

# 6

## Taxation to Recoup the Crown's Lost Revenue

**I**n Saxon times the king lived 'of his own'. He had land in his own possession. He had other sources of support either in money or in kind. He received dues from all who held land. *Feorm* (Food-rent), was due once a year from a group of villages in accordance with the general duty to maintain the King and his retinue for twenty four hours during his procession round the country. Each village was assessed at five hides, and the goods or money would be rendered at the nearest royal farm. According to Stenton there must have been a town moot of some kind to turn this arbitrary assessment into reality. There was a similar obligation to provide for the King's servants or messengers when they passed through the district on duty.

Defence was provided for by personal service in the *fyrd*. This together with the obligation to build and maintain bridges and strongholds, made up the *trimoda necessitas*. These obligations were assessed by hidage of the villages. By 1060 the renders in kind which once supported the King had been changed into money. Even by Alfred's time the royal monetary receipts were sufficient to need a central treasury under a *hraeglthegn*

(chamberlain), kept from the beginning of the 11th century at Winchester.<sup>10</sup> There were also profits from fines and forfeitures imposed as punishment in court. We also read of church-scot, *aelmesfeoh* (alms), and hearth-penny, paid according to the status of a man in relation to his land - whether he be Thegn, Geneat, Cottar or Border, or Gebor. Slaves did not count. As already mentioned there were considerable labour services rendered within the rural economy, but always depending on landholding except in the case of slaves.

Part of the understanding that the king should 'live of his own' was that taxation should provide only for special needs, and emergencies such as war. The Danish raids and invasions of course made war a virtually constant danger, so that taxation was also fairly constant, not only for actual warfare but also for preparatory measures.

### Danegeld

The most important tax was the Danegeld. *Geldan* in Anglo-Saxon means 'to yield', with which it is of course cognate. The word (three syllables, the 'g' sounding like English 'y') was, however, used to denote different kinds of levy: for example, in its literal meaning 'danegeld' was to buy off the Danes; 'heregeld' to pay for 'men' (soldiers and sailors); 'burhegeld' to fortify, maintain and man forts. It provided ships, of which a fleet of (at its biggest) forty two ships was maintained.<sup>11</sup>

Danegelds were levied on hides of land. Hide is 'a word of elusive meaning' (Stenton). On the authority of the Venerable Bede, a hide is defined as the amount of land

needed to support a free man and his dependants (not just his family). The rate was fixed at so much a hide: in Edward the Confessor's time, it was two shillings. The hide

varied considerably in area according to fertility, the nature of the soil, the nature of the holding, and the standard of living of the household in question. No-one would suppose, for example, that nowadays the same kind of livelihood, and therefore the same receipt to the Exchequer, would arise from 100 acres of Cheviot sheep run as from 100 acres of fenland arable.<sup>12</sup>

Thus Bede describes the Isle of Man (300 hides) and Anglesey (960 hides), yet their area is roughly the same. He remarks that Anglesey is more fertile. In other words a 'hide' measured not the area of land, but what it yielded. A 'geld', as its name indicates, was levied on the 'yield' of a particular parcel of land.

In general the hide denoted an area of ploughland together with its appurtenant rights in meadow, marsh, woodland, springs, fisheries, and animal grazing. Domesday Book shows 120 acres to the hide in Cambridgeshire, but only 40 in Wiltshire and Dorset. Similar variations can be found elsewhere. There was therefore some flexibility in the impact of the tax when setting a fixed rate per hide, such as two shillings. The King's financial officers (i.e. the central government) fixed the number of hides to be paid by each shire - Northants 3,000 hides, Staffs 500 hides, Worcs 1,200 hides and so on. This is to use hide in a different sense, as a unit of taxation. Here again there is flexibility. Although

the number of hides per county appears to have remained fixed from pretty ancient times, there were reductions after the Battle of Hastings in the hidage of the Home Counties which had been ravaged by William in his sweep round London. Otherwise, however, the lack of regular reassessment to keep up with changing circumstances, which spoilt early tax systems, is apparent.

The Shire Courts distributed their allotted share of hides among the Hundreds, and the Hundred Courts distributed these among the villages. Although there is no evidence to show how this was done, it is reasonable to suppose that at these lower levels the courts would have taken into account current local conditions affecting ability to pay, such as flooding; disease (in men, cattle, or crops); or devastation by armies or marauders. In spite of its complication, "as a piece, of large scale financial organization, it has no parallel in the dark ages. For all its apparent rigidity, it enabled the king to vary the weight and incidence of his demands as the needs of the moment required".<sup>13</sup> By the time of Ethelred II at latest, says Professor Stenton, we had "the first system of National Taxation in Western Europe". According to the Anglo-Saxon Chronicle, it raised no less than £167,000 during Ethelred's reign.<sup>14</sup>

When England became unified after Alfred's treaty with the Danish Guthrum, an arrangement, not dissimilar to that in Wessex described above, was in place throughout the country, although using different language: carrucates (in the Danelaw) or sulungs (in Kent) instead of hides; leets or wappentakes instead of hundreds.

