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Tudor Land Sales & Stuart Civil War

The reign of Henry VII is a watershed between the feudal and the modern method of raising public revenue. Henry Tudor tried his utmost, and with considerable success, to recapture the feudal dues and feudal incidents which had been lost to the Crown in the two preceding centuries. He enhanced the yield from the customs, which had been the mainstay of the Crown's non-feudal revenue since Edward I's time, by the simple expedient of encouraging imports, as well as other trade. He sought to avoid the expenditure on war by avoiding war so far as he possibly could. He avoided extravagance at court except when it was politically or diplomatically advantageous to impress foreign envoys or his own people. He made vigorous, profitable, and sometimes (some say often) unscrupulous use of fines to control his possible dynastic enemies and over-mighty subjects.

The most important of these five expedients is the resumption of revenue from land. Henry's immediate predecessors had resumed the control of a great deal of land which reverted to the Crown in the Wars of the Roses by death or attainder of the barons participating in the fighting. Henry was able to extend the process by resumption or confiscation of the estates of the Yorkists

who had supported Richard at the battle of Bosworth, of the Cornish rebels, and of those who later supported the impostors Perkin Warbeck and Lambert Simnel, pretending as Yorkists to the throne. One of the former, Sir William Stanley, described as "the richest subject for value in the kingdom" was executed in 1495. Henry's first parliament enacted the resumption by the Crown of all lands of the Duchy which were in the hands of Edward IV (Yorkist) in the first year of his reign; all the estates of Henry VI (Lancastrian) held in right of the Crown, and of the Duchies of Lancaster and Cornwall, the Principality of Wales, and the Earldom of Chester. Henry was said to 'have in hand' a fifth of the land of England. He made the best of it by thoroughly reforming the stewardship and administration of his estates, concentrating control of their income in the Wardrobe under the Treasurer of the Chamber, and bringing their accounts under his personal scrutiny.

The result was startling. Henry VII was able to live 'of his own'. Moreover, after paying all the expenses of collection and administration and of the household and the Wardrobe, the excess left over from the Crown estates available for other purposes rose from about £2,500 at the beginning of his reign to £24,145 odd in 1504.⁵⁶

This part of Henry's administration was popular. The idea that the king should live of his own was still ingrained in the English tradition. The corollary was that taxation was only to meet occasions of special emergency. Hence the Danegeld, and the subsidies in the years preceding Magna Carta to pay for a crusade or the king's ransom. Hence also the dislike of the subsidies old and new - a dislike resulting once or twice in revolt. Henry did observe

the tradition of two centuries earlier of only asking parliament for subsidies when war or rebellion threatened.

His unpopularity arose in part from his policy of avoiding war. It was the warlike Richard I, Edward I, Edward III, and (later) Henry VIII who made themselves popular with the people by waging war - and their wars were all ultimately unsuccessful, even though magnificent victories (Crecy, Agincourt *et al.*) were won during the course of them. Strangely, however, Henry made a profit even out of the subsidies. The actual cost of his French war, of his expedition to Brittany, and of his wars against Scotland, and against the Cornish rebels, was less than the subsidies granted to him by parliament to meet those costs. He made a profit out of them of "a clear £100,000," besides reparations from the king of France yielding him a pension of £5,000, and nearly £15,000 in fines on the Cornishmen and Perkin's supporters.⁵⁷

Henry used the procedure of post mortem inquisition on the land of anyone suspected of holding land from the Crown to ensure he did not miss the feudal incidents on marriage, wardship and escheat, and more importantly in order to establish recent record of who were tenants *in capite* of the Crown: "so that the king's title might be found of record, but that shall not only be for profit of the king but also of his heirs". For the same reason he insisted on heirs suing out livery of seisin, although the fines collected were minuscule.

The revenue from customs was enhanced by negotiating mercantile treaties with foreign governments, by comparatively small increases in the rates of old and new customs and tannage and poundage, but more importantly

by a new Book of Rates establishing the value of imports and exports on which duty was to be paid. Henry hired out his ships to traders, and advanced £87,000 capital to English and Italian merchants, interest free, on condition that they imported into England enough goods each year during the currency of the loan to pay certain amounts in custom dues. The average custom revenues for the first ten years of the reign were £32,951 per annum. They increased to average £40,132 during the rest of the reign.⁵⁸ This too was acceptable to the people, who innocently believed that it was the foreigners who paid.

Fines in feudal courts of law had always been a source of revenue to whoever had the jurisdiction. In Plantagenet times when the King took over jurisdiction, they had been described as the king's *magnum emolumentum*. In Elizabeth's day they had diminished to a mere £1,000.⁵⁹ Henry VII by contrast collected huge amounts⁶⁰ in fines from his richer subjects sometimes for genuine breaches of the law, sometimes on trumped-up charges. There is controversy about the doings of his law enforcement officers, Dudley and Empson, who were beheaded early in Henry VIII's reign 'for treason', amid general rejoicing. They may well have been innocent.

