

CHAPTER VII

“LAND NATIONALIZATION”

“Unrestricted private property in land is inherently wrong, and leads to serious and wide-spread evils.”—The late Prof. ALFRED RUSSEL WALLACE.

“The advocates of a great principle should know no thought of compromise. They should proclaim it in its fullness, and point to its complete attainment as their goal. But the zeal of the propagandist needs to be supplemented by the skill of the politician. While the one need not fear to arouse opposition, the other should seek to minimize resistance. . . . Whether the first step be long or short is of little consequence. When a start is once made in a right direction, progress is a mere matter of keeping on.”—HENRY GEORGE, *Protection or Free Trade*, ch. XXIX.

(1) In the early days of the Henry George movement, the name “Land Nationalization” was sometimes applied to it. There was, for instance, in the 80’s of last century, a Land Nationalization League in South Australia, among the founders of which were the late Lewis H. Berens and Ignatius Singer. But the existence in England of a Land Nationalization Society, pledged, under the leadership of Prof. Alfred Russel Wallace, to a policy of buying out the landlords with public money, made this description misleading for the English followers of Henry George. For, as he said at one of his London meetings, there are three possible ways of dealing with the land monopolists. We may “Kick them out; buy them out; or tax them out.” The L.N.S. advocated the second method. Mr George’s method was the third.

The exposure of the evils of land monopoly by the writers and speakers of the L.N.S. left little to be desired, but the statement of their remedy was an amazing *non sequitur*. Here, for instance, is an official statement which used to appear on the cover of their monthly paper, *Land and Labour* :—

REASONS WHY THE LAND SHOULD BE NATIONALIZED. Because land is the prime necessary of all life, and cannot be made by man,

it is a natural monopoly and its control by private individuals gives them an enormous power over the mass of landless men ; it enriches non-producers at the expense of producers, compels the taxation of industry for public revenue, restricts trade, confiscates and so hinders improvements, throws land out of cultivation and men out of employment, depopulates villages and crowds towns, evicts people and makes land a desert for the " sport " of the idle rich (as in the Highlands), forces wages down, raises rents, and keeps large numbers of people in social and political subservience to the privileged class of land monopolists :

METHOD SUGGESTED : As soon as public opinion is sufficiently ripe, the whole of the land should be transferred to public control and ownership, compensation to the landlords being paid.

Would not one rather have expected, after such a recital of wrongs done by the landlords, a claim for " damages " to be preferred against them ?

It would not be worth while to recall their proposals but for the astonishing fact that, at least so far as agricultural land is concerned, the mantle of the L.N.S. seems to have fallen upon many of the leaders and members of the two " Progressive " Parties.¹ There is no need here to examine once more in detail the many schemes of the L.N.S.² for buying out those who have profited by a system which it describes as one of barefaced robbery and constructive murder. The ethical and economic arguments against nationalization by purchase are cogently stated by Henry George.³ It may, however, be well to emphasize the fact that, at any rate in our own country, history lends no support to any such proposal.

William the Norman, in 1066, brought with him what is called the Feudal System. Whenever we speak of land *tenure* we are, consciously or unconsciously, affirming the root principle of that system. For " tenure " is Norman-French for " holding " (Lat., *teneo*, I hold). The overlordship of the land of the country was vested in the Crown, from which, directly or indirectly, all landlords " held " portions of it, not as owners, but as tenants. In other

¹ See *How Labour will Save Agriculture* (Labour Party, March, 1934), p. 12 ; and *The Liberal Way* (National Liberal Federation, 1934) which visualizes " the acquisition of land on a very large scale " (p. 43).

² See FREDK. VERINDER, *Methods of Land Nationalization*.

