. The gentry (lesser aristocracy) was growing proportionately larger. This was

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a crucial threat to the persistence of the English polity, since, if there was not a large enough pool of nobles, position would have to pass to gentry or bourgeoisie, which would overturn the traditional composition of political power. Essential to aristocratic rule was possession of the land; if land could be retained in the higher aristocracy, despite the shriveling of numbers in the nobility, power could be retained. For the following century various expedients were legislated to keep all property within the aristocracy. The Law of Entail should be counted as one of these expedients. Every Lord was a “temporary owner” of his estate, a trustee for its passage to the next generation. It was not important who this particular owner-trustee was, so long as the estate did not fragment and thereby transfer power to the gentry.482

It might be thought that the Glorious Revolution was a milestone of the English democratic tradition, except for the fact that democracy was not idealized, and the Glorious Revolution was not democratic. Less provocatively, it was a milestone in an English representative tradition that did not have a correlate ideal on the continent. Schematically, the Hanoverian regime consisted of a representation of the monarchy for the king, Lords the aristocracy, and Commons the people; their coexistence supposedly precluded one estate from tyrannizing the others. Despite the Revolution perhaps England was little more representative than other European governments because primogeniture made a sham of this apparent representation. Parliament at the beginning of the period was dominated by nobility; the House of Commons, presuming from its name, represented the commoners, although in fact the House of Commons was almost perfectly occupied by the landed nobility. Members of the House of Commons had their positions due to patronage, one

482 “Every intelligent person must consider with admiration, how completely a marriage settlement or a will, when it is properly prepared, confers the beneficial ownership on the temporary possessor, for every legitimate purpose, while his abuse of it is prevented. He must also admire the good sense, with which the present system of entailing property has been formed; which, while it provides for the perpetuation of a numerous and respectable aristocracy, leaves a sufficient proportion of land in commerce, to answer the demands of individuals, and to effectuate the general object of the national policy, that the owners of personal property should both have opportunities of realizing it, and be allured to its realization by the superior stability of landed property, and the importance which the ownership of it confers.” Cf. Langford, Paul; Public Life of the Propertied Englishman 1689-1798, Clarendon press, Oxford, 1991, p. 41.
way or another; some were sons or brothers of peers, and might rise to peerage. The sons of peers were technically commoners, although at least the first son was destined to become a peer; as a commoner they qualified to sit in the House of Commons and support the landed interests of their families. Until 1761 3/5 of the Commons consisted of Irish and Scottish peers, landlords, and the higher gentry. Even those who derived their wealth from commerce or government were deeply invested in the landed nobility. Following 1761 more merchants, military and legal types occupied the Commons and manifested the heretofore concealed importance of commerce and the middle class. Until then, the parts of government that were supposed to play out the antagonistic interests of the classes was in reality one single group, with basically the same interests, although under necessity to blandish the commoners, more paternally than democratically.

**FILIALITY**

The pressure of the gentry to rise in social status was the dynamic force behind enclosure; primogeniture was the essence of the landed nobility’s defense against irrelevance. Land ownership was beyond business vicissitudes and therefore provided security; landed wealth was the necessary condition to approach political office and therein the power of patronage. Primogeniture and its ramifications functioned as a civil version of *mortmain*; any land that came into possession of the landed nobility never left. The *strict settlement* ratcheted land into noble property, and prevented every possessor from alienating it once he acquired it. The device was transpersonal; although it might disadvantage an individual in the family, in the long term it advantaged all the future lineage of the family. Strict settlement empowered the landholder to restrain the descendants of the following two generations from alienating the land. The procedure, *life estate and entail*, provided the eldest son with lifelong tenure of the land, combined with guarantee of the oldest grandson’s

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inheritance of the estate and a provision of jointure for the grandson’s marriage. In the mid-seventeenth century the formula was amended to counteract a serious liability; the oldest son might fail to transmit the estate because he might have spent its capital before the time of inheritance.

The entail dictated that the family estate, in toto, must be in the property of one life tenant, and must never be inherited to a tenant in tail: one who would be free of entailment restrictions and thus free to sell the property. The estate was to be the property of Lord A for life; it would then pass to his son B for life, who would be entailed to pass the entire estate to his son C, for life. B would not be able to break the entailment, step out of his role as life-tenant, and sell property in the estate, because B’s ownership was limited by supervision from a group of trustees who could rescind any illicit action by B. The trustees were acting in the interest of B’s son C, even when C was not yet born. Eventually, it appears that C would become tenant in tail, and have unrestricted right to sell the estate.

Therefore the trustees would intervene during the tenancy of B, to instate B as life-tenant, secure C’s inheritance in toto, and entail the estate to D, C’s son. Thus each aristocrat would own the estate, under the limitation that he could not consume it.\footnote{Cf. Mingay, G.E.; \textit{English Landed Society in the Eighteenth Century}, pub. Routledge and Kegan Paul, London, 1976, 292 p. 33.}

Since the oldest grandson was the final link of this obligation, no legal sanction whatever prevented the grandson from dissipating the property. \textit{Strict settlement} was a “trust to preserve contingent remainders”. The “contingent remainder” was the grandson, the descendant who was not bound by entail to pass the estate intact to the oldest child of the subsequent generation.\footnote{Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 64.} The “strictness” of this amendment was a legal prohibition on the owner-tenant from alienating any part of his estate, so that the descendant, no matter how careless or profligate his father might have been, was assured of inheriting the estate \textit{in toto}. A board of trustees following the death of the father monitored the integrity of the inheritance for the protection of the “contingent remainder”. This left the liability that

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the entailment would not have power to prevent final member, i.e. the grandson, from
dissipating the estate. Assume that the lineage of entailment was a-b-c-d, in which a is the
originator, b is entailed to c, and c has no obligation to his immediate descendant, d. The
entailment was always renewed by the forefather who could have no personal interest in the
transmission. Thus, b would renew the entailment for d, binding c. While b was still alive
in tenure of the estate, c would receive an annuity when he was about to marry, and the
annuity would continue until his inheritance of the estate. The condition for commencement
of the annuity was the formation of an entail that secured inheritance of the estate, *in toto*,
to his immediate descendant, d. Apparently the natural and fully disinterested affection
of the grandfather for the presumed grandson, d, plus a resentful desire that his son, c,
suffer the same limitations as he had endured, more or less assured that b would demand
the condition that was then imposed on c. The entailment thus had to be repeated each
generation, depending each generation on the original will of the present tenant-owner. It is
interesting that the first owner could not entail his estate *in perpetuity*; any landlord in the
lineage controlled his property over only one generation following his death. The laws for
primogeniture and entail were made in an era when commerce and industry did not remotely
constitute a comparable source of wealth. English concepts of property might have greatly
mutated if English law had allowed the land holder to entail in perpetuity.

Strict settlement became prevalent after 1660, when the courts promoted long term
preservation of estates; more than half of English land was under strict settlement by the 18th
century. Although lawyers articulated conveyance to prevent alienation of land, landlords
ingeniously contrived ways to circumvent the limitation on their property. Highly vulnerable
was the clause: *trustees to preserve contingent remainders.* The danger was that the son, B,
might find a way to destroy C's right of inheritance.488

Primogeniture was not mandated by law except in cases of intestacy, but that only
made it more pernicious. Second children were not ipso facto independent, because of the

residual possibility of coming within inheritance, and the father could control all of his children, not only the actual inheritor, because of the lingering uncertainty over inheritance. Two corollaries of primogeniture prevailed. First, when the father died, the inheritor was the oldest son; in the 17th century it was the oldest son, not the father, who decided over what his sibling would inherit. This was a good reason for family members to keep good feelings for one another, in a manner of speaking. Second, assume that the father entrusts the oldest son with the estate because he is exemplary. The father, now being dead, has little control over what the son does with his new power. *Strict settlement* stipulated that the inheritor would have tenancy of the estate for his lifetime, while the estate would be the property of the family line; strict settlement prohibited the inheritor from selling the estate or any part of it, although the usufruct of the estate was fully at his disposal. The intention of government was to preserve the estate from disintegration, such as what would naturally occur in one or two generations if the holder were allowed to spend at his discretion.  

The social inferiority of women was manifest in their relative lack of rights. Primogeniture applied primarily to the male; inheritance of an estate did not fall to a daughter unless no son existed to receive it. Once a woman was married she lost all rights over her property; she had no joint right in any property acquired by the couple subsequently to marriage. More accurately, the married woman’s personal estate became the husband’s property, but if the woman brought land into the marriage, it remained primarily her property; the husband could not sell without the wife’s consent. Furthermore, spinsters and widows were empowered to run businesses and leave wills. But the married woman did not have a prior right over her children. It is extremely difficult to explain how the property laws of marriage cohere in a consistent account of the purpose of primogeniture.  

Marriage seems to contradict the idea of primogeniture, since brides had to be provided

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with sizeable dowries; throughout the whole system of primogeniture it seems to have been important to maintain all sibling in the class into which they were born. The marriage settlement protected the interests of the wife and children and thereby protected the investment, as it were, of both families to the marriage.  

If the landlord should die, it is not apparent how the widow could be of any further benefit to the family. This was apparently sufficiently cogent for the Common Law to institute protection for the widow; she was to have one third of the usufruct of the estate for life. The solution kept the entire estate intact, as the widow’s portion was not heritable. But it was not a perfect solution, in that it gave the widow vested interest in the two thirds of the estate sequestered from her. The “dower,” as this was called, encumbered land transaction; since the rule was 1/3 of the estate, any transaction affected the pecuniary meaning of “one third of the estate”. Subsequently this was corrected by the use of a “jointure” in place of the dower; the jointure was a specific piece of the estate, usually less than the amount of land reserved for the 1/3 usufruct promised in the dower. The jointure, by transferring the right from 1/3 of total proceeds to a right over the produce of a specific plot of land, liberated the rest of the land transaction from conditions of the dower. The Statute of Uses of 1536 limited the widow’s freedom to refuse jointure in favor of dower; the law permitted her arbitrary choice only in the case that the arrangement was made after marriage. Consequently families negotiated the settlement prior to marriage. In any case the dower and the jointure guaranteed that the mother’s entitlement would not split land from the lineal family.

In general land cessions were not used as dowries; the land holder used that land as the collateral for a mortgage, which was then used as a cash dowry. Normally the groom would use the dowry to purchase land, which of course was legally his property, not that of the bride. But a further contradiction is highly mysterious. Primogeniture was intended to keep

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the estate intact, and marriage was essential in every effort to expand the estate. It seems contradictory to pay a large fraction of one’s total assets in order to marry a daughter into a higher class; the dowry would retard the expansion of the estate.

Why didn’t English families devise a way of ejecting the daughter as cheaply as possible? This seems inconsistent. In the household wives were required to accept the authority of their husbands just as their children, especially their daughters, had to do. Women had no rights in common law over their own property once they married, or over matrimonial property acquired after marriage. They had no legal rights over their children and they had few legal rights over their own persons. Husbands were permitted physically to punish their wives and if they ran away they were entitled to force them to return and even permitted to incarcerate them. The legal status of women was akin to that of under-age children: they were regarded by men, and must to an extent have regarded themselves, as goods and chattels to be treated as man thought fit.

Since the daughter would not carry the family name, it doesn’t seem to be gratifying to the family when the daughter bore children in a higher class, but not in the family name; how can this custom have become as absolute as it did if the ruling principle was land aggrandizement? In a commercial context provision of a dowry would easily make sense; by marriage to another family, via dowry, a business alliance between commercial families might lead to collaboration that would benefit both families. But in an agricultural context such a benefit of alliance was not available, so it is strange why the provider of the dowry was happy to maintain this custom. The conventional reply is that in fact daughters were more important to the family than second sons, because women could marry upwards, but men could not; a second son almost per definitionem had no substantial resources. The explanation continues that by successfully marrying their daughters upwards, the family acquired important “connections,” which presumably made good for the very expensive dowries they offered.\textsuperscript{494} This idea depends on whether “connections” could play as

substantial a role in landed wealth as in commercial wealth; but since land holdings would produce as much money per acre no matter who was married to whom, such an effect is not apparent from the effect that a “connection” might have in obtaining a business contract. If what is referred to is the opportunity to receive government posts, then one must wonder whether the family who accepted one’s daughter in marriage was thereby obliged to patronize the family of the daughter. That the dowry was seriously ambiguous might be inferred from the fact that marriage rates and birth rates were greatly inferior to those of the common people. A contemporary, Robert Bage: “here is a great deal of difficulty in this country, to bring to people together, who are unfortunate enough to have property”. A contemporary demographer reported that common laborers were three times more numerous than their “betters,” but that lower class marriages were six times more numerous than middle and upper class marriages.\textsuperscript{495} Needless to say, marriage was extremely treacherous because of the gold digging and pretension ingredient to a moneyed marriage, a la Trollope, whereas a common wedding with no important pecuniary ramifications could more easily ensue from romance.

This long term suspicion resulted in the diminution of nobility, since preciosity over the quality of one’s marriage partner delayed marriages, and hence resulted in a scarcity of first sons. That a woman’s preference was always for a first son is self-evident. There were however a shortage of male direct heirs regardless of the progression to second or third sons; between 1600 and 1624 peer families bore 1.1 sons, but between 1650 to 1674 the average had sunk to 0.95 sons; between 1700 and 1724 the average sank to 0.79 sons. These averages are substantially higher than the averages of sons living to the age of nobility.\textsuperscript{496}

The inheritance presumably to the first son was arbitrary, making the consent to


\textsuperscript{496} Both nobility and gentry drastically dwindled in the 1st half of the 18th century; a register of Glamorgan imparts that from 1721 to 1740 21.9% had no surviving children and 43.8% did not have male heirs. Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 65.
a marriage arrangement more precarious; the father could shift the distribution, albeit unconventionally, to another child. Thus primogeniture virtually gave the father absolute power over his children for as long as he lived. Whereas the primogeniture was emendable, however, the jointure was inalterable; the husband was unable to alter his wife’s jointure. On the other hand, upon marriage the wife’s property instantly became the property of the husband. If aggrandizement of the lineal estate was the supreme priority, it is puzzling why so much power was legislated to the female side of the family. If the father died before the son got married, or if there was no direct male heir, then strict settlement receded and the estate would pass either to female heiresses or to collateral heirs.\footnote{Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 65.} One might conjecture that since the husband was likely to predecease the wife, that she might be needed to govern the family. However, not she, but the son, was the inheritor.

One aspect might possibly account for the acceptance of the custom of the dowry. In the later 17\textsuperscript{th} and 18\textsuperscript{th} centuries great fortunes were made from personal, not real estate. Even the highest landlord-nobles eagerly sought marriage to daughters of commercial magnates.\footnote{Cf. Mingay, G.E.; \textit{English Landed Society in the Eighteenth Century}, pub. Routledge and Kegan Paul, London, 1976, 292 p. 29.} To the purpose of not falling below nobility or gentry, one ran a race of acquiring land more quickly than competitors in one’s own class. Acquiring copyholds or freeholds usually involved using a mortgage to call up the necessary capital to meet the cost. The burden of the debt and interest payments became an additional threat after the new acquisition, and, when possible, the landlord used rent-racking to alleviate his mortgage expenses.\footnote{Cf. Wilson, Charles; \textit{England’s Apprenticeship 1603-1763}, pub. Longman, 1965, p.157.}

Marriage was the essential factor in accumulating great estates. Marriage portions increased by reducing jointures for widows and annuities for younger sons; greater concentration was focused in the search for heiresses or those whose portions would purchase land. Total land holdings increased because land was bought with the marriage
portion, and the family providing the portion raised it by mortgage rather than alienation of land. The mortgage debt was then mitigated by raising rents.\(^{500}\)

In this context, acquiring a large dowry by marriage to a daughter whose father valued the prestige of connection to an aristocratic family might appear propitious. It was highly unlikely for a son of landed wealth to marry a daughter of higher status; the social status of a woman was taken from her father, and in marrying down her own status sank to the status of the husband. By contrast a son of some social status could marry a woman of lower status without harm to his given standing. Thus a man could never marry into aristocracy, whereas a woman, attaching to the given status of her husband, lent enhanced status to her parents. In this respect only females were a vehicle to aristocracy and political influence for a wealthy merchant family.\(^{501}\) Within the landed nobility a daughter served to obtain political alliance between two noble families, so that the cost of the dowry was worthwhile.

In the case of a merchant or noble daughter, there was a negative opportunity cost involved. Characteristically of landed wealth there were feuds between neighboring noble and gentry families; this is particularly salient in regard to elections. Assume that the daughter of one family enters a marriage; this would immediately constitute a lost opportunity to form alliances with either the family of the bride (a) or the groom (b); the failure to achieve such an alliance would then narrow the opportunities of the family (c). Consequently the size of the dowry became an acute point of rivalry amidst gentry and noble families, by virtue of which the family offering a smaller dowry lost its better connections and jeopardized its class status. Because of the negative birth rate of the nobility, the natural excess of women over men, and the condition that women of the nobility and the gentry sought after first sons, there was a scarcity of such.\(^{502}\) Inasmuch as a successful marriage outweighed the cost of its pursuit, families seeking to strengthen or raise their social status

\(^{500}\) Cf. M. J. Daunton; *Progress and Poverty, An Economic and Social History of Britain 1700-1850*, Oxford University Press, 1995, p. 66.


drove up the value of the dowry in order to preempt other families.

ENCUMBRANCES

The wife brought a *portion* to the marriage, and the husband provided a *jointure*, a financial settlement to support her in widowhood. If the jointure were of less value relative to the portion, the wife became more dependent on the husband; this was a patriarchal marriage. If the portion relative to the jointure diminished, marriage was more egalitarian. The eldest son inherited encumbrances together with the estate; obligation to provide annuities for younger brothers, marriage portions for sisters, and the jointure for the mother. Increase for these encumbrances made families more egalitarian, whereas concentration of assets in primogeniture made the family more patriarchal.503

Throughout the 18th century aristocracy protected its relevance by concentrating wealth in one successor, and as accessible land disappeared the concentration on the eldest son became more inexorable.504 Although primogeniture preserved the wealth of the aristocratic families, for the very same reason it dispersed the members of the same families in a way that affected how merchants or others could infiltrate the aristocracy. Instead of land, the younger brothers inherited annuities or capital sums as inheritance. Whereas in Holland the sibling usually remained on the estate, in England they were expected to leave. Being dispossessed of land inheritance, they needed a substitute to sustain them in the aristocratic life to which they were educated. Unlike continental Europe, in England the younger sons of nobility and gentry were educated to a calling in commerce; the lowest in a higher class took precedence to the highest in a lower class for a position germane to the lower class; a very large fee as charged for an apprenticeship position.505


In order to sustain the integrity of her own primogeniture and patronage systems England developed a gargantuan government costing far more than necessary in order to absorb the surplus of disgruntled upper class children. The English did not regard employment as a prior entity reserved for the qualified; it was instead a duty to fabricate employment appropriate for those of a certain social pretension, because the utility of quelling the social jealousy of the claimants was of more threatening urgency than of fulfilling the function for which the employment was appointed. Government office was conceived as a property, as if it were a compensation for the land the office holder failed to inherit. The pregenitured son would be in the House of Lords, while the younger brother might occupy a place in the House of Commons. Otherwise the House of Commons was composed of placeholders inserted by Lords to vote in support of themselves in Commons; elite merchants and upper gentry, after sibling of the Lords, filled the House of Commons. Similarly non-inheriting sons might be placed in higher church office, where they were also in rivalry with gentry sons who qualified for the same positions. A natal aristocrat was exclusively eligible for the House of Lords; accordingly, commercial plutocrats and vast landholders were “commoners”, limited to the House of Commons if they should want legislative participation. In this the amount of personal wealth did not distinguish the Lords from the Commoners in British Parliament.

There was a bite in the English epithet “poor relations;” the ousted sibling had somehow to be supported in proper style by the head of the family. A Lord might for instance do a favor for someone else, in return for getting his younger brother in the House of Commons, etc. In consequence English Parliament was not a configuration of two groups, Lords and Commons, keeping each other’s excesses in check, à la Montesquieu; it was one plutocratic group that pursued primarily its own interests instead of those of the labor class and petit bourgeoisie, although it was within their best interests to pay subsidiary attention to those interests as well.

The sibling outcasts of primogeniture were not thereby made irrelevant to the family,

because death and tangled family events rendered it always possible that they might unpredictably become Lords; it was imperative to keep sibling somehow positioned in the aristocratic society of their upbringing. However, when under the general primacy of primogeniture the heir had final authority to determine the settlements for the sibling, there was a constant tendency towards ungenerous treatment of the sibling, which was most effective for preserving the integrity of the lineal estate, but was disastrous in view of the liability that a childless inheritor might predecease his sibling. In the 18th century the law was amended to protect sibling of primogeniture; they were entitled to specified annuities or capital sums independently of the will of the primogenitured son. The amendment however impaired consolidation of the estate; either the encumbrance of annuities bore too heavily in the debt of the estate, or the possible cession of some of the estate to satisfy the claims of sibling tended to partial disintegration of the lineal estates, and to greater liquidity of landed wealth in the later 18th century.\textsuperscript{507} The 18th century decline of the aristocratic birthrate necessitated indirect inheritance, and the concomitant fragmentation of hereditary estates enlivened the land market.

\textbf{ASCENDENT NOBILITY}

From the first quarter of the 18th century the nobility was acquiring a greater proportion of the national wealth; scarcity of purchasable land raised the market value of all land. Primogeniture and strict settlement successfully kept aristocratic estates intact; since large government office was the monopoly of the nobility the amounts accruing from office and agriculture always accumulated for disposable investment that could be poured into remunerative banking and credit agencies.\textsuperscript{508} Such investments resulted, rather monotonously, in ever more land acquisition. Small estates might be nullified from the pressure of debt, while primogeniture and strict settlement constantly forced these loose pieces into the aggrandizing estates. Nobility was strangely compelled by its success in these

things to marry heiresses merely to find loose capital to finance the new acquisitions.\textsuperscript{509}

In unit price the gentry were earning more from agricultural produce than the nobility during the 18\textsuperscript{th} century, but the sheer financial power of the nobility’s less efficient estates protected aristocratic wealth from the land tax and agricultural vicissitude that abraded gentry landed wealth.\textsuperscript{510} The wealth and political power of the landed aristocracy increased in direct proportion to the decline of the lower gentry in the 18\textsuperscript{th} century.\textsuperscript{511} Far from war being detrimental to the nobility, it seems to have facilitated the growth of aristocracy at the cost of gentry; when the cost of government supply fell upon the termination of the Seven Years’ War, commercial investment involved in war supply had to collapse. The sudden commercial contraction attendant on the cessation of war then motivated England to call in the outstanding colonial debts, English agricultural production became relatively more valuable during the commercial slump, and land prices skyrocketed to 35 years purchase,\textsuperscript{512} whereas 20 years purchase was the average in the early 18\textsuperscript{th} century (35 years purchase signifies that the average annual production would pay the price of the estate in 35 years). Members of the lower gentry resembled pensioners in this respect; their revenue was determined from a previous era, but their expenses were paid in the prices of contemporary inflation, without recourse to alternative sources of revenue. Nobility, though afflicted by the same condition, could rely on government office for revenue, and the steep ascent of land value qualified them for much better mortgages.

The capital market had expanded, interest rates had fallen, and it became cheaper to take mortgages. The landed aristocracy regularly used mortgages to risk heavier debt obligations.\textsuperscript{513} Mortgages came into use long after the formulation of the laws of strict

\textsuperscript{509} Cf. Mathias, Peter; \textit{The First Industrial Nation An Economic History of Britain}, Methuen & Co. Ltd., London, 1969, p. 56.


settlement, and therefore were not obstructed by inheritance laws. Eventually mortgages turned landed inheritance into inherited debt. The differential impact of recession on nobility and gentry alike was a boon to nobility, because they were better equipped than the gentry to withstand recession. Nobility could quite freely mortgage their estates, but banks did not give mortgages for the smaller gentry estates.

One should not overlook a respect in which mortgage helped the nobility save money. Mortgages were based upon the present value of the land, and were not readjusted according to economic change. Tying up estates in mortgage created land scarcity and diminished any need to sell land; hence, at the same time mortgage depressed the sale of land it raised the value of land. Wars invariably caused both inflation and increased the absolute price of food, and land taxes, low because such taxes were based on obsolete assessments made a half century earlier, had become artificially low partially from the inflationary effect of mortgages. In effect under these conditions it would be foolish for a landholder not to contract mortgage debt.

The relation was a bit paradoxical; nobility advanced by assuming enormous debt. This debt was variously due to new land purchase, dowries, annuities and pompous expenditure, but expenditures on such things were necessary to sustain aristocratic place. Rather than to avoid debt, the requisite virtue was to amass debt, but to gain on proceeds that eventually exceeded the debt in getting there. Consequently even the wealthiest members of the nobility characteristically carried enormous debt as a matter of habit, and stayed in debt lifelong.

In this era, in contrast to the usual relation, the great landlord had much greater debts in relation to assets than a merchant; when a landlord died it was commonplace for him to leave enormous debts charged on the estate, such as a solvent merchant could not have accumulated. By using both his estate and the proceeds of his government office virtually as collateral he was able to draw much greater debt than a merchant of similar wealth. Primogeniture caused this peculiar debt structure; the great landlord had assets to support the debt he was allowed, but since the collateral was in assets he was not allowed to alienate, he had no liquidity except from the money acquired from loans he took. Just as government
put up future tax revenue as collateral for taking loans, the disposable money of a landlord was borrowed on high interest rates against the future of the annual production of his estate. It was, to say it again, commonplace for an aristocrat to live on money whose debt projected decades into the future.

This was the principal reason for the degeneration of the aristocratic class established upon primogeniture. Money borrowed by mortgage was already tainted with heavy debt installments. Furthermore, the landlord was obligated to pay annuities for his sibling, and amass money for dowries and jointures. He added to debt by further mortgaging to annex more land, whenever opportunity arose. The actual wealth of the land being thus defunct, the aristocrat needed to acquire high paying government employment or find an heiress to marry merely to be able to keep up on the expenses arising from his estate. 514

The great landed estates were absolute property; not even bankruptcy would coerce the lord to cede land. As a totally secure position it entitled the aristocracy to enter government. Political office enabled aristocrats to obtain enclosure acts, sinecure revenues, lucrative marriages, and inside options to preempt new stock issues; political participation provided many ways to acquire a sudden fortune. 515 Office offered the best chance to surmount mortgage debt.

It was plausibly quite bad for the landholding class to accustom itself to debt as its normal condition, if this orientation instilled an unrealistic assessment of what they could afford. Debt accumulation was much greater than the debts that compelled vacation of estates in the previous century, yet failure and eviction had decreased. Sophistication of mortgage and credit arrangements enabled banks to tolerate more credit servicing. The sharp ascent of land value enabled the aristocracy to obtain greater mortgages on the collateral of the same amount of land. 516 Parliament, being dominated by the landed gentry, inclined to legislation that accommodated aristocratic debilities; government did not tax the capital

value of land, except the land tax for military expenditure, nor, in the later 18th century, did it tax the revenue proceeding from agricultural production. Agricultural estate therefore remained an optimal source of mortgage finance because its value wasn’t impaired by taxation.

Primogeniture, which had been devised to preserve the supremacy of the landed aristocracy, came to destroy it. Primogeniture was meant to make it impossible for the line of inheritors to chisel the estate; later amendments to mortgage law enabled the landlord to destroy the intent of primogeniture. In the 16th century the common law interpretation of mortgage was so implacable that a miscarriage would easily jeopardize the estate. Mortgage was not normally used to raise capital. Strict interpretation of mortgage thus helped primogeniture and strict settlement to preserve the estate.

At the end of the 17th century the Court of Chancery liberalized the law of mortgage; it guaranteed the right of the mortgager to redeem his mortgaged property, thus making it safe to mortgage property in the first place. The mortgagor (borrower) conveyed the estate to the mortgagee (lender), under an agreement that the estate would be returned under condition that the debt was paid on time. This agreement was possible only in the case of freehold. In the late 17th century the device of “lease and release,” by which a mortgage could be made to a leaseholder, was adopted; the mortgagor (borrower) granted a long lease to the mortgagee, and the lease was returned upon completion of repayment. Since the mortgagee might refuse repayment and keep the land, the court made a distinction between the debt and its underlying security: equity of redemption. Trusts were used to finance mortgages. A testator appointed an executor to be a trustee, who would invest the money in the best interests of his beneficiaries. Trusts were also used to separate a woman’s assets from the property of her husband, who had no right to the money; creditors could not claim it in the case of the husband’s debt or bankruptcy. The trustee had great latitude in the investment of money sheltered from creditors. Trusts were devised to promote private savings, which were freely invested.\textsuperscript{517} Strict entail enabled better mortgage conditions. For so long as the annual interest was paid on the mortgage, the creditor could not sue for a sale of land. The creditor was allowed to sell the loan to an investor. Interest on the loan attached only to the income
of the estate, so that an estate could tolerate a very high mortgage debt from one generation to another. Because an estate of strict settlement was inviolable, it was the most secure loan that a lender could make. At the same time landed estates became larger, and more indebted: the dowry was used to buy more land, and the family providing the dowry mortgaged their land to provide the dowry. The number of daughters of commercial families crowding to marry into land and aristocracy raised the size of the dowries.\textsuperscript{518}

Formerly a collateral effect of strict settlement had been to prevent social mobility in the landed class, since it obstructed availability of land. Because of the disqualification of commercial wealth as a ground of aristocracy, it was necessary to form a landed estate as a preliminary condition to aristocratic entry. Exclusion from the upper classes was of course the main purpose of strict settlement, so its good functioning should not have become a reason for revision. Two new factors however intervened. First, the landlord’s sibling were not supposed to suffer derogation of their noble status for having, as a result of primogeniture, descended into political or commercial vocations. But, being without land, nothing substantially distinguished them from their non-noble colleagues. They embodied strong pressure to acquire land so as to fortify their class status. Secondly, if they were to acquire the wealth to accomplish this, they would need to marry heiresses, and increasingly such a wealthy woman could be discovered only in commercial, not landed wealth. Commercial families encouraged this sort of marriage because they envisioned that their family would somehow share in new social prestige if their daughter married an aristocrat. So, the mortgage law gradually changed because these sibling, though formally proclaimed to retain noble status, did not possess the substantial quality of nobility; the ambiguity of their social status opened up a passage for commercial magnates to gain entry into the highest class.

