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THE ENGLISH MIDDLE CLASS

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BY

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PREFATORY NOTE

HAVING volunteered for the Army on the raising of the military age-limit, I have been unable to give any attention to the final stages of the production of this book. That it appears now at all is entirely due to the devoted attention which my wife has given to the reading and correcting of the proofs. I could not possibly allow the work to be published without acknowledgement of the very great improvement which it owes to her. Its early stages had her encouragement and help. Without her the final stages could not now have been reached. Alike in matter and in form the debt is larger than can be indicated here. It can only be confessed.

R. H. G.

PENDENNIS CASTLE,
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THE ENGLISH MIDDLE CLASS

CHAPTER I

INTRODUCTION—DEFINITION OF THE MIDDLE CLASS

THERE are few subjects upon which it would be less justifiable to enter without an attempt at definition than the subject of the English Middle Class. It need hardly be added that there are few in which definition is more difficult. The term implies social distinctions; and these are of all distinctions the least permanent. It has, moreover, an inherent vagueness; the very name "Middle Class" suggests a stratum of society which, though obviously in existence, and calling for a descriptive label, was so lacking in marked characteristics or qualities that it could only be described as lying between two other classes. In one sense this label has been singularly successful. It has served equally well whether the other two classes have been regarded as most characteristically lords of the soil and labouring men, or great nobles and rabble, or wealthy and poor, or cultured and uneducated, or capitalists and artisans. At different periods of our history these differing oppositions have served their turn; and at each period the name of "Middle Class" has carried a sufficient content for all practical purposes. Nothing could display more clearly

than this the lack of exactitude in the name. To be equally in its place with such varying kinds of social classification, a term must be essentially a negative one; its inclusions can be nothing but the exclusions of the two other terms. The fact that the other classifications vary in description implies that at different periods, or in relation to different aspects of thought, the meaning they carried was inapplicable or insufficient. The fact that this one title is unvarying implies that it has no inseparable meaning, but only a meaning relative to the particular connection in which it is used. It follows that it would be hopeless to attempt any definition of our subject on the lines of these social distinctions. The definition would have to be re-made with every century—at some periods with every decade.

Another reason for the difficulty of definition is that the word "middle" must, in anything as mobile as human society, mean also "transitional." A middle class must, at both ends of its scale, be merging into the neighbouring class; and, since the merging is at the one end intentional, and at the other a confession of failure, it is a delicate matter to draw the line at either end. Even though this might be done passably well at any given moment in history, we should again be confronted with the need for perpetually re-making the definition. The rank of life which could be labelled "Middle-Class" in the fourteenth century would be found to contain, in the sixteenth, large numbers of people whom there would be no valid reason to exclude from the ranks of nobles or lords of the land. The difficulty increases so much

with later periods that it might be said (and indeed is generally held) to be impossible at the present moment to delimit any section of the community in an effectual way as middle class.

Some might even go a step further, and say that such delimitation is not only next door to impossible, but is also unnecessary. So long as the label conveys, in any particular connection, a sufficient meaning, so long as we know practically what we have in mind when we think of the middle class of the Elizabethan dramatists, of Walpole's financial outlook, of the Chartist agitation, or of Matthew Arnold's irony, what need is there for attempting any exact characterization of the people included under that label at various periods? This argument, however, is but an expression in different words of that deliberate vagueness in the phrase "Middle Class." It amounts only to saying that this class is sufficiently defined by clear definition of the two other classes; and that if the attitude, the pursuits, and the social condition of those two classes are made plain, those of the Middle Class can be deduced or conjectured. They will depend on the approximation or inclination of the Middle Class to one side or the other.

It should hardly be necessary to labour the point that this is a position neither scientific in spirit nor satisfactory in result. The effect of it is that, in the normal writing of history, the Middle Class makes sudden and unrelated appearances in the narrative. It crops up here and there, when any political or social event occurs which obviously has

its roots neither in the aristocratic theory of government, nor in popular pressure. It crops up also when considerations of trade seem for the moment to dominate the national policy. It is hazily credited with the establishment and progress of local government. Since it is thus only observed at crucial moments, and in operations as a rule successful, it comes to be regarded as a solid, well-conditioned body, free to a large extent from the prejudices and conflicts of the more distinctly characterized classes, intervening with weight and judgement at the right time, and for the most part minding its own business. Now such a view as this can only be confirmed or corrected by some continuous observation of the class to which it applies. There might, indeed, be continuous observation without any precise definition. It would be quite possible to proceed on the admission that at any given period we can speak of a Middle Class with a general, if shadowy, agreement as to the people indicated. But to reach a scientific, as well as a satisfactory, result, it would be better to be able to proceed on some hypothesis as to the mental standpoint and the practical philosophy of a Middle Class. In no other way can we come to distinct conclusions as to its relation to the national life, or its influence upon affairs.

This is, indeed, such a truism that, if we examine the matter closely, we shall see that the ordinary historical view of the Middle Classes does actually proceed on a hypothesis; but one of such a kind that a renewed consideration of it is the more necessary.

The hypothesis virtually comes to this—that what the people of the Middle Class are now, they have always been. Soundly educated, cosmopolitan in outlook, well-knit into the body politic, and capable in their own affairs as they are at present, they are regarded as possessing all those qualities in the past (though, of course, in different degree), and as exercising them upon policy. Probably this again is partly due to that adaptability of the label which has made it more permanent than any other phrase of social terminology. No one would suppose that he could proceed in any historical study on the assumption that a landowner of the twelfth century possessed qualities and an outlook differing only in degree from those of a landowner of to-day; or that the political attitude of a weaver of the fifteenth century could be even remotely gauged by the standpoint of a Lancashire artisan of to-day. The changing conditions of feudalism, Royal autocracy, Parliamentary government, free education, and the ballot, have reflected themselves in the differing categories of opposition applied to the upper and lower classes of the nation. The use of an unchanging term for the classes between has led to assumptions in their case that would never be made in the other cases.

There is, perhaps, this justification for the common hypothesis as to the Middle Classes—that in a sense the historian has had to create these classes in the earlier periods out of his knowledge and experience of later periods. It is doubtful whether any observer of political or social conditions was aware of the Middle Class as a separately observable

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section of the community before the end of the sixteenth century; and it can hardly be said to have been a clear political entity before the latter part of the eighteenth century. Yet without doubt people of this class existed long before they were placed in a category. In the puzzled references of Piers Plowman to the rack-renters and buyers of advowsons, in Crowley's bewildered dislike of the "grete rych man" who buys lands, and the men that "have no name" but "have so many occupations and trades that there is no one name mete for you," we can discern the early Middle Classes. But we discern them by the light of later experience; and there is, consequently, something quite comprehensible in the tendency of historians to read backwards into the early Middle Classes the leading qualities of the Middle Class of later times, and to proceed on this assumption without attempting to arrive at a scientific historical assumption.

Yet in the very fact that the Middle Classes were only thus vaguely descried during the earlier centuries—were felt as a mysterious affection of the national health rather than perceived—we may find a clue to a possible definition of the Middle Class. If we enquire what convention of human society, what commodity of civilized existence, was least understood, but at the same time most vitally important to national life in those centuries (and, indeed, in later ones), the usual answer of the historian would be that it was money. Money was vitally important, because the most profound political changes of the thirteenth, fourteenth, and

fifteenth centuries were based in no small degree upon the employment of money. Feudalism began to break up, largely because by the use of money the lord could dispose of the produce of his manor with profit in other ways than by the keeping of a large retinue, and because by this means he could translate services into rent; while at the same time this translation into rent began to make the tenant gradually less dependent upon the lord's will and pleasure.¹ Meanwhile the effect of the use of money upon questions of taxation and subsidies was to regularize by degrees the relations of the Crown and Parliament. But with all this importance, money was, of all commodities, the least understood. Statute after statute was passed, attempting in the most unscientific ways to deal with the problems raised by currency and coinage. From legislative regulation of market prices to prohibition of export of the precious metals, from despotic seizures of treasure to reluctant revisions of the gold and silver standards, these financial efforts ranged, and ranged unceasingly. The forces at work were never envisaged and never understood.

Now when we find, during the same long period of our history, certain classes of the community that were also never envisaged, and never understood, but were dimly felt to be exercising influence in the nation, it is not altogether fanciful to think that there may have been some real and discoverable connection between these two. If so—if we can find, in the period in which the Middle Class was be-

¹ See "Wealth of Nations," bk. iii, c. iv.

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coming a separate section of the community, another matter which was introducing new complications and causing a fundamental disturbance of social conditions—it is possible that we may discover, in a connection between these two things, a formula for categorizing the Middle Class, and for reducing it to a definition not less serviceable than any historical definition of the aristocrat or the wage-earner. Such a definition would seem to be that the Middle Class is that portion of the community to which money is the primary condition and the primary instrument of life.

A complete defence of this definition can only emerge from the study pursued in the following pages. But some general considerations may be advanced to suggest that it does exclude other classes, and does include broadly all those who, at any given time, would naturally come under the head of the Middle Class.

Firstly, it obviously excludes both the landlord as a landlord, and the peasant. It is conceivable that these two classes might even to-day return to conditions in which neither of them used money. Service given in return for certain rights in the soil and the produce of the soil would provide a possible means of existence for both of them. Secondly, it excludes both the shopkeeper as a shopkeeper and the artisan. Money is in their case more necessary, as a symbol of exchange and a means of carrying on time-dealings; but it is not the primary necessity or the primary instrument. On both sides the primary condition is the possession of a certain skill, and

certain material obtainable in return for the exercise of skill. In these two groups are all the essentials of existence for a society of human beings; add to them a king and public servants of the Crown, fed, clothed, and lodged by services rendered by royal domains and feudal lieges; add also a defence of the realm maintained by the same kind of services; and you have a picture of all that was primarily necessary to Norman England.

On the other hand, the definition obviously includes the merchant, in the broadest sense of that word, and the capitalist manufacturer. For to them money is the primary necessity. Their occupation is not to exchange skill against material, but so to employ money upon both skill and material, that it shall produce more money. The test is this—that the shopkeeper and the artisan, strictly as such, can only with great difficulty, if at all, employ themselves in another skill or another material; whereas the particular skill or material dealt with is a matter of indifference to the merchant and the capitalist manufacturer. His money is equally good for any trade that offers it an opportunity; and it is thus clear that the money is his primary instrument. In the cases of banking, insurance, and the whole profession of investment, the definition applies so obviously as to need no comment. The case of those who are generally described as the professional classes are rather more difficult; but they will also be found to come under the definition. It is true that in their case skill appears at first sight to be the primary condition and instrument of life. But

on consideration the matter is not quite so plain. It is conceivable that a lawyer or a doctor might barter his knowledge for food, clothes, and lodging, rendering his services almost as a villein rendered service to his lord. We will leave aside for the moment the consideration that the manorial services were rendered in the very materials of living and equipment, though that is for our purpose a real distinction. It is more conclusive to observe that, in so far as such a barter could be made, the learned professions would not belong to the Middle Class at all, but to the artisan class. In the same way a civil servant, or a military or naval officer, might do his work in return for a diet and lodging at court; but in that case he also would cease to belong to the Middle Class, and would rank as a dependent retainer. Historically speaking, both these conditions have occurred; and in those days members of all those professions took rank, not with any Middle Class, but with the class opposed to the lords and the nobles. The only thing that raised them into the Middle Class was the use of money as the primary instrument of life, not merely because of the greater elaboration of the way of living which was thus made possible, but much more because the power of purchasing time, which can only be done by making money the chief instrument, permitted a higher degree of learning and a skill which could only exercise itself adequately in that time-contract which is also dependent entirely upon money. Since, therefore, it is solely in virtue of our definition of the Middle Class that the professional classes have

come to take rank among them, it may fairly be urged that the definition does effectively include them, and not passively admit them.