³ *Progress and Poverty*, Book VII ; and *The Perplexed Philosopher*.

words, it was and is National property.¹ It is quite untrue to say that William *gave* the land to his followers after the Conquest. Rather he leased or loaned to them such of the lands as he did not keep in his own hands to support the royal dignity, and he did so on terms. Some years later, about 1085-86, the *Doomsday Book* was compiled. It was a general Survey of the land of William's England: not so great an area as modern England, for the four northernmost counties were not surveyed, as William's writ did not run there. The object of this great Survey was to determine what lands each landholder held, the terms upon which he held them, and by whom and on what terms they had been held in the time of King Edward the Confessor. Camden described the *Doomsday Book* as “ the tax-book of King William.” Bishop Stubbs² says that “ so long as all the taxation fell on the land, *Doomsday Book* continued to be the rate-book of the Kingdom.” Sir Martin Wright says that its object was “ to discover the quantity of every man's fee, and to fix his homage,” *i.e.*, the services and payments he was bound to render as a tenant—in one word, his *rent*.³

As, in those warlike times, the defence of the realm was regarded as the most important consideration, a large part of the land was held on a predominately military tenure. The Barons were tenants-in-chief (*in capite*)—holding their lands direct from the King. Their holdings were measured, not by acreage, but by Knight's fees. Each estate was deemed sufficient to support a certain number of Knights, who held their lands from the Crown through the Baron as their *mesne*⁴ lord. They did homage to the Baron, as he did to the King, and, in their turn, exacted services or payments or both from the vassals, who held parcels of land under them. Some of these held their lands by virtue of a copy of an entry in the Court Rolls of the Manor, and

¹ Parliament “ gave ” great estates—Blenheim and Strathfieldsaye—to the ancestors of the Dukes of Marlborough and Wellington, as a reward for their victories. But the Dukes still have to do homage to the King, and to present little flags once a year, as a symbol of the Crown's over-lordship.

² *Constitutional History*, I, 654.

³ Fr. *rente* from Low Latin *rendita* = *reddita* from Latin *reddere* [*rendere*] to render.

⁴ Mean, middle, intermediate.

were called "copyholders." The lowest ranks of landholders, performing servile tasks about the Manor, held their plots by "base tenures." A large part of the area of England, then only thinly populated—the waste of the Manors—was common land.

When the King went to war, he called upon the Barons, who called up their Knights to join the army with their followers. There was no standing army in the modern sense, but the slogan of 1914, "Is not this a country worth fighting for?" had some meaning in the days when those who were called upon to defend the country had some legally assured share in the use of it.

But the services which the Barons had to render to the State, as the *rendita* or rent which they paid for the lands they held, were not exclusively military. They could (and did, by licence from the King, and sometimes without it) build castles for the preservation of internal order. They had to maintain the means of communication (roads and bridges), and to administer justice in their manor courts, subject to appeal to the supreme overlord in his *Curia Regis*, the King's Court. To the King they were themselves answerable for the due performance of their feudal duties, *i.e.*, in modern terms, for the payment of their rent—in money or in services—to the State.

In the Record Office and elsewhere an enormous number of ancient records—such as the Hundred Rolls, Black and Red Books of the Exchequer, Scutage Rolls, *Pedes finium*, and *Inquisitiones*,—interesting to the student of landlordism and useful to the experts who trace pedigrees for the old nobility and the *nouveaux riches*, have been preserved and are accessible to students. The oldest of them are in Norman-French, or in the Latin jargon of the mediæval lawyers. Many volumes of them have been translated into English and published by authority. Only a brief reference to some of them is possible in these pages.

As the Crown's tenants-in-chief were not owners of the lands they held, they could not, without licence from the national overlord, sell it to or exchange it with any other person.¹ Any proposal to do so had to be made the subject

¹ For the parallel with the ancient Hebrew Land Laws, see VERINDER, "My Neighbour's Landmark" and *Levit.* XXV, 23.

of an inquest: an *inquisitio ad quod damnum*, that is, an inquiry whether the State would suffer any, and if so what, damage or loss by the change of tenant, or by an enclosure. The person to whom the transfer was proposed to be made might not be capable of rendering military service or of keeping order within his domains, or, for other reasons, he might not be *persona grata* to the King. In such a case, a “ licence to alienate ” would not be issued.

