New Light on Richard Cobden and the Land Question

VICTOR SALDJI

Richard Cobden, in his last speech (Rochdale, November 23, 1864) left a great challenge to all Free Traders. Referring to the domestic reforms that awaited attention he quoted with approval from the Edinburgh Review of October, 1864: "At home we have still to apply to land and to labour that freedom which has worked such marvels in the case of capital and commerce." Then he made the remarks that have caused perhaps more speculation than any of his utterances: "If I were five-and-twenty or thirty, instead of, unhappily, twice that number of years . . . I would take Adam Smith in hand, and I would have a League for free trade in Land just as we had a League for free trade in Corn; and if you can apply free trade to land and to labour too-then, I say, the men who do that will have done for England probably more than we have been able to do by making free trade in corn." Here is a challenge indeed. Cobden, who had given himself so unremittingly to the cause of "making free trade in Corn," considered, at the close of his life, that those who would secure "free trade in Land" would have done "probably more" for their country than he and his helpers had achieved.

What precisely he meant by free trade in land he did not specify. John Morley, in *The Life of Richard Cobden*, points out that the reference to Adam Smith is enough to show that

Cobden contemplated the abolition of entails and other artificial means of tying land up in long settlements and that, like all men of good sense, he constantly advocated improved facilities in the machinery of transfer. Morley adds, "How much further he was prepared to go, we cannot tell... we have as a matter of fact no complete scheme of Cobden's views on the English Land Question." Now whilst it is perfectly true that there is no such complete scheme of Cobden's views there are many thoughts expressed by Cobden that indicate in which direction his mind was working on this subject.

A word of caution must be given in respect of a book, published in 1873 and comprehensively entitled Stein and His Reforms in Prussia, with reference to the Land Question in England: and an appendix containing the views of Richard Cobden, and J. S. Mill's advice to Land Reformers, by Colonel H. A. Ouvry (member of the Cobden Club). The appendix "containing the views of Richard Cobden" does not in fact do so. It is the reproduction of a letter of Cobden's published in The Times of January 7, 1873, under the heading Mr. Cobden on the Land Question," which first appeared anonymously under the heading "Our Agricultural Labourer and The French Bogy" in *The Morning Star* of January 25, 1864. This letter did not deal with the land question as such but only with an aspect of it. Cobden specifically wrote, "Now nobody has, I believe, proposed that we should adopt in England the French law of succession: but it pleases those who are the advocates of the land laws of this country to bring forward the peasant proprietor of France as a sort of 'Old Bogy' to frighten us into the love of our own feudal system. This compels those who desire any amelioration of the present system to meet them on their own ground . . . " Cobden had spoken on this point in Manchester (January 10, 1849) when he took to task those who wrote in certain aristocratic journals of the dangers arising to a country from the subdivision of its property. "I am very much disposed to whisper in their ears whether the lessons of history have not taught us that the danger is wholly different. Let them point out the nation that has been ruined

because its property was in too many hands. Does not ruin rather proceed from property being accumulated by a small number of persons, and the consequent indulgence of luxury and corruption by the few, and the degradation and misery of the mass?" Cobden did not argue for the adoption of the French law of succession whereby on the death of the owner his land was shared between his children. Rather he refuted the argument that large holdings and great estates were necessary for the country generally and for efficient and economical farming. We know from the example of the Danish smallholder how well Cobden's argument is still supported in practice.

Misrepresentation by "The Times"

Be that as it may there is an interesting lesson in misrepresentation in the criticism of this letter in *The Times* of January 7, 1873. The leader writer asks: "Since he (Cobden) commences by saying that 'no one has proposed that we should adopt in England the French law of succession' it might well be asked what is the practical bearing on our own position of a discussion of the results of that law?" The answer is that either The Times leader writer had not read the letter properly or he was a rogue. The latter is the more probable for Cobden's very next words explained exactly what was the practical bearing of the discussion of the French law of succession. It was because "it pleases those who are the advocates of the land laws of this country to bring forward the peasant proprietor of France as a sort of 'Old Bogy' to frighten us into the love of our own feudal system." What Cobden did was to meet on their own ground those who argued against any reform by using the bogy of the peasant proprietor of France, misrepresenting him as being less well off because he lacked the benefits that the English peasant enjoyed on his lord's estate. Cobden refers to the situation in England where "feudalism still rules the destinies of the land, and the owners of the soil are constantly diminishing in number" and where "taking the whole United Kingdom, while the owners of the soil are reckoned by thousands its cultivators must be counted by millions." Small

wonder *The Times* misrepresented this letter which eminently achieved its limited objective. It is a pity, however, that Colonel Ouvry included it as an appendix that purported to give the views of Richard Cobden on the land question, when in fact it only gives his views on a particular aspect of it and leaves the inquirer to seek elsewhere for those vitally informative speeches and writings of Cobden that cannot but give the student of the land question food for thought.