As mortgage law became liberal, the landed aristocracy maximized recourse to

\textsuperscript{517} Cf. M. J. Daunton; \textit{Progress and Poverty. An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 244.

mortgage. Formally, primogeniture and strict settlement served the consolidation of estates, but the mortgage debt eviscerated the value of the inheritance. The capital derived by mortgage was used to purchase more land, pay for primogeniture encumbrances such as annuities and dowries, finance elections, renovate houses and pay maintenance.\textsuperscript{519} The mortgages had grown too large to redeem in one lifetime; mortgage had become a settled practice of acquiring liquid capital by piling debt on one’s descendants. Inheritance was likely to be bound to an indirect heir in the 18\textsuperscript{th} century, when noble families increasingly failed to produce sons; there grew a strong tendency to ruin the estate with insuperable mortgage debt that the living landlord had absolutely no intention of repaying.

Accumulation of encumbrances on the estate from annuities, dowries, jointures etc. were most insidious in destroying an inherited estate because of the infiltration of commercial wealth into landed society. Estates depended on favorable marriage for perpetuation. The women serving this purpose came predominantly from the commercial class; in consequence the encumbrances had to increase in value in order to make such marriage arrangements possible. It is not coincidental that the “companionate marriage,” the sentimental evaluation of children, and the striking rise in the stature of the wife occurred in the later 18\textsuperscript{th} century, when the nobility depended on intermarriage with the commercial class in order to remain solvent. The nobility had to inflate the emoluments of the marriage in order to inveigle the families of these heiresses.

It had been by design that strict settlement would immobilize the land market, so as to maintain the distinctiveness of the aristocracy. The guarantee in the mortgage law of the later 18\textsuperscript{th} century, by giving absolute certainty that the landholder could redeem his mortgaged property, eased marriages between commerce and nobility in that it guaranteed the persistence of the title of the person to whom the daughter was being married. This caution against mortgage was not propitious when nobility and commerce intermarried, as commercial wealth became ingredient to a landed aristocracy; the relaxed mortgage law

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gave more security to the integrity of the estate, given the new conditions.

Behind these conditions existed an enduring conflict of attitude. Although sibling supposedly did not suffer derogation from entering remunerative vocations, their attitude was probably not largely different from the nobility on the continent, who insisted against such vocation because it did entail derogation. Despite discomfiture over this, the practice was essential to keeping the nobility exclusive and dominant; the arrangement was maintained in order to protect class purity. The Tories were principally behind primogeniture in the interest of keeping the aristocracy uncontaminated and impermeable. Strict settlement was a component in this interest; though in reality casting the sibling out of their class status, it kept aristocracy intact.

On the other hand the Whigs generally favored the interests of those marginally outcast members of the nobility who perforce descended into remunerative professions, and tried to enhance their lingering nobility. But favoring the prerogatives of the sibling-nobility made the nobility porous to the commercial class. Either one enforced the ramifications of strict settlement, preserving the pristine dignity of landed nobility and allowing virtual derogation of the disinherited sibling, or one abandoned limitation of recognition of wealth to landed property and allowed the dilution of ancient nobility with commercial wealth. Inasmuch as the sibling of landed wealth became directly invested in the moneyed professions it was difficult to disqualify commercial wealth without derogating one’s own sibling. Originally in this conflict the proclivity had been for the nobility to accept government office, but not commercial enterprise, as an acceptable vocation because it sequestered the nobility entirely from commercial groups. This was consonant with the religious-philosophical tradition, far more ancient than Plato and Aristotle, that government was germane to the virtuous aristocrat, whereas the smell of money in any commercial role made him stink. Restraint of the aristocrat to government activity should have reserved final wealth and power in the nobility and have kept it immune to the lower passions of commerce. Remnants of this original position were manifest in the taboo on a landholder to indulge in any commercial enterprise except exploitation of mineral resources in his own estate. Another manifestation of this relaxation became the view that whereas it was déclassé for the noble landlord to
participate in commercial enterprise, it was allowable for the sibling, inasmuch as he did not possess land. The next loosening of aristocratic heritage had been transition from the view that nobility had to marry within its own class, to a more lenient view that the male noble might marry a woman from a different class, so long as he did not descend into the vocation of a lower class; a noble woman on the contrary could not do the same without derogation; she was automatically of the same class as her husband. This attitude seems to have originated from the view that one’s class was predominantly defined by one’s activity, whereas by and large women never had an activity that could define them.

Oligarchy, based on wealth, should have been destructible by the equally great wealth of the commercial class. Intermarriage extended the mutual accommodation that had formerly been supported by the rise in land value that accompanied commercial expansion. The intermarriage regularly took money from the merchants and fed it to the failing landed aristocracy. Merchants, more likely to be contemned as bounders, did all possible to achieve aristocratic acceptance, in the process of which they adopted cardinal aristocratic viewpoints.\(^{520}\)

The landed nobility remained dominant in the 17\(^{th}\) century, but by the 18\(^{th}\) century nobility could retain preeminence only by the relaxations of class propriety, given above, so that it could entertain certain compromises with the urban bourgeoisie. Nobility never explicitly acknowledged the importance of commercial wealth even when they directly depended on it, but this did not affront the commercial bourgeoisie, because landed nobility could have remained an attractive goal to them only if the nobility had largely retained its pretence of exclusivity. Apart from the infusion of commercial wealth deriving from morganatic marriages, a further Whig factor forcing the penetration of urban bourgeoisie into landed gentility was the need of the landlords to find creditable positions for their less favored children in the commercial world. Intermarriage and dispersion of children into the activities of the commercial world personally forced the ruling nobility to include commerce

within their concepts of self-interest.\textsuperscript{521}

\textbf{PATRONAGE}

Patronage was a corollary of natality. Just as with class identity, a person could not obtain patronage by effort or achievement; one had to be born into a family to which patronage was due; only aristocrats received patronage. One could not even buy into patronage, unless one was already being patronized.\textsuperscript{522}

The antecedent of primogeniture involved a relation of fidelity between lord and vassal. The fief was fiduciary; if the vassal failed to fulfill his fealty, the Lord could confiscate the fiefdom. Power was not from popular election nor did succession to feudal lordship involve such an idea as consent of the people. Nevertheless, the feudal regime required that the Lord exercise a protective relation to his peasants. The very anachronistic, later notion of election, by which the individual went to the House of Commons, oddly conceived the MP as unobehden to those who elected him. English representative government was never democratic. Even emphasis of election canvassing, voting, and representation never conveyed that the elected representative was obligated or instructed to act in ways that his constituents desired.

The innovation of “popular” election reflected an alteration in the resources of emulation. As a representative, one would supposedly identify with the interests of his electorate; but since no recompense resulted from fidelity to popular will, representatives heeded the king, who alone might vouchsafe prizes. The cynically unproductive beneficiaries arose because there was no legal accountability between the office holder and the will of the people who elected him. If the MP needed to merit on the standard that he promote the wishes of those who elected him, placemen would have lost their efficacy for preserving primogeniture, i.e. rule from a fixed trans-generational group of families.

Rather, two motives from separate interests were compelling. Throughout the Stuart

era the king could deal with a refractory Parliament quite easily: prorogue or dissolve it and rely on prerogative. King George I might have the same sentiments (“That damn House of Commons”), but he could not make it disappear. The only alternative was to stuff the House of Commons with placemen: as extensively as possible Parliament was occupied by MPs whose office depended on royal patronage. The royal budget did not suffice to secure an absolute majority by this means alone, although the leading parliamentary figures on whom the king depended had their positions purely by royal prerogative. The other members of Parliament did not exist en bloc, such as in a party with defined platforms; they were atomized. Their survival normally depended on complaisance with the court MPs.

As advancement originated from the king, the electorate was no more than a bothersome preliminary condition. Once in London and after election promotion depended solely on pleasing one’s peers in government. Social prestige required residence in London, since only one’s peers were in a position to advance an MP. The Scottish landlords, once involved in British Parliament as of the Act of Union in 1707, left their estates, rent-racked their tenants, and lived expensively in London, in that doing so was necessary for obtaining pensions and sinecures. English government became expensive by multiples because the excessive beneficiaries it supported had to emulate in ostentatious living in order to maintain their chances. Elections to Parliament were themselves as inauthentic as they could possibly be; as elections were not by secret vote, MPs invariably devised collusive behavior to guarantee their positions.

Throughout the 18th century political ideas such as party loyalty or service to one’s country are misleading. Given a society in which all decisions over commerce and international relations were supposed to be purely by the will of the king, nobility could

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524 Benjamin Franklin: “Parliament was composed of these enervated tools of “the Court-men whose seduction by luxury had compromised their political integrity, forcing them to depend on the crown’s ministers for the places and pensions that supported their expensive habits.” Drew R. McCoy; “Benjamin Franklin’s Vision of a Republican Political Economy for America,” The William and Mary Quarterly, third series, 35, (1978), p. 625.
not enter government with an intention of improving it. They took government position first and foremost for the sake of personal gain; contriving some sort of political position or allegiance was purely subsequent. Originally Tory and Whig had formed in the Stuart era from substantive interests and principles: the Tories supported landed supremacy, the Church of England, and royal prerogative, the Whigs commerce and tolerance. But such a concise distinction was based on the given fact that the Stuart king did not need to stack the deck because he could dissolve Parliament whenever it became obnoxious. The need of the king to suborn MPs instead of ignoring Parliament removed the basis for the strong contrast of parties. One force controlled the behavior of both Whig and Tory univocally: connections by patronage and kinship that had an ultimate reference to the king. It was a matter of indifference whether a stance was Toryish or Whigish, so long as it made an amiable tie to the king, the source of patronage.\(^{525}\) If one had many connections one had accordingly more power; one could conjure the threat of alliance with another tribe of internal connections and hence make more credible any demand one might cherish. Instead of a fixed political platform, it was more advantageous to have protean political interests, together with perhaps 50 relatives and protégés sitting in the House of Commons. Political principle, in the place of nepotism, became a viable political instrument only after the House of Commons ceased to be totally in the hands of landed aristocracy. National interest consisted in brokering benefit to rivalrous groups in the House of Commons in such a way as to sustain royal favor.

While many of the government offices were sinecures, several of the best offices did require participation and labor, but were enormously remunerative. The Paymaster General, notorious for this, could generate an enormous personal fortune starting from nothing. Offices with this effect usually involved the deposit of enormous national sums for a specific purpose, such as payment of the army; in the intervals between such uses it reposed in the personal use of whoever happened to be the office holder; in effect the office holder was thus the personal recipient of the interest on the capital.\(^{526}\)

The official discredit of commercial wealth meant that landed occupation of parliament was out of proportion to that between landed and commercial wealth. Their control of the House of Lords was total; one never reads of an opposition between Whigs and Tories in the House of Lords. The division is prominent in the House of Commons, where large commercial interests could place representatives, although most of the time landed wealth predominated here too. The effect of position in London penetrated to the lowest levels of provincial society. Parliament connection made aristocrats Lords-Lieutenants in their provincial lands; their overwhelming power on the local level was equivalent to their power of appointing officials of provincial government and local court, awarding offices, sinecures, pensions, and effectively determining the policies of their province. It was the modern equivalent of vassalage and fealty.

Lesser government office with little or no pay greatly expanded patronage and government stability at a very economical cost. Such government positions were awarded usually with lifetime tenure. Although salary was low, the possessor could subemploy a servant to do the actual work, while the placeholder earned the greatest part of his revenue by charging fees. English government was always extremely careful not to spend money whenever there was a plausible alternative; by allowing civil servants to charge piecemeal fees it gave the officeholder an opportunity to profit without having to pay an adequate salary.

The landlords occupied government for more than the obvious reasons; to procure positions for the excluded sibling they had to control the employment market in government. While there was compulsion in families to procure patronage, there was compulsion in government to distribute. Office holding was not conducted by impartial election; various

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526 Normally politicians sought this office quite specifically to make a personal fortune; among the lucky holders numbered the Earl of Ranelagh, the Duke of Chandos, Walpole and Henry Fox. Cf. Rule, John; Albion’s People English Society 1714-1815, Longman, London, 1992, p. 34.


ways of bribing and threatening were legal, and all voting was open; the landholder could verify whether electors had voted as they had pledged, and respond with possible reprisals. Landlords predominated in cabinets and the court, where they could award pensions, posts, and sinecures to relatives and those who would enact the landlord’s political direction.

The number of electors who would vote by the subject’s instructions was the magnitude of his power; according to its measure he could use it to procure pensions, sinecures, lower offices. The same power could compel government to award positions to himself. Thus democracy and patronage were directly contradictory; one could not sustain conflicting promises to an electorate and the person to whom one’s office was in debt. All voters were in compulsion either from indebtedness or blackmail. No opposition that could contravene the noble landlords who masterminded the elections and constituency of parliament could meet such pacts with equal amounts of money.529 Given such conditions the government was in the debt of landholders who rigged elections in favor of the government. If such a landholder was displeased he could withdraw his incumbents from the court party, and, especially if he could effect an alliance with other disaffected landholders, he could weaken the régime by voting in the opposition.

The patron in this context might easily earn more from his power over government employment than from his estate.530 The sale of office differed from the French sale of office in one crucial respect. Whereas French offices were sold on the open market through agencies entirely indifferent to political position, English office sale, though entirely indifferent to the qualification of the purchaser, was sold only at the hands of political grandees, and retained a strong element of obligation to the political figure who awarded it. Thus an appointee in government, law, military, or Church might lack the least aptitude for his appointment; the cardinal qualification for his appointment was his conformity to the instructions of whoever provided him with the office. Sale of office was contingent on the political alliance of the purveyor and of the readiness of the purchaser to conform to

the preferences of the purveyor; for example, a Tory, Catholic or Jacobite peer would not have any government office to sell because such a person was not manifestly in support of the Crown.\footnote{Cf. Thompson, E.P.; \textit{Customs in Common}, The Merlin Press, London, 1991, p. 25.} On the contrary, an individual holding the power to grant lesser appointments was likely to be himself ejected from office, by legal procedure, if his actions should be refractory. The rule was that if a person received government office, he would retain it for life, from which the incumbent would exploit benefits forever, although, unlike French office holding, the incumbent could not sell or bequeath his office; it reverted to the government on his death. His office, though paid for, could nevertheless be taken from him whenever his political behavior failed to be subservient.

The office-holders who received positions through the exigencies of primogeniture etc. did not perform any substantial work, but they were nevertheless very serviceable to the ascendant society. Their influence penetrated by such things as voting according to their patrons’ instructions, and their mere existence in government or business displaced independent individuals from government, who would have lacked the motivation to nicely conform like the placemen. Coagulation of the MPs into one stagnant body promoted sinecures and placemen as the best devices to entrench power. The apparent imbecility of English representation resulted from a duty to absorb the disinherited progeny of the nobility into places suitable to their class, but aristocracy benefited by therein ensuring the class dominance in the representative chamber from which peers were excluded. Under the pressure of providing apposite positions for the second sons, the true commoners, i.e. upper middle class and merchants, had to recede for the outcasts of noble families; especially in the first half of the era the noble families occupied most of the House of Commons as well as the House of Lords.

Those who did the authentic work entirely lacked stature, for a placeman would employ one of his personal servants for any requisite labor.\footnote{Morgan, Edmund S.; \textit{The Puritan Ethic and the American Revolution}, \textit{The William and Mary Quarterly}, third series, 24, 1967, p.14.} This was a different level of corruption from that of noble place holding; whereas the sibling of nobility virtually
never appeared in the offices for which they were paid, middle class substitutes who assumed the real work used this service as an opportunity for social ascent.\textsuperscript{533} One effect of subemployment to commoners was to enlist a broader support for the patronage system. The broad base of patronage was important because virtually nothing but the skein of employment originating from the king could motivate political loyalty. Prime ministers such as Newcastle and Walpole had to use the greater part of their energy, at all times, to discover or contrive government office, for without provision of desirable employment for all of their following their political programs would collapse at once.\textsuperscript{534} Contriving patronage in government was however expensive; less wealthy nobility capitulated to magnates such as Newcastle when they did not have like sums available to expand clientage.\textsuperscript{535} Where a magnate could afford to generate employments he might create enough clientage to secure elections, whereas this type of expenditure would amount to pure waste, without return, if it did not extend pervasively enough to secure election.

\textbf{ELECTION}

In secular terms, the era was a transition from the landed nobility to the merchant class. The development of money economy removed the landlords from their sublime isolation. Traditional wisdom of thousands of years had assigned the aristocracy the role of governing, and denied the merchant classes participation in the same. But this idea worked in an agricultural economy, and was as yet unattempted in a commercial-industrial economy. Emergence of the money economy corroded the aristocratic isolation because, as money became a common measure, the nobility became inferior to the merchants, and needed to compete on the basis of money for preeminence.

All classes, all groups whatever, are in a state of at least latent hostility to each other,

\textsuperscript{533} In the stamp office of the later 18\textsuperscript{th} century, 25\% of the work was carried out by servants in the employment of noble place holders. Cf. Rule, John; \textit{Albion’s People English Society 1714-1815}. Longman, London, 1992, p. 61.


powered by the ever possible grand principle, the more there is of mine, the less there is of yours. Patronage however was an excellent way to cement society, because it gave all individuals a sense that they were getting more than they would otherwise get, counteracting the impulses of envy and indignation at the unjust distribution. Receiving patronage made them tolerant of the iniquity of their patrons; patronage could also extend to virtually the bottom of society. The forest courts far outlasted their real use because they provided patronage employment for grantees, managers, keepers, forest officers, under-keepers, who used their positions to embezzle and exploit as opportunity arose.\footnote{Cf. Thompson, E.P.; \textit{Customs in Common}, The Merlin Press, London, 1991, p.103.}

The preference of the younger sibling was for government position, and if the government had been intent on class exclusiveness it would have accommodated the younger sibling. Between 1591 and 1640 more than half of the mayors of London were not from London, but from provincial counties, i.e. the disinherited lesser sibling. It was only due to the shortage of government office that not all younger sibling did not enter law and government.\footnote{“Cranfield came from a family of minor country gentry. So did Cokayne. So did Hugh Myddleton and his brother Thomas, a Lord Mayor of London.” Cf. Wilson, Charles; \textit{England’s Apprenticeship 1603-1763}, pub. Longman, 1965, p. 51. Only after the first preference for government was exhausted did lesser sibling take up apprenticeships in commerce or professions. Commerce could get the upper hand in the patronage game by providing employment for nobility sibling.

It is hard to believe that, even in the 18th century, any intelligent person could interpret the import of religion to center on the love of Jesus and desire for God; religion was more understood to be a turning wheel, turning other wheels. The Church was important, because it constituted the official communication of proper behavior down to the smallest villages. The Church was a major collecting place for younger sibling of noble families; it served to support their class position and provided the income to which they were accustomed. The holder of high church office such as befitted someone from noble family could live in absentia. Such positions were at the rank of bishop, but patronage descended as low as £30-40 per annum for a village curacy.\footnote{Newcastle took complete control of the clerical...}
patronage by 1736. The clerical profession was therefore in the monopoly of the landed nobility, not at all in that of their rival, the commercial sector.539

In fact there was rivalry between land and commerce, but no confrontation was evident because the two groups depended on each other. Originally all members of parliament had been aristocratic, on the age-old assumption that anyone (a merchant) devoted to money-making could not be worthy of the more refined activity of government, since political participation, ideally, should be aversive from self-interest. Without pretence otherwise, Parliament was supposed to be government by the nobility and primarily for the nobility; commoners and merchants were not allowed seats in Parliament. The dignified disinterest of the Parliamentarians and the nobility of their money-making consisted in the passivity of their money-making: rent collection. The aristocracy insisted on the status quo, both because they were ascendant and because it preserved their noble pretension of disdain for mere money. But as the openly aggressive effort at money making in fact accumulated more wealth, members of the merchant class, by devious methods, ineluctably came to seats in parliament. The prevalence of money economy tore down the sequestration of the nobility; part of the presumption of parliament had been, not only that members would be aristocrats, but also that aristocrats would be the wealthiest members of society. Derogation would have sequestered the nobility, but since England did not declass any aristocrat who took up commerce or married beneath his class, merchants penetrated the nobility in their ambition to achieve ascendancy. This is probably what preserved the nobility, for otherwise the merchants would probably have overthrown it instead of attempting to assimilate.

The vent allowed for merchants pressing to enter the highest social class was a process of disinvesting themselves in commerce and of imitating the aristocratic investment in land. No matter who the individual, if he could buy appropriate amounts of land, being a landlord would admit him to knighthoods, membership in parliament, or eventually a peerage. This enabled a certain symbiosis between nobility and commerce. Primogeniture excluded

younger sibling from the family titles, but they could salvage their class status by a fortunate placement in commerce or the professions.

The merchant class controlled admission to these escape-hatches; this made the nobility tolerant of commercial inroads into the aristocracy, which inroads without doubt the aristocracy would have otherwise taken efforts to make impossible. The semi-hostile, semi-obliging trade-off was beneficial to agricultural productivity. Probably the urgency to create and satisfy a common interest for nobles and merchants accounts for the ratification of grain export and the bounty. The merchants, having spent their whole lives accumulating money, presumably regretted exchanging their commercial productivity for agriculture, which had a lower yield; they would incline to making any improvement in agricultural profitability. The old nobility was not originally eager to improve on productivity, for so long as noble establishment was unchallenged; the influx of commercial money meant however that they could lose their land holding and attached status to the power of superior commercial wealth, as had never been imaginable when the only other competitors were land owners; the aristocrats had to improve agriculture, and accumulate money on the new criterion of commercial wealth, in order to hold on to their class status.

It is not a platitude to speak of a money culture; if merchants could buy more placeholders than government and nobility, they would prevail. There were differences between government and commercial patronage. Torrid opposition emerged against government patronage, but not against commercial patronage. In one sense commercial patronage was in reality government patronage, for if government patronage had been abolished, commercial patronage would have withered away automatically. Only government, not commercial, patronage aroused middle class hostility; it was parliament and the aristocratic ascendancy that attacked commercial patronage.

Newcastle paid grants out of Secret Service funds to nominate candidates to Parliament; although parliamentary elections were announced and held, it did not follow that a competitive electoral process took place. Nomination to the House of Commons routinely

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cost £1500 in the hands of someone like Newcastle. Electoral campaigns were exorbitantly expensive because of the need to bribe every elector in one way or another. Possible rival factions made secret compromises in order to save the expense of an electoral campaign. The need to bribe every voter made elections very expensive; consequently magnates arranged election outcomes between themselves instead of letting an election materialize. Opposition would not stand an opponent to the incumbent unless the candidate was likely to win, and recoup the money spent on election. In cases in which this was unlikely, opposition would save its money and yield to the incumbent. When the central government went into collusion with the local borough patron it was unlikely that any amount of expenditure from the opposition would dislodge the king’s choice. Elections, in the period of election, were not mandatory; the opponent could surrender. In 1761 there were only fifteen contested elections in boroughs of less than 400 electors, in which boroughs there had been more than 60 in 1750.\footnote{Cf. Plumb, J.H.; \textit{England in the 18th Century}, Penguin Books, Middlesex, 1979, p. 40.} In the forty years 1760-1800 only 1/10 of parliamentary seats were brought to election.\footnote{Cf. Mingay, G.E.; \textit{English Landed Society in the Eighteenth Century}, pub. Routledge and Kegan Paul, London, 1976, p. 123.} The democratic element in election fell out when government and borough patron controlled the outcome of any election.

Primarily the boroughs, not the counties, were objects of electoral control. There were roughly 160,000 electors, but only 22 of the boroughs had 1,000 electors apiece in 1761; the borough electorate amounted to less than half the country electorate. Bribery necessary to secure a country election made the strategy unaffordable.\footnote{Cf. Mingay, G.E.; \textit{English Landed Society in the Eighteenth Century}, pub. Routledge and Kegan Paul, London, 1976, p. 112.} Since the boroughs provided the same parliamentary seats as the counties but the counties had an unmanageable number of electors, the magnates reserved their money for the borough seats, and trusted that the borough seats, compounding with the natural outcome of country elections, would constitute a majority.

Government patronage functioned to keep the aristocracy in ascendancy, whereas
commercial privilege functioned to gain admission to the aristocracy for commercial magnates. Commercial patronage was never strongly resented, because resentment was never concerned with something such as “equal employment opportunity”, but with aristocratic hegemony. In the early 18th century parliamentary boroughs were put up for sale as openly as real estate, thus degrading the supposition that Parliament was composed of her most disinterested citizens.544

The ever latent desire of government and the ruling classes to keep the upper class as purified as possible motivated government to promote absurd traditional privileges and abusive exaggerations of noble privilege and subsidy to keep the noble sibling socially situated with as little dependence as possible on commerce. The number of Parliamentary members apportioned to Parliament was not proportioned to the population of representation, because representation was based on a demographic assessment that was never revised; apportionment was simply legitimated by tradition, thus favoring the landed aristocracy, whose relative economic power had declined over the generations. Redistribution of elections according to population would have overturned the aristocratic ascendancy first, because aristocratic power was most concentrated in the oldest electoral locations, and secondly because there would not have been enough money to control redistributed districts with enough bribery. One quarter of the House of Commons was elected by only five counties, and the greater part of parliamentary representation was disproportionately located in the South and South-West.545

The landed aristocracy was extremely inbred due to the propriety of marrying within one’s own class. Although the commercial magnates did slip into aristocracy mainly by marriage, it is quite imaginable that landed aristocracy was averse to intermarriage, and that a family whose son married the daughter of a commercial family probably forfeited esteem. Noble society built up a defense by formation of clans. In 1710 a typical member of Parliament, Joseph Ashe, had 50 relatives who were also members of Parliament:

D. Morgan Pierce

this was typical. Those who aspired to ministerial office then made use of their relatives in Parliament to amass support for appointment.\textsuperscript{546} Aristocracy protected its originally established parliamentary hegemony through nepotism and patronage. Government tried to commandeer the available patronage of the genteel professions, for instance academia, law, and medicine; Newcastle had himself made chancellor of Cambridge, thereby obtaining patronage over the professorships. Government controlled patronage of the higher legal offices.\textsuperscript{547}

It would be interesting to determine whether the political parties, which in the present period were still despised as a sort of impure factionalism, were direct developments from the clannishness of landed society, or whether they had developed in antagonism against nepotistic patronage, perhaps as a development of more impersonal relations to replace the consanguinary ones. Monarchy and government were actively involved in supporting the nobility and delaying the political power of the middle class. The nobility had been christened nobility when they were, in fact the only wealthy and powerful; in the present period their strength was declining but they were trying, artificially and conservatively, to uphold it on a pretext of tradition.\textsuperscript{548}

Patronage was directly opposite to democracy but, since in this period democracy was not idealized in any quarter, its significance was more complex. A seat in parliament was at once a result and a source of patronage; consequently patronage made the dominating concern that of satisfying one’s clients and amassing one’s influence rather than of meeting impersonal, objective demands; one might easily adopt an objectively inferior policy if it is the way one can install one’s client, or if the client thinks it is the way to please his patron. One might think this would exacerbate the choice between action for the national good and acting for local privilege.

\textsuperscript{548} “By the later 18th-century these anomalies aroused hostility not only among radicals, but also, as we have seen, among the middling gentry and farmers who stood outside the circle of influence and patronage.” Cf. Mingay, G.E.; \textit{English Landed Society in the Eighteenth Century}, pub. Routledge and Kegan Paul, London, 1976, p. 270.
EVOLUTION OF EARLY MODERN ENGLISH SOCIETY

The age did not believe in democracy; the world of authority belonged to owners of property and not to the dispossessed. Rather than democracy and representation, government was deliberation in the interest of wealth. But this would produce contradiction when the wealth of the traditional ruling class was overwhelmed by the politically déclassé, the merchant class. What protest there was, at least for three quarters of the century, was concerned not with the electoral machine itself but the way it was being worked in favor of the very wealthy and of government officials. Bills for annual parliaments, bills against bribery, bills for the exclusion of placemen were aimed at Newcastle and his methods and all that he symbolized, not at the nature of parliament itself. All of these tactics against Newcastle were against the aristocratic ascendancy in Parliament; dissolution of patronage would have benefited the merchant class.\(^549\)

It might be emphasized that it was because government was not able to distribute patronage to all of the disinherited sibling that the merchant class got its first footing in Parliament. Government patronage was a countercurrent to mercantile interest; sibling could resurrect their noble status through government sinecure. When government patronage flagged it got resurrected through the institution of national debt. The British navy and military, financed by the national debt, provided aristocratic careers for younger sibling. When the gentry wouldn’t permit a higher land tax, they invented the national debt to circumvent the impasse; creating the loans forced the interests in the national government to strongly support the government, and at the same time prevented the alienation of the landed classes, as would have ensued by raising the land tax.\(^550\)

Patronage became prepotent in the Georgian era because the king had lost his ascendancy over Parliament; since the king was no longer empowered to dissolve Parliament at will, as could his Stuart predecessors, the obvious way for the King to prevail over parliament was to control its incumbency. That the Glorious Revolution was in the favor of the commercial class, not the nobility, complicated the dynamics of patronage;


patronage within commerce had different features from aristocratic patronage. The Duke of Newcastle protected the King’s ascendance, and preserved electoral stability for nearly forty years starting from 1724, by pertinaciously making every political office, no matter how mean, directly contingent on the individual’s invariant support of royal policy. Patronage essentially involved vote-buying, and other coercions that separated the vote from its manifest purpose, to vote freely according to one’s conscience. The enforcement from office holding and patronage does not imply a confrontation between nobility and merchant class, because the king perforce had to care for advancing the merchant class for the good of the nation. The number of JPs also increased patronage: 2560 in 1680, but 8400 in 1761; their powers were gradually expanded to regulate tax collection, licensing, infrastructure, poor laws, criminal misdemeanors, and the wage and price assizes.