There remains the question of those margins at either end of the Middle Class which appear to be the most difficult problem in the path of a study of this class. It is, in fact, the problem which renders any attempt to define the Middle Class in terms of social distinction foredoomed to failure. It cannot, in such terms, be distinctly separated from the peerage and the landed gentry at one end, or from the shopkeeper at the other. The time has long gone by when rules of heraldry might suffice to draw a workable distinction between the aristocrat and the middle-class landowner; or when any rough consideration of the magnitude of business operations would draw the same practical distinction between the trading Middle Class and the shopkeeper. If we apply our definition to these tasks, it seems at any rate to survive as little damaged as perhaps any definition in a sociological subject can expect to be. It has been remarked already that the definition excludes the landowner as a landowner. In so far, that is to say, as he is exercising the qualities of a landowner, his estates are in a condition in which money is no more than a symbol of sufficient work done, and sufficient sustenance and equipment thereby provided. It is not an external means of support. If, however, he is a landowner whose estate accounts are of secondary consideration to him, he belongs (with a few exceptions chiefly due to accidents arising from other people's use of

money) to that margin of the Middle Class which has thrust itself upwards. Similarly it has been remarked that the definition excludes the shopkeeper as a shopkeeper. In so far as he is using his knowledge of good and saleable articles of a certain kind in combination with a knowledge (often inadequate enough) of how to sell them, money is to him only a symbol of acknowledgement on his part of the craft and time expended in the making of the goods, or an acknowledgement to him of the requirements he has met. If, however, he depends chiefly on his knowledge of how money can be commanded by a man of energy, but of no more skill than is required to select subordinates, then he is primarily dependent upon money, and attaches himself to the other margin of the Middle Class.

These are but a few general considerations such as may be offered before entering upon more detailed investigation. At any rate a certain unity seems to emerge from the subject, a distinct theory of living, and a consistent impact upon affairs on the part of the Middle Classes, by associating with them—and with them alone in the community, a limitation which should, of course, be made if the definition is to pass muster—a conception of money as more than, and in due time quite other than, a token of exchange of services. It is the Middle Class that we find first becoming aware of the power of the precious metals to reproduce themselves, in so slender a relation to trade that buying and selling become subordinate to this power, and pursued largely for its sake. It is in this class again

that we find first the conception of the political influence of money, from the cruder forms of the purchase of charters and liberties to the more subtle ways in which politics were made to subserve the reproductive qualities of money. Finally, it is to this class that we owe the more sweeping conceptions of money, in which the actual coin becomes an almost invisible part of the whole structure.

But it is thoroughly characteristic of the English Middle Class that in every one of these cases the supreme touch to the half-perceived theory, the provision of the key-idea required to make the whole work smoothly and at its highest efficiency, came either from another nation, or from members of our own nation who were not, strictly speaking, of the Middle Class.

CHAPTER II

THE ELEVENTH AND TWELFTH CENTURIES—THE GILDA MERCATORIA—SPECIAL POSITION OF LONDON

NO characteristic signs of a Middle Class can be discerned in England during the eleventh and twelfth centuries. It is necessary for the moment to suspend the definition of a Middle Class, which has been suggested in the previous chapter. The currency was so primitive and so small in quantity, confining commerce to little more than barter and peddling, that a definition dependent upon the conception of money can have no operation in this early period. At the same time, by suspending the definition, we shall be applying to it an effective test of truth; since if, in a period to which it obviously has no relation, there should appear to have been a Middle Class in existence, the definition must fall to the ground. On the other hand, if no Middle Class can be distinctly discerned until the progress of social life was such as to admit of a first conception of the meaning of money, the definition will receive at least a preliminary sanction.

It will be agreed that there are only a limited number of directions in which we could look for a Middle Class under the Norman and Angevin kings. Firstly, there were the freemen of the manors, who may have been a middle class of agriculturists.

Secondly, there were the inhabitants of towns, who may have been a trading middle class. Thirdly, there was a certain stratum of educated men, earning a livelihood by virtue of their education, who may have been the beginning of a professional Middle Class. Theoretically there were, of course, only three estates in the realm, the Crown, the manorial lords, and the liege dependents of these two estates; just as, constitutionally, there was only one form of political or social existence, namely, that of service rendered to the feudal superior. But theory never covers the whole ground; and it will be proper to consider whether, behind these theories, there did actually exist a class of people not wholly amenable to them.

The case of the freemen of the manors may be dismissed on the broad ground that they had no mobility of existence. It is essential to the idea of a Middle Class that it should be independent—or at least capable of independence—in regard to the circumstances of its life. The freeman of the manor was tied to the manor. If he left it, he could not enter another manor as a freeman. Therefore, in spite of his freedom from prescribed services, he was in fact bound to the feudal system, and his interests lay with the system. His liberty in general has tended to shrink in the light of recent investigations. He was not, as the mere classification of him might imply, in a better position, either financially or socially, than the villein. He was often in possession of a smaller holding of land than the villein; he was of less account to the lord; and,

performing no duties in the demesne, he drew from it no material support. It is not to the freeman, but to the man who gradually converted service into rent, and rent into freehold by purchase, that we must look for the origin of the yeoman of a later period.

If we take next the case of the educated people we find it difficult to see in them, either, the embryo of a Middle Class. Education was wholly in the hands of the Church. The only callings of this early time which correspond to our modern professions were the law, the Church, and the occupations now known as the Civil Service. Medicine as a profession did not exist. Now these three callings were all appanages of the Church, because they naturally depended upon the sole source of supply of educated men. But the Church cannot be regarded as forming a Middle Class. In so far as it was a class at all—in so far, that is to say, as its widely differing social units can be envisaged as a single whole—the Church was on the same level as the manorial lords. As individuals the priests and the monks might be either sprung from the nobility or from the peasantry; but when they had acquired the *differentia* of a learned education they became, not a separate class, but portions of a corporate manorial lord. Both the civil law and the civil service were duties devolving upon the Royal Household. The Chancellor was an ecclesiastic; and his staff, even when, after some time, it began to separate into two distinct branches for the administration of justice and for carrying on the other affairs of the kingdom, was composed of

clerics. They were dependents in the Royal Household, receiving emoluments in the shape of board, lodging, and clothing at Court exactly as the dependents of a manorial lord lived upon him at his castles. Moreover, when salaries first began to be paid to the rank and file of the service, they took the form of preferments to ecclesiastical benefices or dignities.¹ In other words, those who pursued what we should now call middle-class professions were actually either dependent inmates of a great establishment, or individuals composing a manorial corporation. Thus they fall into the two regular ranks of the Norman organization, and do not in any sense create a third class.

There remains the case of the trading population of the towns; and, even if we cannot find in it any of the qualities of a Middle Class occupation, it will nevertheless be worth attention, because, when a Middle Class began to appear, it rose upon the basis of the commercial habits and traditions already in existence. These had displayed from quite an early date certain marked tendencies; and it will be easier to understand the social and political development of the Middle Classes after some consideration of the trade of the eleventh and twelfth centuries. It was regulated by two main factors, one the control of the right of holding markets by confining the power of granting a market to manorial lords and heads of great religious houses; the other, the invention and creation of the *Gilda Mercatoria*. Now neither of these factors really introduced a new con-

¹ For references see "The King's Government," pp. 8-16.

ception into the state. Obviously the former did not. The inability to hold a market otherwise than by the express grant of a feudal superior simply meant that no accident of the collection of population in a town, with the consequent ease of barter and trafficking, was to interfere with the unity of the Norman conception. Just as the rustic population was responsible to the lord for its labour and profits, so the craftsman and worker of the town must acknowledge his power to demand account of them for their doings, to administer the kind of justice which these doings might call for, and to take toll of their trade. The *Gilda Mercatoria* was, as it were, the answering attempt of the towns to make the feudal conception operate in their particular conditions. The rural tenants of the manor had their compensation for being bound to service in the fact that they composed a single body, free from outside interference or competition. The people of the towns, in so far as they also held and cultivated their fields, were not, of course, on very different footing from the people of the villages. But as soon as they obtained market rights, they began to find that a door had been opened to strangers. A trader might come to a town on market days and pursue his business without establishing himself there in any way which would render him liable to manorial dues. A stranger could not enter into agricultural occupation without becoming resident on the manor; and the process of becoming a resident was accompanied by heavy fines to the lord. But any man might bring his pack to market, paying perhaps

stallage dues, take his money, and depart again. The Gilds were designed to prevent this. They made of the trading population of towns a corporation with rights enforceable against the stranger, such as rights of pre-emption over his goods, and of imposing special taxes for the privilege of putting up a stall, and for the passage of roads and bridges.

Thus the *Gilda Mercatoria* was, in its origin, a perfectly comprehensible growth within the feudal system. It did not signalize the rising of a new class, it was merely the extension of the normal privileges of manorial tenants to circumstances of town life. It was not, indeed, universal in England, nor was it of very rapid growth. Only one Gild—that of Burford, in Oxfordshire—is definitely known to have existed before the end of the eleventh century, and some twenty-eight others are dated as of the twelfth century.¹ But this fact rather supports than weakens the belief that those Gilds do not imply at this period the existence of a new class of the community. No particular level of the population felt at any one moment a pressure of new difficulties. The Gilds came gradually into existence as one town after another perceived the effect of the market in infringing the exclusive unity of the manor. Moreover, it is fairly clear from what we know of the Gilds, that in constitution, as well as in origin, they represented no new class. One of the earliest rolls of members of a *Gilda Mercatoria*, that of Shrewsbury in 1209, has been examined by Professor Cunningham; and he comes to the con-

¹ Gross, "Gild Merchant," i, 9-20.

clusion that this Gild must have included nearly every householder in the town.¹ Only one person appears who could be described as a wholesale dealer—"Richard the Grocer." The rest would seem to be all small craftsmen and artisans, with the exception of the twelve "merciers," who would keep little shops for the sale of goods by the small scales. Gilds so comprehensive as this cannot be described as in any sense revealing a Middle Class. It may perhaps be urged in this connection that the usual translation of *Gilda Mercatoria* as Gild Merchant is rather misleading. The word "merchant" conveys to us inevitably an impression of trading upon a considerable scale, and still more an impression of trading based upon some sort of theory of credit operations. In point of fact neither of these is characteristic of the *Gilda Mercatoria* in its palmiest days. It would be safer to translate the words into "Market Gild," since that gives a picture of stalls set up in the streets of a little town, laden with petty quantities of goods for sale, garments and cloth, butter and eggs, meat and provisions, all adapted for purchases on a very small scale; and a picture also of the people of the countryside coming in to buy and sell, and of local authorities keeping order and exercising superintendence. During the greater part of the eleventh and twelfth centuries there would be very few, if any, shops in these small towns.² The people who sold goods at the periodical markets would be mostly artisans and craftsmen who had made the

¹ Royal Hist. Society's Transactions, vol. ix.