Building Leases and Farm Rents

Cobden's observations were not restricted to the agricultural aspect of the land question only. In the House of Commons (December 13, 1852) he said, "Look at the vast landed property in the metropolis owned by noblemen, who let it out on building leases. Take Belgrave Square, for instance. You would find houses built there on land held on a 99 years' lease, and at a ground rent of about £50 a year for each house. Well, the person who has put the bricks and mortar on the ground, or who bought it, is subjected to this direct taxation (the house-tax), but it does not reach the ground landlord. He carries off his £20,000 or £30,000 a year, and is left untouched. Is there any justice in that?" On May 15, 1843, he said, "Since 1793, rents in this country (England) have doubled. I have returns in my pocket sent in by the clergy of Scotland, from which it appears that the rental of that country has increased in the same time threefold." He quoted from a letter he had received from an East Lothian farmer which is illuminating: "The farmers of the Lothians of Scotland, essentially a wheat district, never were, as a body, in a more flourishing condition; and the demand for land, in consequence, is beyond parallel for the last 30 years. Every farm that is to let brings an advanced rent of from 10 to 30 per cent. I have four years of my lease to run, but have made a new arrangement at an increased rent of 15 per cent, which I begin to pay immediately . . ." (House of Commons, December 13, 1852).

When talking of "farmers" and "agriculturists" Cobden was careful to point out that landlords as such could not be so classified. "That is an abuse of terms which has been

too long tolerated. The agriculturists are they who cultivate the land, who work at it either with their hands or their heads, and employ their capital on it." He trenchantly remarked that for the owners of land, living perhaps in London or Paris to call themselves agriculturists was as absurd as if the ship owners were to call themselves sailors. (House of Commons, February 17, 1843). Cobden pointed out that "The farmer is a manufacturer, he hires the land for manufacturing purposes. But, as farmers and landlords, your interests are antagonistic—for the interest of the one is to rent the land as cheap as he can, and the interest of the other is to let it as dear as he can" (House of Commons, March 8, 1849). With particular reference to the condition of agricultural labour in Southern England he said: "I have taken some pains to ascertain what has been the relative progress of wages and rents in agricultural districts. I know that this is a very sore point indeed for hon. Members opposite; but I must tell them that in those very districts of Wilts, and Dorset the wages of labour, as measured in food, are lower now than they were sixty years ago, while the rent of land has increased from two-and-a-half to threefold . . . When lately attending a meeting in Gloucester, I heard a gentleman say publicly that he had recently sold an estate which had belonged to his great-grandfather, and which brought him ten times the price his ancestor had given for it. But what, in the same time has been the course of wages?" (House of Commons, March 12, 1844). Attention was drawn to what was impeding the enterprise of the farmers when Cobden said: "Are there no farmer's friends present who will state his condition? You know that his capital is wasting away-that he cannot employ his labourers-and why? Because that money which should go to pay them is absorbed in your rents" (House of Commons, May 15, 1843). The application of the free trade principle to land had obviously been occupying Cobden's mind long before he made his last speech in 1864. For in the Commons on March 8, 1849, he reminded the House: "What I said at Manchester was this, that as we carried the principle of Free Trade with regard to corn, we owed it to the farmer to carry out the same

principles, by removing as far as possible every impediment to the free employment of capital and labour upon the soil."