**COLONIAL PLACEMEN**

The contingency of the landlord oligarchy on election compelled a spread of patronage to the colonies at that point of colonial maturation when, as a little earlier in India, commercial infeudation could install lucrative sinecures to extract the lucre from American labor. The patronage order of government could persist only if there were enough offices to provide for every significant nobleman; the royal-aristocratic organization depended upon patronage as its ultimate political power. Collusion in the patronage system entailed that even peripheral members attain a modicum of gain that they could not otherwise obtain. If dependents were not provided for, the patron would lose some of his own power, and hence seek ways to defect from the general interest of the cabal. As positions in England became too scarce to support the general benefit, the group could sustain itself, though less creditably, only by converting colonial positions into nepotistic rewards.

Primogeniture explains how royally appointed placeholders eventually showed up in the Indian and American colonies to sustain family honor through extortion. A higher class

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of immigrant went to the colonies in the later half of the colonial period, when improving colonial infrastructure conduced to business opportunity and a higher civil service to supervise it. Formerly the English had disdained colonial residence, but the upper class English had begun to perceive opportunities for supervening on the emergent colonial economy.\textsuperscript{553} Corruptive effects of primogeniture were pandemic in the gentry, merchant classes and nobility.

As these offspring of primogeniture were in England, not America, colonial taxes were diminutive.\textsuperscript{554} England was therefore happy to send the placeholders beyond her own capacity to fresh pastures, where the colonists instead of Parliament could pay for them. In this manner the noble sibling became a threat to the positions of the native emergent aristocracy of the colonies.

As monarchy made advancement transpire through the royal court, not the electorate, government personnel were sensitive primarily to the proclivities of the king, disregarding popular preference in case of conflict; instead of “virtual representation”, one might more accurately speak of “nominal representation.” The description of office as a “property” reflected this attitude. Abuse was worse when the placement was in a colony; as British government was inimically disposed towards governmental autonomy in the colonies, the idea that a native English civil service might eventually supplant colonial governments was fondly cherished in the British aristocracy. The delegated placemen were instructed to face the colonial assembly down and enhance royal prerogative. As English government was loath to take the side of colonists against complaints of extortion, the royal governors and

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\textsuperscript{553} According to a census based on 181 men migrating to Virginia between 1689 and 1815, 59% were supposedly merchants and ship owners, 20% professionals, and the remainder were a miscellany from all social classes. Especially following 1763, when wealth in the colonies maximized, increasing percentages of men from upper classes came into Virginia for business opportunity or positions in the military and government. This is to say that it became lucrative for English natives to take the colonial upper class positions as they came into existence, instead of delegating such opportunities to natives of the colony. cf. James Horn; British Diaspora: Emigration from Britain, 1680-1815, p. 37.
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other agents could use royal prerogative to override popular opposition to every kind of extortion.

Royal governors were of course placemen; deprived of inheritance by their brothers or others, but unable to express their rage because their received positions were gratuitous, they would convert the contempt inflicted by their patrons on themselves into rage against the people placed without appeal under their authority. Governors and other royal appointees, using the customs transmitted from English culture, extended their power through patronage and bribery.\textsuperscript{555} Consequently there was an incipient tendency in the colonies to use government to exploit the population. If the government personnel had all been natives, desire to sustain one’s honor would have inhibited this, but honor could not be a motive for disowned, angry children who were complete strangers to the people they governed. The placemen, being aristocratic outcasts, had no alternative but to regard colonial positions primarily as their last chance to acquire the fortune apposite to their aspired positions in English society. They were a dangerous type of personality to be placed in any commanding position. They felt intense resentment at the displaced inheritances to which they felt a greater right, and being transferred to the colonies was experienced as an extra humiliation, since only those considered the most worthless and unpromising were relegated to a colonial office. Probably their compliance with primogeniture ensued only by the consideration that they might receive the inheritance, should the first son die. Despite rage they had to portray gratitude for the shabby insecure position they received in the place of inheritance; considering however that placemen were sent partially as a disciplinary measure to reinstate control over the colonies, they had carte blanche to displace the contempt inflicted on themselves on to the colonials over whom they had been put in charge; they were inclined to abuse the object of their responsibility as a manner of revenge on the society that made them into placemen. It is quite natural that they would form racketeering operations within the context of their official duties as customs agents, etc. It was on the request of customs

agents that troops were stationed in Boston; the Boston massacre took place in front of customs headquarters; the Gaspée was operating under Customs Office orders.\(^{556}\) Some colonial standards had indeed deviated from those of England, which is to say that some conflicts originated in a mere difference of idea. The century of wars with Spain, France, Germany and Austria sustained a pressure that kept patronage and hierarchy secure and largely beneficial to the nation, whereas the defection in large numbers from the oppression of European population hierarchies to an infinite frontier space made those hierarchies appear to those, who had recently escaped from its worst effects, seem absurd. The Anglican Church in the southern colonies utterly failed to sustain the hierarchy of the English Church of England, appointing their priests locally and democratically (i.e. more Presbyterian than Episcopal); the New England colonies had developed democratic town meetings, and the Middle colonies were composed of relatively recent renegades against the High Church; none of the colonies saw benefit in the patronage system. The rush of placemen from English patrons into lucrative nipples in government and business automatically imported an alien patronage culture that threatened to expunge the substitutes for patronage that the colonies had painstakingly developed over the last century. Colonists had conceived government and business positions more like trusteeships, functions they possessed by virtue of trust that people put in them. The mentality of English paternalism was different; one’s ability in an office was secondary, whereas one’s gratitude to the patron who obtained the post was the preeminent duty; in practical terms the placeman was bound to aid his patron in any intrigue or conspiracy, whereas that sort of partiality was regarded as vice in a republican office-holder.\(^{557}\)

Upon the arrival of the Stamp Act, the repugnance which had been directed against the agents of the home government migrated to the home government itself. The colonies dropped their opprobrium against royal governors, abandoning the polite fiction that their

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oppression was the personal fault of the royal governors, and started to square off against the English government; the lower classes, abandoning their solidarity with the colonial gentry, started to agitate against the colonial upper class. The Stamp Act matured a metamorphosis from hatred of the provincial governor to hatred of England; the threat made the Americans identify the true enemy instead of palliating the conflict by pretending that the enemy was merely England’s representative. This sort of accuracy results from a moment of desperation and utter weakness, when the subject has no alternative but to express his true complaint, only when there is no means to delay the real situation by clothing the confrontation in a tangential consideration; the complainant always makes himself more vulnerable, and easier to repress, when his complaint is no longer a disguise for a deeper complaint. Anger usually focuses on the object that seems least dangerous, and most likely to concede, not at the effective cause of the anger. But when there is no further fiction by which to dissemble anger, no alternative but to direct it at its objective cause, even when the success of this tactic is unlikely, one might take the risk of blaming the real cause. Once the issue was directly identified in its association with parliament, reaction was the life-or-death scrimmage that the weaker party usually prefers to elude. Opposition changes into a bare knuckled calculation over the relative probability of forbearance vs. obliteration of the complainant, rather than of compromise or contempt, when the polite fiction associated the complaint with the governor. The Stamp Act was felt to be a continuation of the conflict which had engaged the colony for many years; it was merely a new act of oppression against which was directed the whole force of the popular party, which meant at first nearly the whole force of the colony. There was no longer any diplomatic advantage in dissimulating the conflict, because the costs of maintaining the respectful attitude had become too large; the Stamp Act would otherwise have opened up positions to hordes of placemen.

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TUDOR DISINTEGRATION

Normally the disintegration of feudalism led into absolute monarchy; similarly to France, central government of England did not allow its barons to continue keeping private armies, and an absolute monarchy should have ensued, but somehow in England the progression failed. Henry VII had managed to reduce the “overmighty” baronial powers, and subsequently Henry VIII and Elizabeth established a central bureaucracy; although compromises were made to the feudal lords, so many new people were appointed to royal service that until James I, 1603-1625, the appointed nobles always outnumbered the congenital nobles.559 For the 17th and 18th centuries this tactic of inconspicuously marginalizing, rather than exterminating opponents was to be characteristic of English political behavior. Let us posit a fiction: central government. Given, then, Crown, nobility, and central government, the institution of central government lent overwhelming power to the crown while the aristocracy was made decidedly dependent. This development, counterintuitive as it is, requires explanation. Despite rivalry, usually the Church was conceived to be a support of the State against its contenders; under the idiosyncratic circumstances of Henry VIII’s marriage, the immense wealth of English Catholicism persuaded Henry VIII that the Church might be more useful as an enemy than as a support; confiscation of its property might overbear the function of the Church as a ground for revolt against the monarchy.560 Whereas the Church had previously been an equally august opponent to royal patronage, the church’s holdings would multiply the monarchy’s options. Interestingly Henry granted land to de facto aristocrats rather than to lineal descendants, so that the new aristocrats depended for their wealth and power on preventing reversion to the Church of Rome. From the moment of the break with Rome, England’s quite peculiar

preoccupation with religious difference became the essence, for the 17th and 18th centuries, of England’s will to persist as a nation.

Demilitarizing the nobility was consonant with the repudiation of Rome. Similarly as in France, their advancement depended on intrigue rather than private army. Tenants of seigneurial manors were exempted from manorial military duty, but in its place were obligated to pay much higher rent proportions; between 1540 and 1770 average wage became 3½ times higher, while rents became 20 times higher. On the other hand taxation did not appear and inflate; the aristocracy’s forbearance in this transformation depended perhaps very decisively on the maintenance of the principle that the King (sc. His government) must live from its own. In the 18th century the Swedish Diet determined succession and Poland determined the succession by election; the idea of something like a president instead of a hereditary king was not simply unconscious. However, a nonhereditary succession would invite more contention over the identity of the successor, aggravating the instability that monarchy was supposed to minimize. Whereas the stricture that the king “should live of his own” enabled the complaisance of the nobility, the fiscal infeasibility began at once; Henry VIII and Elizabeth already felt the limitations. Parliament had authority to institute taxes for emergency expense such as war, but Parliamentary taxation was arbitrary, and the monarch was unable to acquire funds from elsewhere. It appeared that either the monarch would need a source of money independent of parliament, or the monarchy would have to be abolished.

Advantage to the monarchy was in the traditional Roman Law concept of the monarch. Above all the monarch should be so independent of the pressures of any other authority that his freedom to enact his decisions should be uncontaminated; this condition should guarantee the integrity of government. The Prince’s power to make law should be

unimpeachable. Likewise, to eliminate the liability to economic pression, the Prince should be entitled to unlimited use of the property of his subjects in any urgent situation.\textsuperscript{564} The nobility’s precept, the King should live of his own, especially debilitated the last Roman Law clause of what makes a king.

If an opposition is conceived between monarchy and Parliament, it was the landed aristocracy that constituted Parliament that seemed to be in decline. The Peerage was growing smaller because of their difficulty in producing progeny, whereas the gentry by the Late Tudor and early Stuart periods had increased in number.\textsuperscript{565} Between 1485 and 1603 the number of peers remained the same: 55. James I appointed new peers, to number 126 in 1628, and under Charles I in 1641 there were 121. These newly appointed peers were not of the same social class as the surviving hereditary peerage; in the early Tudor era court officials had been raised to the peerage, and James I had established new peerages amidst his efforts to stabilize his monarchy.\textsuperscript{566} The new peerage were not beneficiaries of the Church or Crown lands; as the land market was unrewarding, eventually the gentry, rather than the nobility, increased in power.

The silver inflation due to the Spanish American mines brought about a constant increase of prices; who benefited from this inflation? Not the monarchy; inflation was one cause of why James and Charles were unable, as expected by the example of the past, “to live of their own.” Parliament built a quid pro quo on the basis of its control over funds; the monarch was offered the needed funds in exchange for unacceptable religious/political concessions from the Stuarts. The inflating prices harmed common people, i.e. wage earners, but benefited landowners who could speculate in land or merchants insofar as high prices connoted high profit margins. The gentry introduced business methods into agriculture;


\textsuperscript{565} Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.

\textsuperscript{566} Of 39 new peerages between 1485 and 1547, 25 were court officials.

Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.
they substituted leases for rents, and directly supervised improvements such as drainage, enclosure and enlargement. Nobility, behaving as rentiers, relegated management to a staff and diverted their attention to social-political life.\textsuperscript{567} Nobility were more obtuse to the economic conditions because they had traditionally understood revenue as rent collection, which, being a static transaction, was quite vulnerable to inflation; the gentry however seem to have understood land to be a mercantile commodity in times of inflation, and therefore achieved the profit embedded in land transaction.\textsuperscript{568} Land speculation benefited the gentry more than the nobility, and the merchants who benefited from inflation resented the monarchy for its monopoly manipulations.\textsuperscript{569}

By the end of the Tudor era, just as inflation was in high gear, government abandoned the medieval prohibition on interest loans, thus opening the sluice gates for merchants to seize the benefits of inflation. Parliamentary repeal of the interest laws resulted in cheaper interest rates.\textsuperscript{570} The silver inflation benefited the two groups who opposed the monarchy.

**Early Stuarts**

Land holding was a liability whenever it did not produce an adequate profit, but on the other hand the aristocracy was not slow to reclaim ascendancy over gentry; dominating parliament, it could revise the laws unfavorable to itself. In cases nobility sold land to cancel excessive debt, but there was a variety of reactions. Some of the landed aristocracy turned to improved agricultural technology and thereby derived as much profit as gentry from agriculture. Others exploited mining or commercial operations, some recuperated by intermarriage with the city patricians, and some of the nobility involved themselves in finance.

At the turn of the 16\textsuperscript{th} into the 17\textsuperscript{th} century the nobility recovered from its decline.\textsuperscript{571}

\textsuperscript{568} Cf. King, Peter; *The Development Of The English Economy To 1750*, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.
Essential to recovery was the control landed aristocracy had over Parliament. Laws that favored enclosure, transportation, and grain that favored the great landlords were legislated. The aristocracy controlled the nomination of all the local officials, and hence controlled the Poor Laws, regulated wages, appointed vicars, and expedited land surveys.\textsuperscript{572} The \textit{tithe} was a 10\% poll tax devoted to the upkeep of the Church, but since the usurpation of the Catholic Church the right to the proceeds of the tithe, the \textit{impropriation}, had become investible like a transferable bond, with the result that the holders of the impropriation were usually the landlords. Although they were supposed to use the proceeds of the tithe to pay vicars etc., by and large they simply kept the proceeds as their rightful profit from having bought the impropriation. It might incidentally be observed that this distortion of the impropriation served to arrest the potentiality of a Church to become too strong, and hence gave a permanent solution to Henry’s major anxiety about the Church. Protestantism conveniently posited that the individual should be able to seek religious truth through his own powers rather than through an ecclesiastical hierarchy; this gave Henry a good justification for destroying an equally big and powerful hierarchy in parallel to his own.

A more serious instance of how the landed aristocracy used its possession of Parliament concerned the land tax. The outdated feudal dues on their land were repealed, and in their place were instituted a land tax and a commercial tax. The land tax stayed quite low for so long as there were no war expenses, so that in consequence the taxes on commerce substituted for feudal dues, thus shifting the fiscal expense from land to city. Throughout this period the landed aristocracy opposed war, especially colonial war, from apprehension over the land tax.\textsuperscript{573}

Among the nobility’s range of response to the gentry was the Anglican Church; Laud, as Archbishop of Canterbury, was in a position to denounce the gentry for their neglect of

\textsuperscript{571} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.
\textsuperscript{572} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 389.
\textsuperscript{573} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 381.
the Established Church. The clergy was mostly uneducated, and, being in poverty, they indulged in pluralism: taking payment for more than one parish. Some of the clergy took the parish pay, but lived elsewhere. Since the break with the Catholic Church, the parsons had married and raised children. Laud insisted that the corruption of religion could be averted only if the parsons were paid a sufficient wage. The holders of the impropriations were pressured to spend the tithe revenue on church maintenance and proper stipends for vicars. The church fees implicit in the resurrection of the Church were more onerous on the gentry than the aristocracy. The bishops, part of the aristocracy, impeded the freedom with which holders of impropriations could resist the requirement to use the tithe money for the purpose to which tithes were assigned, but since the holders had invested in the impropriations as if they were bonds or shares, they were highly unwilling to give up the profits of their personal tithe-farms.

The church reform thus acted to the disadvantage of the gentry. The gentry, now debarred from the lands of the Catholic usurpation, were being subjected to new financial demands by James I; a large part of the gentry thus cornered and impoverished converted to Puritanism, in open defiance against Laud. This was indirectly opposition to James I, whose penchant for foreign involvement and absolute monarchy invited reversion to Catholicism. The original use of impropriations had financed the Catholic religious hierarchy. The Puritans, starting from the 1570s-80s, chose to exalt the House of Commons as an alternative type of authority, to oppose the slow return of religious hierarchy. Many gentry were imprisoned from failure to meet excessive taxation, which alienated the gentry but had no positive effect on the monarchy’s finances. What was at stake was the relative

575 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 366.
576 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 365.
579 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 367.
power of the gentry. Impropriation, if used to finance the Church, would directly finance the monarchy; it would harmlessly pass through the hands of the gentry, who would derive no power from it, but by financing Laud’s erastian Church structure it would add to the King’s power. Whereas the passage of the tithe-money to landlords was clearly corrupt, the gentry-Puritans retorted that if the corruption of the Church was the real anxiety, that it could be purified by redistributing the Church revenue. The bishops were aristocrats, and lived like aristocrats; they had annual incomes just as large as any of the highest aristocracy. The parsons lived in abject poverty because all of the Church wealth was concentrated into the possession of the bishops.\textsuperscript{580}

Land taxation enabled the imprisonment of “very many gentlemen of prime quality.” These new projects for money “served only to offend and incense the people and brought little supply to the king’s occasions.” This lower part of the gentry did not as yet seek backing in the peasantry. The King had preempted peasant revolt by instituting the Poor Laws; the relief of the destitute and the provision of employment took away any proclivity in the peasants to join with the alienated gentry in a unified opposition.\textsuperscript{581} Preliminarily, the peasants, subjected to higher rent claims from the gentry, had rather regarded the gentry with hostility.

The seat of all Stuart mishaps was failure to reform the fiscal system; “the king should live of his own” gave the barons assurance that they would not lose money from the Tudor centralization, but the proviso that Parliament would raise “subsidies” in times of war was not adequate to the monarch. A reliquary of the King’s status as feudal overlord entitled him to feudal dues, of which \textit{wardship} played the most conspicuous role: therein the King could take over the estates of any of his tenants (in this case, the peerage is meant) who died prior to the majority of a son. The king would receive the revenue of the estate, or he might sell his wardship to someone else, to enjoy the same rights. The pretext was that the king should “take care” of the estate until the legal heir came of age, etc. The King also had

an ancient right of *purveyance*, according to which the king could supply his household with commodities at lower than market prices; this particular right became the expense not of merchants, but of the aristocracy, who were thereby obligated to provide food etc. to the royal household basically for free. The economic burden of wardship fell only on the landowners, just as subsequently the land tax fell only on landowners. First, there was as yet no concept of equitable tax distribution, and second, these indirect taxations fell on the aristocracy because in the early part of this period they were the only stable wealth holders. Third, these sources of revenue were informal, insofar as they were relics from a surpassed era, and were being used for purposes different from their original intentions.

Finally, the King was entitled to the *subsidy*. This was not popular with the King, because it was an extraordinary tax which had to be approved by parliamentary vote. They fell only on the aristocracy, i.e. they were a tax on land, never commerce; they tended to be inadequate because the land assessment for the purpose of this tax was never calculated according to the inflationary value falling on land. The King avoided a call for subsidies because a Parliament, once called into session, would invariably make counter-demands on the King as a condition for granting the subsidies.

King James I avoided appeal to Parliament by selling charters, monopolies, and patents, without regard for the ill effects thereof on the kingdom. The sale of such was not done in ignorance, since Queen Elizabeth had dispensed such monopolies, received complaint in consequence, and revoked the deleterious monopolies. Monopoly derived from royal prerogative, not feudal rights. The monopoly was a royal grant of the unique right to manufacture or provide certain commodities. In practice, a person had to pay for a license or exemption in order to perform some trade or service. The receiver of the monopoly did not produce or perform, but sold the right of doing so to artisans or merchants beneath him. These in turn would defray the cost by raising prices, or possibly in turn selling permission to the next lower level of agents. In consequence the price of an article was mostly composed of money to pay all the middlemen controlling legal access to the commodity,

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with very little money in the price going for the cost of the article itself: the origin of the hatred of middlemen. The amount of revenue that the king received from sale of a monopoly was very little, compared with the profiteering that was subsequently piled on it.\textsuperscript{583} In the hands of James I the abuse became an expression of favoritism, and, of course, monopoly grants were motivated for royal remuneration.\textsuperscript{584} From 1604 the rate at which monopolies were awarded more than doubled; James I awarded 108 patents, whereas less than 50 had been granted in the previous half century.\textsuperscript{585}

In the Act of 1624 Parliament limited patents to 14 years with no extension, and stipulated that patents should be restricted to genuine innovations. The Act exempted towns and corporations from these limitations; James I henceforth used this exception as a loophole; instead of granting monopoly to an individual, he granted it to the corporation of which the individual was a member.\textsuperscript{586} This alteration in effect excluded the small business class in favor of the elite business class; the exemption for companies was stipulated to accommodate the giant external trading companies, such as the East India Company, and the special rights of the City (London).\textsuperscript{587} Commoners were not allowed to purchase shares in the major overseas trading companies, whereas the merchants belonging to the Merchants Adventurers usually had shares in several of the trading companies; thus while the elite merchants were invested in the most profitable enterprises, business people lower on the hierarchy were excluded from the most promising investments. In the Stuart era there was no established stock market; the conventional vent for investment money was in mortgages and land speculation.

However, landed gentry and aristocracy concentrated on expanding estate for the purpose of prestige, and therefore did not release land that might be sold or mortgaged; the accumulating investment money was therefore dead money. The era was characterized

\textsuperscript{584} Cf. Wilson, Charles; England’s Apprenticeship 1603-1763, pub. Longman, 1965, p. 100.
by severe class distinctions; in the aristocracy one’s worth was ranked solely according to the amount of land one owned. At the start of the 17th century ownership of a great estate qualified one to be a member of the aristocracy, and nothing else did. The correlation between aristocratic rank and landownership was preserved by the incapacity of wealth to accumulate in any other form. Landed wealth could not be converted into industry or commerce, for then such wealth would not count in the appraisal of aristocratic rank. For as long as commercial and industrial wealth could not amount to similar magnitudes, the real estate criterion satisfied the question of political power by separating the aristocracy from everybody else.

Middle-class resentment built up over the prohibition against investment in the East India Company.588 Pressure for ordinary bourgeois merchants to have some liberty in the profits of the Indian trade might have been what persuaded James I to award a second monopoly of Indian trade to a favorite, at a very high price, for the Courteen Association, which subsequently nearly ruined the East Indian trade altogether; each of the English companies tried to destroy each other by underselling, which was very profitable to the Indians but unprofitable to England. This illogical competition began at the time when the Long Parliament met. The royal grant to the Courteen Company was distinctly unfair to the East India Company, which had been granted a monopoly and, since all expenses of development and military protection had been paid by the company, not the Crown, it was reasonable that the East India Company should have the monopoly to recoup its expenses. Pym, who led the Parliamentary opposition against the king, proposed to abolish all domestic monopolies but maintain the external trading monopolies, on the basis that the need to recoup very large investment capital, put at risk, clearly applied to overseas ventures but not to internal enterprise. This was in favor of the City, the commercial world, as opposed to landed aristocracy; the merchants opposed internal monopoly because it impeded internal trade velocity. The same internal monopolies were in the favor of the king, though not particularly of the aristocracy, because they were a source of personal revenue.

The king delegated tax collection to tax-farmers, non government financiers whose duty was to collect the assessed taxes and who could keep whatever tax revenues exceeded that quota. The tax farmers furthermore lent funds to the king, at interest, on the security of future tax revenues. Between 1625 and 1638 the City merchant group accommodated the king’s call for loans. The aldermen, i.e. the leaders of the City financial group, were favored by the king to be government officials: magistrates, office holders, and customs farmers. The king created titles and handed out titles and monopolies to those who could support him. But patronage positions were never numerous enough to co-opt the whole of the opposition; the royal grants, monopolies, and tax collection sinecures infuriated any who did not receive them. In 1642 Pym, leading Parliament, managed to have opponents of James I occupy the offices of City government; election of an anti-monarchical City government was backed by members of all classes, but principally by a petit bourgeois Puritan concentration. The only unity of this group was a common resentment of those personally benefiting from James I’s favor.\textsuperscript{589} The recipients of patronage of one sort or another supported James I, but even within this group, individuals had virtually to be paid off. However, as in the case of Sir William Courteen, some of James’ venal decisions fomented such contradictory results that even the paid off attitudes of his supporters became ambivalent; James developed notoriety for monopoly, oligarchy, and partisan taxation.\textsuperscript{590}

\textbf{Civil War}

One should assert only with caution that the Civil War was an aristocratic conflict; three quarters of the peerage and the entirety of the Anglican clergy took the side of the king.\textsuperscript{591} It was more a division between agriculture and commerce; the parliamentary side was comprised of the House of Commons, the merchant class, and the small middle class. Whereas the royalist group was homogenous, one of the reasons for the derangement of the

\textsuperscript{591} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 370.
parliamentary side was that various groups were unified in their revulsion of the king, but with different motives and intentions: the merchant class, Puritan nobility, petit bourgeoisie, and yeomen.\footnote{592} Previously it was exposited that the House of Commons were the close relatives of the House of Lords, yet the House of Commons largely sided against Charles I, whereas the House of Lords largely took the side of the king. What could explain the inconsistency?

Three quarters of the House of Commons were gentry, but this does not dissolve the inconsistency; a younger brother would naturally be gentry, because primogeniture reserved the whole wealth of the family to the peer. However, throughout the 16th and through the first half of the 17th century wages, though nominally unchanged, were falling very substantially in buying power. Still, wages relate to the labor class, not the gentry. However, only the peers could supplement the income from their estates by high government posts, and the lesser government posts to which gentry were eligible were non-paying posts; England did not pay high emoluments to any but the prominent government posts. Furthermore, although some families did prosper from government office, the vast majority did not. After 1714, indeed, non-Whig in families were excluded for political reasons from the really profitable offices.\footnote{593} Strict settlement applied only to the higher aristocracy, and mortgage loans were not available to the gentry in an economic sense; often the mortgage interest would exceed the agricultural return on a land purchase. In such a case, aristocracy would buy the land by mortgage, because they accepted the absolute loss, but the gentry would not accept a transaction entailing over-all loss. Because of the land tax and the inflation, only the peers could surmount the deficit in agricultural production, by virtue of government posts; the gentry, who were deprived of this option, therefore became desperate, and obstinate, about their declining ability to maintain their class positions.\footnote{594}

The Civil War victory was virtually forfeited from this disorganization. The

Parliamentary members which the Puritans had recalled to restore the state to normalcy were, though hostile to the king, still wealthy; they were the commercial magnates. They were primarily interested in preserving the conditions for their wealth; as these conditions originated from the king, it was highly precarious whether those conditions would remain if the king were removed. The Parliament presumed that the defeated king would eventually be restored; Parliament was therefore disinclined to indulge the army’s democratic interests inasmuch as that issue might interfere in the security of their business conditions. Parliament had contrived to demobilize part of the army, send another part to Ireland, and renge on arrears of army payment. The Levellers, followers of John Lilburne, originated from the urban middle classes and had infiltrated Cromwell’s army. Recognizing that the Parliament might steal the victory that the army had achieved, Lilburne alienated the army from Parliament with the idea of popular participation in government. It was precarious whether or not the army would revolt against Parliament, and precarious whether Cromwell could control them. The Puritan side, split between an elite commercial and a democratic commoner group, collapsed; first Cromwell suppressed the Levellers, and subsequently, now without the support of the democratic element, the remaining members of the revolution lost sufficient force to sustain the Commonwealth. The English Civil War was a primary instance of an upper class faction turning to the commoners for support, and then reneging on their fidelity when the commoners tried to obtrude their political desires in the place of the aristocratic faction’s original purposes.

The Civil War accomplished the abolition of the internal monopolies but preserved the exclusive rights of the marine trading companies. The Commonwealth abolition of the domestic monopolies and its simultaneous preservation of the external trading monopolies favored the commercial middle class. It showed a cautious leniency towards the commercial elite, who would have supported the royalists, because their trade monopoly was granted by the king. Liberation of domestic business from monopoly benefited the petit bourgeois. The gentry particularly resented interference from central government in the form of the Poor

Laws, which they regarded as an encouragement to swelling poor law dependents.

The gentry, i.e. the lesser landholders, had been the more innovative, prone to introduce business standards into agriculture, and more vulnerable, whereas the landed aristocracy retained the old feudal power of the Court and attachment to the prior conventions. Clearly the lesser landholders benefited from the tenuous Puritan victory.\textsuperscript{596} The Civil War was not a class struggle, insofar as the Puritan settlement preserved classes, and showed more hostility to the labor class than had the monarchy; during the Interregnum the Poor Laws were virtually abolished.\textsuperscript{597} It was a general Catholic pattern to preserve and protect the poor, but to keep them subservient, whereas Protestants generally aimed at the extinction of the poor, one way or another.

The yeomen up to the Civil War tended to enter the lower gentry and Puritan groups, and joined Fairfax or Cromwell.\textsuperscript{598} Yeomen who did not blend into the gentry flowed into extinction. The Levellers in the army wanted enclosure to be restricted, as the great landholder enclosures threatened the gentry. They similarly demanded relaxation of the copyhold laws, so that copyholders could easily become freeholders; the landed aristocracy on the contrary wanted stringency in the copyhold law, because it made it quite easy for them to dispossess the copyholder and assimilate what had been his land into enclosure. The Levellers demanded the abolition of tithes, considering that they were not used for their given purpose, whereas the upper gentry and nobility wanted to retain \textit{impropriations} as a subsidiary form of private revenue. A law for minimum wages was also demanded, and this should be kept in association with the circumstance that Justices of the Peace had arbitrary authority for determining the wage in each county. Hence the Levellers demanded that the Justices of the Peace be \underline{elected}, turning power over to the people over whom the JP

\textsuperscript{596} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 369.