² Cunningham, "Growth of English History," i, 3.

things in the intervals between the markets. They would have but the most limited stock of goods at any stated time, being mainly occupied in working up material given to them for that purpose by their customers. Households would very largely supply their own needs, and the markets would only be occasions for obtaining things rather more elaborate than those usually made at home, or articles brought from abroad, like pepper, for which there were no regular shops.

Once, however, it becomes clear that the Market Gilds belong to a stage before the development of a Middle Class, they may be studied not without advantage to our subject, as displaying certain qualities which will shed some light upon that development when it took place. First of all, we can perceive the origin of the narrow conception of the operation of commerce which for so long hampered English traders. The necessity for balancing the privileges of the feudal superior by the establishment of some rights of exclusive profit-making predisposed traders to a system of local "protection" which before very long almost strangled the towns under the command of a Market Gild.¹ It would be unfair, of course, to judge the outlook of these early traders by later standards, and condemn their policy offhand as benightedly selfish. They were imprisoned as yet in a national organization which had no reference to trade—to the systematic and organized exchange of commodities. The feudal theory viewed the nation as a number of self-contained units, whose solidity

¹ Gross, "Gild Merchant," i, 52.

resided in the common responsibility of their overlords to the Crown, not in any common interests of their own. It would have been impossible for a trader in this period to have had any notion of the mutual advantage of flourishing trade in different centres. He could not be expected to see that the profits of a tradesman in another town were of any value to him. His duties and responsibilities were so sharply localized that he could not help setting his whole mind to localizing also the turnover of commerce. That all this gave rise to habits of commercial timidity is beyond question. For a long time to come merchants were impelled, by the traditions which had come down from the first town organization, towards all kinds of protectionism. Partly by local regulations, partly by monopolistic combinations, they continued to act on the principle that one man's gain must be another man's loss. But some excuse may be found for them in the conditions under which trading was carried on in the Norman and Angevin periods.

It is not possible to discern even in London at this time any broader conception of what commerce might mean. Yet London must to some extent be excepted from general statements with regard to the Middle Classes. For here the agricultural basis of the feudal system never really applied. Every other town in the kingdom was more or less an accidental occurrence in some manor or other. People happened to be congregated in certain spots in such a way that some pursuits other than those of agriculture were open to them; but, as has been re-

marked above, this fact did not at first interfere fundamentally with the authority of the feudal superior. These other pursuits were adjusted to the system. But London was, from the very beginning of the Norman rule, a place apart. As the capital, it was largely occupied by people who did not there fulfil—because they were fulfilling elsewhere—the feudal conditions of residential tenure. Consequently distinctions which held good elsewhere did not exist here; and a class of people who would have had no standing in the country districts appears quite early among the Londoners to have been a political force. The subject is very obscure; but it is difficult to interpret in any other way than this certain passages in the Chronicles concerning the reign of Stephen. Thus when Matilda was gathering support at Winchester, the Londoners were summoned to appear there; and in maintaining their demand for the release of Stephen they had the voice of all the barons then present “*qui in eorum communionem jamdudum recepti fuerant.*”¹ This may perhaps be only a phrase anachronistically applied; as it stands it can mean nothing but that the Londoners who had no feudal rank had some kind of corporate existence. That this existence was at least unofficially recognized is to be concluded from a phrase used by the Papal Legate when he reproached the Londoners, who were regarded “*quasi proceres,*” for fostering those who had deserted the king in battle. Now when we have made all possible allowances for the nature of the population of a capital, when we have

¹ Malmesbury, ii, 576.

recognized to the full the fact that there must have been many residents in London who were in their own part of the country feudal lords of the regular type, entirely unconcerned with trade, there remains in the passages which have been quoted the clear distinction between the barons and the "communio" of Londoners into which they had been received; and there remains also the Legate's remark that the Londoners were regarded "as a kind of nobility," obviously implying that he had before him people who were not of those normally included in the nobility of the Norman system. They must have been traders, and of course, traders on a scale unknown in the rest of the country.

If we conclude from this that in London a Middle Class had begun to appear some time before it showed any signs of existence in the rest of the country, the reason is not the magnitude of the trade it must have been carrying on. That would inevitably be larger than the trade of any other town; because of the residence in London of all the great people who were, to each of the other towns, only so many single persons who drew rather than spent money. Furthermore, it was only in London that such people would need to spend money. When in residence on their manors they could supply by services of all kinds the necessities of their households. But magnitude of trade is not a sufficient *differentia* of a Middle Class. It could only cause contemporaries like the Papal Legate to attempt to rank the Londoners with the feudal nobles. In order to obtain a real sign of a new force at work

we must observe that, as London's trade was inevitably greater, so also it was inevitably more bound up with a coined currency than the trade of any other town. The resources upon which a feudal lord could draw when in his own domain, whether they took the form of a grant of privileges in return for a certain supply of manufactured goods, or the form of actual maintenance in payment for work done, were useless in London. They were not portable wealth. Consequently, the lord would have to depend upon currency in London; and the result would be that by the nature rather than by the mere scale of its trading transactions London would tend to absorb more and more of the available coinage. This in its turn would react upon the feudal lords. The necessity for money would gradually lead them to commute manorial services for money payments, firstly in the relation between themselves and their tenants, in order that they might have more to spend; and, secondly, in the relation between themselves and the Sovereign, in order that they might, by exchanging military responsibilities for cash payments, be the more free to disregard any effect which their policy on their own estates might be having upon the character of the armed service they were theoretically bound to provide. This again would have its effect upon the policy of the Crown. The feudal service had always been clumsy, and was from time to time a double-edged weapon in the King's hand. It did not provide a very efficient fighting force, since delays, jealousies, and animosities were always interfering with the

muster of an army. Moreover, the maintenance of armed men by the great nobles was often a source of uneasiness. Therefore from every point of view, when currency began to accumulate in any bulk, as it was bound to do in the nature of London's commerce, the time was ripe for a new use of money, and a new regard for it.

Yet, though we can thus make an approach to a definition of the Middle Class at this date, it can be no more than an approach. A new regard for money does not necessarily involve a new conception of its nature and possibilities; and until the new conception began to operate the traders must be regarded as rather passive than active instruments of change. It was, indeed, through them and the kind of work they carried on that currency became more in demand, and tended to accumulate in quantities beyond the mere necessities of the exchange of goods. But such accumulation was not made an active and reproductive force as yet. On the whole, in whatever way it was used by traders, the main idea was the simple one of purchase. In some cases towns obtained Market Guild charters by payment; and the confirmations of such charters by the Crown were entirely obtained by payment. London, which had no Market Guild, was constantly obtaining security for its precarious, but obstinately maintained, liberties in the same way. It paid heavy fines to Matilda, to Henry II, and to Richard. But all such operations, though dependent in the broad sense upon the power of money, are mere extensions of the simple idea of sale and purchase. They were

transactions carried through by a number of men jointly, exactly in the fashion of a transaction carried through by any one of them at the moment, with no sense that a combination of men can be, economically speaking, not merely more effective than, but something positively different from, a single individual.

One further point remains to be considered before leaving the twelfth century—the Saladin tithe of 1188; for this looks, at first sight, like a distinct recognition of the growth of a new class in the State. The Saladin tithe imposed the first tax on movables; it was, that is to say, the first recognition of a kind of property which had not till then paid its contribution to the Royal Exchequer. Some change was taking place whereby individuals were enriching themselves beyond and outside the feudal theory of the subject's position and opportunities. But again, as in the case of the Londoners, it will be better to keep a clear line of division between recognition of a new form of wealth, and the production, by circumstances of wealth, of a new class. The tax on movables in 1188 was part of a general tithe, and it was apparently paid by the traders without any more subtle evasion than such as might be compassed by concealment of goods or false declaration.¹ They had not yet perceived that their

¹ The extent of this kind of evasion can be gathered from the provision inserted in the regulations for the tax of 1225 that every person not an earl, baron, or knight, must swear to the value of his own movables and those of his two nearest neighbours (Dowell, "History of Taxation," i, 71).

increasing command of the currency, together with the increasing need of the Royal Exchequer for coined money, wherewith to pay for all that the feudal system was ceasing to render as service, put them into a position unlike that of any other members of the community. Their goods were literally valued and tithed; they were not assessed. In the difference between the two processes lies the whole distinction between persons who merely happened as individuals to have, in quantities sufficient to be taxed, goods of a kind previously unknown in such quantities, and a Middle Class introducing into a community new ideas of money both for public and private purposes.

We come, then, to the close of the twelfth century without perceiving anything more than the existence of people ready to compose such a class, but as yet unconscious of the fundamental differences that were growing up between them and the rest of the nation. In so far as they began to feel any differences, as in the dangerous possibilities of open markets, they had no other idea than to obtain from the feudal superior some privileges that should do for them something of what the protecting exclusiveness of tenure did for the rural portions of the manor. In so far as the Londoners felt the power which wealth was bringing to them, their idea was to ally themselves with nobles, and in some sense take rank with them.

CHAPTER III

THE THIRTEENTH AND FOURTEENTH CENTURIES—THE EFFECTS OF INCREASING WEALTH

THE next two centuries, the thirteenth and fourteenth, though they differ greatly in significance for a study of the Middle Classes, may best be considered together; because it is only in the light of the sudden changes of the fourteenth century that the processes taking place during the thirteenth can be properly understood. With the beginning of the fourteenth century there can no longer be any doubt of the existence of a class in the community distinctly separable from the rest in its aims, its pursuits, its methods, its purposes, and its share in the national existence. Its appearance in this defined form has been generally regarded by historians as curiously abrupt. Some consideration of the trading classes during the thirteenth century may serve to show how it came about that there were people ready to take shape suddenly as a new force; and at the same time it will appear that the precipitating agent, so to speak, of this new crystallization affords us the first great step towards justifying our definition of a Middle Class.