Divorced from the Land

Colonel Ouvry's treatment of the question of "free trade in land" may be of interest-he writes: "Richard Cobden in one of his annual addresses to his constituents at Rochdale (November 24, 1863) remarked: 'The English peasantry has no parallel on the face of the earth-you have no other country in which it is entirely divorced from the land . . .' This is our starting point," Ouvry emphasises, "the people are divorced from the land. If this be true, it follows that they must have been at one time married to the land; and we will now shortly narrate the history of the divorce." An account of the enclosures, and how the poverty-stricken people were driven to work in the towns, then follows. The author then quotes from an essay by Mr. Grant Duff published by the Cobden Club on the teaching of Richard Cobden. He quotes Mr. Duff as saying, "Free Trade applied to landnothing more nor nothing less-this was all Cobden proposed." But Colonel Ouvry cannot accept such a literal interpretation of free trade in land and says: "Now these were the last words of Richard Cobden with regard to the land; he had before said that 'divorce from the soil was a national calamity and a disgrace . . . The English peasantry has no parallel on the face of the earth; you have no other country in which it is entirely divorced from the land. There is no other country in the world where you will not find men turning up the furrow in their own freehold.' Is it not clear from this that Cobden thought that in England also the peasant should have his own freehold, and I would ask Mr. Grant Duff how this can possibly be brought about by simple free trade in land?" How indeed! Cobden certainly bequeathed a headache to his followers.

In striving to resolve the enigma of "free trade in land" it is essential to remember Cobden's letter to John Bright in which he wrote: "I go heartily with you in the determination to attack the land monopoly root and branch both here and in Ireland and Scotland . . . Wherever the deductions

of political economy lead I am prepared to follow... however unprepared the public may be for our views on the land question, I am ready to incur any obloquy in the cause of economical truth. And it is, I confess, on this class of questions rather than on plans of organic reform, that I feel disposed to act the part of a pioneer" (October 1, 1851).

We should also remember when evaluating Cobden's forthright utterances that opinion in the country was largely influenced by the landowners. Morley tells us that "notwithstanding the pretended reform of parliament of 1832, four-fifths of the members of the House of Commons belonged to the old landed interest." And Cobden himself said that if a copy of the statutes were sent to another planet without one word of comment the inhabitants of that sphere would at once say, "These laws were passed by landlords" (House of Commons, May 15, 1843). He was one of the pioneers in a new field against powerful interests. Colonel Ouvry tells us "in Cobden's time the land question was only just, as seamen say, heaving into sight" and John Stuart Mill in his Advice to Land Reformers endorsed this as late as 1873 when he wrote that on "so new" a question "there are naturally many shades of opinion."

The Corn Law a Rent Law

The "protection" of corn had already been exposed for what it was in the famous Catechism of the Corn Laws by T. Perronet Thompson who was M.P. for Hull, 1836-37, and for Bradford, 1847-52. Cobden published a selection of extracts from the works of this great pamphleteer. Under the heading "The Corn Law a question of Rent" he quotes Colonel Thompson: "The landlords, by the exercise of their powers in the legislature, lay a tax to keep out foreign corn. Their undisguised object in this is to raise their rents."

Cobden summed it up when he said in London on July 3, 1844, "The Corn-law is a rent law and it is nothing elsé." The connection between the protected price of corn and land rent was clearly seen—"The Corn-laws protect farmers! Why, the farmers pay their rent according to the price of

the product of their land; and after that well-known fact you need not say another word upon the subject. If Cornlaws keep up the price of food they maintain the amount of rents also." And in Leeds (December 18, 1849) he said, "I have long seen symptoms of this unholy alliance between the protectionist part of the House of Commons and the landlordism of Ireland, the very name of which stinks in the nostrils, not only of the people of England, but of the whole civilised world."

In a letter dated November 22, 1857, to Mr. White, M.P. for Brighton, Cobden wrote: "When I was travelling on the Continent, I found among the thinking part of the population of France, Italy and Germany, a great feeling of surprise that the men who had abolished the Corn Laws had not also abolished the monopoly of land." We need feel no such surprise—for the land monopoly was, and indeed still is, in very capable hands.