\textsuperscript{597} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 362.

presided, whereas Justices of the Peace had always been personally appointed by the landed aristocracy (Lord Lieutenant, etc), thus guaranteeing that whatever wages labor would legally receive would be agreeable with the preferences of the aristocracy.\textsuperscript{599}

More radical than the Levellers, Gerrard Wistanley’s \textit{Diggers} started a communal farm, under the ideology that land should not be privately owned. As an attack of the labor class on the middle class gentry, not the landed nobility, this was an initiative that the Cromwell Puritans could not accommodate; the undertaking was quickly crushed by military action. It was the Diggers who conveyed to Cromwell that the Commonwealth would not survive without embracing the reforms for the labor class.\textsuperscript{600} The Restoration ensued perhaps primarily from fear of descent into democracy. If Cromwell had absorbed the Levellers into his government there would have been a chance for the Commonwealth to survive, but having decidedly repudiated them, Cromwell lacked sufficient backing to persist. The extinction of yeomanry was not an effect of the early industrial revolution, but of this era, considerably earlier.\textsuperscript{601}

\textbf{Restoration}

The sudden \textit{volte-face} to recall a Stuart monarch indicates the disposition of stratification. Removal of the King, the House of Lords, and the Anglican Church took away the strongest support of security in property; if the revolutionary spirit of the Commonwealth had progressed, in any of several directions, it would have suddenly invalidated the basis on which one group or another asserted its property. Perhaps one half of the aristocracy remained; the City, i.e. the commercially wealthy, would want a new scheme of property rights, the army and lower classes were disappointed in the returns of their victory, and a military dictatorship was

\textsuperscript{599} These demands were laid out in Lilburne’s \textit{The Case of the Army Truly Stated}, whereas the \textit{Earnest Petition} stated the demand for election of JPs. Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 380.


always likely to make quick work of any dispute that got too prolonged.

This insecurity perfused all the gyrations of the Interregnum. In effect, the propertied classes of the Interregnum were unable to guarantee that outgrowths of internecine disputes might not eventuate in violent usurpation in the name of republicanism or of the Levellers, which might cancel their property rights; the monarchy on the other hand primarily signified security of property, and therefore attracted disputants at the same time as they revolted at other aspects of monarchy.

The Interregnum had introduced the *assessment*, a land tax. Whereas Charles I had taxed in the name of *ship money*, a tax not approved by Parliament and one of the reasons for the Civil War, the assessment was more than three times higher than the ship money tax had ever been. Though the ship money tax and wardship had been abolished, the new assessment was at all times higher than the other two taxes, taken together, had ever been. Tax farming had also been abolished, so that tax collection was far more fair and efficient. Assessment reflected much better the reality of fiscal need much better than the previous taxes, but since it was much higher, it wasn’t particularly popular to the people who had launched the Civil War to disburden themselves of ship money.\(^\text{602}\)

Parliament had offered to make Cromwell king, and Cromwell refused at least partially because his army would have regarded it as betrayal of the democratic wing of the revolution. The upper classes of the Commonwealth were far more heavily taxed than during the reign of Charles I; the upper classes therefore demanded that taxes be drastically reduced, that the army be dissolved to make the tax cut possible, and that the tax be shifted back on to the lower classes. At the same time the lower classes, i.e. the body of the army, wanted an equalization of property holding, if not, as with the Diggers, abolition of property, and insisted that the upper classes bear the brunt of taxation. Cromwell could not have taken the populist turn at this point, because he had already crushed the Levellers and afterwards the Barebones Parliament.\(^\text{603}\) A stratification system tends to undermine the survival of a


society by massively limiting selection of the most talented. Rewards function to discover the best talents only when the whole pool of potential talent is eligible, whereas stratification is antagonistic to equality of opportunity. As no resolution solidified, the MPs colluded with the exiled monarchical party, for the imminence of radical republicanism on their side of the monarch-puritan divide seemed more baleful than restoration.

The Civil War might be conceived as an incomplete revolution in that its leaders did not want to level social hierarchy, and thereby eventually alienated the popular forces backing them; once the internal alienation set in, the revolutionary leaders rejoined the monarch to preserve themselves from their own popular support. Strife between factions of the leaders, destroying a sense of unity and direction, encouraged the lower class to elaborate its own partisan demands; intimidation at the growing independence of the peasant voice moved the aristocratic factions to recombine under Charles II. Reversion to the Stuarts was motivated by fear that the middle and lower classes would deprive the propertied of their position as enjoyed in a hierarchical society.

The first interest of Charles II upon his accession was to exclude the remnants of the commonwealth era from government. The Commonwealth leaders had greatly overestimated their power when they thought that, having re-installed Charles II, they would be able to control him. It was Parliament that had restored monarchy, not monarchy that restored Parliament. Charles restored the aristocracy to its position before the Civil War; the House of Lords, which had been abolished, was restored in 1660, although it thereafter acknowledged its inferiority to the House of Commons. Bishops, who had also been abolished, were reinstated in the House of Lords, and the clergy were again permitted to occupy government posts. Local government was once again put under central control, by placing the peerage in the highest offices of county government.

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Most subordinate social units were highly pliable to the changes in regime, but the municipal corporations, managed mostly by Whigs, were obdurate. Although dissenters were excluded from office, Whigs frustrated royal policies through overt and covert control of parliamentary elections and local judicial functions.\textsuperscript{608} Important elements of prerogative power had been abrogated: the Star Chamber, the Court of High Commission, the Council of the North, and the Council of the Marches of Wales were abolished. This prevented the King from deeper interference in local government.

The Corporation Act of 1661 had intended to rectify this; it stipulated that candidates for local office take an Oath of Supremacy, and receive “the sacrament of the Lord’s supper according to the rites of the Church of England” one year prior to assumption of any local office. Non-Anglicans, prevented by conscience from taking the oath, would be excluded from office in all incorporated towns and could not vote in parliamentary elections in one third of the boroughs.\textsuperscript{609} The dissenters were the same group as those who fought for Cromwell: Puritans. The new monarchy was attempting to strengthen itself by annihilating the opposite strain of thought rather than by assimilating it in the same regime, but the monarch had agreed to conciliation between the two sides as a condition for accession. The Corporation Act of 1661 was intended to preempt the liability that dissenters, though initially debarred from national government, might pervade local government and emerge in parliamentary representation.

In most European countries the oppositionist element of a political establishment had no alternative but flight into exile, because the law and the regime were one; there was no final protection from torture or imprisonment following from royal opposition. In such a country government by party politics would be unthinkable, since the outside party would simply be exterminated. The Restoration however substantially reduced the power of the king, augmented that of Parliament, and achieved judicial protections for the individual parliamentary members. The king’s prerogative courts had been able to override law and

\textsuperscript{608} Cf. Clark, Sir George; The Later Stuarts 1660-1714, Oxford University Press, 1955, p.107
find decisions according to the King’s will; this would have destroyed English liberty. The common law, on the contrary, held that law was immune to the king’s will, in that only Parliament, not the King, could repeal or alter a standing law. It was eventually to become the principle for the deposition of James II: the law is inviolate before the king.\footnote{Cf. Trevelyan, G.M.; \textit{English Social History}, Penguin Books, 1982, p. 260.}

Although initiated by MPs on the Puritan side, the Restoration Parliament of 1660 was favorable to the landed aristocracy, who kept political power for their own interest for the ensuing hundred years. Consequent to the abolition of the Privy Council upon the Restoration, the residing Lord controlled local justice through his appointee, the JP; enclosure rapidly accelerated without consideration of its effect on the peasantry. Previously a medieval concept of the duties of wealth underpinned concern for the downtrodden, according to which whoever was weaker had a moral priority over acquisition of wealth: thus the notion of a just price that should be low enough so as not to distress the consumer. Laws against regrating and forestalling were instituted to prevent various tricks for inflating the market price.\footnote{Cf. Lipson, E.; \textit{The Growth of English Society}, Adam and Charles Black, London, 1949, p. 171.} But it was gradually perceived that the control of prices depressed the market, so that acts apparently harmful to consumers might collectively improve the market.

Although the excise was first introduced by Pym in 1643, it was fully developed first in the reign of Charles II. It was a sales tax on consumer goods; originally it applied to beer, cider, ale, tea, coffee, chocolate, and sherbet. Although the poor had no money, there were many more of them; half of the proceeds of the excise, coming to £100,000 a year, was substituted for the feudal dues, which had not been restored. The excise removed the greater part of the tax burden from landholders and imposed it on the poor. In his zeal to restore the aristocracy, the king rejected any form of tax on land or commercial income. The Hearth Tax, imposed on the number of fireplaces in a dwelling, weighed much more heavily on the commoners than the aristocrats.\footnote{Cf. Aylmer, G. E.; \textit{A Short History of 17th-Century England}, Mentor Books, 1963, p. 169.}

Above all, it was helpful to think that an enclosure, which would uproot a peasant
family, was not only profitable but in the long term more beneficial to everyone. The Judiciary Act of 1677 made it easy to extinguish copyhold and evict the inhabitants, that is, exactly the opposite of what the Levellers had petitioned, and intensification of entail prevented estate diminution through partible inheritance; this was to the favor of the great landholders and the disfavor of the lower gentry.\textsuperscript{613} The essence of copyhold tenure had been the right of lineal inheritance of usufruct in return for a payment to the landlord, or, if the copyhold was limited to one lifetime, right to renewal against payment. These conditions were perceived to make \textit{copyhold} an obstruction to land engrossment or conveyance.\textsuperscript{614} “The property of the proprietors and more especially of the poor ones,” protested a contemporary, “is entirely at their mercy; every passion of resentment and prejudice may be gratified without control, for they are vested with a despotic power known in no other branch of business in this free country.”\textsuperscript{615} The JP would make all decisions in the favor of the Lord, who provided his employment, and since there was no higher instance to review his decisions, the JP’s decisions were terminal. The interregnum had destroyed the credibility of republicanism; land owners, predominating in the House of Commons, achieved a policy of agrarian protectionism.\textsuperscript{616} In 1663 the statutory prohibitions on forestalling and regrating, such as had been introduced to keep the consumer price of grain low, were repealed; the pecuniary gain of raising the consumer price accrued to the great landlord.

The Corn Act of 1670 permitted the export of corn regardless of the domestic market price, whereas previously corn could be exported only under the condition that the domestic price was low. Since the external market was unlimited, the statute made the price of domestic corn permanently high; a merchant would hereafter consider selling grain on the

\textsuperscript{613} Cf. King, Peter; \textit{The Development Of The English Economy To 1750}, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 380.


domestic market only under the condition that the grain would sell for as high a price as the highest price in a foreign country, minus the cost of transportation.

The same Act of 1670 imposed duties on imported corn: a high duty when the English market price was low, a low duty when English prices were high. Thus foreign grain was available in times of dearth, but controlled in such a way that it could not interfere in domestic grain profits. By export the English corn producer could maximize the profits also of the domestic market.\footnote{617}

The \textit{bounty} was an English invention; no other European country used such a device. Although the Long Parliament of the 1640s had successfully abolished monopolies, government could do much the same as before by issuing an \textit{incorporation}, which gave exclusive rights to a company for some trade. The bounty is associated with grain, but it was a device that government could use at will to promote production of any commodity.\footnote{618} The Bounty Act of 1689 paid 5\textpounds\ per quarter on corn export whenever the domestic price was under 48\textpounds\ per quarter;\footnote{619} this was detrimental to the common people, as it raised the market price of corn, but its direct intention probably involved the alien corn merchants. A British subject exporting corn would gain a bounty of 5\textpounds\ per quarter in addition to his profits, but an alien exporting corn from England would not; the differential arising from the bounty would make it impossible for the alien to continue in the trade. Whereas the Englishman was relieved of duty payments on corn export, the import duties on corn were maintained. This limited corn retailers to corn purchase from English merchants, since English corn would be cheaper; it made the profit margin of the English retailers smaller, the cost of corn for consumers higher, but the profit of the great English landlords considerably higher.

Parliament, 9/10\textsuperscript{ths} of which was made up of landholders, reversed the medieval-Tudor protection of the peasant to formulate trade laws favorable to agricultural production.

Charles II revoked the restraints on sheep farming and enclosure. Foreign grain import was prohibited so that the aristocracy would have protection for their first source of revenue. Ireland was prohibited from cattle export. Commercial prohibitions imposed on Scotland were not repealed until the Act of Union of 1707. The Corn Laws were inaugurated in the 1660s under Charles II. These measures were informed by *bullionism*, a theory that the economy functions positively when gold and silver accumulate from trade deficits; it entailed the idea that English economic success would be accompanied by subjugation of Irish, Scottish, and colonial economic intentions to the purposes of England.\textsuperscript{620} The Poor Law was revised to make it more hazardous for the unemployed to migrate in search of employment; here it should be noted that labor migration was of no benefit to the landed aristocracy, but was beneficial to middle class rural industry. The obvious favoritism to the landed aristocracy over the middle class and the commercial community seems to have been an attempt to retrieve the original supremacy of the aristocracy, but the idea could not have done otherwise but to fail.

The *bounty* was conceived to compensate the agricultural sector for the land tax and for the prohibition on the export of raw wool. The land tax had been argued to be unfair because land was the only asset yielding income which was taxed. There was no income tax to spread the taxation more equitably. Since the bounty encouraged grain production, it would protect consumers against grain shortage in years of bad harvest, although they would have to pay higher prices in all harvests.\textsuperscript{621} If raw wool had been exported, the price, and the profit on wool production would rise, a clear benefit to the landlords; it is therefore necessary to explain how a Parliament overwhelmingly dominated by landlords would ratify prohibition on wool export; manufacture in this period was still held in contempt, and had no political representation. Nevertheless, most of the profit from wool ensued from its manufactured state, the wool cloth being easily worth three or four times more than raw wool; exporting wool was to surrender most of its profit. Far more national revenue would

accrue from export duties on cloth than cotton fiber. It was, furthermore, the textile industry that had mopped up the hordes of migrating unemployed.\footnote{622}{Cf. Wilson, Charles; England’s Apprenticeship 1603-1763, pub. Longman, 1965, p.149.}

Parliament passed an Act forbidding import of Irish cattle at about the same time the bounty was passed, with the intention to widen domestic and external agricultural markets: Charles II 2 a.m. It was supposed to defray the burden of the Land Tax, although at the expense of the consumer. It was not so propitious for the gentry, who nominally benefited, because only the aristocratic landlords had capital reserves to use to advantage, and who used this opportunity to buy up the small estates of the gentry.\footnote{623}{Cf. Trevelyan, G.M.; English Social History, Penguin Books, 1982, p. 285.} The effect of the aristocratic land monopoly from the gentry recession had been to enhance aristocratic political hegemony.\footnote{624}{Cf. Mingay, G.E.; English Landed Society in the Eighteenth Century, pub. Routledge and Kegan Paul, London, 1976, 292 p. 15.}

Parliament had opted to increase returns from both domestic and foreign markets, and issued statutory prohibitions on imports of Irish cattle and foreign grain. Aside from the obvious motive of profit, a question arises regarding class rivalry. Although it was the commoners who were for the most part victimized, they were not the object of rivalry; more plausibly, it was surmised that the disaffection of the lower classes was a negligible factor because they were now, after the Interregnum, unlikely to support the lower gentry, and therefore impotent. The bounty, a uniquely English device, signified that the landholders held unopposed power in Parliament after the Restoration. Apparently the bounty initiating from the statute Charles II 2 a.m., offsetting the land tax, favored the lesser gentry and yeomen, but it differentially benefited the landed aristocracy much more, advancing their penchant to buy the estates of the lower gentry;\footnote{625}{Cf. Trevelyan, G.M.; English Social History, Penguin Books, 1982, p. 285.} it was the lesser gentry, though apparently benefited by the bounty, that was the victim. Whenever war materialized, the increased land tax fundamentally attacked their financial base, not that of the great landlords, and government borrowing foreclosed recourse to loans. Landlords could disregard agricultural

\footnote{622}{Cf. Wilson, Charles; England’s Apprenticeship 1603-1763, pub. Longman, 1965, p.149.}
turbulence because they had built various other sources of revenue beyond produce, but the gentry were narrowly dependent on the annual harvest. Parliamentary acts that eased enclosure threatened the gentry and promoted the landlords. Prohibition of raw wool export favored cloth manufacture by suppressing the price of wool, but damaged the pastoral gentry. Tithes, taken in kind, retarded the gentry’s agricultural development. Parliament, dominated by landlords, overbore the gentry interest in these issues.626

It is an evident, repetitive pattern in English history that religion is used to suppress one oppositional group or another. Prior to the Civil War the Anglican Church, like the Roman Catholic Church, used superstitious ceremonies and spectacles to very good effect in placating the common people. Essential to Puritanism was the achievement of a harsher degree of alienation, to destroy the people’s reliance on the religious side-show. Greater discipline supplanted the idolatry. After 20 years of Puritan government, the instinctual faith in God had been extinguished, and the Restoration never succeeded in reviving the naïve religiosity of former times. Puritanism receded, but the common people retained a measure of freedom and skepticism that Charles II failed to undo.

In 1668 Parliament issued a statute by which Nonconformists were fined, and the revenue was to be used for the support of the poor. The Nonconformists were of course the group who had fought the Civil War under Cromwell; less evidently, “the poor” were also Cromwellian Puritans who had skidded into unemployment and poverty from the expiration of the republican regime.627 The statute thus immunized the landholders from paying poor rates. Immediately upon ascent to the throne Charles undertook to rectify the usurpation of royalist property during the Civil War. These lands were once again confiscated from their present owners, without compensation, and returned to the original owners prior to the Civil War or to the Church. The simplicity of this restoration applied only to the more prominent royalists. If royalist land had been voluntarily alienated, rather than confiscated, it did not

627 Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 381.
automatically revert to the original owner, although he could initiate judicial proceedings to recover the property.\textsuperscript{628} Just as the King took land confiscated from the cavaliers during the Civil War and restored it to the royalists, similarly confiscated church land was in jeopardy of reclamation from those who came into possession during the Commonwealth.\textsuperscript{629}

The expected result of the Restoration had been a compromise between the two sides but, as indicated, this was a delusion. When Charles II resurrected the Anglican Church, the Puritan part of the population would have wanted either comprehension, by which their sects would be included under Anglicanism, or toleration, by which they would not be Anglican, but have freedom to practice their religion with no prejudice to their civil rights. The Anglicans (High Church), however, adamantly rejected both compromises with the Puritans. They demanded return to the state of the Church as it was in 1630. The 1661 elections produced an extreme royalist government rather than the compromise envisioned by the Monck Parliament; it was bent on revenge. The “Clarendon Code,” named after Charles II’s chief minister, Edward Hyde, the Earl of Clarendon, made the Anglican Church more Catholic than Protestant, and legislated persecution against the Puritans who had invited Charles II back to their English throne. The Act of Uniformity of 1662 outlawed the Presbyterians unless they conformed to the articles of the Anglican Church; by 1662 roughly 2000 ministers were deprived for refusing conformity.\textsuperscript{630}

Given the internal logic of the Anglican Church their intolerance was reasonable; the Church could not control the people, in the interest of the monarchy, if people were stimulated to question the Church. The Anglican Church was the most powerful organization in England; it had a claim on 1/10\textsuperscript{th} of all national income, a court and convention system of its own, it had 26 Bishops and 2 Archbishops in the House of Lords, and operated 10,000 parishes throughout Britain. It wielded incomparable propaganda power, without which the civil government could not have survived. All was based on its claim to have unique contact


\textsuperscript{629} Cf. King, Peter; The Development Of The English Economy To 1750, publisher McDonald and Evans Ltd., Plymouth, 1971, p. 365.

with the divine, but this claim was of course unverifiable. If the common people disbelieved this claim, the Church would lose power to uphold the social order on which the monarchy depended. 631 Although the State depended on the religious propaganda, the religious claim was vulnerable to skepticism, and if its persuasive power were lost the Church would have been instantly useless to the State. Failure to achieve universal adherence would make the Anglican Church incapable of playing its prior determinative role in English politics.632

The Clarendon Code was used to eliminate nonconformists.633 The objects of this persecution were urban dissenters of the lower or middle classes, although some were merchants or of other venues that provided wealth; namely, they were the same population group that made up the roundheads a generation earlier. Members of the landowning class almost totally disavowed separatist or independent churches; Anglicanism predominated much more closely to completion than it had at the time of Laud, presumably because persecution of nonconformists under the Clarendon Code, following as it did the collapse of the Puritan Commonwealth, could afford to be more thorough than persecution in an era before Puritanism had disgraced itself.

The Test Act of 1673 had been intended to give High Church Anglicans a monopoly of political, civil, and military office; opposition however was able to defeat the bill that would have allowed only Anglicans to be MPs.634 The Corporation Act required that an individual testify to the Anglican creed one year before candidature for a local office; the Test Act of 1673 debarred non-Anglicans from military and civil office of central government by roughly the same method, enforcing an oath which no non-Anglican could take, except that the sacramental test was not imposed until three months after the individual had entered office.635 Although the Test Act was ostensibly to exclude Catholics, its more

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substantial import seems to have been to preclude all Puritan opposition from office, and thereby to exclude all the children of Cromwell’s army from social power. Time and again the English establishment forbore to suppress their imagined enemies in the style of Tamerlane (making impressive pyramids of their severed heads) and consistently preferred some legalistic way of merely marginalizing them. The victimized group, perhaps having lost their courage from the fiasco of the Interregnum, gave up the perfervid righteousness of their Puritan forefathers, and were less heard of - except as Whigs, who thought that a highly remunerative state office was worth an insincere sacramental oath. This forbearance however allowed their descendants, the dissenters, to mount a “loyal opposition” in the frameworks of Wilkes, the American War, and antibullionism.

Charles II reigned from 1660 to 1685; the Clarendon Code (1660-1665), that was intended to force religious unification, had been forced upon him. It excluded nonconformists from all government office, national or local, placed special taxes on them, and charged them money penalties for attending non-Anglican Church services. James II however was able to favor the elite Catholics with office that was legally open only to Anglicans.

The inflation ensuing from the Spanish American silver depressed the value of the king’s assets, so that he could not “live of his own;” as with James I and Charles I, failure to discover an adequate fiscal system inexorably led the king into repugnant constitutional recourses. Charles II used the goldsmiths to advance loans on the security of future tax revenues, but as interest obligations compounded with the unredeemed capital of the loans, in December 1671 the king, unable to make payment, called the “Stop of the Exchequer;” as government payments to the banks stopped, banks could not meet their obligations, in chain reaction ruining banks and enterprises, in the long term driving up the general interest rate.

Most of the large trading companies had tried to retain an appearance of neutrality

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during the Civil War; fearing the repercussions if the royalists should win, the East India Company refused loans to the parliamentary party, although prior to the Civil War Charles I had violated the East India Monopoly by licensing other East India ventures. In spite of the Puritan merchant resentment of the East India Company, Cromwell preserved its charter, as did Charles II after the Restoration. The Navigation Act of 1662 advantaged the East India Company by its provision that a stockholder was liable for no more than the nominal value of his shareholding; thus the remoteness of the East India trade did not make it unsafe to invest in the East India Company. The same Act established that the State, not the East India Company, would enforce the policy of maritime trade.\textsuperscript{638}

Towns were corporations, and incorporation was granted by the king; consequently the monarch could indirectly control elections to parliament if he controlled the incorporation of the town. James II made a writ of quo warranto against London in 1682, and managed to cancel its incorporation by 1683. The new incorporation gave James absolute political control over London. “The City,” meaning the entirely self-enclosed, autonomous, self-government of London, governed by the nation’s commercial elite, almost as if it were a nation in a nation, was for the time being dissolved. The same procedure could be applied to any other town, so that English towns had to either elect MPs who would please the king, or beware of \textit{quo warranto}; towns whose incorporation was abolished in this way were roughly in the areas of parliamentary-republican control during the Civil War. By the end of Charles II 51 charters had been replaced and 49 more were in process; in the first year and a half of James II, 21 more towns were brought under \textit{quo warranto} proceedings. Thus, apart from those counties and boroughs that James II already had in his patronage, he had added 238 members of the House of Commons to his direct control.\textsuperscript{639}

It was illegal for James II to appoint Catholic officers to the army, but he appointed Catholic officers exclusively; he used his prerogative power to override the Test Act. When he abrogated county and borough charters he installed Catholics, or if not, dissenters, as

Lords-Lieutenants, Deputy-Lieutenants, JPs, etc.; since these people were strangers, of lower social rank, and Catholic, appointed to control a Protestant, anti-Catholic population, James II’s behavior was highly provocative.640

The intolerable wrench in the machine was that James II was a Catholic, who intended above all to work a Catholic reversion in England, which for the last century had fought wars to prevent Anglicanism from merely resembling Catholicism. His deceitful methods of accomplishing this did not improve the impression that Catholicism made on England. In 1685 James II prorogued Parliament in revenge for its refusal to legislate Catholic toleration. The Tories, who were Anglican, were the supporters of James II. If Catholicism and Nonconformist sects had been legalized, the Anglican Church would have lost its role of conforming society to the government. The Anglican Church was the support of the Tory regime; by having destabilized the monopoly position of the Anglican Church he made it impossible for his supporters to keep their offices. James II had imposed on the Judiciary to exempt individuals from the Test Acts, and in April 1687, without the cooperation of Parliament, which was never reconvened, he autocratically issued the Declaration of Indulgence, in effect the bill which Parliament had refused to enact. The Declaration would have destroyed the power of the Anglican Church by reducing it to competition with other churches. James II in July 1687 dissolved the Parliament, which had been prorogued in 1685, in the intention of calling a new Parliament that would conform to his dictates.641

The appointment exclusively of Catholics to military and government posts, together with the birth of a son, catalyzed Parliament to consider seriously whether it wanted a Catholic usurpation. James II’s Declaration of Indulgence, together with the French War, instilled fear of an international Catholic onslaught; under these conditions the English were prone to regard William of Orange as a savior from their tyrannical king.642

The Glorious Revolution embodies a painfully ambivalent moment for the Tories; being signally supporters of the Anglican Church, they stood for strict succession; at the same moment they deposed the rightful king according to strict succession, because he was Catholic, and enthroned a Calvinist Dutchman who was not entitled by strict succession. Roughly 50 other persons had precedence over William of Orange, according to strict succession.

The British government was still conceived to be a monarchy. The Ministers of the Privy Council, etc., were personally appointed by the King or by his higher appointees; members of the Vice Regal Administration of Ireland, and of the Privy Council of Scotland, were appointed by the king. The appointees in Scotland and Ireland were directly responsible to the king, not to parliament. The king still had the power to summon, dissolve or prorogue Parliament, and the king made the appointments for the military and the church.

Parliament was strengthened by two revisions in its favor. In 1688 the House of Commons acquired the exclusive right to initiate money bills; the King and the House of Lords could not. Until the Glorious Revolution, anyone charged with treason would be found guilty, because the treason charge was a catch-all for eliminating anyone who annoyed the King. The charge of treason was final and hopeless because judges were appointed, and dismissed, at the King’s pleasure. As of 1688 a person could be acquitted of a treason charge because, in 1701, a law made the judges independent of the monarch; a judge could acquit someone of a royal charge because the King could no longer retaliate with dismissal.

Initially the Tories, predominating in the aftermath of the Glorious Revolution, aspired

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to form a total Anglican Church, eliminating all dissenting religious sects; a totalizing Anglican Church should have preempted the disharmony of competing sects. The Whigs, instead of broad inclusion in one church, on the contrary sought pacification by a policy of toleration for different religious sects. The Act of Toleration that eventuated from this conflict is peculiar; it made legal the practice of dissenting religious sects, but retained the penal repressions for practicing them. Dissenters were allowed to take office, evading the penalty statutes (the Test and Corporation Acts remained in force), if they took a new oath of allegiance, and if the minister of their sect subscribed to 34 of the 39 Articles of the Anglican Church. Behind this absurd outcome was the expectation on one side that the dissenters would voluntarily re-affiliate with the Anglican Church, while the other side, offended by occasional conformity, concluded that only unrelenting repression would end nonconformity. William of Orange was not sympathetic to the dissenters, and, since James II had already provided relief as an indirect strategy to Catholic toleration, the revolutionary government had to provide something for the dissenters. But the “toleration” did not allow the Puritans political office or any opportunity to rebuild their fortunes.\footnote{Cf. Bradley, James E.; \textit{Religion, Revolution, and English Radicalism: Non-conformity in Eighteenth Century Politics and Society}, Cambridge University Press, Cambridge, 1990, p. 51.}

Some of the Whigs were peers who had gotten involved in international commerce; they were in alliance with the middle class of industrial and commercial venues, and who had been able to dominate municipal and parliamentary elections in some of the boroughs. The Stuarts had used their prerogative powers to sell monopoly privileges purely for the profit in doing so. The middle classes, the lower level of business, unanimously wanted free trade, in the sense that trade should not be strangled by monopoly. The Glorious Revolution allowed the East India Company to keep its monopoly; the expense of a military-political superstructure and the distance of the trade would have made Indian trade impossible without monopoly privilege. The Glorious Revolution did not otherwise allow chartered companies to control trade.\footnote{Cf. Murphy, Brian; \textit{A History of the British Economy 1086-1970}, Longman, London, 1973, p. 309.} The Netherlands, Germany, and the Baltic had thus far been
monopolized by the Merchant Adventurers, but in 1689 it was open to all. The Tories were the conventional English establishment. Although Whig landlords were much in the minority, the trend into capitalized agriculture and commerce would overwhelm the remnants of traditional agriculture.\(^{648}\)

The commercial world of the Whigs accumulated and distributed its wealth not at the transparent level of production, but in the less tangible superstructures for its distribution. Wealth was accumulated by cornering markets in primary goods, credit transactions, and appointment to office.\(^{649}\) Prior to floating a government loan, members in the treasury, bank, and trading companies privately negotiated the conditions of the loan. This had the effect of excluding those who had actually produced the money of the loan from having any of its profit. Each of the negotiators would include a number of his associates, members of Parliament, etc. whom he would allow to buy into the loan, so that all parties who needed to be paid off would be satisfied; only after these nefarious deals had been concluded would the government loan be opened to the public. The scheme strengthened the oligarchic structure of the Whig regime; since anyone not a member of the inner circle would get pejorative conditions, one had to be effective in giving patronage, or have a parliamentary seat, in order to be included in the initial loan transaction. Commercial wealth came to depend principally on mediating government loans.\(^{650}\) Enormous expenditures on a parliamentary election were motivated by the money that would be pocketed from such schemes. Land tax was the largest resource of all for contriving government loans, so that the high 4s/£ land tax ostensibly necessary for prosecution of war accumulated through government loan arrangements into the private possession of the business and government leaders; this financial transfer was taking place in the same time period as lesser gentry were evicted and aristocratic landlords aggrandized their estates. In the pre-Hanoverian period since the Glorious Revolution land ownership underwent conspicuous change; the landlords


who dominated government served their interests by pillaging gentry land possession for the sake of greater aristocratic land aggrandizement.\textsuperscript{651}

The status of European nobility was based upon land holding, but English law made no discrimination in land ownership, so that an individual who came into possession of a great estate was ipso facto an aristocrat. This resulted in a fraction of the aristocracy who first became wealthy, and used their wealth to buy land.\textsuperscript{652} The nobility was vulnerable because it made their honor directly dependent on their wealth. Consequently a merchant might qualify in the aristocracy by the purchase of land, or a born aristocrat might abandon his aristocratic traditions by capitalistically managing his land. Indeed the English discriminator between aristocracy and commoner was quite clever. A commercial magnate was free to enter the aristocracy, but the criterion that an aristocrat must be a great landowner was highly effective in preventing English commerce from swamping the authentic aristocracy, in the way that the upstart nobles de la robe in France had thoroughly swamped the previous sense of aristocracy embodied in the nobles d’épée. To wit: to get acceptance in the English aristocracy, a merchant would have to abandon commerce altogether, and settle himself on the vast grounds purchased with his commercial wealth. His commercial activity was far more profitable than landholding could be, and settlement in the land and daily life of a great landowner separated him far too much from the exigencies of his previous life for it to be feasible that he should conduct both pursuits at the same time. Acceptance as a landed aristocrat could take two generations. Therefore, the merchant was perfectly at liberty to bound into the aristocracy, but in the process of accomplishing this successfully, he would perforce have become the personality he was pretending to have: that of an aristocratic landlord. The infiltration of the commercial class into aristocracy therefore did not wreck the aristocracy.