Two external signs of change during the thirteenth century are obvious. The first is the tendency towards a more independent position for the towns;

and the second an increase in the wealth of individuals in the towns. We have seen that the first foreshadowings of town liberties were really far from a movement towards independence. They were, as Professor Cunningham puts it,¹ contracts with the manorial lord, which had their origin in the desire of the trader to be in the same kind of clearly defined position as the agriculturist enjoyed, for the protection of himself and his profits. But during the thirteenth century, the towns evidently began to envisage new possibilities. They secured, by payments to the Exchequer, royal sanction for these contracts with the lords. The inevitable result was that gild charters of this kind opened the door to a certain independence of the lords. Derived as they were from the supreme authority they could easily become (though they were not necessarily so in themselves) a means of maintaining, against later lords, privileges granted in very different circumstances by their predecessors. The strongest proof of this is that the Market Gild has been held to be of more importance in the towns under a manorial lord than it was in the royal towns.² With the increase of trading there was a growing tendency to resist the authority of a lord in town management, and his exaction of dues. An organization like the Market Gild, which afforded a rallying point against the lord, naturally stimulated the energies of the citizens in its support; and thus the Market Gilds in such towns became stronger, because of

¹ "Growth of English Industry and Commerce," i, 134.

² Gross, "Gild Merchant," i, 92.

more vital importance to the several communities, than they were in towns which had no such immediate conflict of interests. The towns were, of course, only taking their share in the general break-up of the feudal system. But the fact that the form which the breaking up took in their case was that of corporate action and corporate existence is most important. In the agricultural portions of the manor the result of the decay of feudalism was all to dissolve the manorial organism, to make a beginning of various individual relations between lord and tenant. In the town portions the result was rather to create a new organism, the very purpose of which was to prevent and stand in the way of such individual relations. To the men working on the land independence meant freedom from personal service, and the power to translate into money payments duties of a certain fixed and definite kind. To the traders independence meant the power to stand together in order to limit exactions which, being levied upon pursuits and industries that had not been contemplated in the original constitution of the manor, had no clearly defined basis for translation into rent, and were therefore open to capricious increase as trade developed. Moreover, the towns were obviously an easier source of revenue to the lords and the Crown. The currency was slowly enlarging in quantity; and just as, in the earlier days, it had tended to concentration in London, so the first effects of its wider use would be felt in the towns rather than in the villages of the country-side. The limits of profitable exaction would soon be reached

in the agricultural parts of the community, whose wealth was almost entirely in kind. They would be much less easily reached in the towns, where payment could be demanded in coin or in valuables more portable than those of the farmer.¹

Hence the town populations began to attach more and more importance to such instruments of united action as they possessed. In some cases these were already real liberties. Ipswich had a common seal and a form of corporate government as early as 1201;² and other instances of the *liber burgus* occur during the century. Although modern research has tended to minimize the connection between the Market Gilds and the process of incorporation of towns, and to deny the theory that the former were corporations in embryo, yet it may be maintained that in towns which had no municipal liberties the Gild did nevertheless serve the purpose of providing a kind of united life and a basis of united action.³ It would throw up, in the persons of its officials and principal members, the men who would be gaining experience in town affairs, and would therefore be on the look-out for more extensive and more independent powers as opportunity arose. Their growing wealth, combined with the increasing need of the Crown and the lords for the particular form of wealth which the town-life tended to produce, gave them their opportunities. Bit by bit, and almost entirely by purchase, towns obtained ever extending liberties.

¹ Cf. Dowell, "History of Taxation," i, 18.

² See Gross, "Gild Merchant," i, 97.

³ Cunningham, "Growth of English Industry," i, 225.

It was remarked in the previous chapter that the mere purchase of liberties cannot quite be held to show characteristic signs of a Middle-Class outlook. It was a straightforward and uncomplicated transaction. But even before the thirteenth century a conception had made its appearance which is essentially different from affairs of purchase. This was the *Firma Burgi*, the arrangement by which towns in the royal demesnes paid lump sums in taxation, as communities, instead of taxes levied direct upon each individual householder. The important point to notice is that the lump sums thus paid were not totals of individual assessments, but were, so to speak, contract sums agreed upon between the leading townsmen and the Royal Exchequer. In other words, here emerges a distinctly monetary conception. The *Firma Burgi* is practically a recognition of the principles of discount and present value. In consideration of being saved the trouble and the delay of a house-to-house collection of tallages, the Exchequer agrees to accept a defined sum and leave the raising of it to the town community. The towns on their side gained something which they henceforth continued, in the face of many different kinds of taxation, to defend jealously—the power of keeping the true details of their wealth more or less to themselves. In the rough, the extent of their prosperity must, of course, be gauged by the royal commissioners. But it was much to them at this early time, and it became more and more as trading progressed, to be able to keep their own counsel as to detailed assessments.

Of course their power to do so was not won outright by this single form of arrangement with the Exchequer. One of the most interesting documents of the thirteenth century is, in point of fact, the product of an assessment of exactly the kind which the towns did their best to avoid. It is the assessment roll of the town of Colchester, for the tax of one-seventh levied upon property by Edward I in 1297, and attached to the Rolls of Parliament as a specimen instance of the process of assessment.¹ Every sort of property appears in it, from the trader's stock to the appointments of his table—the coal-dealer's brass cauldron, as well as his sea-coal; the tanner's personal garments and stack of wood, as well as his leather; the dyer's spoons, as well as his cloth. Yet such inquisitions as this were in practice little more than a method of enforcing from time to time revision of the town's contribution to the Exchequer, and of preventing too much concealment of wealth. After every assessment the towns always found means to return to the lump sum arrangement, and reduce the assessments to a form.

While recognizing in the *Firma Burgi* and its sequels a monetary conception which betrays the instincts of a trading Middle Class, we must note that as yet this "farming" of taxes was only in a primitive sense a financial process. It was, if the distinction may serve, rather a source of advantage and convenience than a source of profit. The lump sum may in some instances have been provided by a certain number of citizens, who afterwards collected from the rest

¹ "Rot. Parl.," i, 228.

of the community the money advanced; but more probably it was collected before it was paid. There are no signs of an idea that sums of money could be handled so as to yield a profit to the handler. The same is true of the first operation in which traders took an active, and not merely a passive, concern in customs duties. In 1275 the first Parliament of Edward I granted additional tolls at the ports on wool and leather "ad instantiam et rogatum mercatorum."¹ This again was merely a transaction of simple purchase. The Crusades had produced a revival and an extension of trade; and the merchants wished for a strengthening of the English fleet which should afford them a better guarantee of safe passage for their wool across the Channel. The increased tax was, in fact, a kind of insurance payment.

However, if we do not as yet discern any grasp of what financial processes might be, it is certainly clear that the trading class was acquiring wealth in a degree which would very soon open its mind to such ideas. The simple fact that the wool merchants actually proposed to pay more customs duties, and the more indirect inference, from the anxiety for town liberties and corporate payment of taxes, that there were increasing grounds for the traders to look after their private interests, are significant. Nor are material evidences lacking. The thirteenth century was a period firstly, of extension of town boundaries and the rise of new towns; secondly, of a higher sense of town amenities, as is shown, for example, by the transference of the whole town of Sarum

¹ Dowell, "History of Taxation," i, 84.

to a site possessing better facilities for such accommodations as the water-supply ; and thirdly, a period of more substantial building, when stone houses began to replace the old structures of wood, and two-storied buildings became common.¹ The same conclusion may be reached from such knowledge as we have of the home life of a trading burgess. The Colchester assessment reveals to us the coal dealer with his two silver cups, and a mazer-bowl, the butcher with silver spoons, the tanner with a silver cup. More remarkable are the statutory exemptions from the assessments of 1294, 1295, 1296, and 1297, under which each man was allowed to have untaxed, besides a suit of clothes for himself and his wife, a bed, a ring, and a buckle of gold or silver, a girdle of silk in ordinary use by each of them, and a cup of silver or mazer from which they drank. If it was possible to allow exemptions for all these possessions, it is obvious that the burgess must in very many places have had quite considerable possessions, and valuable appointments. In Colchester, indeed, a bed seems to have been rare. But a good deal of precious metal had gone into cups, spoons, and buckles; and gowns and furs and silks were almost the ordinary equipment of a trader of any comfortable position. His house as yet would be rather cheerless, with an earthen floor, very little furniture beyond a bench or two and a trestle table, the meat served on the spits on which it was cooked, and no glass in the windows.²

¹ See *e.g.*, "Munimenta Gildhallae," i, xxxi.

² Turner, "Domestic Architecture," i, 97-104.

It is probable that, even if our sources of information were more complete than they are, we should not find during the fourteenth century any very great alteration in these material conditions of the life of the trading class. The extent of the change which suddenly made this class a vitally important factor in the state is to be gauged rather by other indications. The first and most obvious of these is undoubtedly the position which mercantile methods and operations begin to occupy in the Statute Book. Professor Cunningham has remarked that Royal power after the Conquest, legislative action under the Edwards, and citizen aims in the fifteenth century seem to have been the motive forces that come most strikingly into play "in the development of national life in England."¹ But if we consider the prevailing character of "legislative action under the Edwards" we shall certainly have to attribute to the fourteenth century that rise of the Middle Class which this reference to "citizen aims" would postpone till the fifteenth. By far the greater part of the Statute Book of the fourteenth century consists of laws regulating trade and commerce. Two outstanding characteristics may be discerned in these laws. The first is the attempt, visible in such statutes as the various Ordinances of the Staple, to set up a new relation of direct responsibility between the merchant and the State. The second is the equally persistent attempt to suppress the wholesale dealer and the middleman.

It is, of course, natural and usual to regard the

¹ "Growth of English Industry," i, 21.

Ordinances of the Staple as mainly designed for revenue purposes. The only way to secure to the Crown the proper payment of export duties was to establish statutory centres for the accumulation of wool and leather, with official arrangements for sealing and weighing the bales, statutory routes to the sea-coast, and statutory ports of lading. The trade had to be run through channels in which it could be checked and tolled. But this is merely an explanation of what happened; it is not a discovery of the principle at work, which was a new one. Hitherto the responsibility for securing to the needs of the Crown a due proportion of the resources of the country had been essentially a local responsibility. Even the direct taxation by the Crown which was initiated in the tax on movables was not in fact an exception to this rule. The assessing juries were made up of local residents, the payments into the Treasury were made by county officers. It was altogether a piece of finance designed on the lines of bringing into the old system the new forms of wealth, not a new system adapted to those forms. The Ordinances of the Staple were a new system in that they traversed completely the feudal principle of localized responsibility for taxation, laying imposts on certain national sources of wealth, wherever obtained.

This would of itself be enough to reveal to us that the mercantile class had become an element in English life which it was no longer possible to digest into the old organization. But there is a further, and even more significant, aspect of the Ordinances.

Hitherto a trader had been answerable for his trading methods and principles to a system of local control. It was the Market Guild of his town, or the particular craft guild in his town to which he belonged, that enforced his observance of certain rules of conduct in his business, a certain standard of honesty alike in craftsmanship and in the materials he employed, and a regard for the rights of fellow-tradesmen. A Merchant of the Staple, however, had passed beyond this local control. The body to which he was answerable was national, and the community to which he belonged, in his mercantile capacity, was not a town, but a distinct part of the population of the whole country. In other words, a class has emerged into view, distinguishable not merely by the fact that the individuals composing it are engaged on pursuits too large for the financial competence of the feudal system, but still more by the fact that their trading interests are those of a class and not of a town.