Agricultural Derating Exposed

Disraeli on March 8, 1849, moved for a Committee of the whole House of Commons to consider measures that we would nowadays classify as "de-rating." Cobden stripped off "the transparent veil of mystification that is thrown over it by those new champions of the agricultural interests, who talk to us in strange parables." He showed who benefited from rating relief and challenged Disraeli: "Is there a human being whose opinion is deserving a moment's consideration who will deny this proposition, that if you relieve the burdens upon real property, the relief will go into the pockets of the owners of that property? Take this case: Two farms are to let of exactly equal intrinsic value, as to quality, soil, and situation. One shall be rated at 2s. in the pound to the poor-rate; the other at 8s. Would you let the two farms for the same rent? I ask even a nod of assent from the honourable Gentleman opposite. There is not a farmer or land-agent who would say that the two farms would let for the same money. Deducting in each case the amount of the rate, the remainder is the amount of rent in each." Ten days later at Leeds he said: "We do not intend

that they (the landlords) shall have one shilling more of protection. And something else we do not intend they shall have. There is another thing they are going to do—if we will let them—and which I always suspected they would do. They will try to extort it from us in some other shape; and so the new dodge is, that they shall put their taxes off their shoulders on to yours . . . all their mystification amounts to is this, that the £12,000,000 of local taxes for poor-rates, highway-rates, church-rates, and the rest, shall be, half of them, if they cannot get the whole—they had rather put the whole upon your shoulders—shall be taken off the land, and put upon the Consolidated Fund; that is, taken out of the taxes raised upon the necessaries and comforts of the masses of the people . . . and mind you, I am afraid we shall have some people joining in this from whom I expected better things."

To the question "By what right or justice should the whole of these local taxes be laid upon the real property of the country?"-Cobden, speaking at Leeds, December 18, 1849, replied: "Poor-rates have been nearly three centuries borne by the real property of the country, and the others are nearly as old as our Saxon institutions . . . the charges have been endorsed upon the title-deeds and the property has been bought or inherited at so much less in consequence of those charges, and, therefore, the present owner of real property has no right to exemption from those burdens, having bought the property knowing it to be subject to those burdens, and having paid less in consequence . . . there is no other security so good as the land itself. Other kinds of property may take wings and fly away; capital employed in trade may be lost in an unsuccessful venture . . . wages sometimes disappear altogether and, therefore, the real and true security to which the people of this country should look, is in the soil itself. But I have another reason why this property should bear those local burdens, and it is this—it is the only property which not only does not diminish in value, but in a country growing in population and advancing in prosperity, it always increases in value, and without any help from the owners." Thus Cobden answered those who sought compensation for the repeal of the Corn Law, which itself had been

imposed as a compensation for the alleged "burdens on the land," and which Sir E. Knatchbull, the Paymaster of the Forces had asserted (House of Commons, February, 1842) was required to enable the landed interest to maintain its rank in society.

THE LAND TAX FRAUD

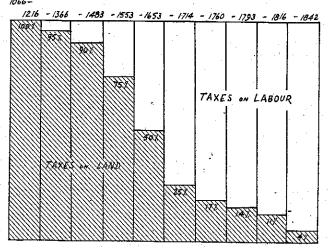
(Speech in the House of Commons, March 14, 1842)

To this special pleading Cobden answered that not only did the landowners sustain no special burdens which entitled them to tax the rest of the community, but that on the contrary it was notorious "that they had been employing themselves as legislators in placing the burden on others for the purpose of exempting themselves . . .

"Hon, gentlemen claimed the privilege of taxing our bread on account of their peculiar burden in paying the highway rates and the tithes. Why, the land had borne these burdens before corn laws were thought of. The only peculiar state burden borne by the land was the land tax, and the mode of levying that tax was fraudulent and evasive, an example, in fact, of legislative partiality and injustice second only to the corn law itself . . . For a period of 150 years after the Conquest, the whole of the revenue of this country was derived from the land. During the next 150 years it yielded nineteen-twentieths of the revenue. For the next century, down to the reign of Richard III it was nine-tenths. During the next 70 years to the time of Mary it fell to about threefourths. From this time to the end of the Commonwealth. land appeared to have yielded one-half the revenue. Down to the reign of Anne it was one-fourth. In the reign of George I it was one-fifth. In George II's reign it was one-sixth. For the first thirty years of George III's reign, the land yielded one-seventh of the revenue. From 1793 to 1816 land contributed one-ninth. From that time to the present one-twenty-fifth only of the revenue has been derived directly from land.