Forced loans or 'benevolences' were also a feature of Henry VII's financial dealings. One way and another he was the most successful English king in the management of public finance. At the beginning of his reign he was personally in considerable debt following his years of exile in Brittany. The treasury was empty. Even the crown jewels were in pawn, and had to be redeemed for his coronation. When he died he left at least £1,000,000,

largely in jewels, plate, bonds and obligations. Some have estimated the total to be as high as £1,800,000.⁶¹

Whatever the figure was, his son Henry VIII soon dissipated it in lavish expenditure and ineffectual wars. After

such exercises in regal grandeur as the Field of Cloth of Gold, there followed the period of Wolsey's supremacy. His oppressive taxation policy made enemies of those who finally caused his downfall. Thomas Cromwell retrieved the situation partly by more efficient management and partly by the expropriation and sale of the monastic lands. However in the end, to pursue his futile and ill-conducted wars, the king destroyed the financial independence of the Crown and undermined the prosperity of the country.⁶²

When his younger daughter Elizabeth succeeded after Mary's short reign, the treasury was empty and the government was in debt, partly to foreign bankers, to the extent of over £266,000, and subject to 'biting' interest (Black 1959: 1). Elizabeth, although frugal in her ways, was so ill-provided that she was forced to sell land during her reign to the extent of £813,332. In so doing of course she was imprudently letting go the goose for the sake of a few of its eggs. She thereby lost for ever a regular revenue in rents.⁶³

The Crown had been losing revenue to the Church long before that. It was the habit in medieval society to endow churches and monasteries with rich gifts of land.

If a man gave land to a religious corporation the lord got a tenant who never died, was never under age, who could

never marry, who could never commit felony. It suffered none of those incidents [the feudal incidents] in the life of a natural man which were profitable to the feudal lord. Moreover, land held by religious corporations could not be so freely alienated as land held by individuals. For that reason it was said to have come into a dead hand (mortmain).⁶⁴

To stop the loss of these valuable incidents of tenure was the object of the Statutes of Mortmain, the first of which was enacted in 1279. The Statute Quia Emptores (1290) was aimed at the same loss; but it had the more important additional effect of stopping subinfeudation, and so gradually bringing more and more tenants into direct holding from the Crown.

In selling crown lands Elizabeth was only following the policy of her father, who while adding considerably to the Crown's lands from the spoils of the dissolution of the monasteries, sold off some seven eighths of them to the new rich of his time. In the two short reigns of his infant son Edward VI and his daughter Mary, at least the best had been made of the royal demesne by reorganisation, by raising the rents to bring them up to date with steeply rising prices, and in 1558 by issuing a new book of Rates bringing up to date the custom valuations from their levels fixed in 1507.⁶⁵ This was once again the work of an efficient 'civil service', and considerably enhanced revenue from existing resources.

Much greater increases would have resulted in the yield of crown lands had all the property acquired remained in the

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possession of the crown. Elizabeth, James I, and Charles I followed the examples of their predecessors and sold vast tracts of their landed properties. According to a summary worked out in James' reign the land sales of Elizabeth involved property to the annual rental value of £24,808, the sale of which yielded £813,332 to the Crown ... Between 1603 and 1613 alone, James I sold lands worth £27,311 annually for £654,952. From his succession to 1635 Charles I parted with an approximately equal amount for £642,000.⁶⁶

One can only guess how many billions that revenue would be today if it were still available to the Crown, and how much taxation it could have dispensed with over the intervening centuries.

These imprudent land sales were forced upon the Crown by sheer lack of financial backing from Parliament after the ruthless hand of the early Tudors was withdrawn. Henry VII's healthy fiscal legacy had been dissipated by Henry VIII. Elizabeth having inherited debt, left James Stuart with a backlog of debts which, together with the refusal by parliament to finance him, drove his able ministers to sell crown lands from time to time. Charles I completed the process of making it quite impossible for the king to 'live of his own'. The Crown was virtually left only with the duchies of Lancaster and Cornwall.⁶⁷

Within three years of Charles' coronation in 1625 he was at loggerheads with Parliament over finance, and the country was on the verge of bankruptcy. Experiments with fiscal devices by the use of the royal prerogative, including 'ship money' and the sale of monopolies, were unsuccessful. Parliament in the Petition of Right (1628)

claimed the sole power to tax. Coke, the Attorney-General and Chief Justice, is largely responsible for the doctrine, which persisted until the European Union of today, that Parliament was the supreme lawmaker.

In Stuart times the Commons consisted largely of freeholders. A contemporary Puritan diarist commenting in March 1627/8 on the House of Commons wrote: "I heard a lord estimate they were able to buy the upper house (his majesty only excepted) thrice over, notwithstanding there be of lords temporal to the number of 118. And what lord in England would be followed by so many freeholders as some of those are?"⁶⁸

When the civil war broke out, Charles was supported by gifts from his wealthier supporters and by forced contributions from country districts. Parliament had London solidly behind it, and paid for the war by raising loans and subsidies assessed on property together with fines on vanquished royalist supporters. The party with the longest purse won the war.