The chief Staple was, of course, the Staple of Wool; the wool trade was the chief factor in the rise of this new class. But the second main characteristic of the commercial legislation of the fourteenth century reveals to us a new conception of business in general which was tending to consolidate the new class. This is the perpetual recurrence of statutes against engrossing, or wholesale trading. While the Ordinances of the Staple give us some measure of the importance and weight of the new class, the laws against engrossing give us the key to the methods and ideas which had raised this class out of the

mass of the community, and inserted them, so to speak, between the two strata of manorial lords and manorial tenants. As long as the trader was also a workman, as long as his *differentia* from other inhabitants of the manor was no more than the exercise of skill upon material brought to him to be made up for a payment, or bought by him to be made up and sold, instead of exercise of skill upon the land, he remained capable of classification under the old heads by a stretching of the manorial conception. But he had soon passed out of those limitations. The conception of profit began to replace that of payment for the exercise of skill. Among the actual workers at a trade the weavers probably set on foot the change. Some of them, instead of weaving the wool brought to them, and then handing it over to the fuller and the dyer, would conceive the idea of buying wool, weaving it, paying the fuller and the dyer to work upon the fabric, without handing over possession, and finally taking it back to sell at an inclusive price which was not merely the cost of the three processes.¹ In other branches of trade the change was slightly different. It consisted of going behind, so to speak, the normal proceedings of open market. It would occur to some one that, instead of the countryman or countrywoman coming in with a supply of poultry to sell individually, the poultry might be bought in the mass, and then retailed so as to produce a profit on the transaction. Similarly with the farmer's crops; instead of waiting for corn to be brought thrashed to market, a townsman might buy

¹ Ashley, "Woollen Industry," p. 60.

it on the farm, use what he required, and retail the rest. That such operations were actually being carried out in the thirteenth century is clear from the Court Rolls, for instance, of Norwich.¹

Now here we have at work a clearly financial conception, that of trading profit. It depended upon a new idea of the power of money. To put the case baldly, the possession of money by one man was seen to be an opportunity for taking advantage of another man who had none. This was a change, distinct, even if slight, from conditions in which the only advantage had been that one man had the power to buy while the other had the need to sell. For that position is always rectified in some degree by the advantage which the possessor of an article has over the man who wants to acquire it. When money, as money, begins to enter into trading transactions, the difference is that the buyer is handling a fluid resource against a rigid resource. He has no need to buy any specific thing. As long as the old system prevailed, the grower of wool knew that the weaver required his goods, and the tanner knew that the cordwainer required leather. Consequently the seller had an absolute need to work upon for securing his price. But when a man arrived who proposed to buy either wool or leather in quantity, not in order to work it up for sale as finished goods, but in order to sell it again, the wool-grower and the tanner knew that, if either refused to sell, the offer of purchase would not necessarily be pursued but might be transferred to some other class of goods, or

¹ Hudson, "Leet Jurisdiction in Norwich," pp. lxxiv, 12, etc.

merely withheld. True, it would still be open to the wool-grower or the tanner to deal with the weaver or the cordwainer. But here the general advance of trade came in upon the side of the middleman dealer. Everything was being done upon a larger scale. The supplies of raw material were increasing fast, and consequently the possessors of them would have to work harder to retail them unless the middleman saved them from the necessity of waiting for a craftsman customer. At the same time manufacture was increasing, and the craftsmen were ready for a change whereby they could purchase material in greater bulk than the individual trader could supply.

The statutes against engrossing, upon which we are proceeding, do not, indeed, concern such transactions as these. They relate almost entirely to food supplies. The reason for this is fairly clear. While both sides to transactions in material for manufacture might derive benefit from the middleman, only one side could find a convenience in such operations in connection with food supplies. In the case of manufacturers, the consumer of material was ready to buy in bulk; in the case of food the consumer had no such requirements. To him therefore it was entirely a disadvantage that someone should intervene between him and the seller, especially if the intervention amounted to a monopoly, as in the small towns of the time it must often have done. Hence the Statutes deal almost exclusively with food supplies. But it cannot be supposed that dealing in these would be the only form of employment of capital. We shall come later on to specific proof that

the middleman existed in the wool trade, and it is reasonable to suppose that he made his appearance in all forms of trade about the same time.

Why, it may at this point be asked, did he appear at all? As Miss Alice Law put the question, in an inquiry into "The English Nouveaux Riches in the Fourteenth Century,"¹ "How did the insignificant peddling English traders of the eleventh, twelfth, and early thirteenth centuries so suddenly develop into the important political plutocracy of the fourteenth, a plutocracy so powerful that at one time it threatened to furnish the English constitution with a fourth estate, that of the merchants?" The answer given by Miss Law, and supported by other historians, is singularly significant for our purpose. It is, in effect, that the expulsion of the Jews and the downfall of the Templars brought out into circulation a great quantity of hoarded money. Hitherto an actual lack of coined money had been, she remarks, the chief difficulty in the way of trading on a considerable scale. The removal of the Jews and the Templars not only liberated this money, but also removed the chief repositories for money. The only organizations which could take their place were the municipalities and the guilds. Both these kinds of organizations were composed of traders; and the consequence was that money, as it accumulated, was in its accumulated, as well as its circulating, form at the disposal of the trade. In other words, we are on the way now to a conception of credit, as well as of wholesale cash transactions.

¹ Royal Hist. Society's Transactions, ix, 49.

We come, then, to this coincidence—that at the period at which legislation is so largely concerned with a single kind of national activity as to force us to the conclusion that a new class was embodying itself in the community, there was a great increase in the currency of money. We have also this coincidence—that the appearance of the new class, from whatever point of view it is regarded, has always struck the historian as a sudden change in English life, and that the increase in the currency was extremely sudden, resulting as it did not from any progress or gradual development of policy, but from such drastic action as the expulsion of the Jews and the dissolution of the Knights Templars. There is surely more than an accidental connection between such striking circumstances as these. It would seem, on the face of it, to amount to a real foundation for our definition of the English Middle Class. Something had certainly happened to enable the people who had long been tending towards a new political and social attitude to take form and character as a class; some new instrument of activity had been provided. Clearly we find such an instrument in current money. No other circumstance of the moment suffices to account for a great enlargement of trade and trading methods. There had been no remarkable political changes; as we have already seen, the slow decline of feudalism had not really thrown up a new class, but had rather brought about a certain formlessness and vagueness of outline which had prevented such a development. There had been no particular advance in education or general intellig-

ence; it is not until a later period, when the characteristics of the Middle Class were quite definitely marked, that the possession of some artistic aspirations and interests begin to appear. Wealth preceded, and did not follow, the cultivation of intelligence. Again, there had been no great advance of inventiveness, of skill in handicraft, or of new ideas in the material of trade. There had, of course, been some development in those respects. The quarrel with Flanders, and the consequent prohibition of the export of wool to that country, had led to a more extensive and more successful establishment of weaving in England. The tendency of the upper classes towards a greater luxury had, no doubt, produced a better market for elaborate personal appointments and all kinds of food supplies. The Crusades had introduced finer notions of what might be brought from distant lands to make idle lives more comfortable and more highly flavoured. But none of these developments would account for the suddenness of the rise of the trading class, even if they could be held to account for that rise in itself. The sudden thing had been the liberation of hoarded money. It was equally the operative influence in the change. For whatever advances may have occurred in skill, or in market supplies and demand, the point for which we have to account is the way in which the trader is now to be found dealing with these. It is not merely a more extensive way. It is, in the conception of wholesale commerce, Staples, and customs, a different way; and the instrument which made it different was money.

There are two curious considerations to be adduced in support of the belief that the new instrument, and not any new ideas, caused the rise of the Middle Class. The first is that this Class had long established itself in the community before any such idea as joint-stock trading occurred to it. The characteristic combination of traders in the fourteenth century is not the Market Gild (which was already declining in importance) nor even the Craft Gild; but the Social Gild. The returns furnished in compliance with Richard II's proclamation, requiring information as to the rules, duties, liberties, and possessions of the gilds throughout the kingdom, show that the majority of them date from the latter half of the fourteenth century, a few, such as those at Norwich and Lynn, dating from the earliest years of that century. These gilds had no ostensible trading purposes. Their rules and formulas were those of a kind of friendly society. The members met periodically for "a time of drynkyn"; they were under certain obligations to maintain lights in the parish churches, to arrange for burials of deceased members and masses for their souls, and to subscribe towards the support of impoverished members. No doubt, at the meetings there would be discussion of trading affairs and of the town markets and shops; but these gilds were not in any sense trading corporations. They may possibly have served also as repositories for a member's surplus money; but as the money would in that case be idle, this is a retrograde rather than a forward movement. In fine, so far as the fourteenth century trader had any widely-

spread notions of combination, he combined not to employ his money but to find a certain social and charitable outlet for it. The supply of money, in fact, found him without any real conception of what capital meant, except in the most direct sense as a hoarded possession.

The second consideration is that the possibilities of the foreign exchanges were completely misapprehended. Nicholas Oresme, writing about the year 1373, propounded the theory that the coinage is the property, not of the sovereign, but of the community; so that, while the sovereign's right to manufacture the coinage is unquestioned, he has no right to make a gain out of it. Oresme had in mind, not only actual tampering with the fineness of the currency, but also the sovereign's command of the business of money-changing. This depended upon the principle that, as it was the business of the Crown alone to mint money, all foreign money coming into the kingdom and exchanged there must come directly into the possession of the Crown to be re-minted. The fact that such a principle was in existence shows how primitive were the general views of money at the period of the rise of the Middle Class. It was regarded as bullion, pure and simple. Foreign money was so much silver for coining. In one sense the traders of the fourteenth century had laid hold of a notion of what foreign exchanges might mean. The statutes by which the right of money-changing was made a monopoly of the Crown show that others were engaged in the business. The English trader took his ideas on the subject from the foreigners—

chiefly Italians—upon whom the Crown had been depending for large financial operations, and who finally made way for the rising English trader after the downfall of the Bardi and the Peruzzi in 1345. But he took the ideas at their simplest form. All that he did was to see that coined money could be made a subject of sale and purchase, just as any other material could. He did not see—and for many generations yet failed to see—that this was not a true trading conception of the exchange. He led the finances of his country into almost inextricable difficulties from time to time by the imperfection of his grasp of the subject. He seemed to himself and to others to be pursuing a financial idea, when he was in fact pursuing only a new kind of peddling. Again he showed that he had acquired the facile use of money, before he had arrived at any wide estimation of its potentialities.