On the other hand, landed aristocrats did not want to risk investment in commerce, but


they were cognizant that wealth was amassing much more quickly from commerce than from agriculture. Oddly, the foreign export commerce was more remunerative than domestic export. Re-export, especially of colonial goods, simply passed in transit through England, in accordance with the Navigation Acts, and were sold chiefly in European markets. The profit was merely in freight, since they were relieved from customs charges if they were not sold in England. The revenue from re-exports in 1740 was already about two thirds of the revenue deriving from domestic exports. Profit margins and the shipping volume of re-exports were substantially higher than of domestic exports and retained imports combined, so that about 50% of all English commercial profits derived from re-export. Domestic export and domestic consumption, even taken together, were earning less revenue than the re-export trades. This trend would force Parliament to readjust the comparative importance of the commercial community with the aristocratic agricultural emphasis.

The merchant class might make aristocracy irrelevant simply by purchasing the estates that entitled one to peerage. If the landed aristocrats were to retain political dominance, their only option was to make their agricultural base more profitable; thus rivalry against the commercial sector did not entail actions that undermined commerce, but the small land holding gentry. The venal opportunity of national loans trivialized government itself, and trivialized any other type of motivation other than venality that went into the conduct of government. Government, principally conceived as an opportunity to get rich, reified all other things into money. The landed aristocracy and gentry were no longer evaluated by the traditional deference they commanded, but directly by how much money their fortunes were worth. Possible marriages were evaluated by the ultimate money transfer they would convey. Intermarriage between commerce and aristocracy refurbished the landlord family with enough money to retain its political posts, while the intermarrying merchant got parliamentary representation, which he could not have in his own person, indirectly through aristocratic marital union. Financial capital however constantly tended through intermarriage

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to centralize political power in a small number of aristocratic families.\textsuperscript{654} Political offices, military commissions, elections, parliament seats, privileges, whatever; they were all negotiable on the basis of their probable money value.\textsuperscript{655}

War was the most efficient device for achieving this financial harmony between the landed aristocracy, i.e. the MPs, and the commercial sector; the merchants profited from loan interest and the peers from public office. War did not interfere with agricultural development; interest rates in the capital markets did not rise in time of war.\textsuperscript{656} Maximum land tax did distress the gentry, who could balance neither loan profits nor government office against the land tax.\textsuperscript{657} The War of the Spanish Succession, 1701-1713, was a highly successful Stuart (i.e. Queen Anne: Queen Anne’s War) war against France; it diminished the commercial hold of France and Holland, proportionately expanding that of England. The 1703 Methuen Treaty established a Portuguese-English trade relation for favored purchase of Port wine and English textiles. The 1713 Treaty of Utrecht awarded England the \textit{Asiento}, the Spanish American slave trade. France ceded Nova Scotia, great territories of Northern Canada, and acknowledged British possession of Newfoundland. The 1707 Act of Union merged England and Scotland into one nation. A very great gain as it was to England, the gain of external properties was an exclusive gain to the commercial class, while not palpably benefiting the agricultural class who paid for it out of the Land Tax; during these years it would have been counterproductive to have taxed external commerce. As the success of the war exclusively benefited the Whig, commercial class, the Tories denounced the Whig incumbency for prolonging the war, which was arguably adjourned prematurely.\textsuperscript{658}

In the Hanoverian era merchants were motivated to assimilate into the agricultural


aristocracy, whereas, despite formal freedom to do so, landlords were never charmed by the quicker profits of commerce to enter it themselves. International trade was conducted on one’s own account, in an age innocent of insurance. Everything exported was wholly the merchant’s property, as were the imports purchased; in the case of a mishap they incurred the totality of the loss.\textsuperscript{659} Wars of course benefited war-related industries, although the balance of normal production was distorted; unemployment and commercial interruption were the general results. Landowners would not want to alienate land, the only secure form of wealth, to finance a commercial operation; if they invested it would be in major companies that paid dividends, in which the invested capital was not put at risk.

Parliament meticulously supervised export bounties and import duties to protect agriculture, starting from 1689; the bounties and duties thus disregarded laissez-faire in order to protect landholders from market forces.\textsuperscript{660} A very happy result of the Restoration years had been that freehold yeomen constituted 1/7 of rural population at the end of the 17\textsuperscript{th} century.\textsuperscript{661} The tenant farmer was of a slightly lower social class than the yeoman, as he did not own his land, but he was likely to be economically as prosperous as the yeoman. The yeoman participated in the franchise; the tenant farmer might. The merchant class objected to agricultural protection insofar as protectionism kept rents high, benefiting the landlords, but thereby adding expense to every other social class. Subsequently the commoners were decisively evicted from land ownership; capital punishment was assigned to hundreds of offenses. Instead of free holding the farmers were only renting.\textsuperscript{662}

The William & Mary government abolished the institution of tax farming; through Charles II and James II business syndicates had been licensed by government to collect


taxes, of which a prearranged sum was to be forwarded to the Exchequer, while the syndicate could keep whatever they were able to collect in excess, within tax rates fixed by parliament. Government employees took over the duty following the Glorious Revolution. The Land Tax was not inaugurated until after the Glorious Revolution, in 1698. It called for 1s/£ in peacetime, totaling in that case to £500,000, but in case of war it escalated to 4s/£, at which level it was seriously damaging to the lesser gentry, but not the aristocracy, who commanded devices to dissipate its force; this differential therefore had the long term effect of strengthening the landed aristocracy and debilitating the yeomen and gentry.\textsuperscript{663} Gentry, blaming the Whigs and the financial establishment for their downfall, allied themselves with the Tories against the incumbent Whig monarchy.\textsuperscript{664}

The strength of the Tory party in the pre-Hanoverian era developed from the hatred of the lesser gentry.\textsuperscript{665} The tendency of William’s reign to harden into a collusive self-serving core and William’s dedication to European war, thus raising their land tax, aroused disenchantment with the Dutch King of England. The King’s patronage appeared to undermine parliamentary independence; the legislation of the Triennial Act and statutes against parliamentary placemen. It was thought that the Bank of England and the financial community were depriving landed wealth of its wealth and status through the land tax. William III’s army was three times larger than any army James II had organized; it came to 60,000; it was thought that this standing army was the cause of their inordinate tax burden.\textsuperscript{666}

The skepticism materialized as the Triennial Act of 1694, which mandated parliamentary election every three years; it was a Tory accomplishment. Until the Triennial Act, the King alone could summon, prorogue, or dissolve Parliament, and he alone could

\textsuperscript{666} At the end of William III's reign the army had been reduced to 6,000. Cf. O’Gorman, Frank; The Long Eighteenth Century, British Political and Social History 1688-1832, pub. Arnold, London, 1997, p. 44.
call for new Parliamentary elections. It should have curtailed Parliamentary corruption. Practically as soon as the Whigs gained parliamentary ascendancy, the Triennial Act was repealed by the Septennial Act, in 1716.\textsuperscript{667} From as far back as 1660 gentry radicalism stemming from the idea of commonwealth demanded elimination of placemen and influence in Parliament; demand for triennial election was envisaged to make representatives accountable to their electorate and to inhibit sycophancy.\textsuperscript{668} These demands were the voice of the gentry and nascent bourgeoisie versus aristocratic oligarchy. Demand for eradication of influence and corruption persisted unaltered throughout the Walpole and Pelham era and continued into the Wilkes episodes.

In 1700, $\frac{3}{4}$ of external trade transpired through London, because finance was concentrated there, and trading companies needed to be chartered by the government. The outports, i.e. all ports other than London, resented the London dominance of trade. The outports performed the perfectly legal and ineliminable function of domestic trade, for instance delivery to London of its vital coal supply. The outports also harbored all the foreign trade made illegal by the monopoly rights of the chartered trade companies, that is, it harbored the interlopers and the trade companies dealing with the American colonies. The middle class manufacturing interests were restrained in their production because of the control of London over the entirety of rural manufacture. The chartered companies were suspended during the Interregnum, as they symbolized the ascendancy of aristocracy over middle class, but for the same reason they were reinstated at the Restoration. In 1688 Parliament issued a statute that invalidated their legal monopoly over Holland, Germany, and the Baltic.\textsuperscript{669} Although absolute volume increased, the proportional trade in London subsided to $\frac{2}{3}$ by 1800, because allowance of free trade and grain export recruited the advantages of the outports. Until 1730 70-90% of customs revenues came from London,

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but receded to roughly 70% afterwards.\textsuperscript{670} One might wonder why different productive groups didn’t split their ports regionally, and why competitive trade groups located in London instead of keeping their distance in different trading localities.

The “moneyed interest” was a new, formidable parliamentary force from 1690 to 1730. The free-trade school of thought was the obverse of the royal prerogative, which hitherto had stymied external trade with ship money, customs, etc. Where the royal prerogative was abrogated there would be free trade. The Glorious Revolution transferred the regulation of commerce from the Crown to Parliament.\textsuperscript{671} In 1696, 400 merchants conducted two thirds of the external trade, and through intermarriage predisposed the commercial sector to become an oligarchy deeply involved in the political hierarchy.\textsuperscript{672} The regulated companies sought low tariffs for themselves, and to reserve all markets exclusively for themselves; the middle class traders on the contrary primarily wanted the dissolution of monopolies.\textsuperscript{673} Monopoly required government backing, and concentration of all operations in one place; therefore the established trading companies remained located in London. The traders desiring destruction of monopoly were ipso facto not in need of centralization and, interloping illegally on the markets of the major companies, in effect smuggling, had good reason not to station themselves in the same place as government. The outports legitimately functioned for coastal trade, while all legitimate international trade collected in London, where the chartered companies were domiciled.

The merchant class was favored in the era of the Glorious Revolution, although the landed aristocracy continued to dominate Parliament. The small, obsolete boroughs were the property of the landlords domiciled there; they controlled the results of the borough election,


and gave or sold the election to the person of their preference. The supreme power of the landed aristocracy remained unaltered through the transition from the Restoration through the Glorious Revolution. The stipulations that introduced William and Mary that reduced the Crown from what it was in the Stuart era raised the power of the landed aristocracy beyond challenge. The central government appeared to be democratic but its election results were controlled by the aristocratic oligarchy. Similarly the parish and county governments were outwardly democratic, but the winners of such elections and nominations were already determined by the figures at the head of each local hierarchy, who had their places by the grace of the local landlord. Throughout the 18th century always more than 2/3 of MPs were aristocratic landlords; after 1760 roughly 10% were merchants or associates. 1/5 of the MPs were the children of English peers or were from Scotland or Ireland. Of the 100 MPs who were not landed aristocrats most were relatives of the aristocracy.

The 18th century was the apogee of aristocratic power. The complaint that the merchants got the rewards of the wars, and the landed aristocracy, cruelly victimized, got nothing but the burden of paying for the wars, seems to be a little overdramatized. The land tax was the largest military revenue in the first wars of the century, and the landlords paid the land tax. Walpole greatly altered the reality; commerce could not be heavily taxed because the prosperity of external commerce was essential to national strength, so the weight of the land tax was shifted to the excise tax, whose target was neither the merchant nor the aristocracy, but the commoners. Land tax was furthermore lowered when peace was concluded, but once an excise was successfully introduced, it was never withdrawn, because war debt greatly outlasted war, and the interest payments, which were made from the excise, never diminished unless government found a way to pay back on the capital of the debt.

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The Corn Laws underscore another manner in which agriculture was not so victimized as it made itself out to be. The Corn Laws, comprising such things as the bounty, export permissions and import restraints, had the general effect of making food prices higher than they had to be, and indirectly of depressing the buying power of wages. They amounted to special protectionism for agriculture. While war maximized the Land Tax, it also maximized food prices. Profit from maximum agricultural prices in turn instigated and financed the progress of enclosure over the remaining exploitable wastes and commons; all of the subsidiary agricultural improvements were likewise financed by the benefits of war. Anyone dependent on the market for food lost disposable income for nonessential consumables. Landlords derived much more pleasure from the rising rents and food prices than they suffered grief at land tax; war years were times of joyous prosperity for landlords.678 The times of tribulation for agriculture were the postwar years, when armies no longer formed a strong demand on food.

Monarchical limitations ensuing from the Civil War, the ascension of Charles II and the Glorious Revolution shifted power not into the commercial class, but to the landed aristocracy, although some merchants and lawyers got seats in the Commons starting from 1760. Two thirds of the Commons were landlords; one fifth of the House was of Irish or Scottish peers or sons of English peers. Those who were commercial or military were the second sons of the peerage. The power of the king extended to the minutest corners of local government for as long as the king made a natural unity with the landed aristocracy rather than with commerce. The Peerage constituted membership in the House of Lords, and the Lords-Lieutenants of the counties. The relatives of the peerage and the upper gentry were members in the House of Commons, and though, unlike the House of Lords, the seats of the Commons were elective, the peerage was generally able to control who would become MPs. The lower gentry became magistrates, JPs, and local office holders by appointment from the upper gentry and the Lords. Freeholders were supposedly electors, but were dependent on the gentry.679

The aristocracy had no reason to fear the merchant class for the imminent collapse of their ascendancy; from top to bottom the landed nobility controlled every office of national and local government, nor did this characteristic abate. Although the House of Lords did decline in power relative to the House of Commons, the aristocracy did not. By 1785 the power of the Peerage over election to the House of Commons was four times more extensive than it had been around 1715.  

Instead of forming an independent party expressly in its interest, the few MPs belonging to the merchant class acted as a pressure group on other parties on behalf of its interests; since the interests of different commercial groups conflicted, unification into a commercial political party was improbable.  

Parliamentary control over taxation and funding for interest payment formed a strong interdependence between government and the City; the landed aristocracy was the chief holder of short term exchequer bills and long term annuities, but the transactions had to be mediated through the London economic sector. These government bonds could in turn be used as security for investments and loans. The tight government-financier relation developed from the incapacity of government to levy taxes without parliamentary approval, and the government freedom to contract loans without parliamentary supervision. It is intriguing that Parliament did not think to close this loophole subsequently to the Glorious Revolution.

It seems sensible for a nation not to have debt, but under the above circumstances national debt served an important need. National debt absorbed disposable money from citizens who paid heavy taxes and could not be made to pay more. As it was not a tax, parliamentary approval could be circumvented. It was money that citizens possessed, but would never willingly surrender in taxes; without the government loan arrangement it was money that the people would deny they possessed. They supplied this unused money

because they would receive interest. Both sides of the transaction were receiving benefit that they otherwise would not get.\textsuperscript{683}

The establishment of the Bank of England in 1694 was the reason the England won the War of the League of Augsburg; any other means of financing the war would have failed. The Bank of England became a possibility only due to the collapse of the Stuart dynasty; no one would trust his assets to a bank indirectly under monarchical control: cf. the Stop of the Exchequer, 1672. Parliamentary statute established the Bank of England in 1694, not the king; it was authorized to raise money for the purpose of government loan. Parliament assigned guaranteed funds to pay interest on the loan, which was to be a long-term debt. Subsequently loans were taken from the Bank of England, the East India Company, and the South Sea Company (1711) in the same form: assigned and guaranteed interest payment on long term debt. These government debts were not amortized. The first loans under William III paid 8\%, those under Anne 5\%, and those after the Treaty of Utrecht 3\% interest. As these loans were accomplished by Parliament, it was parliament, not the monarchy, that guaranteed government finance. Previously, government had not honored repayment on loans taken by a king who had died; loans did not automatically move to the government or the subsequent monarch. Starting from 1714 the connection with Parliament’s responsibility for government debt compelled annual meetings between the Treasury and Parliament to arrange the budget, thus necessitating annual parliamentary convocations.\textsuperscript{684}

The national debt arising from the Bank of England shifted the greater tax burden to the poor. The government took loans from the citizens, and then paid its creditors from the revenue of the excise tax, i.e. government loan interest was paid for by taxing the poor or the common; about 4\% of gross national income was taken from excise on such things as whiskey and soap, to be paid to those affluent enough to buy government bonds. As the wealthy always save proportionately more and spend proportionately less, this revenue


transfer resulted in a higher national savings rate; about half of the increase in savings rate derived from this phenomenon. The national debt was five times greater in 1713 than in 1695; as the landlords, not the merchants, were in the habit of buying national securities, they were the beneficiaries of the interest payment, but also the risk holders. It was dubious whether the anticipation of the national tax revenues could sustain the interest payment. The landowners typically used investment in government bonds to offset what they lost from the land tax. One aspect made the landed and moneyed classes compatible: the initiative to export grain. It would benefit the merchants who transported and sold it, and it benefited landholders because it raised the market price above the prices obtaining domestically, and thereby raised the domestic prices as well. Presumably if there were an external market, abundant harvest would not ruin the landlord or farmer. If the market were limited, a good harvest would result in surplus, which would drive down the price of grain. By subsidizing grain production for an external market the landlord would not be jeopardized by an optimal grain crop. Farmers did not benefit; land tax remained at its maximum during and between the wars, and at the same time the Poor Rates increased during the 1690s. Unless there were another financial resource besides agriculture, yeomen and lesser gentry were likely to fail. Lower gentry were fatigued by high land taxes, due to war costs, and their farms were assimilated into the landed aristocracy. The gentry, intent on survival, became the vanguard of agricultural innovation.

The institution of bounties was implemented to promote grain export; one should notice how revolutionary was the idea that a government should pay a bounty to a merchant to sell his product overseas for profit. Grain was inappropriate for export profit in that, being heavy, voluminous, and little susceptible to value added refinement, transportation would quickly cancel the profit. A bounty would restore some profitability, but since government was paying the bounty, benefit to the government of grain export would be null. Paying bounties to the grain exporter would presumably unfairly favor grain traders over other

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external traders who would otherwise have executed trade. It is slightly odd that Parliament would legislate a distinctly uneconomical policy purely to favor the landed aristocracy. 9/10 of the MPs were landed aristocracy; introduction of the bounties appears to have artificially buoyed a declining class.

In the Stuart era grain export had been restricted to protect the commoners from higher domestic grain prices, but the national debt made the increase of trade surplus the preponderant benefit. By a 1689 parliamentary statute, export bounties were instituted for grain surplus, and import duties were to be charged when domestic grain prices were low. When grain prices exceeded a certain point, bounties and duties were dropped so that foreign coin could be acquired and domestic prices might not rise beyond a certain price.\(^{687}\) Once again a minimal protection of the commoners was thus introduced.

Otherwise advantages to the commercial class were adverse to those of the landed class. An income tax might have appeared to be an equitable solution, since it would apply to commerce and agriculture indiscriminately. The idea of an income tax was not unknown but it was excluded from consideration because a side-effect specific to income tax was to reduce production by discouraging investment and labor demand.\(^{688}\) Avoidance of income tax favored the upper classes, both commercial and agricultural, because excise taxes drew revenue more heavily from the lower classes, and customs duties were balanced by higher retail prices. From roughly 1717 the City argued that the landed class should pay higher taxes because they were the beneficiaries of advances in external trade, and therefore the real beneficiaries of the wars that kept their land taxes high. The merchant community wanted to amplify external trade by subventing credit, eliminating export duties, and raising land tax.\(^{689}\) The landed class proposed revenue through an excise instead of land tax; the excise would have burdened the commoners, and retarded domestic consumption. Commoners of


\(^{688}\) Cf. M. J. Daunton; Progress and Poverty. An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 520.

course resented excise taxes inasmuch as they interpreted them as a substitute for taxing the much wealthier landowners. Walpole’s Excise Bill of 1733 was the climax.

While the Stuarts favored the landed aristocracy, the Glorious Revolution favored commerce. The country party of the Walpole era were the Tories, strongly disfavored in the Parliament of this time. Following 1689 the threat of a Jacobite usurpation was constant, and culminated in the Jacobite uprising of 1715, at the transition from the Stuart House (Queen Anne) to the House of Hanover (George I). Tory leadership was in part behind the Jacobite uprising, and this made any Tory participation in government suspect. The Tory leadership did, but the Whig leadership did not, divide over the Hanover succession. In 1715 and 1722 the Whigs thus achieved majorities in the parliamentary elections. Inasmuch as Jacobite meant pro-Catholic, the Whig belligerence against Catholicism amounted to synonymy of Whig and patriot. The English were very frightened of Catholicism due to their memory of the strife with James II.

One might regard the customs duties as the commercial equivalent for the country’s land tax, but the land tax had been maximally increased during the last two wars, whereas customs duties were not aggravated because doing so would have had no other effect than to reduce the national trade volume; during the wars merchants profited greatly, while landowners provided all the war funds that were not borrowed; funds that were borrowed added to the wealth of the merchants, who were the principal lenders. The establishment of the Bank of England in 1694 facilitated merchant lending to government. Tories objected that the Bank of England would destabilize the landed aristocracy. A bank note was supposed to be convertible with bullion, but note holders were unlikely to convert notes at the same time. As there was profit in discounting bank notes, every bank issued perhaps five times more notes than what they had in convertible gold. A small bank relied on deposits in the Bank of London in times when its gold reserve at hand might not suffice. In the case of a panic, many country banks might go insolvent at the same time, and, taking recourse to the

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Bank of England, might reiterate the same insolvency problem at its ultimate level.\(^{691}\)

Since the Bank of England was profiting from the high and long term interest rates at the same time as land tax was at its maximum, the landed aristocracy and gentry inferred that they were paying for the national debt, and the merchant class was collecting. The complaint was complicated; landed aristocracy made this complaint, but Parliament, 9/10\(^{th}\) of whom were landed aristocracy, had authorized the establishment of the Bank for the purpose of providing government loan. Parliament promoted the realization of the Bank because MPs were very afraid of public reaction to imposing more and new taxes, but whatever funds could not be obtained by loan would have to be obtained from taxation. Since the funds were necessary for the continuance of a war, a solution could not be delayed.

Nevertheless the same landed class that had legislated the Bank of England in Parliament now perceived its existence as a sign of the ascendancy of commerce over land. Government, i.e. the monarchy, could not obtain funds from tax revenue except through the consent of Parliament, and especially in review of Stuart behavior Parliament was hostile to any other means the monarch might have to raise funds, since broad success in achieving nonparliamentary funds might make the monarch dangerously independent of Parliament; withholding of funds was ultimately the only means by which Parliament could restrain the monarch’s policies.\(^{692}\) However, receiving loans was within the monarch’s arbitrary power, though the loan was secured on the future revenues of taxation, thus forcing Parliament into an expense over which it had no arbitration. Thus the power of the Bank of England to make loans to government undermined the power of Parliament to control its own budget and regulate policies that would affect the budget.

This dilemma divided the landed aristocracy from the gentry more than from the commercial class. Thirty two directors in the Bank of England were members of


D. Morgan Pierce

Parliament; in the 1760s 6% of the House of Commons were installed there by the East India Company. The real symbiosis of agricultural and industrial products effected a mutual consideration between aristocracy and commercial elite that promoted less narrow self-centered conceptions in Parliament of the ultimate national interest; it was because of the agricultural respect for commerce that no complaint of under-representation for commerce arose in 18th century Parliament. Landed aristocracy characteristically invested in the national debt, so that high land taxes did not detract from them as much as it did the gentry; aristocracy would benefit more from the interest paid on the loans than they would lose from land tax, whereas the gentry did not enjoy the superimposition of tax and interest returns. It was the gentry, neither the country aristocracy nor the City, who resented the prodigality of government sinecures, pensions, and the high land tax.

High land tax, being calculated in the value of land, militated against the desirability of land because less return would be expected; the attenuated value of land would therefore detract from the land's selling value. War made it difficult for landlords to borrow, since government borrowing had priority, and difficult to sell land because the land tax would depress the selling price. Land values sank at the end of war because high taxation forced too much on the market. The effect of such a land market boom was to diminish small holders and increase the great landholdings, first because smallholders were less able to sustain high land taxes, and secondly great landholders bought in ratchet effect; they bought more land at every opportunity but by principle never released whatever they acquired. Gentry decreased in number and yielded their land to the aristocrats. This was a process of attrition; production could not be improved, but price fluctuation brought financial crisis in small estates that could be easily withstood by the larger production volume of giant estates. Money was invested in government bonds fueling the war instead of land.

shortage resulting from the land market recession drove up interest rates on mortgages, thus ultimately benefiting the landlords, the holders of such mortgages, but no one else.

Regardless of the declension of high interest rates, land and trade were in recession during the wars. Manufacturing was highly dependent on agriculture, so that a recession in agriculture negatively affected commerce. Most industries consisting of an elaboration of agricultural products, crop failure raised prices of raw materials. Curtailed labor income resulting from high food prices depressed the domestic market for manufactured goods. Government budget deficits resulted from the excise on reduced industrial production. The balance of trade became adverse from the costs of food shortage. The increase of relative cost raised the price of British exports and diminished their sales volume, bringing about high unemployment. The City therefore recommended a reduction of interest on the national debt to 3% as a means to reduce interest and taxation; the policy would have improved trade by lowering the cost of production.

As the landed aristocracy was the holder of the national debt, however, Parliament was unresponsive to the City’s request. Incidentally, a subsistence economy never completely ceased, even in the most advanced agricultural regions. Although agriculture was capitalistic, some of the peasant-cultivated grain was grown and sold locally; needless to say, peasants were not fed on imported food, and insistence on some degree of local economy became stringent in times of scarcity; rural riots were most frequent when there was food shortage and simultaneously the landlords were exporting the locally cultivated grain.

Local food shortage prevailed at the same time as government used bounties to promote corn export; Corn Laws that regulated export were apparently a secondary action to assuage this antagonism. Similarly with internal export; London exercised a sort of


gravitational pull on all provincial market prices. Normally London offered the highest grain prices, so that consequently grain never sold at a hypothetical “local” price, but only at the market price of corn in London, minus the transportation cost. Consequently grain usually sold in London, not in its own locality, because the price of grain minus transportation cost was often higher than the subsistence price that the locality could afford. When export to London or some locality prevailed due to the higher profit margin, riots would take place in the locale of grain production, in effect demanding that the merchant sell grain at a lower profit, supposing that the local producing community should have priority. To the contrary, the government bounty paid on all exported grain strongly discouraged sale in the locale of production, to such strength that sometimes the bounty made it more profitable to sell grain in a foreign country where the grain price was lower than in the locale of production.

This tension was the result of fully capitalized agriculture. Without grain export the result of a series of highly successful harvests was to diminish the landlord’s wealth, including freeholders, tenants and esquires, at most still less than 20% of the population, while at the same instance benefiting the other members of society. All, except the owner of the source of wealth, could receive better wages and enjoy more purchasing power.\textsuperscript{700} Certainly to the landlord this seemed to be an unfair paradox, and this built up the general hatred that focused on the middleman. In order to reverse this situation to his own favor, the landlord needed to export grain; in this hatred the middleman constituted a conflict between the aristocracy and the common people. Since long before Elizabeth the local public market had always imposed severe limitations on middlemen to guarantee the unimpeded contact between producer and consumer. The middleman had been allowed to purchase only after local consumers had completed purchase.\textsuperscript{701} But this arrangement was intolerable following the full development of capitalized agriculture and enclosure; the landlord could overcome the liability of losing money, as a result of highly successful harvest, only by pre-arranging

the export sale, before the execution of his harvest, through a middleman, entirely bypassing
the old limitations on grain transaction. By and large the landlords were able to shift the
blame for this trading practice away from themselves on to those wicked middlemen.