During the Commonwealth and Protectorate, Cromwell depended for finance as usual on the customs, the revenue from which was buoyant especially after a restructuring of its administration; and a new way of collecting taxes on income: the Monthly Assessment. Parliament simply fixed the amount to be contributed by the various districts throughout the country, leaving it to local commissioners to raise the tax after inquiring into the resources of the local inhabitants. There was no uniformity in the assessments, there was a good deal of dishonest favour shown, and central control was extremely weak. "The result was that the easiest way out was taken and the tax

became for the most part a stereotyped tax on land, where even the valuations of land were out of date, and personal incomes were either under-assessed or omitted altogether."⁶⁹ This repeats yet again the story of the fifteenths and tenths, and of the Tudor subsidies.

In 1643 during the civil war, on Pym's motion, the hateful tax called excise was introduced. It was a foreign tax with a foreign (French and Dutch) name. It was "a duty charged on home goods, either in the process of their manufacture or before their sale to the home consumer. Beginning with ale, beer, cider and perry, it soon spread to salt and butcher's meat. By 1645 hats, starch, copper, and many other goods were added. [It] continued throughout the interregnum - the main contribution coming from brewer's beer, not home-brewed, aided by low duties on salt and soap and some other commodities".⁷⁰ Dr Johnson described excise as "a hateful tax levied upon commodities". It plainly fell hardest on the poor.

At the Restoration in 1660, parliament when abolishing the feudal incidents perpetuated the excise on alcoholic liquors, and gave the Crown 'hearth-money' - two shillings on every hearth except the poorest. This was so unpopular that it was dropped in 1689 and replaced six years later by the window-tax, which was less burdensome to the cottagers.

The excise was extended to houses (1696), to hackney carriages (1694), to hawkers (1697), to burials, births and marriages (1695), to bachelors, (1695); stamp duties were imposed on legal deeds and instruments and on law proceedings (1694). A hearth-tax was imposed in 1662, and a window-tax in 1747. The increase in the duties on

wines and spirits, tobacco, and tea led inevitably to smuggling on a very large scale and, in the eighteenth century, to widespread corruption among the officers of the customs and excise.⁷¹

After the 'glorious revolution' of 1688 the expensive foreign wars of William and Mary were largely financed by loans, the interest on which was charged on the excise as well as on other taxes.

Ordinary articles of consumption were found easier to tax. One after another they were made to contribute ... malt and hops as well as beer; salt and soap and leather and coal and paper and candles. By 1715 the excise yielded £2,300,000, the customs £1,700,000 out of a total national revenue of £5,500,000 ... The balance came mainly from what had come to be called the Land Tax ... Originally called an 'Aid', it was meant, like the Tudor subsidy, to hit wealth in general - a shilling (later four shillings) in the pound on yearly income from lands and houses; from salaries; on income from merchandise, and goods generally on the assumption that they yielded six per cent on their capital value.

Once again administrative difficulties proved too great. By 1698 the tax had become an 'apportioned' tax: each county was told to raise a certain share of the £500,000 or thereabouts which the tax was expected to produce, whether that meant a shilling in the pound of the residents' income or not. In effect this 'Aid' became the Land Tax that it was called; and although now and then the taxpaying capacity of townsmen was tapped a little, the squires' view that they and not the 'monied interest' paid it was not far wrong.⁷²

It is thus simply a version of the subsidy which to be effective needed a widespread assessment of the value of personal property as well as of land. In effect the square-footage of land that had disappeared under buildings far exceeded in value the broad acres of the countryman. The money was in the towns and cities and most of all in London. No proper provision was made to get at it, with the result that the government had to borrow at interest the money which its lenders should have paid in tax. In 1798 Pitt made the 'land tax' redeemable by purchase. The Finance Act of 1949 provided for its compulsory redemption over a period of years.

The precise wording of the so-called 'Land Tax' (William and Mary 1692 Cap. 1) was: "Persons ... having an estate in ready monies ... or in any debts whatsoever owing to them, within this Realm or without, or having any estate in Goods, Wares, Merchandise, or other chattels or personal estate, within this Realm or without, belonging to or in trust for them ... [bad debts excepted] ... shall yield and pay 24 shillings in £100 ..." There followed taxes on salaries other than those of soldiers and sailors, and finally on "manors, tenements, profits and hereditaments" four shillings in the pound. This was certainly not a Land Tax. It was simply that the portion of the tax which was levied upon rents was the only part that was viable. Unlike the rest of the Act, this part lasted intact for over a century, but because it was never reassessed, had to be gradually abolished during the following half-century.