But if the fourteenth-century trader had acquired no intellectual grasp of the meaning of money, it is at least clear that he had become aware that he had in his control something which might be turned entirely to his advantage. The Crown and the nobility, it is true, had the use of money, just as the middle class had. But the real circulating area of money, the reservoir to which it always flowed back, was trade. Money was drawn downwards to some extent by the producers of goods and food-supplies; but from them it speedily went either to the upper classes in payment of rent, or to the traders at the markets. It was drawn upwards by taxation or by borrowing; but again it returned to the middleman

who provided the necessities and luxuries of life. The muscular organ of the monetary circulation was, even at this early stage, the Middle Class. We have already seen, in the case of the *Firma Burgi*, one instance of the readiness of the trading associations to lay hold on their opportunities. Another may be found in the way in which, after the first few assessments for the tax on movables, the towns managed to compound with the Royal Exchequer for a fixed payment.¹ This was nothing less than an expedient for dodging taxes. The well-to-do burgess, fully aware of the rate at which his personal wealth was increasing, was naturally apprehensive of the tax on movables. His increased wealth synchronized with a decline in the wealth of the nobility;² and the obvious prospect was that taxation would be aimed more and more at his kind. If the original system of assessment by Royal Commissioners had continued unaltered, the towns must have paid more and more toll to the Exchequer. But again, as in the case of the *Firma Burgi*, the townsfolk were clever enough to see that, in the possession of coined money, they had a valuable lever for shifting taxation. The assessment was a lengthy and cumbrous process; while the need for money, when it arose, was usually urgent. For the sake of receiving lump sums without difficulty, the Exchequer was willing, therefore, to compound with the towns. The assessment became a dead letter. The amount that the town was to contribute was

¹ Cunningham, "Growth of English Industry," i, 295.

² *Ibid.*, p. 384.

fixed, and the inhabitants virtually assessed themselves to raise it. What this meant behind the scenes may be judged from one or two cases of a rather later date in which we have some opportunity of comparing a man's wealth and his contribution to taxation. John Hall was an extremely wealthy citizen of Salisbury in the fifteenth century. He built himself a house of which one magnificent portion still remains. He owned three manors, besides his property in the town; and his personal possessions were of great value. In 1444 he contributed to the city's assessment of £40 the sum of 6s.; and in 1449, being then Alderman, he contributed to an assessment of £66 the sum of £1 6s. 8d.¹ At Totnes, in 1449, when the citizens were spending money upon a new bell-tower for the church, there were only three people in the town who paid as much as 1s. 8d. for the tax of that year.²

It is indeed probable that the social guilds flourished almost as much by reason of their usefulness in the dodging of taxation as for their ostensible purposes. The proclamation of Richard II, to which we owe so much knowledge of the guilds, was not, of course, issued without a cause. The Crown would have had no particular interest in details about these organizations, unless there had been ground for suspicion that citizens were depositing with the guilds property which they did not wish to declare to the world at large. If a Royal Commissioner happened to visit, it was convenient for the burgesses that

¹ Duke, "Prolusiones Historicae."

² Mrs. J. R. Green, "Town Life," i, 160.

the town should not, as a community, be seen to be in possession of more than a moderate wealth. Individuals, too, found it useful to have some back door, so to speak, through which money, which they did not wish to confess to, might be withdrawn. The guilds suited both purposes. The principal people of the town would belong both to the town corporation and to the guild. As the town corporation they would take care to own no more than they could help. As the guild they would hold the rest of their property comfortably secure. Probably, too, the guild served the same kind of purpose in connection with the religious duties of the members. The Church would make a good many demands upon townspeople, in proportion to their wealth. The keeping of lights burning at the altars, the support of the poor, and other such items of expense would, in the absence of guilds, have fallen more or less proportionately upon individual members of the community. Rich individuals really escaped doing their fair share by membership of the guilds. Each guild undertook to keep certain lights burning, and to perform other charitable acts; and no doubt the richer members, who might have done more, would take shelter behind the duties they assisted to carry out as members of guilds.

A good deal has been said about the charitable aspect of these organizations; but this is certainly not the only aspect in which they should be considered. They do, indeed, cast no small illumination upon the mind and outlook of the earliest Middle Class. The usual regulations provided, beyond the

religious duties of maintaining lights and attending certain services, for periodical meetings (generally called "times of drinking"); for the assistance of sick members and the maintenance of those who had fallen into poverty; and for the seemly burial of dead members and the purchase of masses for their souls. Women, whether married or unmarried, were admitted to the guilds on equal terms with men. There were rules against entering "the ale-chamber" except at the times of drinking; and in some cases, as at Cambridge, there were arrangements for assisting members, in cases of theft or robbery, to bring the delinquent to justice.¹

Now we can perceive, behind all these formulas, a class carving out its own position, and doing so (this is the important point) on its own lines and its own authority. Such formalities as the constitution of the town, the right to hold a market, and so on, were not rebelled against; the new class was probably too clever for that. It avoided direct conflicts with overlords. But it devised quite early the idea of reducing a formality to a mere formality. We have seen it doing so in the case of the tax on movables. Instead of quarrelling with the principle, the Middle Class reduced that assessment to an empty form. It proceeded to do the same thing with its management of local affairs. It obtained its charter with due appearance of humility; but it proceeded to set up organizations whereby the town council became a formal instrument, the real wealth residing in private combinations, and the real power

¹ See "English Gilds," edited by Toulmin Smith, *passim*.

in the meeting of those organizations. A good instance of the truth about town government can be found in the Court Rolls of Norwich.¹ These Rolls record the presentations before the Court Leet of offenders against the various statutes forbidding engrossing and forestalling, offenders against the Assizes of Bread and Ale, etc., etc. The same offenders constantly appear. Almost every well-to-do housewife baked and brewed, and was fined for breaking the assize. The fish sellers, the poulterers, the tanners turn up again and again for a fine of two shillings, or four shillings, for forestalling. Very frequently indeed the fines are remitted; and this happens so often at the instance of people known to have been notable in Norwich that Mr. Hudson comes to the conclusion that a body of substantial citizens sat as a kind of court of assessors, of which the Bailiffs of the Manor formed the executive portion.² Now what does all this repeated imposing of fines, with frequent remission, convey to us? Simply that, while avoiding open rebellion against the Statutes governing trade, the Middle Class quietly reduced them to a formality. The fines were levied, but were transformed into a sort of licence duty for continuing the operations. "It seemed," as Mrs. J. R. Green has remarked, "beyond the wit of man to put English traders into a difficulty which was not by their very touch turned into a new opportunity for gain."³

It is possible to perceive in these developments,

¹ "Leet Jurisdiction in the City of Norwich," by Wm. Hudson.

² *Ibid.*, p. xcii.

³ "Town Life," ii, 215.

as some writers have done, the signs of a shrewdness, a patience, and a capacity for compromise in the Middle Class which were to issue in a gift for local government, and, by way of that training ground, an honourable place in national politics. But this is rather too kindly a view to take. It is, of course, impossible to deny the exhibition of shrewdness. But the whole outlook of the trading class at this time had one prevailing characteristic which prevents our regarding it as inspired by anything like a broad conception of policy; it was pre-eminently secretive, jealous, and apprehensive. We discern in the Middle Class at its origin a quality which it has never wholly lost, in spite of many modifications. Its instinct was to live in a narrow circle, to keep trading profits in the hands of a group, to make town administration a closely limited entity, to do anything rather than throw experience into the common stock. This attitude, it is but fair to remember, was not entirely the fault of the trader. The vagueness of the system of taxation, which amounted to something not much better than getting, by any means, all that could be got; the perpetual interference by Parliament with new methods of trading that had too many possibilities of profit to be abandoned, even at the behest of statutes; the bewildered annoyance of a mass of labouring people and artisans, who found the old order, with its sharply-defined regulations, giving place to a new world of competition in which money carried the day—all this constituted a situation in which the trader, the

new factor in the community, felt that wariness was his most urgent need. The corollary of this need was to localize all his affairs, all his responsibilities, and all his interests, as far as possible; to keep them immediately under his eye. The result in some directions was about as stupid as could be. The very men who are credited with shrewdness in the origin of local government were maintaining local partisanship to a degree at which it became disastrous. The very men who were quietly compromising the statutes that interfered with their own wholesale trading were keeping alive an exclusiveness of local markets which in the end practically killed the trade of a great many towns. Besides the laws against engrossing, the Statute Book of Edward III's reign contains several laws directed against "people of the cities, boroughs, ports of the sea, and other places" who cause inconvenience to subjects of the realm by preventing foreigners from bringing in "wine, aver du pois, and other livings and victuals," or only allowing such goods to be sold to members of guilds, who, of course, made their own profit on the re-sale. This kind of thing, combined with the tendency to coalesce into social guilds, really gives the measure of the early Middle Class. It had no brains for anything that happened outside the limits of a known group of persons.

We have already seen that the expansion of general prosperity among trades in the fourteenth century was due chiefly to a great liberation of coined money, rather than to any new ideas of

trading methods or any new conception of the merchant's business. It remains to be noted that the wealthiest men of the country owed their riches simply to the more or less accidental possession by England of vast supplies of a certain raw material—wool. The Englishman dealt with this resource in the most uninspired way. As early as the thirteenth century Italians were carrying on operations here of a kind that had never occurred to the Englishman. They were arranging the purchase of wool from something like two hundred monastic establishments, and sending the material in bulk to their principals in Italy.¹ The Englishman had not advanced beyond the idea of sending his wool to the Staple, and selling it there, more or less piecemeal, to the buyer. When we pride ourselves upon the greatness and magnificence of our wool merchants, we are apt to forget how much greater cause for pride there would be in those nations which, lacking the wealth of material, had the commercial genius that enabled them to buy it. By contrast with them, the magnificent Englishman becomes almost as passive as his own sheep; he merely handed out the supplies from his wool-sheds. He could hardly help making money.

That is the main key to the position of the Middle Class at this period. It was not only the wool-merchant who could hardly help making money. For one reason or another—partly because there was more money to spend, partly because foreign trade was at last developing and the impulse

¹ See the "Hundred Rolls," i, 353, 357, 396; ii, 4, 15.

left by the Crusades was taking full effect, largely because a taste for luxury in food and all the appointments of life had grown up¹—the general trader must have been on the whole not far behind the wool-merchants, if a few famous cases of wool-merchant princes be excepted. Before the end of the fourteenth century the people of the Middle Class had begun to take a part in affairs of State. They had begun rather reluctantly, still under the instinct to keep the knowledge of their wealth as much to themselves as possible. When a subsidy of 30,000 sacks of wool was voted to the Crown in 1339, and the King offered the purchase of the wool first to English merchants, hardly anyone came forward. Fifteen men purchased but 3,000 sacks. Then a group of merchants, prominent among whom were Walter of Chiriton and John of Wesenham, undertook the whole business. Their profits were probably large enough (they had bought at $7\frac{1}{2}$ marks the sack) even before the price of wool was raised by statute in 1343 to 12 or 13 marks a sack. Miss Alice Law thinks that the group which finally came to terms with the King did so on the more or less express condition that he should abandon the Italian financiers—the Bardi and the Peruzzi—upon whom he had hitherto relied, and carry on fiscal operations for the future by the medium of Englishmen.² This may be so; but from all we know of the English

¹ See, for instance, the statute "De Cibariis Utendis," 10 Edw. III, st. iii, dealing with the mischief arising from extravagance in food, so that rich men could not help their liege lord or themselves in time of need.