**Early Hanoverian**

The succession to the House of Hanover was accompanied by Whig ascendancy
and a purge of Tories in all levels of government; throughout the Whig ascendancy until
1760, if elections had at any time been fair according to the criteria of the era, the Tories
would have been in power. The Triennial Act of 1694 was one of the major reforms of
the Glorious Revolution; it prescribed parliamentary elections every three years. It was
expected to destroy the king’s power of patronage over the House of Commons; it would
be too expensive for the king to rig elections every three years. The brevity of the post was
also supposed to prevent conspiratorial corruption amongst the parliamentary members. It
was sponsored by the Tories; the Whigs achieved dominance in 1715, and in May, 1716
the Triennial Act was repealed and replaced by the Septennial Act. The initial motive seems
to have been to delay the chance that the Tories might recover; possibly the Whigs sincerely
worried that a Tory predominance might lead back to the Stuarts. Following the passage
of the Septennial Act Stanhope repealed the Occasional Conformity and the Schism Acts
in December, 1718.\(^702\) Official justification of the Septennial Act was that three years did
not provide enough time for anything to be accomplished, and the cost of holding elections
every three years was indeed too expensive for the British patronage system. Those critical
of the Whigs and of Walpole might indeed assert that the Septennial Act allowed the king to
stack Parliament, and enabled the Parliamentary members to achieve nefarious conspiracies.

Exclusion of the Tories was due to their involvement in the 1715 and 1745 Jacobite
rebellions and the requirements for security of the Hanoverian monarchy.\(^703\) Throughout

the Whig ascendancy the common man inclined to support a Stuart resurgence. To unjaded common sense this is utterly confusing. It stands to reason that the first man of a given nation should be of that nationality; the king was thought to symbolize and stand for the best interests of his people. Granted, royalty became nationally mixed up because of intermarriage within exclusive classes, and marriages were arranged to seal alliances, or pacify religious belligerence, etc.; nevertheless it is uncanny that Englishmen gave up their lives and fortunes to preserve the royal purity of their King, who happened to be Catholic instead of Anglican, or Scottish or Dutch or German instead of English, or who could speak German but not English, or who changed his name from Saxe-Gotha to Windsor so that the people of the First World War might associate their sovereign more with England than Germany. One might fantasize that at some time common sense might have fought its way through: that being English should be a fundamental requirement of being the English monarch. Perhaps one must remember at all times that there are no natural unities in history; every group is fighting against every other group, the government is itself nothing more than another contending group, and any group avails itself of anything whatever that might momentarily avail them.

Initially it is patently absurd that England should have chosen a minor German princeling, who did not even speak English, to become the symbolic head of the English people, to be the head of a Church to which he didn’t even belong, and on the claim of a lineage that was far more tenuous than that of the Stuart Pretenders. It is very often quite useful to identify what it was that a group was most afraid of, to discover its motivations. The Anglican Church is what unified the Crown and the Aristocracy; it was the Anglican Church that founded the landholding rights of the aristocracy and guaranteed the stability of their property. Status quo in property would have been severely shaken if James II had impetrad his dream of recatholicizing England. But one still must wonder why the landed class wanted to revere the idea of divine right, to the point of nominating a German whom absolutely no one in the landed aristocracy knew, instead of momentarily turning off the farce and choosing an Englishman; they had already gone so far when they offered the Crown to Cromwell a couple of decades previously. Some of the feudal mentality
prevailed; yeomen, tenants, and bourgeois still possessed as second nature in their mentality an obligation to submit to the landed aristocracy in their traditional economic roles.\(^{704}\) Without the Anglican Church the social unity of deference would have melted. If the strict succession prescribed by the Church had not been followed, the lower orders would have lost its insistence on a church that served their social superiors, not themselves, and choice of a non-linear king, though English, would have been more of a democratic-republican than a religious idea. The lower classes were Anglican because the upper classes were Anglican; this reasoning could not have withstood reflection. The dissenters, although forbidden university education and public office, were in fact as successful in social ascent as the Anglicans who were not so prohibited. Occasional conformity, by which a dissenter went to an Anglican Church maybe once a year, proved to be enough to elude the polite fiction that nonconformists were debarred from public office.\(^{705}\) The Anglican Church had the power to retain this social solidarity of the classes, but would gradually lose this power in proportion to the number of middle class and artisan types who discovered employment without dependence on patronage.

The Anglican Church was the absolutely essential element to the survival of the traditional landed aristocracy. In the pre-Hanoverian era the Test and Corporation Acts required that individuals take an oath without which they could not have the franchise or political office; Catholics and dissenters were unable to take this oath in good faith. The Corporation Act of 1689 was instituted as a prophylactic against the liability of Jacobite uprisings, to secure the regnant monarch. The dissenters were allies of the Whigs; the Test and Corporation Acts had been legislated during the Tory ascendency. The peculiar success of the passage of the Test and Corporation Acts was due to the circumstance that the Whigs needed these acts to suppress the Jacobites, and by extension the Tories, while the Tories also favored the same acts, to suppress the dissenters, and by extension, the Whigs. The dissenters were perhaps a greater immediate threat to the establishment than Catholicism,


first because Puritanism was nothing more than a purification of the Protestant spirit of the Anglican Church, and therefore indelibly plausible; but dissenters repudiated episcopacy, and without bishops the Anglican Church would have had no power to conserve the population’s traditional loyalty to the landed aristocracy.

Occasional Conformity made the Test and Corporation Acts impotent in the purpose that Tories had cherished for them; dissenters were occupying positions that had been meant to be reserved for Anglicans. The purpose of career interdiction had been to exclude dissenters from occupation in which they might accumulate power as a group. Thus occasional conformity had made such a mockery of the pristine purpose of the Test and Corporation Acts, to exclude dissenters until they converted back to Anglicanism, that when the Tories temporarily gained ascendancy in the first years of Queen Anne, they passed the Occasional Conformity Act in 1710; it closed the loophole, thereupon extinguishing completely the opportunity of dissenters, qua occasional conformists, to take political office. However, the passage of the throne to George I, the Whig electoral victory of 1715, and the association of the Tories with the abortive Jacobite uprising in 1715 thoroughly destroyed the Tories as a political force.

The Tories had in part wanted reversion to the Stuart dynasty; had there been no jeopardy in the position, it would probably have turned out that all the Tories wanted James III. A considerable part of the Tories had actively participated in the Jacobite Rising of 1715. Following ignominious defeat, the Tories campaigned for the parliamentary election with the slogan: “the church in danger.” This tactic was absurd, since the Tories were being blamed for the plot to reinstate a Catholic Stuart by revolution in the same year. The Whigs won the election by a majority of 130 newly elected Whigs; prior to the election the Tories had a majority of 240 over the number of Whigs. Under the circumstances of the Jacobite Rising, the electoral predominance of the Whigs signified a strong approbation of Hanoverian legitimacy. Double the number of county seats, which were par excellence Tory, became Whig. These victories were achieved even without the help of the Dissenters; the Whigs managed increase their power by repealing the Occasional Conformity Act in 1719.
The Indemnity Act was issued in 1726, well after the Whigs had taken over ascendancy. The Indemnity Act allowed dissenters to practice their religion legally, so long as they registered their convocations with the local pastor of the Anglican Church, and conducted their service behind unlocked doors. So much is consonant with the alliance of Whig and dissenter; what is extraordinary is that the Indemnity Act did not relieve the dissenters of exclusion from franchise and office. How could it have been rational to legitimate a religion but deny its access to civil liberties? What advantage did the Whigs see in the reification of such an inconsistency?

Primogeniture necessitated patronage, but on the contrary it also functioned to bring about a constant shedding of aristocratic family members who, being excluded from inherited wealth, had either to flourish in a government position or gradually fall into lower classes from that in which they had been born; in the latter case they became innocuous and forgettable. In England only the oldest son inherited the father’s title; the other descendants were not saved or impeded from mixing into classes lower than nobility.

It was this condition that enabled descendents of nobility to enter commerce as well as government, and for commercial magnates to find assimilation in aristocracy. This imprecision in the status of the upper classes obviated some of the dangers of revolution. Agriculture was reformed partially from the tendency of merchants to buy land; they introduced accounting into agricultural management and expanded agriculture by their prior mercantile habit of reinvesting profits into the original capital. While land was not as profitable as commerce, it was secure wealth, and opportunity to mix into the aristocracy. There were only about 200 English peers; the other great estates were held by minor

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aristocracy and commercial magnates. By this time, the later phase of our period, a deep change had taken place in the merchant’s attitude towards buying land or assimilating into the aristocracy. Earlier, a merchant who bought landed estate did it with the fixed purpose of having his commercial origins forgotten. His descendants, who had never had the least contact with commerce, studiously imitated the appearance and behavior of an aristocrat, so as to be absorbed into that society.\textsuperscript{710} Towards the end of our period, merchants bought only smaller estates, only for pleasure or electoral motives, did not give up commerce, and did not try to be taken for aristocrats; in the course of time such merchants lost some of their high impression of aristocrats, and took more pride in remaining what they were. In the interim, some of the better estates were thus held by non-aristocratic persons, since some of the landed aristocracy lacked funds to refurbish their estates. The manifest equality of the commercial owners in wealth made intermarriage between commerce and wealth seem more acceptable.\textsuperscript{711}

“Poor cousin” is an original English expression: an indigent, déclassé relative who is dependent but for whom one might feel more contempt than responsibility. Patronage was never extensive enough to accommodate everyone who might seem entitled. Further methods were necessary for paring the number of candidates. Government office was reserved for the aristocracy so as to supplement the profits of landholding; as the 18\textsuperscript{th} century progressed supplemental income became ever more necessary to prop up the ascendancy of land over commerce. The Test and Corporation Act might be conceived as a warning to those landed aristocrats who did not subscribe to Anglicanism. The Law excluding dissenting aristocrats from public office would slowly drive such people out of the aristocracy, because agricultural profit alone, without the supplement of government office, would not suffice to maintain them in the aristocracy. The Test and Corporation Act was retaliation in slow motion; victims had plenty of time to return to the Anglican Church, thus reinforcing the ability of the Church to protect aristocracy, but if in the long term they


did not, they would not be able to reinstate themselves in government office on which their social positions depended. Expulsion of dissenters from office, ultimately from social class, would in any case liberate sinecures for others who would conform to Anglicanism. It would have weakened the Anglican Church if a dissenter could receive the benefits of office holding that an Anglican might otherwise enjoy; if that had been possible there would have been so much the less reason for an Anglican to remain an Anglican.

It was reasonable therefore to attach a penalty to a dissenter for as long as he did not convert to Anglicanism, but not a penalty that would decisively destroy him. If the dissenter stubbornly refused, he would fall into the lower classes, where his opposition would be impotent; what had to be prevented above all was to allow dissenters to remain such, and at the same time retain political influence. Thus the Sacramental Test was still requisite after 1719; the Corporation Act established that a candidate for office had to receive the Anglican sacrament one year prior to candidacy, but the Indemnity Act of 1726 modified this requirement so that the candidate was not required to take the sacrament until after he had been elected to office.

In the largest part the strategy was successful; by the time of George III most dissenters had returned to Anglicanism; there was no compelling reason to deny themselves the advantages of the Anglican Church. However, until that time dissenters could enter local government, or enter national government, by attending an Anglican service once or twice a year. Likewise a dissenter might cynically swear the required oath, if that was the only thing separating him from a coveted office. Although the Test and Corporation Act inflicted no real harm on the dissenters, they cultivated the feeling of exclusion that it impressed on them. Whereas the Anglicans envisaged a harmonious England in which every individual communed in the Church of England, dissenters contemplated a conception of justice in which individuals were free to join any religious sect they preferred, without penalty. In this respect the lenient application of the Test and Corporation Act brought about the opposite

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of its intention; it inspired people to question why plural organizations should suffer any disabilities. Even though dissenting sects were not very different from the Anglican confession, the penalties grouped the dissenters into an opposition posture in which they sought parliamentary statutes against which to combat. Certainly the dissenters demanded legal equality because they virtually already enjoyed equality, not because they had been effectively excluded.  

A phenomenon occurred in parallel in England and the American colonies. Merchants, wanting improvements in commercial law, belonged to dissident religious sects which were vanguards of change, but in both cases, when the merchant became securely a member of the aristocratic class, he converted to the Anglican Church to obtain the advantages of conservatism. The English landed aristocracy, coming to the defense of the Anglican Church, rested its claims ultimately on the pretension that since agriculture was the foundation of the entire economy, landed wealth should have exclusive control of government. Aristocracy was in truth the possessor of government, but the premise for this pretension was becoming less and less credible. 43% of English income derived from agriculture, 30% from industry in the 18th century, but these figures might be overestimated; it is possible that by 1750 agriculture constituted only 25% and industry as much as 50% of English GNP. If it was not correctly assessed at the time there would have been good reason for mistake: such a balance would be the first time in human history. Beyond doubt was that agriculture was in secular decline and the proportion of industrial wealth was increasing. Throughout the 18th century the agricultural sector controlled government, while industry was effectively excluded.

Usually, once a group becomes aristocratic it establishes obstacles behind its entry so that other groups cannot crowd in; it is peculiar of English society that it did not use much

more than money to maintain its aristocratic barrier. The lower classes, or perhaps the classes below it, instantly imitate whatever feature the ascendant class uses to distinguish itself in its hegemony. That is, the class below the ascendant class tries to keep the line between the two classes porous, so that the relatively lower class can persist in claims for the same rights to the highest positions. The ascendant class stridently denies this commonality by inventing features that they, but not the contending class, possess. This segmentation into classes is achieved by status symbols, but here the problem is that the contending class will imitate the status symbol as soon as they notice its existence. This creeping assimilation cannot be decisively arrested until the symbol is somehow too expensive to be imitated by the contending class. In a nutshell, the gold coin cannot maintain its nominal value until the gold in the gold coin is as valuable as the nominal value of the gold coin. It is the paradox of the map that is inadequate until it becomes that of which it is the map; the symbol of great wealth has to become as expensive as the wealth of which it is the symbol. The English aristocracy had happily found the status symbol that was too expensive to be imitated, that decisively distinguished them from their relatively lower class imitators: the country mansion. This was a credible symbolic proof that withstood imitation and bastardization—until the advent of big commerce.

By the end of the 17th century merchants had begun to achieve fortunes equal to those of the landed aristocracy. The aristocrats continued to do what they knew best how to do: build bigger mansions. But merchants had enough money, though not always enough stupidity, to do the same thing. The rabid monomania to build the exclusive estate was meant to distinguish the aristocrat from the merchant by excluding the merchant from what he could not do. However, the attempt to exclude the merchant from this symbol of aristocratic status had the effect of making it impossible for authentic members of the aristocracy from accomplishing the same symbol of class inclusion. The aristocratic families ruined themselves by debt and mortgage in trying to build the mansion that the merchant could not afford, and the pressure in this rivalry forced jointures, annuities, dowries, etc. into astronomical terms. Above all, however, it exacerbated the patronage system to needs far beyond the capacity of British society and, I believe, culminated as the greatest remote
cause of the American War.

It was perhaps at this point, when the aristocracy was unable to outperform its contending underclass in accumulation of wealth, that the aristocracy exerted itself to explain that “mere money” does not constitute aristocratic quality. Something nonpecuniary, for instance an inbred code of etiquette and politeness, which was too complicated to be easily imitated, was the true sign of aristocratic quality. Supply contracts etc. involved in every war were an additional cause of sudden wealth among the merchants. Such merchants attempted to ascend into the nobility either by marrying into noble families or by amassing land through buying the estates of bankrupted gentry.\(^\text{716}\) Gentry went bankrupt because of the land tax; the land tax was oppressive because of the war cost, and the war was conducted mainly for commercial interests. The merchants came into possession of the gentry’s land by the taxes used to finance the merchants’ wars. So, it was also not mere cleverness that constituted the aristocrat’s inimitable superiority.

Instead of demand for direct political representation the commercial class focused on its insecure dependence on remote economic episodes. The English justifiably gave higher ranking to landed wealth; it was stable. Continental trade was untrustworthy inasmuch as every European nation inherently inclined to substitute imported with domestic products whenever possible, using tariffs etc. at any opportunity. The protectionism of the European powers prompted the English idea of a colonial empire as a substitute market.\(^\text{717}\) Commercial profit was more precarious, and perhaps most enterprises failed, but fortunes that did materialize accumulated far more quickly than those embedded in agriculture. Consequently a rational person would prefer agriculture to commerce because his wealth would be more durable. On the other hand, since merchants who did profit, profited spectacularly, globally the merchants gradually exceeded the gentry in wealth, took over gentry property, and emulated the agricultural property of the aristocracy. Because England


supposed that commercial wealth was too inconsistent to be a stable basis for governance, landed wealth had political priority. Merchants would be motivated to acquire land because it was not wealth, but only landed wealth, that made the criterion for possible social equality with the old nobility.

One needs to interpret the evolution of mercantile policy from these interests. The two basic elements of trade innovation were free trade, as opposed to chartered and regulated companies, and the conversion of tariffs from fiscal purposes to a policy of trade protectionism. Quite reasonably anything such as raw silk or cotton they wanted to be imported without the tariffs that had heretofore served as government revenue. Conversely, reaction to the prohibition on raw wool export was mixed. The policy was not contradictory; any raw material imported without duty would reduce the cost of manufacture, augment the industry, and increase the government’s revenue from duties on manufactured export. The pastoral community would probably get lower prices if their market were to be restricted to England, but the cloth manufacturers would have more employment, and the customs revenue on wool cloth would be much higher than customs on raw wool. The policy changed to impose tariffs on imported manufactured goods but not on imported raw material, and to discourage or forbid raw material export.\(^{718}\)

WALPOLE ERA

Walpole’s chief task was to carry the consent of both land and commerce; the two groups had opposing interests, but unless both of them contributed to the same policy, British interests would not prevail. The commercial wing was conducting wars abhorrent to the agricultural wing, and it was the agricultural, not the commercial wing, that was made to pay for the wars. Given such a situation patronage became imperative; it was necessary to cajole opposing groups. Landed aristocrats and gentry hated the Land Tax, since especially in wartime, land tax functioned to transfer wealth from the landed aristocracy to the

business elite. Walpole accordingly avoided war and high land taxes. Bills that would have completely emancipated the dissenters were not enacted, in order not to affront the landed class, but in effect the Indemnity Acts allowed dissenters to do anything the Corporation Act forbade them. Patronage served to bring as many sects, parties, and clubs on the fringe under the Whig party as possible, no matter how disparate and uncoordinated their several aspirations.

Aristocracy had an essential advantage over the commercial classes: monopoly of royal patronage. The powers of the Crown had been limited in such a way that the monarch could not move things unilaterally, but only in unison with Parliament; this did not eventuate in royal impotence. While the king could no longer make a gift of high office, monopoly, or large estates, he could award appointment to government office. This tactic was pursued to the purpose of building Parliamentary majorities who would vote in favor of royal policy.

The landed aristocracy controlled their tenants, and therefore controlled voting; 39 out of 40 English counties decided elections according to the great landlord’s preference: “probably not more than one in every 20 voters at County elections could freely exercise their statutory rights”. The Lord could verify that his subordinates voted as directed because voting was open. Bribery, patronage, and other pecuniary inducements were sufficiently potent to determine at least half of the borough elections.

This power transpired through the Justice of the Peace. This person was the link between aristocracy and the provincial lower classes. Normally he made all the judicial decisions over non-felonious issues for his parish; in the petty sessions or Quarter Sessions he made more serious judicial decision in conference of a group of JPs. As the century advanced his power increased; issues that had been the province of the Quarter Session were relegated to the solitary JP. As the manor court decayed its powers were also transferred to

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the JP. He was in charge of the Poor Rates, determined wages and prices, and in the later part of the century regulated the Speenhamland bonus system, through which a laborer would receive Poor Rate compensation to pay as much of his minimal subsistence that his labor payment did not meet.\textsuperscript{722} These functions strongly affected the common people, and the JP of course regulated the common life according to the preferences of the person who appointed him, the Lord Lieutenant, who was the major land holder of the area.

High offices were highly remunerative, but even if unsalaried, all government posts promised high emoluments in bribery and arbitrary fees. Sometimes it is pointed out that offices were not sold and inherited, as in France. However, crown appointed government office had the status of property; it was kept for life, and by the device of \textit{reversion}, an office could be passed on to a son or brother in the case of the holder’s death; there was no more consideration for the ability to perform the office than there was in France.\textsuperscript{723} Predominant was the concern to present only aristocrats as being capable of government office. The proximate threat to aristocratic hegemony were the commercial magnates who might disbelieve that they were incompetent to participate in government. It was vital for the aristocracy to persuade the commoners that aristocrats, and no one else, had adequate intelligence for government. If that popular belief should attenuate, leaders would appear to lead groups of the lower classes to challenge the aristocracy’s exclusive position, as exemplified in the Wilkes incidents. Since aristocratic superiority was not well founded, it was essential to prevent commoners from opportunity to acquire the distinctive skills. It was safer to adapt incompetent aristocrats rather than to install competent commoners.

The country aristocracy augmented their political power by making themselves the sole dispensers of any government employment whatsoever. Since in this period the percentage of voters was steadily descending from 20\% to 10\% of the male population, the fact that 20\% of the population depended on the king’s employment was a substantial


factor in the king’s favor. This secured that the Hanoverian Kings would usually prevail in anything brought before Parliament. Notoriously Newcastle and Walpole managed the business of appointments to assure the king’s parliamentary supremacy. Since even the king’s resources could not provide enough positions for those in need of patronage, new sinecures were constantly created. The risk of failing to achieve a parliamentary majority by giving employment to all those recommended by the king’s friends was so threatening that a given individual’s ability to perform a government office was an insignificant consideration. That the government of the day clearly recognized this is evidenced by where the routine did not apply; naval officers were never admitted or given preferment on the basis of social rank or connections, but solely on the basis of demonstrated ability. Otherwise, patronage for political backing suffused all the offices of the military, church, university, the legal profession as well as the baldly governmental administration.  

The perceived prosperity of the middle class, but more poignantly of the elite commercial class, instilled insecurity in the landed aristocracy even when the aristocracy was firmly in control of the English polity. Traditional open field agriculture was intolerable because of economic stasis; it was not conducive to emulating the commercial calculations of profit over cost. Especially the gentry at this time protested the wars that they principally financed from the Land Taxes; this became the Tory crusade. The deliberate efforts to rationalize industry and commerce to achieve greater wealth forced the rural population to improve agriculture at the same rate, but marketing and capital investment in agricultural growth could never match the rate of industrial growth. On average British agriculture between 1700 and 1800 consumed 36% of British manufacture; consumption over that of 1700 increased somewhere between 29% and 44%. In the same period agricultural revenue increased 81%, but expenditure on industrial products increased by 370%. In 1700 wool

made up 70% of English domestic export, and remained at about 50% in 1770.\textsuperscript{727} Whereas in 1700 coal was used only for heating, the use of coal increased four times faster than population growth by 1750, and it was not exported in any considerable volume; it was being consumed by industry. By 1815 England was producing and consuming six times more coal than it had in 1700.\textsuperscript{728}

The common people had sympathized with James II, such a precious personage; they were reluctant to accept a foreign king whose lineal priority was roughly the fiftieth; William’s accession signified the death of the divine right of kings. The first Jacobite uprising was suppressed in 1715, but the royalist loyalty was much stronger in the country. The 1715 Jacobite revolt assured the ascendancy of the Whigs.\textsuperscript{729} The Tories, by and large supporters of a Jacobite restoration, were expelled from government office and lost political power, although in any fair elections of the time they would have won; the commoners were anti-Whig. At the heart of the conflict was the Tory willingness to sacrifice the Act of Settlement, ensuring a Protestant succession, for the sake of maintaining the most direct Stuart lineage.\textsuperscript{730}

The Walpole regime incessantly inspired deep loathing in the general population; if elections had been held without the enticements of patronage Walpole’s party would never have won. Expulsion of Tories from government by association with Jacobitism made the Walpole government virtually into a one party state, in which all things dear to the Whigs could be legislated without resistance. Popular resistance figured in the revolt against Charles I, and the precursors of the Whigs ennobled the resistance to tyranny with John

\textsuperscript{726} Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 368.
Locke’s justification of revolt against tyranny; now however the common people were inclined to revolt against the Hanoverian government, in favor of a Stuart, and the Whigs did their best to legislate Jacobite sympathy as treason. The Riot Act, the Black Act, and the Septennial Act were legislated, the Septennial Act saving the incumbents from the expense of elections and accountability to their electors. The “Black Act” was named after the custom of the perpetrators to blacken their faces when poaching; it assigned the death penalty to anyone hunting fur or fowl who did not possess more than 100 acres. The press and theatre, having sustained Jacobite sentiments, were closed down. The Salt tax of 1732, the Excise Bill of 1733, and the Gin Act of 1736 had all confirmed the impression that the Walpole government intended to shift the greatest part of the tax burden on the common people. In 1721 Walpole moved a Parliamentary Acts that reaffirmed the right of JPs to determine wages, and in 1726 another Parliamentary prohibition of worker combinations. The Civil List was greatly expanded to accommodate an army of placemen; the maintenance of a standing army, taken together with a German king who enjoyed continental wars, alienated the people with an image of government vs. people; recourse to another Stuart king was the imagined panacea. Walpole widely deployed espionage to suppress election plots and libel; the cost of repressing public opinion amounted to £50,000. That the patronage system never had enough resources to pay off every participant jeopardized the Walpole regime. Small freeholders were included in the franchise, but those without property were prohibited from participating in parliamentary elections; restriction of the franchise helped to make patronage management of the election more manageable; in 1715 24% of adult English males could vote, but this proportion had been successfully reduced to 14% by

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734 Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 482.
Landed wealth was a jealous rival of the merchant, yet at the same time it allowed assimilation by marriage in order to bolster itself from commercial wealth. Landed wealth, despising commerce, entered commerce; had despised the merchant, and married into commercial families. They had resented the Bank of England, but in response they mounted the South Sea Company, founded by Robert Harley in 1711, to be their nemesis on the Bank of England. Harley’s original intention was to liquidate £9 million of the £50 million national debt, on the basis of anticipated commercial revenue. In the period 1717-1720 the South Sea Company negotiated with the Stanhope-Sunderland ministry to take on £31 million of the national debt, which was held as government annuities following from the War of the Spanish Succession. Annuitants were to receive annual 5% interest until 1727, and thereafter 4% interest on their conversion. By lending £10 million on the security of their own stock they generated fictitious stock, which investors “bought” on a 10% downpayment which was itself borrowed money; the selling price thus inflated from 100 (January) to 300 (April) to 700 in June. The stock price had lost all relation to its assets, but the sharp rise of stock price alone excited investors to buy into it; by July the price exceeded 1,000. By the end of September the bubble deflated to 190. The South Sea enterprise was a swindle that disgraced its Tory backers, and from this disgrace the Whig Walpole regime of the next twenty years was born. In the aftermath of the South Sea Bubble the country aristocracy turned to modernizing their agriculture as an alternative attempt to keep wealth, and hence their prestige, ahead of that of the untitled merchants. Enclosure was a general approach to capitalizing agriculture so as to run it in the same way as merchants conducted trade; it was the way of quantifying the agricultural product. Inherent in the striving to lower cost and raise profit was the reduction of employment, thereby eliminating labor that depended on the older system.

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peasants; perhaps the fact that the abstract growth of wealth was the same as the advantage of the landlord, capitalization of agriculture displaced the strip farm system.

**Middle Class**

Although agriculture gained from rising food prices, the profit from it was economically pointless because almost all of it accumulated with the landlords rather than the tenants; the revenue was devoted to competitive prestige in luxury goods, service and mansions, that is, it was lost for agricultural improvement or industrial development.

Prior to monetization any activity that might be termed middle-class was predominantly a clientage; such a person vitally depended on patronage from the agricultural or business elite. Dependency on good will was so strong that the patron may not bother to pay for services rendered for years, or never; the patron could assume in a feudally reliquary way that it was the servant’s duty to be complaisant even when he was not paid. The middle class individual did not respond by some sort of unionization, but by attempting individually to rise to a social status in which he would no longer be susceptible to dependency, such as entering gentry status by acquiring land. The initial attitude was to seek the more agreeable position through merit within, rather than revolt against the established order. This was facilitated by the objective existence of several subclasses within each class, which is to say that an individual could quite easily advance into the class immediately above his own. When the class social distinctions are too steep to transcend, the individual is more inclined to advance himself by overturning society rather than of conforming to its internal rules. Thus Hume’s comment, apposite to the French Revolution: “a too great disproportion of wealth among the citizens weakens any state.” In this Hume indicated that the artisanal culture of England, furnishing a multiplicity of social layers, saved the nation from the

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EVOLUTION OF EARLY MODERN ENGLISH SOCIETY

precariousness exhibited in French society. Until the revolutionary era neither labor nor profession unionized claims against the English establishment. It is an instance of explaining why the dog did not bark.

The incipient middle class may have been sensitive to aristocratic arrogations, but the further one recedes the more ambiguous was middle class dependence on aristocracy. The middle class may have hated the aristocracy for its tax abuses and its privileges, but at the same time they were immediately dependent on the aristocracy, and no one else, for the possibility of employment. Patronage, in a different sense, seems to have decelerated the middle class inclination towards assertion; they might otherwise have challenged aristocratic government several decades earlier. Prior to complete monetization, professionals depended on a peculiar type of payment and patronage that did not distinguish them from artisans. Granting that many livelihoods depended on patronage by the rich, and could not have persisted independently of their patronage, one might question why monetization should have altered this dependency. Urban growth concentrates middle class types in one place, and brings about a brachiation of specialized middle class activities; higher living costs accelerated monetization and higher incomes. The town then served the surrounding countryside, and mutual business activities within the town population. Generally an essential industry to which the town owed its existence did not employ as much as half the population; the remaining employments were dependent on the trunk industry, but were not of it. Employment by a patron could be continued without constant money exchange by means of long term account books, whereas money made possible frequent and impersonal exchanges. Large towns brought about a middle class consumer market; monetization enabled accumulations of money that the town inhabitants did not have individually. The possibility of tapping middle class town capital opened up the opportunity to neglect aristocratic patronage. The middle class grew from 20% to 40% of the population by the 1760s. In England in 1759, 141,700 retailers were counted. Small retailing had

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the effect of prying the middle class from dependence on the nobility, diminishing the importance of patronage.