An inquest was also held when a feudal tenant died. Such an *inquisitio post mortem* (inquest after a death) differed from the coroner’s inquest of to-day, in not being concerned so much with the cause of the tenant’s death, not seldom a violent one in those times, as with the Nation’s interest in the land which he had held. The inquiry was as to the amount of land the deceased had held; from whom he held it (*e.g.* from the King or from a Baron or other *mesne* lord; what was its value; who was the next heir, and whether he was of full age and a fit person to take over the tenancy and to fulfil the obligations attaching to it. There was never any certainty that the eldest son would succeed at once, or indeed at all. The Nation’s interest was paramount. If the eldest son was under age, the land was resumed into the hands of the King, and the son became the King’s ward; or, in the case of a Knight, the son became the ward of the Baron under whom his father had held. When the ward became of age, he could, if a suitable person, then sue out his “ livery of seisin ” in the Court of Wards and Liveries, which existed to protect the Nation’s rights in the land. There was naturally a presumption that the eldest son, if of full age and sound in body and mind, would be the fittest person to succeed his father.¹ If the late tenant had left a widow only, or if his heiress was a daughter, these wards, presumably unable to fulfil their military and other duties, could be made to marry some man approved by the King’s Court, in order to assure that the estate should continue to yield its quota to the army. In default of an heir, the land reverted, by escheat, to the Crown.

Certain money payments had also to be made by these

¹ From this presumption grew up the custom of primogeniture, against which Radical reformers of last century so often protested.

feudal tenants, *e.g.*, an "aid," on occasions, to ransom his lord, or to knight his lord's eldest son, or towards a dowry for his lord's eldest daughter; a "relief" on succession to an estate, and, in the case of tenants-*in-capite*, a sort of premium on renewal of a lease, called *primer seisin*, as first-fruits of the income from the estate. One of the earliest acts of the House of Commons, set up in 1295, forbade the King to levy such taxes as the aid called "scutage" (shield money) without the consent of Parliament. Fines were imposed or fees paid on the occasion of the marriage of female wards, of the issue of licences to alienate, etc., etc.

But as man did not, even in the Middle Ages, live by war alone, a good deal of land was granted, or "leased," on plough tenure (*socage*). The duty of the tenant was mainly to cultivate the land and produce food; he was free from military services. So were also the monasteries and clerics to whom land was granted. They paid their rent by public services in such spheres as religion, education and the relief of the poor.

The clearest proof that the Barons, Knights and other landholders were not *landowners* was the constant exercise by the Kings of their right of "resumption,"¹ when, for instance, Barons failed to perform the duties attached to their office, or rebelled against the Crown, or supported the King's enemies. Lands granted by one King, on conditions which took little note of the Nation's interest, were often resumed by later Kings. One famous case is that of the Alien Priors,² when Henry V, on the petition of Parliament, resumed lands which had been granted to foreign corporations of monks who, by reason of their absenteeism, were unable to perform the duties attached to their holdings, while drawing large revenues from them. Similar resumptions of monastic holdings were made by Henry VIII, who, on the advice of Parliament, resumed the lands of the lesser Monasteries in 1536, and of the greater Monasteries in 1539, resuming "all manors, lordships, granges, lands, tenements, meadows, pastures, woods, tithes, pensions," etc.¹ In 1545, to pay for his wars with France

¹ DAVENANT, *Grants and Resumptions* (1704). SIR MARTIN WRIGHT, *Tenures*, p. 14.

² 2 Henry V, *Rolls of Parliament*, 1414.

and Scotland, he resumed the lands of the colleges. If the reasons given in the Statutes were justified in fact, he was constitutionally doing the right thing. The way in which he afterwards dealt with the resumed lands is, as Kipling would say, “ another story.”

All these, and many other resumptions, took place without any compensation to the dispossessed landholders, and without any suggestion that they were entitled to any compensation. The overlord, as guardian of the National estate, was just taking back a part of it from an undesirable tenant who had failed to keep the covenants in the “ lease ” under which he held it.

The feudal holdings were anciently called “ benefices ” (*beneficia*). The name has survived only in the case of clerical landholders, and, with the name, some at least of the duties attached to all feudal grants of land have also survived. The priest who holds a benefice is thereby under the obligation to provide the Church services, instruct the parishioners in religion and morals, catechize the children, administer the Sacraments, visit the sick, bury the dead, act as registrar of all marriages celebrated in church, and so on. He holds a benefice to which lands are attached, but he does not *own* those lands, any more than he owns the Parish Church, or than the Prime Minister owns No. 10, Downing Street. He cannot sell them without special permission (like the old “ licence to alienate ”), and even then the proceeds belong, not to the parson, but to his office, and must be handed on, in some form or other, to his successor in the benefice, who will be equally bound by the conditions attaching to it.