² Royal Hist. Society's Transactions, ix, 49.

merchant at this time, it would seem more probable that the Crown, or its Exchequer officials, who knew what the Italian genius for money had been able to do, persuaded the Englishmen to make the venture, by opening their eyes to the use that the Italians would make of it. The Englishman was afraid of anything that might reveal his possession of money. We have the well-known story of the Crown borrowing from certain Italians, and discovering afterwards that the money had really been provided by Englishmen, who were ready enough to take the profits, but would rather share them with foreigners than come forward openly. This attitude was, of course, bound to break down. Some few men would have the intelligence to abandon it frankly; and these may have schemed to supplant the Italians in the confidence of the Exchequer. For the rest, in all the prosperity of the fourteenth century it would gradually become impossible to pretend to lack of means. But traces of the attitude can be found even when the burgess had begun to take a share in Government. In the early part of the century the merchants had made grants to the Crown independently of Parliament, such as the grant of 4*s.* a sack on wool in 1343, and the tunnage and poundage of 2*s.* a tun on wine and 6*d.* a pound on goods in 1347. In 1372 we have the curious incident of the Black Prince retaining the city and borough members of the Parliament of that year, after the knights of the shire had departed, and inducing them to renew the tunnage and poundage of 1371. The Parliament as a whole was indignant;

but in the end confirmed the grant for three years. There were, of course, certain reasons for the action of the Black Prince. The repeal in 1344 of the ordinances fixing the price of wool had left the price to be a matter for adjustment between the seller and the buyer. Consequently the merchant could put upon the grower's shoulders the incidence of any tax; with the result that the merchants raised no objection to taxes, while Parliament, as a whole, strongly opposed them in the interests of the wool-growers. But while allowance may be made for these facts in the case of wool, the general influence at work in the relation of the Middle Classes to the Crown would be that same secretiveness which was evident in their local affairs. They would prefer to offer subsidies and arrange taxes behind the back of Parliament, because by so doing they kept within that narrow circle of known people and known affairs which they hated to leave. They felt safe in anything that they dealt with directly. Taxation questions in open Parliament they would avoid if they could.

It is probable that even their greatest movement in this century was not altogether free of the prevailing taint in their outlook. Full credit must indeed be given to them for the origins of a more general education in England. The fourteenth century witnessed the foundation of grammar schools in many parts of England. At Thetford (1328), Northallerton (1327), Exeter (1332), Melton Mowbray (1347), Hereford (1384), Wotton - under - Edge (1385), Penrith (1395), and Oswestry (1399) new

scholastic foundations made their appearance.¹ Now it would appear from our detailed knowledge of a later date, that such schools were under the control of town guilds;² and we know of one case, very shortly after the period with which we are now dealing, of a school founded with the express provision that the master was not to be in holy orders.³ It is not too much to conclude that the Middle Class instinct for keeping to its own circle was at work in this direction also. Hitherto education had been the appanage of the Church; the process of education for a poor man's son had meant that he learned to become lettered, when he placed his services either with some lord, or with the friars.⁴ There could hardly have been any reason why this sort of education should not have suited those of the Middle Classes who wished to have their children educated; the curriculum at the schools they did set up would not have been different from that of the church schoolmasters. But to send their sons to these masters would have been to open their carefully guarded community of interests to the eyes of another class, a class essentially connected with the nobility and the Crown; and the Middle Classes preferred to originate their own educational system.

This, it should be admitted, does not in any serious way derogate from the admirable nature of

¹ See Furnival's Preface to "Manners and Meals."

² Leach, "Educational Charters," p. 376; "Early Education in Worcester," pp. 176-7.

³ Leach, "Educational Charters," xxxvii.

⁴ See *Piers Plowman*, "Crede."

the work thus set on foot. The foundation of the Grammar Schools is, indeed, one great indication of the extent to which the Middle Class was settling for itself its place in the national life, laying the foundations broad, envisaging a characteristic existence owing nothing to the hereditary nobility or the Church, and deciding for itself what the extent of its duties and responsibilities should be. Its presence, and the nature of its action, in Parliament, has significances which have already been noted. There remains one matter of the social standing of the Middle Class which, though in itself slight, is not to be passed over, since it marks the beginning of movements with which we shall be much concerned in succeeding centuries. By the end of the fourteenth century we come upon the earliest memorial brasses with effigies of civilians. The earliest of all is that at Wimington, Bedfordshire, a brass of 1391 representing John Curteys, Mayor of the Staple, and his wife, under a double canopy. At Northleach there is one of uncertain date, but probably *circa* 1400, to a woolman and his wife; while at Chipping Campden there is the famous brass of 1401 to William Grevil, "the Flower of the wool-merchants of all England." In their day these brasses must have caused almost as much talk as did the buying up of a blue-blooded nobleman's country estates by a wealthy tradesman in the early nineteenth century. Lords and knights had long had their effigies; the first men to hand themselves down to posterity, not in mail and plate-armour and heraldic surcoats, but frankly in the plain furred gown of the civilian,

with an inkhorn in place of a sword, and a sheep and a woolpack at the feet instead of a lion, must have been men very proud of their position, very self-confident, and perhaps not a little self-assertive. Their brasses at least convey to us how securely the Middle Class was establishing itself in the State.

CHAPTER IV

THE FIFTEENTH CENTURY—THE CRAFT GILDS' MISUSE OF CURRENCY—MIDDLE CLASS IDEALS

WE have now reached a period at which the development of the Middle Class began to affect the national life profoundly in many ways. Yet since there was no startling manifestation of change—since England never produced a Jacques Cœur, who had eighteen houses in different parts of France and spent 100,000 crowns on a single one of them—the significant, and, in some matters, the dangerous, tendencies of the Middle Classes in the fifteenth century have hardly been properly appraised. Trading wealth increased, towns settled down under corporate government, the great London Livery Companies and the Companies of Merchant Adventurers gave commerce a stately and creditable appearance; and for the most part history has taken these facts at their face value. The period is one in which the historian certainly has plenty to deal with in other directions. He can but discern in the main stream of constitutional struggles and foreign politics the mere outlines of social affairs. But the processes which were at work beneath the obvious prosperity and advancement of the trading classes will be found, upon more detailed consideration, to have involved an attitude on the part of

these classes which had serious consequences for the nation.

The first and, in some respects, most far-reaching, characteristic of middle-class development during the fifteenth century was that a kind of labour entirely dependent upon employment by capitalists is for the first time clearly discernible. If we rely chiefly upon the conditions of the wool trade for our facts, the reason is that this trade was by far the most flourishing and highly organized; and we therefore have more knowledge concerning it than we have in any other connection. Broadly speaking, the system in the thirteenth century, which lasted in the main into the fourteenth, was that the original owner of the wool sold it to the spinner; the spinner sold his yarn to the weaver, and the weaver sold his cloth to the clothier. In other words, each operation was an independent source of profit and an independent area of competition. With the increase of money during the latter half of the fourteenth century, a different system had come into vogue. The clothier began to buy wool wholesale, delivering it by weight to the spinners, whom he paid for their work upon it, receiving back from them by weight a quantity of yarn which he then handed on to the weaver, from whom he received cloth. Now this change, though a considerable one, left the spinners and weavers in some degree masters, though of a subordinate kind. The change of the fifteenth century was that the capitalist clothier owned the looms upon which the cloth was made, and the weaver sank to the status of a hired man.

As long as he possessed his own loom he could work independently; when he used one of a number of looms belonging to the clothier he had entered upon the factory system.¹

The great reality of this change is to be traced in the profound difference between the guilds of the fifteenth century and the earlier guilds. We have already seen that the earlier guilds were remarkable for their inclusion on equal terms of practically all the working inhabitants of a town. It is impossible to find in them any distinction of status between a trader, a master, and a journeyman. That there were differences between members we can discern from such provisions, for instance, as that of the Guild of St. Katherine at Lynn, which laid certain duties upon those brothers and sisters that were lettered, and others upon those that were not.² But we can discern no gradations of standing, and no drawing of lines between one form of occupation and another. With the fifteenth century, on the other hand, we find such lines sharply drawn; and troubles begin to arise which have all the character of disputes between capital and labour. Of the actual creating of distinctions we can have no better instance than that of the Guild Merchant of Newcastle, which excluded from membership anyone who had "blue nails" (these being a proof that the

¹ This had actually begun as early as 1339 in isolated instances, like that of Thomas Blanket of Bristol (see Cunningham, "Trade and Industry," i, 437); but it can hardly be dated as a system before the fifteenth century.

² "English Guilds," p. 20.

person worked with his own hands at dyeing) or anyone who hawked his wares in the street. These are obvious erections of barriers between the masterman and the artisan. But even without such definite regulations as these, we should have been able to trace the serious change in the guilds from the nature of the controversies that arose.

During the fourteenth century the guild merchant had practically ceased to exist. The typical town guild, as we have remarked in the last chapter, was the social and semi-religious guild. But there also came into being a number of craft guilds, formed for the regulation of various trades. These were at first the object of a good deal of suspicion and opposition on the part of the substantial townsmen. They controlled trade in several directions, ordaining the price at which members were to sell goods, the number of apprentices to be kept, the hours of work, etc., etc. Yet they were probably in origin not far removed from the spirit of the guild merchant, or at least nearer to that spirit than to the later capitalist spirit. This point has, indeed, been a subject of controversy. It has been held by one school that the craft guilds really marked the downfall of the old domestic system of trade and manufacture, the end of the household as a unit, and the rise of the factory idea.¹ Another school, however, maintains that the craft guild was an organization, more appropriate in character to the domestic than to the capitalist system.² The truth may, perhaps,

¹ See, *e.g.*, Unwin, "Industrial Organization."

² See, *e.g.*, Cunningham, "Trade and Industry," i, 497.

*little than
machine*

be that in the actual constitution of the guilds there was nothing inherently inimical to the domestic system; but that they contained latent germs of the developments which were to overthrow that system. Both schools of thought are, in fact, right; the former from the dynamic and the latter from the static point of view. That there was no deliberate intention of setting up a new system may be concluded from the probability that in a good many cases the craft guilds were practically subdivisions of the guild merchant. This specifically happened at Reading in the sixteenth century, when the guild merchant was divided into five companies;¹ and in all likelihood it happened in effect in most of the guilds merchant. It appears, indeed, an inevitable process. As trade increased, its various branches would tend to become more highly specialized. Competition would also increase; and the net result would be that the weaver could no longer adapt himself to rules that applied to a tanner, or the cordwainer to rules that suited a spinner. Yet at first those craft guilds would have in view no purpose essentially different from that of the guild merchant. The main objects would be the same limiting of competition, the same localizing of profits, the same attempt to prevent undercutting. That they did not start as capitalist organizations may fairly be deduced from the early dislike of them manifested either by the guild merchant, where that body still survived, or by the town authorities in places which had passed from the guild merchant to a form of in-

¹ Gross, "Gild Merchant," i, 118.

corporation. For these latter bodies, of whichever kind they were, would be composed of the substantial members of the town, who would have no objection to guilds which practically consisted of themselves in another capacity. It is to be concluded that the craft guilds were so composed of masters and independent workers and journeymen as to cut across the growing tendency of the older organizations to represent the combined interests of money, pure and simple, rather than the pursuits in which the money was made.