Aristocracy had certain ploys to retard the autonomization of a middle class. To begin with, throughout the century England never manufactured enough money, either in paper or coin; this failing entailed a very strong dependence on book accounting, which in turn strongly restricted the scope of customers; the book accountancy system was best adapted to a small village, but unwieldy for a large town. The Bank of England never made notes in small denominations in this century. In consequence every individual was always a creditor and a debtor, quite unavoidably. Nevertheless, a debt of £2 was the criterion for arrest and imprisonment for debt default. Almost anyone would have a debt of over £2, and anyone could buy another person’s dispersed debts and accumulate them into a debt of over £2. Furthermore, as soon as the date of the debt matured, it was from that moment on immediately due; there was no grace period. Thus, if a debt of £2 were called in and the debtor could not pay it immediately, he could be forthwith arrested and kept in jail until the debt was paid. Furthermore, since cash as paper or coin was scarce, it was difficult for the debtor to produce the cash even if he were solvent. Intimidation of this unavoidable nature retarded development of independent middle class interests because, first, an aristocratic patron did not call in debts, and therein provoked deference; secondly, it was within the power of an aristocrat to excuse his client from this sort of arrest. The 200 death penalties achieved a similar effect of inhibiting the lower classes. A murderer would not be able to discern that he had murdered because the grain price had gone up one pence; it would be another hundred years before the correlation would occur to anyone. Middle class complaint against the debt laws appeared during the English Civil War and persisted, virulently, throughout the Wilkes era. The established order defended debt imprisonment on the ground that it protected the middle class by prosecuting those who avoided paying debts. The defense was somewhat illogical since imprisonment prevented the individual from

collecting on his debts, or doing whatever was possible for the repayment. It is significant that virtually all aristocrats lived in debt their whole lives, without being susceptible to debt law, and often owed debts, lifelong, in tens of thousands of pounds; at the same time, a petty businessman could be summarily imprisoned for a debt of two pounds, and a ten year old girl could be hanged for having purloined a handkerchief. In effect the debt law repressed the middle class through the insecurity which impeded all transactions.

Ultimately, the patronage control over the middle class was bound to fail because of the transition away from agricultural economy; patronage would work for as long as an individual voted in open elections, and knew that he would be evicted from his farm rental if he didn’t demonstrate what a nice fellow he was. Landlords often extended help in trying conditions, such as falling prices, or agricultural blight; they might reduce rent or provide capital for agricultural improvement. When employment became more abstract in the town and factories, such specific, immediate liabilities were implausible.

Religious dissent increased with the enlargement of the middle class. The subordinates of landed wealth were Anglican because in traditional feudal fashion they conformed to the elite. Dissent from Anglicanism was thus an expression of incipient independence in the middle class, when concentration in towns made the patronage of the elite less essential. Long before the John Wilkes episodes there had been attempts by the lower middle class to interfere antagonistically in the early Hanoverian elections of 1741 and 1749. As the public market vastly outsized the volume of aristocratic patronage, it gradually appeared safe and reasonable for the middle class to demand some role in national political activity; at the very least the Wilkes elections amounted to a perfectly deliberate, self-conscious intention by the lower and middling classes to defy aristocratic priority. The defiance derived from small business; the religious nonconformity of groups such as Quakers was an integral element of the English distaste for their upper classes and for deference; one

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should remember that, despite our stereotyped image of English deference, the Quakers for example acquired their popularity, and notoriety, for aggressively flouting the English conventions of deference. Nonconformists had acquired economic power by virtue of their penetration into elite business levels.\textsuperscript{748} It frequently happens that if a minority is sequestered from political participation, they occupy high positions in society, far out of proportion to their numbers, in social sectors from which they are not forbidden. No one of that time could present it blatantly, but nonconformist traders were disregarding the cardinal virtue of Anglicanism: its justification of the ascendancy of the landowning class. It matured at the time when land ownership was the only form of secure wealth, whereas the merchants and other businessmen were trying to enter an aristocratic, oligarchic society which excluded commercial wealth in principle. Exclusion from political activity effectively hardened a sense of middle class identity,\textsuperscript{749} and the sense of mild victimization from which this identity originated eventuated in self-consciously middle class accomplishments in areas in which they were not yet excluded. The increasing capital stature of the middle class did not assuage hostility between them and the elite, because the nobility and the gentry remained highly dependent on expansion of the patronage for their secondary offspring.\textsuperscript{750} The upper classes precluded the increasing numbers of bourgeoisie from patronage positions that would otherwise have been apposite.

It is a rather set pattern in the 17\textsuperscript{th} and 18\textsuperscript{th} centuries to declass people by some form of religious discrimination. Presumably Catholics were excluded from political life because of their presumed obedience to a foreign potentate, the pope. Exclusion of dissenting protestants was more complicated. Ostensibly the extra tax burdens and fines Catholics and Protestant dissenters paid were simply a way to augment national revenues without raising other taxes. The most blatant instance of this interpretation was the Sheriff’s Cause, starting in 1739. Members of the Low Church had been excluded from office on the ground of

recusancy, according to the Test and Corporation Acts. Dissenter protest began in 1732, reappearing in 1736 and 1739. The Quakers presented a bill against paying tithes to a church to which they did not belong, but it was defeated in the House of Lords.\textsuperscript{751} Exclusion alone was normally enough to show dissenters the error of their ways; government office was the chief means by which landed aristocrats could adjust against their diminishing agricultural revenue so as to keep afloat in the aristocracy.

The device showed an opportunity for improvement; a Common Councilman proposed a law by which anyone who refused the office of Sheriff should pay a penalty of £600. A dissenter could not accept the office without swearing the oaths of the Test and Corporation Acts, and could not maintain adherence to his religion if he did. Forthwith London deliberately nominated only dissenters to Sheriff, and thereby pocketed £600 at each abortive nomination; over a twelve year period the London government accrued £15,000. The scam was not arrested until a ruling by Lord Mansfield in 1767.\textsuperscript{752}

One might wonder whether an event such as the above was sincere religious persecution or whether it was instead a cynical pretence of religious bigotry. Religious qualification was essentially an impulse to declass anyone who didn’t cooperate. If dissenters were subjected to special taxes and precluded from opportunity, they would gradually become too impoverished to be a political force; land, especially on the level of gentry holdings, had long ceased to maintain a person in his class, unless he supplemented his estate from the revenue of government office. Unless the dissenter made himself admissible, he would never have enough of a financial hold to constitute serious competition with the mainstream group. The trick was played broadly on both sides, at different times. Although the robust French example of St. Bartholemew’s Day was before them, it is pleasantly surprising that the English adopted this relatively gentle response to their errant brothers.


Part of traditional deference had been an internalized obligation to vote in the way that one’s superiors wished. Middle class people of urban concentrations could harp on their independence from patronage perhaps similarly as they had asserted their independence from seigniorial landlords centuries previously; they presently liked to trumpet the autonomy of the House of Commons from the House of Lords. But this was largely nonsense. It was true that the House of Lords was forbidden to interfere in the House of Commons, but the landed aristocracy nevertheless controlled MP elections and other office holding; members of the House of Commons were either selected by the Peers in the House of Lords or came from the same families. The aristocratic idea that it was the duty of the aristocrats to consume luxuries in order to give work to the middle classes serving them was the apodosis of the premise that middle class people, financially dependent on aristocratic patronage, would vote in the way the aristocracy directed. With time the extension of commerce in a domestic market made the middle class less beholden to aristocratic patronage, and hence less pliable in the interest of endearing aristocrats. The formation of clubs, associations, and unions served to amass enough capital to immunize middle class people from patronage demands.

By the Whig succession of the 1720s taxation and debt, detracting from the middle class, sharpened their sensitivity to the increasing power of government and their lack of influence in it. As exclusion formed the middle class into something self-conscious, the middle class could not help but notice that deferential voting was no longer necessarily a way of voting in their best interests. Voting in their best interests used to mean in the favor of the upper class figures, who would then employ the middle class; now however the middle class found themselves pressured to vote for placemen who would support the interests of the elite against themselves.

Unlike France, the porosity of the upper class, aristocratic or patrician, changed the

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laws of social transformation. A unstable society was likely to bear steep extremes of wealth and poverty, whereas a wealthier, more evolved society would have many fine gradations between classes, such that people would choose to ascend rather than revolt. In the long term the English preferred wealth over birth. It made English society more stable, because, when an individual had a substantial chance to ascend society incrementally, the social mentality would prefer emulation instead of revolt. The sophistication of middle class vocations was not a result of aristocratic patronage, but the reverse, a weaning of middle class dependence from aristocracy, and a prosperity arising from the infinitely wider market of commoner consumption. This should have set the middle class against aristocratic agenda, since the middle class would not profit in common from accomplishment of aristocratic preferences. However, the middle and labor classes, who were the new patrons, inhibited this progression in a different respect; the middle and lower class resentments of aristocracy were not the same. The Napoleonic Wars, set in motion by an anti-aristocratic revolt, frightened the English middle class into compliance with aristocratic wishes.\textsuperscript{755} If the middle class revolted against the aristocratic regime for the sake of their own purposes, there was a risk that not these purposes, but those of the labor class, might gain the upper hand after the dust had settled. A middle class that had traditionally been clients to the aristocracy might continue to cooperate with the aristocracy if there was fear of an insurgence of the labor class.

The depoliticized middle class resented the large government expenditure on war related contracts and on patronage positions, since they connected their tax burden with the vast expense of corruption; national taxation was subsidizing pensions and sinecures. Resentment induced an ideal according to which the middle class should be independent rather than deferential. Rectification of political office would enable an equitable distribution of taxes. Placemen were an outdated phenomenon in early industrial England because industrial laborers, unlike farm laborers, were not enserfed, as for instance in Russia; they had no inescapable dependence that could force deference. When a farmer objected, it was individual; when workers had organized well enough to complain, it was through union.

Demand for equitable taxation was embodied in a suggestion that taxation be imposed on machinery, so that its benefits would be distributed to laborers as well as owners.\footnote{Cf. M. J. Daunton; \textit{Progress and Poverty, An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 409.}

\section*{1733 excise}

The Whig ascendancy started with the South Sea Bubble. The two wars, King William’s War and the War of the Spanish Succession, nearly bankrupted England; they had been financed through the sale of government annuities, mediated by the Bank of England. Government extricated herself from the crushing annuities payments by a stratagem it had learned from the founding of the Bank of England; it let the South Sea Company convert the annuities into South Sea stock, and to sell stock up to the value of the money that the South Sea Company lent the government. When the stock collapsed, the former annuity-holders lost the value of their former annuities in the deflated stock, and the government was freed of its debts. With Walpole leading the government investigation into the stock market crash, the government leaders deeply implicated in the fraud were sheltered from reprisal. Walpole gained the prime ministry for having successfully hidden the King’s personal involvement in it, but the event set the whole British public against their government.\footnote{Cf. Wilson, Kathleen; \textit{The Sense of the People, Politics, Culture, and Imperialism in England, 1715-1785}, Cambridge University Press, Cambridge, 1995, p. 118.} For the entire Walpole incumbency the public recognized the South Sea Bubble for what it was, and never trusted the aristocratic government again.

Starting from the annuities and the South Sea Bubble, the national debt remained the fundamental economic problem for the 18\textsuperscript{th} century. Throughout the Walpole-Pelham incumbencies the national debt took up half of all public revenue just for interest payment, without repayment of the capital. No successful solution was found; in the 1780s, subsequent to the American War, interest payment on the national debt amounted to ¾ of the total national revenue.\footnote{Cf. Price, Richard; \textit{British Society 1680-1880, Dynamism, Development, Change}, Cambridge University Press, 1999, p. 68.} The loans that generated these interest obligations had been created
by the London financial elite; the national debt was a way to get more money out of people on whom it was impossible to pile further taxes. Whereas the national debt funded things that otherwise would have been impossible, unlike tax this money had to be paid back.

The landed aristocracy, finding themselves in a debt that they could not renege, naturally built up a strong dislike of the people to whom they owed it. On the perception that commerce benefited from war, landed wealth assigned fault to commerce for having fomented wars that now had to be paid for in his land taxes. It was surmised that the wealth derived from commerce was adulterating the British aristocracy with commercial bounders.\(^{759}\) The circumstance that it was the commercial elite who had contrived the loans that made the wars possible, and that it was this same elite who were the beneficiaries of government’s immovable debt, established distrust in the landed aristocracy against the financial circles of London. Ideally land tax should have subsided from 4s/£ in wartime to 1s/£ at the resumption of peace, but the debt burden had been driven to such an extreme that government obligation in peacetime was no lighter than in wartime. The land tax could not be reduced; loans did not require parliamentary approval, whereas the equivalent taxation would have needed parliamentary approval, i.e. the landed aristocracy. The loan was a circumvention of Parliamentary oversight; once the loans were issued, no other option existed but for Parliament to honor the debts and repay them. The English countryside, i.e. the landed aristocracy, had good reason for suspicion of the financial convolutions of the London merchant class.

The land tax serviced the national debt, but those who paid the land tax had never approved the creation of the national debt. This was what brought about the shrinkage of the gentry; the land tax required for the service of the national debt diminished the value of land, so that gentry whose land had been previously of greater value now discovered that their basic capital in the land was worth much less, bringing in train all of the imaginable limitations on their ability to borrow. The aristocratic landlords, although afflicted by the

same conditions, nevertheless benefited from those conditions at the same time inasmuch as it increased interest rates on the capital they had provided for the tenants and gentry who had borrowed money on landed security. The landed elite furthermore benefited from using the money on their rentals to invest in the government war loans; this counteracted their losses on the land tax, but it was a countermeasure for which the gentry did not have capital to invest. The nearly total investment of savings in war depressed the land market, and, since land was more cheaply evaluated, the credit that could be collateralized from this land shrank. As available credit went into shortage, interest rates on lendable money either for mortgage or business enterprise became very high. This amounted to rural depression, but it was optimal for the landed aristocracy, because new land acquisitions came very cheaply.

The high interest rates were equally deleterious to industry and commerce. The increased costs resulting from high interest rates disadvantaged British export vis-à-vis foreign domestic production because of carriage of cost on to price; diminished export increased unemployment and the cost of the poor rates. There had been a call to reduce interest payment on national debt to 3%, in order to cut taxation and general interest rates; lower taxes etc. would increase export by lowering production costs. However, the MPs and the landed aristocracy were not the principal payers of the poor rates, nor did they need small business loans, but they were the holders of the national debt; interest rates on the national debt were not reduced.\footnote{Cf. M. J. Daunton; \textit{Progress and Poverty: An Economic and Social History of Britain 1700-1850}, Oxford University Press, 1995, p. 514.}

“Country ideology,” perhaps more representative of the gentry, but held forth by the Tories, concentrated on the dangers of a financial coterie whose power was not only independent of the government but might well control government policy as embodied in the Whigs. The London financial power might predominate over landed interests inasmuch as it could requisition all disposable capital to maintain the obligations of national debt and oppress industry by keeping interest rates at the highest level.\footnote{Cf. Price, Richard; \textit{British Society 1680-1880. Dynamism, Development, Change}, Cambridge University Press, 1999, p. 74.}
Tax revenue shifted from land tax and other progressive taxes (the hearth and window taxes had been repealed) to excise tax. Even at 4s/£, the land tax never amounted to more than 20% of the national revenue, although Parliament threnodized exclusively on the evils of land tax; taxation as a whole was strongly regressive, so that wealth shifted from the poor, middle class, and agriculture to the commercial sector.\textsuperscript{762} Parliament, though made of the landed elite, was invested in commerce.

In the second half of the 18\textsuperscript{th} century the dramatic rise of agricultural rent canalized the profits of high food prices to the landed aristocracy. Better than anything else, rent was able to rise just as sharply as inflation; due to the American silver influx, general prices rose, but wages fell far behind.\textsuperscript{763} Although agriculture improved, population growth exceeded agriculture and thus drove up food prices. However, whereas agricultural production increased 4.3\% per decade between 1660 and 1740, it fell to less than 2.7\% per decade between 1740 and 1790; agriculture stalled when population growth accelerated. Britain began to import grain in the 1760s, and imported in large scale by 1790.\textsuperscript{764} Faltering agricultural productivity immiserated the industrial proletariat, if not by falling wages, then by falling purchasing power of stationary wages.

The lower classes spent a greater proportion of their revenue on food, thus depressing the domestic market demand for manufactured goods. At the same time interest paid on the national debt went to the landed aristocracy; since the highest income classes spend proportionately less on consumption, the confluence of these two factors raised the national savings rate. Two characteristics informed the economy; high savings, which should encourage investment, and low market demand, which should discourage investment. The combination should imply foreign commercial investment; if there was an excess of investible money and no profitable opportunity in England, people would be likely to

\textsuperscript{762} Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 373.
\textsuperscript{764} Cf. M. J. Daunton; Progress and Poverty, An Economic and Social History of Britain 1700-1850, Oxford University Press, 1995, p. 35.
make some type of foreign investment, so as not to let the wealth go completely dormant. Domestic industry had never depended on the central government, the Bank of England, or the landed aristocracy, because these forces had never adequately esteemed industrial prospects; the industrialist normally capitalized his project by investing his profits back into his industrial capital; this was feasible in the early phase of industry, when fixed capital was not expensive. Such investment was possible only in periods of market growth; under the present factors industry had no motive to invest. Government, though taking up the available credit for war, did not deprive industry of investment capital.

Agriculture was already paying the maximum imaginable land tax: 4s/£. Government then turned to customs revenue. However, if customs duties were raised above the present level, less revenue would proceed; it would touch the level at which paying the nuisance cost of smuggling would be worth it to evade import duties. If customs duties were imposed on imported raw materials, the total revenue would also diminish, because export duties, added to the price of the product, would reduce the export volume. Similarly customs duties on British exports would diminish final national revenue. Government could not raise revenue from larger customs duties a) because imported raw materials should be kept cheap and b) exported manufactures needed to have low prices to compete against foreign-domestic products. Consequently, the Walpole incumbency shunned recourse to land tax and customs duties, the income tax had not yet been considered, and only excise taxes remained for improvement. Walpole reduced land tax to 2s/£ between 1722 and 1726, 1730, and 1734-39. In the period 1731-2 it was 1s/£. To substitute for the forfeited revenue, excise taxes whose greatest revenue came from the labor class were devised. The excise derived revenue mostly from commoners; it was a tax on such things as soap, candles, alcohol, cloth, tea, coffee, pepper, tobacco, beer, etc.

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766 Customs duties were systematically reduced between 1721 and 1724. Cf. Wilson, Charles; England’s Apprenticeship 1603-1763, pub. Longman, 1965, p. 319.
raised its revenue from £8 million annually in the period 1706-1710 to £14 million in the years 1731-1735. Excise taxation was made to yield one half of total government revenue at the time when the land tax was reduced to yield less than 20% of national revenue, i.e. in the years 1731-1740.

The intent was to avoid antagonizing business interests, as in the instance of sugar; it was not subjected to excise or customs duty because of the harm such a tax would inflict on big business patrons. Selective leniency inspired a powerful backlash against government, because the manifest predilection to tax commoners and spare the elite aroused suspicions of corruption. By the 1720s Whig, Tory, and Jacobite groups erected opposition to a symbiotic government business conspiracy that aggrandized the upper classes by demolishing the rights of the commoners. In particular, patronage was incompatible with democracy or even representation; the Whig legislation of the Septennial Act made incumbency long enough so that MPs did not need to heed the desires of their electorate, as the Act untrammeled them from worries over re-election. Continuance of patronage signified that almost every MP in the House of Commons was a virtually a placeman, i.e. the representative for an interest, because in reality it was the patronage rather than the ostensible election to whom the incumbent had to be grateful for his seat.

Under these circumstances the excise tax seemed to be dangerous for two reasons. First, as a regressive tax, it taxed the people who could least afford to pay taxes. In Holland and France there were excise taxes on everything that changed hands. If England instituted excise taxes on soap, matches, or beer, what was to impede government from copying the Dutch precedent, imposing excise tax on everything imaginable? Secondly, excise taxes always empowered the authorities to investigate any opportunity for cheating on the tax; if for instance there were an excise on beer, the statute would empower authorities to raid warehouses, private homes, or anywhere in which the commodity might be illegally hidden.

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Consequently legislative elaboration of excise taxes would infringe on the individual’s right to privacy, etc.\textsuperscript{770}

The Walpole incumbency tried not to infringe on strong business interests when attempting to raise national revenue: this was probably the compelling reason for excise taxation. Resentment that France had gotten too much advantage at England’s cost from the War of the Austrian Succession and that further war might prolong the tax burden aroused a general opposition against Walpole.\textsuperscript{771} Merchants interested in wine and tobacco organized this malaise into strong opposition to Walpole’s 1733 excise tax; the wine and tobacco taxes were apprehended as prodromata of an excise on all commodities. Fear of a general excise was something like fear of income tax; if it applied to everything it would, like income tax, be inescapable.

There is an irony in the 1733 Excise Bill; it stipulated that excise officers should have the right of search, that is, a general warrant to search a person’s property, storage or home at any time on suspicion that taxable goods might be hidden. It was probably this clause that caused such violent reaction to it that Walpole had to withdraw the Bill. Walpole perhaps narrowly escaped impeachment. The merchants strenuously opposed it because the search clause meant that they would be unable to cheat, but the clause was euphemistically interpreted to mean that the Excise Bill would intrude on the Englishman’s basic liberty, as it would.\textsuperscript{772} In fact the 1733 Excise Bill was too modest to have merited the furor it set off, except that it fomented images of SS storm troopers ransacking private homes. The gentry and nobility had no reason to object, since the excise would exempt them from higher land taxes, yet they also joined the hysterical opposition because of the image of storm troopers from a tyrannical central government overriding any civil restraint.\textsuperscript{773} The irony is that although the search clause in the 1733 Bill nearly overturned British government, the


British were indignant at the violent reaction against the Townshend Acts, which included
the same unlimited search rights, fomented in the colonies.

The union of land and commerce sufficed to kill the 1733 Excise Bill because
gentry had for a long time been concerned with the failure of the members of parliament
to represent their constituencies. Tories argued that an elected member of the House of
Commons had a duty to represent the desires of those who had elected him; this idea
was indeed quite distant from the system of patronage that in reality defined duties. The
Septennial Parliament was the antithesis; Walpole in 1733 proclaimed that the general
public ought not to influence Parliament, as they were not sufficiently informed, as the
MPs were, to discern appropriate policies. Septennial parliament gave the advantage to the
Whigs and to Court; it constricted the public’s power to react to parliamentary actions since
the public could not quickly react with new elections. Tories wanted to enforce a practice
of “instructions,” according to which the elected parliament member would be obligated to
present in Parliament whatever his electorate wanted, and to be removed from office at the
next election if his performance did not match what his electors had expected from him.774

**Revolutionary Era**

Land taxes were never earnestly reassessed; they were based on original assessments of
a half century earlier, and the landlords themselves assessed their own estates. Additionally,
the landed aristocracy perceived the land tax as unfair. In 1716 the estates in Kent paid
20% of their rental revenue when the land tax was 4s/£, but the same estates at the same
rate yielded 11% of rental revenue in 1770.775 The notorious Land Tax, now inefficient,
entailed new taxation to compensate. The small gentry, also objects of the land tax, did not
benefit from the virtual reduction of the land tax nor the rising food prices, because he was

773 Cf. M. J. Daunton; *Progress and Poverty. An Economic and Social History of Britain
774 Cf. Wilson, Kathleen; *The Sense of the People, Politics, Culture, and Imperialism in England,
now made liable for a house duty, window tax, and taxes on the number of servants, dogs, horses, carriages, etc.\textsuperscript{776} Whereas the landed aristocracy was in large part Whig, the gentry were overwhelmingly Tory, since the cost of war was the cause of high taxation.

The high land tax could not be immediately reduced at the end of the French and Indian War because it had been financed by loan; the interest payment alone made the ensuing years of peace as expensive as war. The interest rate was so high that it would have been impossible to pay off the capital; therefore there was a urgent need to find some new source of tax revenue with which to break the strangle hold of the interest rate. National debt was reduced by £1 million in 1762, down to £18\(\frac{1}{2}\) million; it was reduced to £13.6 million in 1763, but this was still twice the debt burden of 1756. The sinking fund had provided £2 million, Exchequer Bills raised another £1\(\frac{1}{4}\) million, another £\(\frac{3}{4}\) million were raised by lottery, and £2\(\frac{3}{4}\) were raised by a new issue of annuities. The land tax remained at its maximum. The beer tax was maintained, and the only completely new tax was on cider. The Cider Tax, however, raised violent opposition.\textsuperscript{777}

The House of Commons rose in a rage when in 1772 a Bill proposed elimination of the bounty on corn exports. Payment of export bounties maintained a higher than necessary food price for commoners, since the domestic purchase price had to match the possible external profit margin; on the other hand, the high grain prices of export would protect the aristocracy from the price deflation subsequent to a bumper crop. If grain prices had diminished, industry would have benefited from a corresponding drop in wages. A cosmetic change for the purpose of disguise passed parliament, but advantage of the bounty to the landed class was maintained.\textsuperscript{778}

The landed nobility trusted their future to dynastic marriage relationships. The South Sea Bubble having made them deeply distrustful of the commercial sector, landlords

reverted to the traditional method of aggrandizement: investment in mortgage and land acquisition, keeping their money withdrawn from commerce.\textsuperscript{779} Despite the consequent rationalization of agriculture, this strategy only made them weaker vis-à-vis the commercial sector; the share of agriculture in the GNP sank from half to less than a third within this period, making the aristocratic hegemony all the more delusional.\textsuperscript{780}

Economic growth to the contrary would have ensued if, instead of bounties on food export, England had instead imported food and raw materials without tariffs. The contrary attempt to expand English agriculture by export would have made food prices more expensive and deprive manufacture, indirectly, of labor. Indirectly, because agriculture could not have drained substantial manpower from industry, but high food prices would have made the laborer’s subsistence more spare, attenuating his productivity. In place of food export, food and raw materials should have been compensated by manufacture export. This however touched a nerve; the landed aristocracy was cooperative with commerce partially on the understanding that merchants would export food, and thus increase their own profits by virtue of commercial exchange. If they were to benefit the commercial sector by giving up the import duties on agricultural produce and the bounty on food export, it would be to the national good but to no advantage for the aristocracy. Landed wealth therefore harped on the necessity to national security: to maintain self-sufficiency in food. However, insistence on agricultural expansion at the expense of industrial development would inhibit economic growth. Any land as yet uncultivated was so because it was inferior; to develop the land would cost more labor than its equivalent of good land, and the yield would be less. Export of grain was inherently less profitable because domestic grain production in foreign countries was not far less efficient than English production; it was unlikely that English grain could undersell native grain. In effect, Parliament, made up of planters, voted for themselves a budget out of national taxation to pay themselves extra on export of their


grain, since the international grain market would otherwise be unprofitable. The move was partially motivated by the paradoxical circumstance that bumper crops could ruin them; by getting the surplus grain out of the country high prices would persist despite the event of a good harvest.

The ploy was short sighted. Maintaining high grain prices by the bounty raised general food prices, which compelled industry to pay higher wages; the high labor cost added to the price of industrial products, thus reducing external industrial sale. Unemployment would therefore increase the Poor Rates. Payment of the bounty by national taxation reduced the amount of disposable credit that otherwise might have been invested in commerce or industry. The bounty could not raise compensatory agricultural profits because there was an absolute limit on the amount of land to be cultivated, and the price of grain, even assuming the bounty, would soon be outmatched by domestic foreign grain. By the 1790s less than a fifth of the land was cultivated by land owners, and continually declined to one tenth of the land by the end of the 19th century. The landed aristocracy had made itself into rentiers, and everyone else into tenants. Rent was paid on nine tenths of the land; no further substantial change was achievable by further expansion. There were detrimental consequences of total landlord ownership; even a life-tenant was prohibited from improving land. The tenant was unable to take a mortgage, nor could he sell developed land for capital to develop further land. The expenses of strict settlement and primogeniture, in jointure and portions, were passed into the rents, and virtually eliminated any capital that might have been devoted to land improvement. It had been the tenant farmers who had modernized agricultural technique; the role of landlords had been to provide capital and secure tenure.

The landlords acquired all of the land because it was the only way they could imagine to secure their dwindling position. Actually it could not do even that, but the South Sea Bubble had so confirmed their distrust of business investment that they would venture

in nothing but land aggrandizement. The Bubble Act, making it virtually impossible for
the public to finance a corporation, must have strengthened the landowner tendency to
maximize exclusively on agricultural possibilities.

It would be fair to conjecture that the landed aristocracy completely failed to understand
what was happening because the agricultural transformation was the first phenomenon
of this kind in human history. Agriculture was becoming subordinate to industry; until
this moment agriculture in every society and every era had been by far predominant.
Industry-commerce were more susceptible to rapid technological improvement than was
agriculture, and the rationalization of industry caused the per unit output to become higher
than in agriculture; consequently labor shifted into nonagricultural industry. Capacity to sell
manufacture more cheaply brought about expansion of this market, and investment capital
centrated in industry because it was showing higher profit margins than agriculture. By
1750 agriculture was producing less than 50% of GNP; in the early 1800s roughly 1/3, and
only 1/5 by 1851. Prior to 1900 agriculture produced 1/10th of GNP, and by 1901, 6%.783
Although the English became increasingly zealous to discover overseas markets, Parliament
remained composed of agriculture, and stubbornly persisted in bolstering the aristocracy
against the trend of the industrial forces.

Industry, unlike agriculture, was far superior to foreign industry, and could have
developed an authentic foreign market in things that foreign countries could not have
produced as cheaply for themselves. To the contrary, if England had expanded agriculture,
the foreign markets could not have paid for English imports with agricultural produce,
and would therefore lack any sustainable means of paying for English importation. Trade
to France, for instance, was necessarily a function of trade from France. There was no
developed international payment system, so that a deficit or surplus could be automatically
offset by debts and credits to other countries. Shippers generally tried to discover some
freight that would immediately balance for the debt created by the imported freight. Thus,
for instance, although the English preferred French wine, they imported Port from Portugal,

because that was the only thinkable way to balance the Portuguese import of English wool.\textsuperscript{784} Having no way to pay for English products, foreign countries would purchase less. English economy would shrivel because an effective demand consists of two independent factors: the will to purchase and the means to pay for the purchase. England had to discover a way in which the foreign market could comfortably pay for English exports; this implies that the bounty on grain export was narrowing chances of market expansion.