**Taxation in Norman and Angevin Times**

Danegelds continued to be levied after the Norman Conquest. William I levied gelds frequently, possibly annually.<sup>15</sup> "What used to be paid to the Danes out of unspeakable terror," wrote Henry of Huntingdon (d. 1155), "we now pay to the King by custom". The last three gelds recorded, in the form of a carruage (a land tax on a general basis), were levied in 1194 by Richard I, once by John, and again in 1220 by the regents for Henry III.

Danegelds had, however, come to bear so little relation to the distribution of cultivated land, and were limited by such extensive exemptions, that they had lost their national character. They looked only to cultivated land when the richest land was inside the towns in what was now developing into a trading nation. Once again the absence of reassessment to keep pace with change is apparent.

The Norman and early Angevin kings lived on the profits from their demesne lands, supplemented by rather arbitrary levies on the demesne called tallages. They also levied tallages upon the towns, and upon the Jews, as being under the immediate protection of the Crown and therefore part of the king's demesne. From the rest of English land, distributed by the Conqueror to his followers as tenants in freehold, the Crown received the recognized feudal dues - together with the customary incidents of tenure, many of them being commuted into money as time went by.

By the end of the twelfth century, largely through warfare and revolt, these revenues had become inadequate to provide for the Crown's expenditure. Danegeld was based on an out of date assessment centuries old. The

Domesday survey had never been updated. Scutage (shield money, a payment in lieu of knight-service), which had been the proper feudal method of paying for the wars of the Norman and Angevin kings, had been rendered almost useless by changing circumstances. The last survey had been in 1166:

The survey of 1166 no longer represented the truth. A great vassal whose wide-flung manors, comprised, in parcels and fragments, a hundred knights' fees might himself owe the service of three or four knights. If he accompanied the king on an expedition and had his royal writ of scutage, he raised a sum which bore no relation at all to his expenses, or at any rate to the service he had rendered. Owing to the rise in prices and the higher cost of military equipment in horses and armour and maintenance, expenses were certainly growing, but as most of the charge was borne by the Crown, the king was increasingly reluctant to acquiesce in a financial arrangement which brought so little money into the exchequer ... The exchequer failed to turn scutage into a [regular] tax. By Edward III's time the implications of scutage had become unreal, its assessment was tiresome and intricate, its collection was very difficult. The knight's fee and all that it had meant sank to the level of an antiquarian survival.<sup>16</sup>

The essential feature of landholding up to this time had been that it provided the expenses of the court and the means of fulfilling most of the functions of central government. To meet particular emergencies danegelds were levied, and these had turned into a regular tax. Towards the end of the twelfth century, however, a

general levy on movable goods had been several times resorted to, but always to meet a particular need: for example, for part payment of Richard I's enormous ransom (1193), for the administration of the Channel Islands, and for the recovery of Jerusalem (the 'Saladin Tithe') in 1188. The success of such a levy depended very much on the popularity of its objective.

### **The Thirteenth Century**

In 1207, John succeeded in raising £60,000 in this way for the expenses of his French wars by levying a thirteenth (a shilling on the mark) on personal property and income. This compares with little more than £5,000 raised by danegeld, which was fast becoming obsolete, in Henry II's reign.<sup>17</sup> There were earlier precedents for taxing movable wealth; but the money so collected had not been for the benefit of the government, but for a definite charitable purpose - the crusade, for example. So great was the return when this thirteenth was raised in 1207 that a separate exchequer was created to deal with the proceeds. "The thirteenth of 1207 is the true forerunner of the tenths and fifteenths of later times".<sup>18</sup> These were termed subsidies. That title was, however, assumed in Tudor times by the subsidies granted by parliament, and these earlier aids to the king came to be called fifteenths and tenths.

The royal finances in John's reign were in a parlous state. He had the misfortune of following his elder brother who was exceedingly popular on account of his military exploits hence the case of collecting his unprecedentedly large ransom. Nicknamed Lackland, John was a younger

son who did not inherit his father's personal estates. He too campaigned abroad, but with disastrous results, including the loss of Normandy, which was separated from England in 1204.