As might be expected, the feudal tenants of the Crown often resented the “ exactions ” of the King, frequently evaded them and sometimes rebelled against them. When, under the Statute *quo warranto*, Edward I called upon the State’s tenants to show “ upon what warrant ” they held their lands, one of them had the impudence to produce his sword as his title-deed! In King John’s time the Barons obtained certain reliefs for themselves when they forced the King to sign *Magna Carta*, but there is no record that they

¹ Act 31, Henry VIII, c. 13.

passed on any part of the advantages so gained to the subtenants of the Crown, who held under them. At the Restoration they procured an Act of Parliament,¹ abolishing the Court of Wards and Liveries and converting the old military tenures into tenures by free and common socage. It was, to all intents and purposes, a No Rent Manifesto; the State's rent-collecting office was abolished. To make up for the compulsory services and payments thus lost to the Revenue, the King was granted a tax on beer, cider and perry. Home-brewed beer was exempt: the Barons brewed their own beer; the poorer folk bought their taxed drink at the alehouse. The wines drunk by the rich were not taxed. This "excise" became in future generations the fruitful parent of a horde of indirect taxes on the necessaries and simple comforts of the common people, their bread, tea, coffee, cocoa, dried fruits, etc. It was part of the price paid for the Restoration of the Stuarts. To it we owe our standing army, paid for by heavy taxation mostly falling upon a landless people.

When William III wanted money for the expenses of his wars,² he procured an Act of Parliament re-imposing some part of the feudal dues in the form of a tax of four shillings in the £ on (among other things) the "full true yearly value of all lands, mines," etc. It was continued for a long period at varying rates in the £, till in 1798 it was made perpetual at the nominal rate of 4s. in the £, on the century-old Valuation, which was very imperfect even when it was first made. Landholders had the option of redeeming the tax by a lump sum payment, and have exercised this right to such an extent that the proceeds of the tax, which would yield an enormous sum if levied on present values, have become negligible. A Conservative Government in 1896 decreed that the nominal pound-rate should not in any case exceed 1s. in the £. In the case of land that has become thickly populated, the old "4s." tax may have become one of a small fraction of a farthing in the £ on current values.

The impoverishment of the common people, due to the increase of their rents and the heavy taxation imposed upon

¹ 12 Charles II.

² The National Debt, entirely due to wars, commenced in his reign, and amounted in 1697 to about £5,000,000.

them by their defaulting landlords, was further increased by the wholesale enclosure of the once very extensive common lands.¹

The criticisms of the Feudal System by the Victorian Radicals, in the days before Henry George published *Progress and Poverty*, were justified only by the defalcations of the feudal tenants of the State. The root-principle of Feudalism was a just and valuable one, and is still part of our constitutional law. Joshua Williams' statement still stands true: that no man hath in law the absolute ownership of lands; he can only hold an estate in them. In spite of the ignorant writing of some journalists, the *Law of Property Act*, 1922, did not affect the truth of this statement. Section 1 of the Act simply enacts that the only estate in land which shall be capable of subsisting or of being created at law, after the commencement of the Act, " shall consist of an estate in fee simple absolute in possession," and provides (Section 128) for the abolition of copyholds and customary tenures, and (Section 138) for the extinguishment of certain manorial incidents. All land-" owners " are still tenants, holding their lands, mediately or immediately, from the Crown.

It is clear that, since all who now hold land must derive their title directly from the Crown, or indirectly from some predecessor in title who did so, and since " no man can give a better title than he received,"² those who hold the land of our country to-day " stand in the shoes " of landholders who have by legalized fraud withheld from the State the rents due to it, and have caused the people to make up for their defalcations by paying very heavy taxation. " Let no man be relieved or gain an advantage by his own fraud."³ As Herbert Spencer once wrote :—

" Even the law recognizes this principle. An existing holder

¹ See the concluding chapters of MARX's *Capital*, Vol. I ; GILBERT SLATER, *The English Peasantry and the Enclosure of Common Fields* ; J. L. AND BARBARA HAMMOND, *The Village Labourer* ; CLIFFORD, *History of Private Bill Legislation*.

² *Nemo dat quod non habet. Nemo potest plus juris ad alium transferre quam ipse habet.* WHARTON, *Law Lexicon* (9th edition, 1892, pp. 503, 504).