All the same, exportation of grain was absolutely essential to continued cooperation between aristocracy and business class; without its continuance the landed aristocracy would have no ground for its ascendancy. As of 1745 food prices rose sharply; in consequence domestic demand for manufactured goods sank by 8-20\%.\textsuperscript{785} The town population increased in proportion to total industrial demand while the agricultural percentage of the economy declined. As the middle class developed greater dependence on the common population than on the elite, and the elite could not command the behavior of any but those dependent on agriculture, the middle class developed independence. It was becoming a third power; between 1760 and 1800 the number of commercial MPs had doubled, constituting ¼ of the House of Commons.\textsuperscript{786} In the second half of the 18\textsuperscript{th} century agricultural labor increased by 18\%, but the non-agricultural rural labor increased by 64.4\%, and urban labor doubled.\textsuperscript{787} The overwhelming growth of non-agricultural labor generated a middle class not dependent on aristocratic patronage. Agricultural labor had been almost entirely self-sufficient, without dependence on a market. But as labor became landless, it needed to buy almost everything that it previously made for itself in the agricultural economy. Patronage corresponded to a narrow circle of clients and high profits. When a commodity or service could be sold, at

low profit, to an enormous scope of customers, the revenue deriving from high profit sale to aristocratic patrons became insignificant. Unless labor remained mostly agricultural, the middle class would derive its living from the underclass rather than directly from aristocratic patronage; the middle class was losing the affinities of outlook with the aristocracy that had previously stemmed from clientage. Whereas in earlier decades, dissent characterized a fraction of the aristocracy, it had now become predominantly representative of middle class alienation from the upper classes.\textsuperscript{788}

The staunch support of the Anglican Church for monarchy, aristocracy, and natal hierarchy were no longer perceived to be supports of the middle class. It seems very strange that the Act of Toleration made a distinction between religious freedom, i.e. church services and the like, and all the social impediments imposed upon dissenters: exclusion from Oxford and Cambridge, political office, etc. Why had Parliament not removed all disabilities from dissenters entirely, or not taken up a Toleration Bill? The dissenters in the upper classes had already converted back to the Anglican Church, so in their case religious toleration had become atavistic. On the other hand, the common middle class people would not have had occasion to study at Cambridge or Oxford, or to take political office anyway. One might superficially explain the ambivalence in the Toleration Act as a compromise to pacify the Anglican Church, since in any case nothing substantive was lost by forbidding people offices that they would never have anyway. The relatively wealthy converted to Anglicanism in order to advance their success; the dissenters remained those who had no interest in Anglicanism because it was not aligned with their interests. By 1750 Parliament usually contained about 40 occasional conformists, i.e. those who insincerely attended an Anglican service in order to qualify for public office, but most nonconformists in a position to enjoy upper class society returned wholly to the Anglican Church.\textsuperscript{789}

1789 is the great causal explanation for the failure to eradicate the inconsistencies of toleration. After 1789 especially the dissenting sects (Congregationalists, Baptists,

Independents, Presbyterians) did greatly increase from the middle classes. In 1749 there had been 95 Baptist churches, but there were 289, and growing, by 1799: 532 in 1808.\footnote{Cf. Rule, John; Albion's People English Society 1714-1815, Longman, London, 1992, p. 95.} Whereas old dissenting religion had been quiescent, the new dissenting congregations vigorously attempted to proselytize; its greatest strength was from the labor class, whom the Anglican Church had traditionally ignored. They were ignored because they had no participation in government; England traditionally regarded laborers as non-persons inasmuch as they were necessary but, having no property, ought to have no influence on political change. However, through aggregation within the burgeoning industrial developments, yeomen and artisans began to acquire independence from landlords. Because the Anglican Church did not concern itself with the labor class, this lower class independence began to aggregate itself in dissenting sects such as the Baptists and Congregationalists.\footnote{Cf. Trevelyan, G.M.; English Social History, Penguin Books, 1982, p. 248.} Labor class people began a primitive form of unionization in the form of clubs, political groups, trade union, and of course religion; such non-purposeful groupings were composed of factory labor, artisans, domestics, miners, and agricultural labor, but manifested activity only in urban contexts, presumably because the population density of a town first enabled aggregation of like minded individuals. Construction of a labor class identity with a platform of its own seems to have required a population density that arose only with concentration in towns and factories.\footnote{Cf. Chalklin, Christopher; The Rise of the English Town 1650-1850, Cambridge University press, 2001, p. 73.} This sort of primordial organization was unlikely in the country, where every laborer either showed a deferential relation to the landlord, or found himself unemployed and homeless. Relation to a factory overseer carried absolutely none of the traditional deference, and since industrial employment was temporary the laborer never developed strong dependence on his employer.

The notion of a *saint* in the Puritanical sects conveyed that he performed his religion perfectly, without any compromising deviation from how the demands of religion were understood; it highlighted the jeopardy of cooperation with the Anglican Church. In the late
16th and early 17th centuries the saints, those who led the dissenting religious community, derived from the bankrupt gentry, whereas ordinary members were either agricultural laborers or from the cottage industry artisanate. The asceticism of the dissenting sects should be distinguished from medieval asceticism; they conveyed different meanings. The typical Puritan formulation, to work maximally, but to convert none of the accumulation into pleasure, is interpreted to be a devious religious justification for capital acquisition, but the formula appears to be a rationalization between religion and capitalism. Puritanism probably did not advocate acquisition and accumulation, since it emphasized the evil of any involvement in the world; more probably Puritanism advocated asceticism as a remedy for acquisition, as a way that the saint could function in the world without being seduced into the evils of the world. Between 1660 and 1740 some gentry presented themselves as dissenters, but afterwards none of the agricultural upper class belonged to these sects. It had failed to protect small landholding from enclosure; from this point on the new dissenting religions were concerned with the relation of the landless proletariat to industrial employment.793

There is some irony in the dissent of the laboring poor. John Wesley presented himself as an orthodox Anglican, and never intended his Methodism to be a sect separate from Anglicanism. It was not he who repudiated the Anglican Church, but the Anglican Church that rejected his Methodism. The lower class individuals in the second half of the 18th century developed two characteristics from their social context: first, a conscious self identity as being lower class, and second, a strong sense of alienation from the society of which they were a part.794 Wesley had supposed that the lowest laborer in the mining towns was capable of enlightenment and salvation despite his utter ignorance and misery; however, his message was not one of opposition to the society that abandoned them, but of harmonious re-assimilation. Lower class individuals can adjust to their situation by political turbulence attempting to overthrow the conventional social structure, by social mobility,

believing that their children will ascend in society, or by religion, accepting their low position as appropriate, usually together with some belief that they are morally superior to their oppressors. Methodism was decidedly of the third type; Wesley tirelessly affirmed that he was converting the poor to Anglicanism, an assertion that the Anglican Church studiously ignored. This was peculiar. Religion usually functions to reconcile the labor class to cooperation with the ascendant classes. Certainly this was how the Catholic Church behaved until its extinction under Henry VIII (The Book of Hours, the Body Politic). Afterwards the Anglican Church was sublimely indifferent to the labor class, as if it could not pose a threat. The overriding interest of the Anglican Church was to achieve a solidarity among the aristocracy, as if only dissension within the aristocracy could pose a serious threat to its hegemony.

Mining and manufacturing laborers were among those newly independent of landed patronage and deference; they could not be controlled by the aristocracy. Quite amazingly, hordes of these wretched of the earth quickly converted from alcohol to Methodism when someone bothered to preach to them. Methodism stressed discipline and conformity to the established order; its implications had not a hint of social rebellion. Nevertheless its overwhelming success was an embarrassment; on the one hand the Anglican Church despised the movement, but there was no impulse to exterminate Methodism because it was economically so beneficial in respect of factory discipline. Whereas the Quakers and other dissenting sects were anchored in middle classes, Methodism was purely rooted in the lower classes.⁷⁹⁵

Wealthy dissenters did carry intimations of social revolution, and, even though wealthy, had no social prestige. Generally speaking, someone who is in the upper class, but does not enjoy the recognition he expects from it, is drawn to ideologies of social revolution. Dissenting merchants were over-represented in the English outports: Bristol, Whitehaven, Liverpool, Falmouth, and Exeter.⁷⁹⁶ They were in outports because they were disfavored

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in London; since they could not gain admittance into the most profitable, major trade routes, e.g. the East India Company, they attempted more precarious enterprises. They had gained a foothold in the wealthy sector of commerce because they had been declassed from admittance to the chartered universities and the opportunities of government. They accumulated wealth, but not social prestige from merchant enterprise on the fringe. It was perhaps this group who were the greatest danger to the aristocratic establishment; people who had acquired wealth, but were regarded as intruders into a social class to which they did not belong.

Throughout the period aristocracy controlled the composition of parliament, but the deracination of the feudal peasants and their accumulation in towns as industrial proletariat weakened aristocratic hegemony in the long term. Whereas aristocracy controlled the gentry and owned the towns in earlier times through patronage, the same device could not be extended to the industrial proletariat; in consequence a noble’s electoral control over a borough or county became intolerably expensive. The cost involved in controlling people who were not a part of the lordly employment meant that in 1761, for instance, financial constraints enabled 55 peers to turn only 111 of the 417 borough elections.\textsuperscript{797} The middle class was perfectly equipped in the second half of the 18\textsuperscript{th} century to participate in government, but refrained. The aristocracy continued as before to arrange in advance among themselves who would be M.P., to avert the cost of elections, for which they did not have enough money to rig if it had come to real elections. Without the slightest trouble the middle class could have taken over the determination of elections, but preferred to continue the old deference letting the landed aristocracy continue to govern, despite the decreasing economic proportion of the agricultural sector. The traditional thought still prevailed that aristocracy was the natural incumbent of government.\textsuperscript{798}

Aristocracy used this uncontended ascendancy to legislate for high food prices. Until

1750 relatively low food prices might have diverted money to the industrial market, but domestic consumption of manufacture would not substantially improve because landlords and tenants would profit less from the domestic market than from the export market. The same planters would benefit from the bounty and export; this should have sustained compatibility between agriculture and commerce.

The low food prices should have signified that domestic consumption of manufacture would penetrate into the lower classes and broaden the domestic manufacture market, but this was also compromised by a tendency in the lower classes to use the disposable income on better food rather than manufactured goods. Since the shift of domestic expenditure on manufacture amounted only 3-8%, the amity of agriculture and commerce was not disrupted.

Although land and manufacture were in competition for the same money, for as long as the lower classes lived at mere subsistence, low food prices did not liberate money for manufactured goods. France reacted by confining manufacture to luxury for the upper classes; the uniqueness of the French product enabled it to be sold in countries where such things were not produced. England pursued plain manufactured goods, such as any other country also produced, and therefore could not depend on uniqueness for success in export. Their industrial products were aimed at the lower people who had no money to buy them, but on the other hand, the lower classes were a vastly wider market. The English judgment turned out to be the right one.

The increase of food prices would of course increase the expenditure on food relative to manufacture, although landlords, the only ones to benefit from high food prices, would have more disposable money for manufacture. This was not an exciting benefit, since landlords were few and their economic power was in decline. Throughout the second half of the 18th century, the French and Indian War, the American war, and the Napoleonic wars kept food in short supply at high prices. By 1820 a unit of manufactured goods was equivalent to only

60% of the agricultural goods that it had been worth in 1745. Domestic consumption of manufacture did not suffer, since habituation to certain consumptions in the first half of the century extended the same consumption in the second half when there was less disposable income.\textsuperscript{800}

However, the middle class had stridently opposed taxation, debt, and the anonymity of the State since the 1720s. As with the Excise of 1733, the middle class successfully protested against the Cider Tax of 1763, forcing its repeal. The public furor against excise taxes diverted government from venturing any further excises on commodities. The high taxation resulting from the national debt gave the common people the sense that they were paying disproportionately for something unnecessary; it intensified their ambivalence towards their German monarch and their suspicion that the expensive wars served Hanover more than England. Middle class politics began to demand accountability so as to minimize the occurrence of war and its expense.\textsuperscript{801}

This signified more potential debilitation of the aristocracy because of the growing influence of finance capital on government; the great financiers were not middle class, but they were not from the landed aristocracy, and their ancestors were middle class. Industry was as yet insignificant; between 1734 and 1832, only 29 MPs (only eight prior to 1800) derived from the manufacturing sector. In the same period 700 lawyers and 200 bankers had been MPs; Parliament was becoming less the preserve of the landed aristocracy.\textsuperscript{802} Dependence on aristocracy for prestige had become less compelling; although financial elites continued to buy land, they retreated from the aristocratic example of huge estates; such small land holding as would qualify them for certain associated privileges was all they wanted. Fascination with the prestige of aristocracy had declined.\textsuperscript{803} There was no commonality between gentry and the urban middle class; the middle class did not buy

gentry estates. In the period 1680-1750 land prices increased 50%, and large estates almost never came on the land market.\textsuperscript{804} An élite had made urban life sufficiently prestigious, and the wealthy middle class had become unwilling to sacrifice their lucrative commercial activity for the prestige of country existence.\textsuperscript{805}

Middle class alienation at aristocratic profligacy led to militant opposition against excise taxation of commodities; this impeded government’s response to colonial problems. Because expanding the excise tax would incite resistance in England, government was financially constrained in dealing with the American Revolution. The dissenting sects had already thematized the injustice of national government and had developed a patterned response to government coercion. The dissenters were a large group, but still a minority. Therefore they tended to sympathize and identify with other groups that were also pressed in order to borrow their numbers to increase their own force. The connection they found in colonial oppression was the probability that any tyranny that government exerted on the colonies would, if successful, eventually be applied to the native English.\textsuperscript{806} Although the dissenters were numerically weaker in the 1770’s, they had great effect as a pressure group because the anxiety over representation and taxation already pervaded the greater middle class.

The dissenters took up the contentions between colonies and British government to warn that the essential issue was the limits of state sovereignty. The libertarian principle being voiced in the colonies against British imperialism had valid application to British government’s treatment of the people in Britain. Between 1775-1778 they claimed that the illegitimate devices applied to the American colonies might destroy the whole


British Empire, that these illegal measures proceeded from a corruption of the British political establishment, and that limits must be formulated for the absolute sovereignty of Parliament.  

The English dissenters and the colonists had adopted the same tactic: to yodel about traditional rights of which they were already possessed, but which had wrongly lapsed. It was an inherently pacific tactic because it was difficult for government to deny the possession of such rights or to denigrate anyone who protested within those terms. By seeking legitimacy within the vocabulary affirmed by the establishment it was impossible to impute to them an ambition to overthrow establishment. Similarly to the way laborers had demanded wages equal to what they customarily received, the middle class intrusion on political speech appeared not to be destruction of the old for the new ideal, but an affirmation of the premises that justified the establishment’s authority. If the establishment repudiated such pleas too univocally, it would appear to be tangled in self-contradiction. In fact the long standing legal segregation of the dissenters greatly strengthened their credibility and leadership. Unlike other middle class types, it had long been impossible for dissenters to adopt the posture that aristocratic interests favorably comprised those of the middle class, so that it was safe to leave politics in the hands of the landed aristocracy. Dissenters at every turn of their lives had to submit to requirements that others did not, they were frequently excluded from offices, and they were taxed to support a church to which they did not belong. This group, having perceived itself for generations as a victim of government abuse, was more capable than the rest of the middle class of believing that the colonists suffered government oppression. It became a prevailing perception of the entire middle class that king and parliament colluded to favor themselves at the expense of the commoners.

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The American war exasperated the middle classes for all the reasons that built up from the Glorious Revolution; government instigated a new war, with people who had the same complaints against government as themselves, and they were taxed to pay for it.\textsuperscript{810} Interestingly, dissenters did not merely denounce government oppression for its harm to the colonists; their argument was consistently that anything government was capable of doing to the colonists, it would ultimately inflict against us here, in England.\textsuperscript{811} This did not imply indifference to atrocity, so long as it was applied to the colonies, but it definitely emphasized that whatever was done in the colonies, was, as it were, already being inflicted on England, because it was a sentimental illusion to think that anything would hold Parliament back from treating the common people in England the same way.

The commoners had construed the contractarian basis of the Glorious Revolution to call for popular participation in government, while the aristocracy-patriciate certainly did not. The middle class wanted electors to be out of the reach of bribes or retributions, and it wanted MPs to be required by law to press for what they had promised their electorate that they would do.\textsuperscript{812} However, the Tory restoration that came with the access of George III put a temporary halt on liberal agitation; the Whigs and Tories found an acceptable coexistence, resulting in the disappearance of eloquent speakers for the dissident middle class. Instead of oppositional search for principle between Whigs and Tories, the members of each group reverted to private struggles over patronage and office. Popular appeal was unnecessary when there was no proscription of anyone. Middle class groups persisted in the idea that an MP was a delegate obligated by his election to carry through the ideas on which he campaigned. This would have been an excellent line on which to build up a following, but no politician felt any need to build up popular followings. Whereas out of parliament groups supposed independence to mean the readiness of an MP to voice popular desires


adverse to those of the king, the MPs retorted that their independence consisted in freedom from constituency instructions; they could be “independent” only if they could ignore the preferences of their own electorate.\(^{813}\)

The Wilkes and the subsequent pro-American groups called for franchise for all taxpayers, first, to make patronage and bribery of the electors unaffordable, and consequently, so that MPs would have no alternative but to obey constituency instructions and make them accountable to the constituency for reelection. The demand was for legislation of a constituency pledge, which would formally obligate the MP to advance the constituency’s interests, and for secret ballots, so that a patron could not ascertain how the MP had voted. Rotten boroughs, which were the preserve of aristocracy, were to be eliminated, parliamentary seats were to be distributed according to population.\(^{814}\)

In 1780 Edmund Burke had called for abolition of the *civil list*, that is, the king’s prerogative to appoint and pay civil servants out of the royal budget. The civil list was unaccountable to Parliament because their appointment came under royal prerogative, and therefore overwhelmingly burdened with false offices whose only function was to widen the support of the king and his administration.\(^{815}\) On the other hand, Burke argued against instructions on the ground that an MP was primarily obligated to think for what was best for Britain, not his electoral county.

The Corn Laws had become a passionate point of class friction as early as the years running up to the American War. In 1773 middle class agitation had successfully brought Parliament to mitigate the Corn Laws. The bounty laws might partially explain the English perception that Parliament was not devoted to the people’s interests. The revision was rather hollow; no real improvement was achieved until the 1830s. Prior to 1773 manufacturing and mining interests had pressured Parliament into relieving labor by allowing grain


importation without tariff and prohibiting grain export.\textsuperscript{816} The gentry had long disliked the commercial sector because it was acquiring wealth far more quickly, and thereby depotentiating gentry self-assertion; industrial manufacture later came to be disliked by the aristocracy because of its capacity to disrupt social hierarchy by such acts as the above. Its given excuse for this opposition was the economic instability of manufacture, which was true, but perhaps more to the point was that labor was making demands that they could never have made had they remained serfs.\textsuperscript{817}

Beyond the American War, and the Napoleonic Wars, landed aristocracy persisted in political hegemony, and all remaining freehold continued to change into rental. In 1781 a Scottish professor, William Ogilvie, denounced the aristocratic land monopoly, and in the spirit of social justice recommended that government buy up land from the market and rent it cheaply to smallholders. In a like mind of social justice Thomas Paine recommended that the landless commoners be compensated for their deprivation of land by a fund made from a 10\% death duty.\textsuperscript{818} No scheme of land restitution was ever seriously taken up, however.

**Wilkes**

In 1768 Wilkes won the Middlesex election for the third time in a row, but instead of calling a fourth election, Parliament simply installed the defeated candidate, a Colonel Lutterell; this highlighted the oligarchic indifference to election and popular preference. The anxiety surfacing in this incident is not a specific class friction but a generalized perception that aristocratic government was not the creature of the population. Middle class clubs switched from formulating political agenda that their aristocratic patrons might present in

\begin{itemize}
  \item \textsuperscript{816} Cf. Kammen, Michael; *Empire and Interest The American Colonies and the Politics of Mercantilism*, J.P. Lippincott Co., New York, 1970, p. 106.
\end{itemize}
Parliament to constructing demands that were directly antagonistic to the aristocratic elite.\textsuperscript{819}

The government had attempted to suppress newspaper publication and issued general writs in the years 1763-1768. Popular riots culminating in the St. George’s Field riot of May 1768 denigrated government. Among government’s possible threats and reprisals against popular protest had been the permanent quartering of troops in a troubled district. Soldiers and officers could be sued and brought to court for what they had been ordered to do on duty, and consequently tended towards non-cooperation when ordered to pacify civilian violence. There was a breakdown in law and order because of the weakness of the monarchy in setting army against civil society.\textsuperscript{820} The Townshend Acts directed against the colonists, resembling abortive Acts such as the 1733 Excise Bill, further eroded popular confidence in Parliament.\textsuperscript{821}

Members of the Wilkes movement often suffered government prosecution and incarceration for their more rabid political publications, but this merely kept things moving in the right direction, since Wilkes’ emphasis was upon the deprivation of middle-class liberty; government countermeasures always proved the point. Those issues for which Wilkes principally campaigned, election, press, trial by jury and libel, were formulated as ancient liberties that had been lost, similarly to the colonial campaign. Wilkes’ publication reminded people that popular resistance had been integral to having saved such liberties in the past, and thus legitimated for his readership their present duty to agitate.\textsuperscript{822} By phrasing these liberties as ones they had in the past, he secured his followers against a charge of rebelliousness.

The Wilkes phenomenon was the first explicit attack by the middle class against the aristocracy. It initiated the first middle class attack on natal political power; it characterized land monopoly, patronage control of elections, and sinecures as illegitimate support of a

faltering aristocracy. It raised doubt over the rationality of hierarchical order. The Wilkes movement depicted an exhausted creator class, useless but still in control of political power, confronted by an insurgent, small commercial class with ambitions for political participation. The implicit criterion of merit, not tradition, promoted commercial patricians at the expense of aristocratic entitlement. Political episodes such as the Middlesex Election and the decision to declare war on the colonies (“in a state of rebellion”) were interpreted in terms of the self-preservative efforts of an aristocratic class that fit well in a semi-feudal economy, but not in one where most of the underclass was no longer bred to feel deference. The English polity had already been strained apart from the American colonies. One opposition group or another took up the colonial unrest as a tool to denigrate the opposite party in furtherance of grievances that had nothing to do with the colonies. The irrelevance of a political issue is no obstacle to its being used to obtain quite separate political desiderata; the colonial cause would be distorted and misrepresented, by both sides, to make it more coherent with whatever agenda they were essentially demanding.

The factions in favor of the American war were royalists; those opposed were Whig. The English were revolted at the idea of waging war on their own descendants. The pro-war establishment could arouse an ambivalent national pride in the case of British victory, but military failings reinforced every time a feeling that the unjustified aggression towards the colonists was the same aggression as that against themselves, regarding their exclusion from political participation. Because the American colonists were perceived as fighting for political participation, while at the same time the native English commoners had been complaining, for decades, against their exclusion from such participation, the progress of the war would do nothing but deepen alienation between government and people in England. The Wilkes episodes turned the people against the king in person: “they heartily despised

his Majesty and hated him with a perfect hatred. They wished to imbrue their hands in his blood; they are full of the spirit of murder and rebellion." The English commoners might have envied how the Atlantic Ocean made it so easy for them to secede, and might have followed suit if they had also been equipped with an Atlantic Ocean.

**Bullionism**

England’s good political reputation was due to its elaboration of representation, but this is strongly distinct from social equality or democracy, which were decidedly not English ideals. The Glorious Revolution did not introduce the middle class or labor class into political participation. Long after the American and Napoleonic Wars, aristocracy remained firmly in control of government. The Justices of the Peace, performed by the gentry, guaranteed that local government conformed to the overarching purposes of national government. Movement for government reform first appeared in the first decade of George III, but the ideas of reform were wholly tinged by the middle class; no significant labor class voice ever materialized in our period. Far from advancing an idea of liberal reform, the French Revolution all but extinguished the status quo of that idea, because of the fear of proletarian usurpation, as exemplified in France.

Bullionism originated from the previous mercantile thinking: the more there is of mine, the less there is of yours. For a century Anglo-French trade stalled on the worries that import of English wool cloth might destroy the French wool industry, or conversely that the deficit of the 1670s in favor of France implied that France was getting more out of trade. All French import was prohibited in the periods 1689-1697 and 1703-1710; otherwise tariffs were kept so high as to prevent trade. Portugal at the same time had about 1/10 of the French population, but imported almost four times more English goods as France.

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During and after the French Revolution political movement was reactionary. Country apprehended that the national debt and the credit economy built upon it were destroying the old basis of English society. The national debt was a source of money quite separate from the land tax, excise, or customs duties; in this respect the national debt weaned government from the landed aristocracy. Previously the required assent of the House of Commons to any special national expenditure made government immediately dependent on the House of Commons. The national debt, which did not depend on parliamentary approval, vitalized the economic power of all those invested in the national debt. It gave an advantage to financiers over the real producers of wealth, be that of agriculture or commerce; in this opinion finance was taken to be a detraction of wealth. It was feared that a deflation, as would be the case in a reversion to the gold standard, would raise the real cost to manufacturing or agricultural producers, because taxes would remain the same while products would fall in value; the tax percentage would be the same, but the amount of devalued goods needed to meet that charge would be greater. On the other hand holders of national debt would benefit because their interest returns would be worth more in constant money.829

Nevertheless the landed aristocracy tended to be in favor of reversion, because they did not believe that falling general prices would erode their relative position. On the contrary, the abandonment of the gold standard might have caused a decline in the constant value of rent, so that a readjustment to gold, now, might reinstate the real value of their rents. It is a general phenomenon that rents fall less quickly than prices.830 The fact that the real cost of mortgages had fallen in proportion to the Napoleonic inflation undermined this premise, however.

Hard money, i.e. strict gold equivalency, would support the class hierarchy by preventing emergence of nouveaux riches from the merchant class. If the gold standard were reinstated, there would be less liquid assets available for credit, so the business cycle would

decelerate. If paper money were not regulated by gold, ease of credit would encourage aggressive investment, and thereby destabilize the class structure. Consequently the City, i.e. all those involved in finance, did not want reversion because of its recessionary effects. To start any enterprise the merchant needed loans; if money were limited by restriction to hard currency, ventures dependent on loans could not be undertaken. Overvaluation of the pound against other currencies resulting from reversion would bring about collapse in the export trade. Cheap, inflated money would keep the balance of trade and expedite transaction. Over 400 merchants and bankers submitted a petition against reversion.\textsuperscript{831}

Reversion would benefit creditors, who made loans prior to inflation, and afflict debtors. As the totality of business was heavily supported by prior credit, reversion and deflation would undoubtedly rout business. The inadequacy of money after reversion to support the credit superstructure moved all merchants and associates to advocate soft money; from this anxiety came the first hint of a money supply theory, based on the amount needed for optimal business transaction, in place of the traditional bullionist policy of strict equivalence and convertibility with the given amount of gold. The bullionist position held that credit strictly limited by convertibility would keep investment money well contained in a canal of slow long term profit. Too little money in the economy depresses business because of the unavailability of new credit, decelerating the business cycle. Too much liquidity abets wastage of investment money on irresponsible projects. Landlords favored reversion from their observation that commercial wealth, growing far more quickly than that of agriculture, was threatening to their political hegemony. In the early phase of our period, commerce had traded in either agricultural produce or manufacture that was immediately derivative of agricultural product; it was easy for landlords and commercial magnates to find mutual benefit. As manufacture grew more sophisticated, export products no longer exhibited immediate dependence on agricultural product, although feeding the industrial labor had become a grand market for agriculture; when manufactured products were no longer lightly

done over agricultural produce, and grain, taken up by the industrial proletariat, could no longer be a major export, the landlords’ Parliament saw less mutual benefit between land and commerce. Reversion was effected.

Soft money was stigmatized as moneyed corruption; it was pleaded that rapid commercial expansion would exceed the ability of agriculture to supply sufficient food to the nonagricultural proletariat, and tariff reduction instead of the bounty was thoroughly outside of consideration. Ricardo, arguing that the amount of money would affect prices but not trade volume or employment, encouraged the government’s inclination to the gold standard. He assured Parliament that full employment would obtain despite deflation, because of the immunity of trade volume to deflation; production would remain the same, unaffected by inflation or deflation.\textsuperscript{832} It was suspected on the contrary that reversion would benefit commerce at the expense of agriculture, the reasoning being as follows: Agriculture borrowed money from commerce for improvement. Depression of food prices resulting from deflation would increase the cost of interest, assuming that the interest rate was calculated on the basis of prices prior to revaluation. The fall of food prices would therefore increase the real return on the interest paid to creditors.\textsuperscript{833} This argument seems tendentious; the fall in food prices due to reversion would be in exact proportion to the fall of general prices, so that there would be no specific effect. It is true that a debtor would be greatly disadvantaged by a deflation if the money he borrowed had been inflated, but that would be the case only if the debt were not recalculated in terms of the gold conversion.

Ricardo, ca. 1820, did insert one strong proviso. Profit would not recede as a result of deflation, but this would be true only if there were free trade. Given free trade, investment in fixed capital would also be profitable. To wit: if capital accumulated and at the same time no technological advances were introduced, then capital accumulation would progress only if there were a wider margin of cultivation. But since Britain was already near exploiting


every square inch of arable land, marginal returns would narrow, and profit would collapse. Only advances in fixed capital could avert these consequences; in effect, the primacy of agriculture had been surpassed. Expansion of population and capital would inevitably stall in failing profit rates, unless technological advance made production cheaper, and there were external markets to absorb the production.\(^8\)

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