"Thus the land, which anciently paid the whole of taxation, paid now only a fraction or one-twenty-fifth, notwithstanding

How Taxes on Land Decreased as a Proportion of the Total Revenue



Note:—The land-tax and the feudal dues were defective in that "improvements" were included in the term "land"; but nevertheless they resulted from a recognition that land ownership carried with it responsibility and that all land, being held of the Crown, should pay, according to its value, to the expenses of the State.

the immense increase that had taken place in the value of the rentals. The people had fared better under the despotic monarchs than when the powers of the state had fallen into the hands of a landed oligarchy, who had first exempted themselves from taxation and next claimed compensation for themselves by a corn law for their heavy and peculiar burdens! The land tax was in reality a substitution for the ancient feudal tenures. The land was formerly held by right of feudal services . . . How could anyone suppose that land would always remain at the valuation of 1692? And yet it was upon that valuation that the land tax was charged. Was there anything analogous to this in any other part of our system of taxation?

"Take the case of the assessed taxes; there the collector went round every year, and diligently noted any increase in the number of windows, in the number of carriages, and other articles subject to assessment.

"... Now it is quite evident, that when the land tax was fixed at 4s. in the pound, it was contemplated that there would be an increasing rental. The feudal services to the Crown, which were given up, were of themselves of growing value with the increase of wealth and population. The case of the Lords of Manors was exactly in point ... Take, for instance, the case of Sir Oswald Mosley, the Lord of the Manor of Manchester. His feudal rights in that borough were probably worth nearly £200,000, or twentyfold their value 150 years ago. This great increase had arisen out of the growth of population and wealth, and the feudal rights of the crown over Sir Oswald Mosley's property and that of other lords of the soil, as commuted by a land tax of 4s. in the pound, ought to have increased in a corresponding degree."

This speech was printed by J. Gadsby of Manchester as a pamphlet in 1842, under the title The Land-Tax Fraud. Morley does not mention it. It is not included by John Bright and Thorold Rogers in the Speeches on Questions of Public Policy by Richard Cobden, M.P., edited by them (1880), but they do include a speech made in London on December 17, 1845, in which Cobden pointed out how the people had been "cheated, robbed and bamboozled upon the subject of taxation . . . how the landowners here, 150 years ago, deprived the sovereign of his feudal rights over them; how the aristocracy retained their feudal rights over the minor copy-holders; how they made a bargain with the king to give him 4s. in the pound upon their landed rentals, as a quit charge for having dispensed with these rights of feudal service from them . . . how afterwards this landed aristocracy passed a law to make the valuation of their rental final, the bargain originally being that they should pay 4s. in the pound of the yearly rateable value of their rental . . . The land has gone on increasing tenfold in many parts of Scotland and fivefold in many parts of England while the land-tax has remained as it was 150 years ago."

All that one learns from Morley regarding Cobden's thoughts on this question is that "He spoke at a great conference, held at Derby, of the merchants of Derbyshire, Nottinghamshire and Leicestershire, where he made a vigorous onslaught upon what he called the Land-tax fraud" (p. 210). The reader of the 956 pages of The Life of Richard Cobden might excusably enough conclude that the subject was of small moment to receive such scant attention from Lord Morley. As this Derby speech does not appear in the Speeches edited by Bright and Rogers we must go to the Manchester Guardian of December 11, 1841, and the Derby and Chesterfield Reporter of December 16, 1841, for the text of what Cobden said on this memorable occasion to the 400 guests at the dinner held in the Athanaeum Hall, Royal Hotel, Derby, on Thursday, December 9, 1841:

Speech at Derby, 1841

"Gentlemen, I predict that we of the Anti-Corn Law League, who now claim the total and immediate repeal of the Corn-Laws as an act of justice, will, in less than a twelvemonth be looked upon as a moderate, as a milk-andwater party. Sir Robert Peel has directed attention to this distinct point of landlord's legislation; and when I look into the question of the land-tax from its origin to the present time, I am bound to exclaim that it exhibits an instance of selfish legislation secondary only in audacity to the Corn Law and provision monopolies. Would you gentlemen, who have not looked into the subject, believe that the Land Tax, in its origin, was nothing but a commutation rent-charge to be paid to the State by the landowners, in consideration of the Crown giving up all the feudal tenures and services by which they held the land? Yes, exactly 149 years ago, when the landed aristocracy got possession of the throne in the person of King William, at our glorious revolution, they got rid of all the old feudal tenures and services . . . which yielded nearly the whole revenue of the State; and besides which the land had to find soldiers and maintain them. These incumbrances were given up for a bona fide rent-charge upon the land of four shillings in the pound; and the land was valued and assessed, 149 years ago, at nine million a year; and upon that valuation the Land Tax is still paid . . . The collector takes out his old valuation dated 1692, and gives the landlord a receipt in full, dated 1841, upon the valuation made a century and a half ago. I say we are indebted to Sir Robert Peel for calling our attention to this subject . . .