To meet the inevitable expenses of this situation "the elaborate fiscal and legal system of the country was turned into a merciless machine for extortion". This, together with his loss of England's French possessions and his unsuccessful quarrel with the Pope, led to strife between John and his barons, which ended in civil war, and an invasion by the French who occupied London and some of the shires.

In 1215, John and the barons reached the settlement recorded in Magna Carta, purporting to stop abuse by the King of his feudal dues and incidents of tenure. Scutage, a due which had assumed some of the features of a tax, was restricted to its former value! The feudal incidents of relief, wardship, and marriage were brought under control. So also Aids to the King. These provisions put an end to the expedients to which the King had resorted to make up for the changing value of money and the increasing costs of warfare and administration.

The government at once set to work to give effect to the settlement. Evidently the king was trying to make the peace a reality. Not so the barons. Once in power they revealed the pettiness and arrogance common in men placed in positions beyond their capacity or their deserts ... It would appear that they did not intend to observe the Concord of Runnymede.<sup>19</sup>

The result was that in the decade following Magna



Carta the main burden of government expenses was shifted from land to personal property, and hence to the whole population except the very poorest, without any regard to their holding of land. How did this come about?

In January 1223 the regents for Henry II (aged nine when he came to the throne in 1216) ordered the sheriffs to inquire of juries in full shire court what the customs and liberties possessed by King John had been in 1215, when the Great Charter had restricted the finances of the Crown to its proper feudal dues. However this caused such alarm across the country that in April the order was withdrawn. Because of the desperate financial situation there had to be a settlement. A meeting with the barons was held in 1225 at which the Charters - the Great Charter and the Charter of the Forests - were confirmed and,

The confirmation of 1225 contains the significant statement that "in return for the concession and gift of these liberties' the archbishops, bishops, abbots, priors, earls, barons, knights, free tenants, and *all people of the realm* had given a fifteenth of their movables" ... The taxation of 1225, as we can now see, meant the acceptance, without elaborate argument or clear intention, of the fact that the great council could, *in the name of the people of the realm*, grant a tax which every householder in the realm had to pay ... Now, in 1225, a great feudal gathering spoke for all and granted a non-feudal tax - a very special kind of tax which bore no relation to tenure or services - which was to be paid by all. (italics added)<sup>20</sup>

In contrast with feudal aids, taxation of this kind was new. Although it followed a deliberate and agreed

determination to meet a particular emergency, it was later to become the normal way of increasing the royal revenue. It was levied only four times during King Henry's reign - 1225, 1232, 1237, 1269/70; each time to provide funds for a special purpose. But Edward I, who was constantly at war in France, or Wales or Scotland, was able to turn these financial expedients of Henry's reign into a normal way of raising revenue, and also to tap a source of revenue hitherto hardly touched: the growing foreign trade in wool and hides.<sup>21</sup> He also made up the deficit which remained by borrowing heavily abroad, and from the Jews at home. Having expelled the Jews in 1290, the ever-increasing wealth of the towns made it possible to borrow from rich merchants, chiefly in London.

Henceforward the revenue to support government came from diminishing feudal dues and incidents, and from customs, along with revenue provided by the Church, the history of which is complicated. The Norman and Angevin kings obtained income from sees and benefices which fell vacant; and made it very profitable by delaying new appointments. This practice was to stop after Magna Carta, but there were many breaches of the Charter. Winchester, for example, was left vacant for six years under Henry III. From time to time the clergy had been included in the early aids levied on movables, although at a lower rate than the laity. They also gave voluntary aids or gifts to the Crown, especially when a scutage was levied. Henry III and Edward I had good relations with the Pope, who contributed part of the papal taxes of the English clergy to support projects of which the Pope approved. The King got the best of the bargain because

the papal officials made the assessments and collections, which were sometimes unpopular, and the king got the money. By the middle of the 13th century a clerical tenth came to be added regularly to the tenths and fifteenths collected from the laity. "The position of the clergy was clearly defined in 1307. Whenever lay subsidies were granted, the clergy were to pay on movables upon or issuing from lands acquired since 1291 or not taxed when clerical subsidies were levied".<sup>22</sup> The assessment and collection remained to be carried out by the clerical authorities until the reign of Henry VIII.

The total revenue from all these sources was, however, not enough. Borrowing had to make up the chronic deficit, and loans continued to swell into a major item of revenue until in 1694 the Bank of England was chartered to raise loans for the Crown, and (later) to be its banker. At the same time the inadequacy of the 'subsidies' led, after several attempts to re-fashion them, to the adoption of a foreign tax, the excise, 'a hateful tax levied upon commodities' (Dr Johnson), which has continued to this day, and is still continuing.