³ *Nemo ex dolo suo proprio relevetur, aut auxilium capiat.* BROOM, *Legal Maxims*.

must, if called upon, substantiate the claims of those from whom he purchased or inherited his property ; and any flaw in the original parchment, even though the property should have had a score intermediate owners, quashes his right." . . . "How long does it take for what was originally a *wrong* to grow into a *right* ? At what rate per annum do invalid claims become valid ?" *Social Statics* (1851), ch. IX.

If there is to be any "compensation," when the people reassert their constitutional rights in the land on which they live, a strong case could be made out for making the landlords pay compensation to "a people robbed and spoiled" (*Isaiah* xlii, 22). Even the late Joseph Hyder, Secretary of the Land Nationalization Society, wrote in his *Case for Land Nationalization* (p. 46) :—

"Land was here before man himself was, and the first man who called it his own property set up a claim which could have no warrant, and which no lapse of time can ever make good."

The landlords have shown us how we can win back our just rights in our National heritage, of which, step by step, we have been deprived. First, by making a New Domesday Book, in which the value of our National Estate shall be set out in detail; then, by taxation and rating on the land values thus ascertained, increasing the tax as quickly as an enlightened public opinion approves, till the full economic rent is reaching the National and Local Exchequer, we can make the people of England themselves in fact, as they still are in theory, the landlords of England. The final result will be a system of land tenure under which the users of land will hold it from the Crown on what will be virtually perpetual leases, subject to a rent which is periodically revisable. The land will have been "nationalized" by nationalizing the tax which is now levied by the landlords, for their own benefit, on the homes, industry, enterprise and thrift of their fellow-citizens. The rent of the people's national estate will be applied to pay the costs of national and local government, and the existing taxes and rates will no longer be levied.

But, it may be said, that will mean "confiscation." We do not shrink from the charge. To confiscate is to put into the *fiscus*, the public purse. What other rightful place is there for values which the public have created? The State is now "confiscating" over £700,000,000 a year, mainly

from the products, earnings and savings of its citizens, because it does not collect its own natural income from the land which its citizens make valuable.

It has been amazingly said that the gigantic financial operation involved in buying out the landlords need not appal us, for “ no money would pass ! ” We should simply give the landlords “ land bonds.” The only parallel to this is the financial wisdom of Wilkins Micawber, who paid a debt with an I.O.U., and said “ Thank God, that’s settled ! ” Some £10,000,000,000 or more would be added to the National Debt. We should have to pay interest instead of rent, and, someday, if we ever could, to redeem the bonds. Even if the rent of the land covered the interest on the bonds, we should still owe the thousands of millions. If the transaction takes place without a previous valuation and without taxation of land values, the land will be bought at its monopolistic and speculative value, due to the landlord’s unjust exemption from taxation,¹ which, as some Land Nationalizers have seen, can only be reduced by land value taxation. If, by some calamity, we are to be driven to land purchase, even so there would be a clamant need for a preliminary tax, to squeeze the water out of speculative values. But if the process of taxing land values is carried to its logical conclusion, there will be nothing to buy.

When this country took a great step towards political freedom, a century ago, by abolishing the pocket boroughs, there was no talk of compensation. Yet the right of private persons to send their personal representatives to the People’s House was a recognized form of heritable private property, which frequently changed hands for very large sums. As soon as it became recognized that there could be no *moral* right to such “ property,” public opinion made short work of it. We are now struggling towards economic freedom by the restoration of the land rights of which the people have been robbed by a long succession of Parliaments dominated by landlords and their lawyers, agents and nominees. People could conceivably live without votes; in many

¹ The purchase of the London Water Companies should serve as a warning. The price paid was at least twice as much as their legal monopoly was worth, and Londoners are still paying it in the price of their water.

primitive communities they do. But no one can live without land. "You take my life when you do take the means whereby I live."

When Britain paid compensation (£20,000,000) to the slave-owners in the British Colonies (1833), in order to secure the liberation of their chattel slaves, the position of the American "owners" of their fellow-men was strengthened, and it cost a civil war to compel the Southerners to release their human "property"—without compensation. He who owns the land practically owns the people who live on and from it. Why compensate *any* kind of slave-holder?