"It is a war on the pockets that is being carried on; and I hope to see societies formed calling upon the legislature to revalue the land, and put a taxation upon it in proportion to that of other countries and in proportion to the wants of the State. I hope I shall see petitions calling upon them to revalue the land, and that the agitation will go on collaterally with the agitation for the total and immediate repeal of the Corn Laws, and I shall be very happy to contribute my mite towards paying the expenses. Not only ought we to have an abolition of all the taxes upon food, but we ought to raise at least £20,000,000 a year upon land and building land; and even then the owners of land in England would be richer than those of any other country in Europe."

The above quotations must be left to speak for themselves. There can be no slavish acceptance of Cobden's words because he said them. What is important is that we too should be prepared to follow the deductions of political economy wherever they may lead. Richard Cobden saw the vital importance of a question that, politically speaking, was only just heaving into sight. Although clear-minded enough to realise the vital importance of the land question, and the manifest wrongs arising out of it, Cobden lacked a synthesisa putting together into a harmonious unit of the different aspects that he saw. The only conclusion to which one can come is that he did not know how to free the land, else he could not have left to those who followed him the exhortation to "free the land" without also giving them a lead as to how they should do it. Cobden realised that Free Trade in itself was not enough and that production also must be free. Now, in so far as every activity of man is inseparably bound up with his relationship with the earth, its

monopoly, whereby the communally-created land value is diverted from its rightful use—public revenue—inevitably leads to the placing of the burden of public expenses upon those who exert themselves in production.

The deductions of political economy lead us uncompromisingly to the conclusion that we must break the land monopoly if we are to free the economy of the country. Given the freedom to produce, the benefits of free trade would be readily recognised.

If we are faithful to the Free Trade principle and apply it to land and labour, then we can fully share the faith that moved Cobden when he spoke in Manchester on January 15, 1846, and said: "I see in the Free Trade principle that which shall act on the moral world as the principle of gravitation in the universe-drawing men together, thrusting aside the antagonism of race, and creed, and language, and uniting us in the bonds of eternal peace . . . I believe that the effect will be to change the face of the world, so as to introduce a system of government entirely distinct from that which now prevails. I believe that the desire and the motive for large and mighty empires; for gigantic armies and great navies-for these materials which are used for the destruction of life and the desolation of the rewards of labour-will die away; I believe that such things will cease to be necessary, or to be used, when man becomes one family and freely exchanges the fruits of his labour with his brother man."

Either this is possible or all man's aspirations are a mockery. But man continues to aspire.

Addendum

EDITORIAL IN "THE TIMES," JANUARY 6, 1873

A few lines in our City Intelligence of Saturday may be recommended to the consideration of those gentlemen who trace a large part of our difficulties and miseries to the monopoly of the soil. Even if they do not think the facts stated sufficiently important to shake their belief in the alleged monopoly, they will have to confess that matters are slightly on the mend. The total amount of landed estates, etc., sold and registered at the Estates Exchange for the past year has been £9,901,220 against £5,769,384 in the previous year. This is a very large amount to be offered for sale at one office in a twelvemonth . . . As regards its disposable value, land was never better off than now.

"I WOULD TAKE ADAM SMITH IN HAND" COBDEN

Every improvement in the circumstances of the society tends either directly or indirectly to raise the real rent of the land, to increase the real wealth of the landlord, his power of purchasing the labour or the produce of the labour of other people . . . The real value of the landlord's share, his real command of the labour of other people, not only rises with the real value of produce, but the proportion of his share to the whole produce rises with it . . . They (landlords) are the only one of the three orders (those who live by rent, wages and 'profit') whose revenue costs them neither labour nor care, but comes to them, as it were of its own accord.

The Wealth of Nations, BOOK I, CHAP. XI.

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