When Mr W. E. Gladstone introduced his Irish Land Purchase Bill, the English Land Restoration League (now The English League for the Taxation of Land Values) offered the most uncompromising opposition. Both countries have suffered ever since from the consequences of the buying out of Irish landlords, and, even at the time of this writing, the relations between England and her sister Isle are embittered over the question of the Land Annuities which the Irish people, wronged for centuries by an alien landlordism, naturally feel to be unjust.¹

The object of the land nationalists in "freeing" the land from the domination of the landlord by making the people pay interest on the capital land value of the country (inflated by land speculation) is to take a short cut to the control and management of the land by the Governmental Bureau. Experience shows that this would be adding one very bad bargain to another. In a pamphlet published in 1918, the present writer quoted some amazing instances of the folly and waste of Government Departments in dealing with land during the Great War, as revealed by the Select Committee on National Expenditure,² and came to the conclusion that the use of land can be controlled, without subjecting the users to the ineffective and mischievous interference of the Bureaucracy, by a truly democratic

¹ On landlordism in Ireland see HENRY GEORGE, *The [Irish] Land Question*.

² "*Special Report*" and "*Reports*," 1917 (Nos. 125, 151, 167, 188). Several *Reports* in 1918 (Nos. 23, 30, 59, 80, 92, etc.); VERINDER, *Methods of Land Nationalization*, pp. 12-15.

method which enlists the common sense and common knowledge of the would-be land-users for the solution of a problem which no Government Department, however well-meaning, could be trusted to deal with satisfactorily. As was written in the pamphlet just referred to :—

“ All that is necessary, in the first instance, is to tax and rate all land on its true market value, as nearly as that can be ascertained. It will then be unprofitable to keep land out of use, or to put it to any use which is markedly inferior to its best known use. ‘ Weak ’ holders of unused lands will yield to the pressure of the tax at once, because they must. But even ‘ strong ’ holders will yield also, because it is not good business to pay taxation on a high valuation, when the land is producing little or nothing. Holders of unused or underused lands will either put them to use or seek users in the open market. Those who know best how to use the land for the purpose, whatever it is, for which the land is most suitable, will offer the highest rent or price. As they will be risking their own labour and money, and not merely spending public funds, they will act under a sense of responsibility such as appears to have been conspicuously lacking in the make-up of the Government officials whose proceedings we (and Mr. Hyder) have so often criticized. The skill of the farmer, the special knowledge of the builder, or of the mining expert, prepared to back their judgment by the expenditure of their own labour and money, will come into play in the interest of the most productive use of land. It will cost the nation nothing. A mistake here and there will not entail the scandalous misuse of public funds which attended the mistakes of the officials who chose a hopelessly unsuitable site for a Flying School at Loch Doon, or who have squandered huge sums of money in buying out landlords at exorbitant prices for Naval Bases (Rosyth), Manœuvring Grounds (Netheravon), Artillery Ranges (Maplin Sands), waterworks, housing schemes, and many other national and municipal purposes.¹ In the freer market for land, which would be set up, as soon as land values were taxed and rated, people advancing their own money would not make that kind of mistake.”

Even the immensely wealthy Hudson Bay Company, chartered by Charles II in 1670, could not stand up to a small tax on land values. In 1910, the Company held over 4,000,000 acres of land. They sold town lots to the value of £904,000, and still held over 3 million acres in 1919-20, including town sites, assessed at about £2,000,000. Sir Robert Kindersley said, at the Annual Meeting in London, on July 30th, 1920 :—

“ Taxation on our lands is heavy, very heavy . . . on farming lands it amounted this year to £189,825. Town lots are simply

¹ See HYDER, *Case for Land Nationalization*, pp. 92-113.

a burden, and a big one, on our resources ; as the taxes on them amounted to £65,381, while the cash receipts were only £22,428. . . . The development of our own land ourselves is a new departure on the part of your Company, but your directors are convinced that it is a practice to which we shall have to resort increasingly in the future. . . . Your directors are now considering how this development can best be carried out on a large scale. . . . Energetic efforts are being made to dispose of town site holdings at reasonable prices. New organization has been provided to this end. Town site taxes will be somewhat heavier.”¹

¹ *Land & Liberty*, September, 1920 (p. 476).