But a curious change came over the relations of the guilds and the town authorities. As Mr. Hudson briefly puts it, in the fourteenth century the trade guilds were objected to, as a form of private regulation of industry which interfered with the interests of the general community, whereas in the fifteenth century no one could be a citizen unless he was a member of a trade guild.¹ This is a remarkable reversal of opinion. Partly it may have been due to that settling down of the towns under corporate government, which was mentioned at the beginning of this chapter. The authorities came to see that the guilds might afford them a useful machinery for keeping order, for collecting dues, for the proper controlling of the markets, and so on.² But from the rapidity with which the character of the guilds began to change it would appear that a reason of at least equal importance was that the master-men and capitalists had been shrewd enough to see in the

¹ "Leet Jurisdiction in Norwich," p. xxxviii.

² Mrs. Green, "Town Life," ii, cap. 6.

gilds the means of consolidating their position. It must not be forgotten that the increase of wealth and the general advance in trade must have affected not the masters alone, but also the men. With so much employment, the workmen no doubt began to acquire means in a small way; while at the same time the expansion of the markets meant openings for more and more masters. Now if the trade gilds had remained for the most part representative strictly of the working trades—if a man *qua* capitalist tended rather to combine with his fellows in some fashion apart from the gilds—then the latter would have become unions of men with an eye to the trade interests solely, and the larger and smaller men would have remained side by side with the workmen. Combination for their trade interests would have been the chief consideration in face of a town organization endeavouring to break the ring in the interests of the consumer. But what would this have involved inside the gild? There would have been, with the growing prosperity, a perpetual rise of workmen into masters, with a consequent enlargement of the area of profit-making; the work would have been spread over a field of fairly sharp competition. Probably something of this kind had already happened; and the capitalist turned his attention to it. Instead of displaying hostility to the gilds he pursued the subtler method of capturing them; and regulations begin to appear which are obviously designed to prevent easy passage from the working ranks to those of the masters. The fees charged to apprentices who wished, on the termination of their

indentures, to become free of the gild, were one safeguard. A more effective one, probably, was that which forbade anyone to take up the freedom who had not ceased to work at his craft with his hands for a year and a day;¹ this, with its obvious corollary that the only way to freedom of the gild was to possess enough money to spend a year in idleness, must have limited pretty severely the passage upwards. Again, there were strict provisions as to the number of apprentices a master might keep. In the same spirit the masters began to welcome those foreign immigrants of whom, in earlier times, they had been so ready to make jealous complaint. For the foreigner could hardly hope ever to enter the market; there were statutes enough against his trading on his own account, and strict statutes, moreover, enforcing residence in the house of his master.

It becomes, therefore, markedly characteristic of the trade gilds in the fifteenth century that they created a class of men virtually confined to the lower ranks of labour, prevented from becoming free of their craft, and constituting "a skilled but dismissible body."² Having first established their position as against the Crown and the nobles, by processes we have already examined, the Middle Classes now set themselves to establish it against the lower ranks of those with whom they had hitherto stood shoulder to shoulder. The first opposition was that of skill and the power to earn current money, against ownership of the soil and the power to command feudal

¹ "English Gilds," p. cvii.

² Mrs. Green, "Town Life," ii, cap. 4.

services. The new opposition was that of the power to accumulate current money against the mere possession of skill. Thus, on both sides, money was established in a thoroughly entrenched position. How successfully the trenches had been made against those who had first been allied with the rising Middle Class may be seen in almost any published study of municipal life in the fifteenth century. Take, for instance, one of the most recent and most scholarly—Miss Maud Sellers's edition of the "York Memorandum Book."¹ Here is a complete municipal organization, working quite efficiently in its own way, and with a highly developed gradation of citizenship. Affairs were in the hands first of "the twelve," then of "the twenty-four," then of "the forty-eight," with a broad classification for more general purposes of the *bons gents*. Now who were all these people, and how did they come to take rank? The twelve seem to have been of the wealthy merchant class, principally mercers, though other traders were not technically excluded. The twenty-four were mostly of what Miss Sellers calls "mercantile crafts"—goldsmiths, mercers in a smaller way, vintners, tanners, skimmers; and the forty-eight mostly of manufacturing crafts—saddlers, hatters and cappers, tawyers, etc. There is no indication that election by the general body of citizens had any part in constituting these classes. The mayor and the *bons gents* seem to have made appointments, and the *bons gents* to have kept up their numbers by co-optation. In a word, the towns, which had first been

¹ Published by the Surtees Society, 1912.

the *point d'appui* of the trading communities at large against the lords of the soil, had by now become the fortresses of a wealthy middle class. The skilled workman, who had in the thirteenth century belonged to the broad classification of trader, as opposed to the manor and its rural tenants, was now deposed into a classification by himself. For the first time, but not for the last, the Middle Classes, having cut the trench that was to assert their position against the landowner, turned their spades to the rear, and cut another trench there. "No man of the people could hope for (municipal) office. The 'rank of a mayor' and the 'rank of a sheriff' were recognized things. So was the rank of 'good and sufficient men.'" ¹

London, as we have already had occasion to note, was in all middle-class developments ahead of the country, for obvious reasons. There the Companies of Mercers, Grocers, Fishmongers, Drapers, Vintners, had become, even before the end of the fourteenth century, organizations virtually composed of rich master-traders. They had ceased to pretend to control industry in the interests of good craftsmanship, which was the primary object of the craft guilds,² and practically confined themselves to keeping labour well in hand by rules as to apprentices and journeymen, and increasingly hard stipulations as to qualifica-

¹ Mrs. Green, "Town Life," ii, 249.

² *E.g.*, the stipulations as to quality of material, amount of work to be done in a specified time, prohibition of night work (as apt to be secret), etc. (Cunningham, "Trade and Industry," i, 342; "Munimenta Gildhallae," ii, lxiv).

tions for freedom of the Company. The consequence is that the first labour troubles arose in London; a proclamation against "congregations and conventicles" of workmen in hostility to the masters of their crafts shows the kind of difficulty that was arising, and shows too how completely the Middle Class had succeeded in its quietly ingenious method of capturing, rather than suppressing the craft guilds.¹ Indications of another kind may be found in the sporadic attempts to found organizations entirely of workmen. At Coventry early in the fifteenth century the masters and the workmen came to an agreement whereby the journeyman had a fraternity of their own, paying a shilling a year, as a kind of acknowledgment of the agreement, to the Weavers' Guild. The journeymen tailors at Bristol also founded a fraternity.² These facts show that what had first taken place in London was now taking place all over the country. The workman was being thrust into a class by himself. The old fellowship of the craft, which had been his as much as his master's, had split into two, the upper one an organization of capital, and the lower one a mass of labour which was sometimes allowed an organization, more or less under suspicion, but was usually prevented from any form of combination. Nothing shows more remarkably the firm establishment of the Middle Class than the fact that it could manœuvre the working

¹ It is interesting to note, as showing how distinctly this proclamation was aimed at workmen, that it is the earliest known proclamation in English.

² Cunningham, "Trade and Industry," i, 444.

men into a position in which any attempt on their part to act as a craft union became illegal.

Nor was this the only advantage they secured from their policy of "peaceful penetration" of the guilds. They also accustomed the legislating classes to the idea of trade combination so successfully that a completely new kind of trade monopoly was established without any apprehension of the dangers it involved. Monopoly of a certain kind had, indeed, been inherent in all early trading; it had been at the very root of the development we have traced hitherto. But it had always a specious reasonableness. The old monopoly of the Market Guild had been deduced from the old exclusiveness of the manorial system; the monopoly of the Craft Guild had originally had the appearance of a regulation of industry in the interests of good work and public order. But with the incorporation of the Merchant Adventurers in 1407 we see the Middle Class inventing a monopoly that had not even the appearance of public interest. The absence of any opposition to the incorporation may have been partly due to the slow familiarizing of the Crown and the upper classes with the idea of trading Guilds, and partly perhaps also to the existence of the Wool Staple. The particular object of the Staple—namely, the convenience of the system for purposes of customs—would very likely be forgotten; all that would be considered would be that, if the wool merchants of different localities were united in a form of trading combination, there was no reason why merchants of other kinds should not also unite. The Merchant Adventurers certainly

carried on the analogy; they set up in Hamburg, and at other places in the course of time, a body representative of their interests which must have worn much the same external appearance as the governing body of the Staple at Calais. But whereas there was a good reason of public policy why the wool traffic should pass through a known and circumscribed channel, for the collection of dues, there was no such reason why every merchant should be forbidden to trade abroad except by joining the Merchant Adventurers or paying a fine to them for all his cargoes. This was a pure invention of monopoly. No credit is now given to the idea that, without the advantages conferred by monopoly, merchants could not have carried on an overseas trade, or combined their capital to venture cargoes. There had been, and would have continued to be, combinations of capital; partnership had long been a recognized form of trading. One recent authority on economics says point-blank that free enterprise always preceded the chartered company.¹ This being so, the incorporation of the Merchant Adventurers can mean only one thing—that the Middle Class, which had from the first displayed an instinct for localizing profits, had, in its great development, and its greater degree of class consciousness, perceived the possibility of another kind of localizing of profits, keeping them, not to this or that town so much as to a certain stratum of the community.

Thus we already discern, behind the flattering external appearances of the progress of trade during

¹ Hewins, "Trade and Finance," p. xiv.

this century, two germs of evil—one, the creation of a wholly dependent working class, and the other the sanction of trading monopoly. When we proceed to consider the relation of the new Middle Class to the affairs of national life, we perceive a fresh source of danger. It had been essential to the early development of this class that it should dis sever its interests from those of the traditional masters of the realm. Its object, whether confronted with the lord of the manor, or the Crown and the officials of government, was to hold itself aloof. If it was consulted about taxes, it was to be most considerately consulted by itself. If it were to have authority in local affairs, it would exercise it by means of its own organizations. Now, in the fifteenth century, while the Middle Class gave much of its energy to establishing its position in its business matters, it was partly enabled to do so by the singular completeness with which it had succeeded in remaining, so to speak, outside the State while existing inside the nation. This is not to say that there was not a certain amount of commercial legislation, or that the authority of the Crown became a dead letter. But the commercial legislation remained in effect what it had always been hitherto—a spasmodic attempt, renewed from time to time, to make the trader the servant of the consumer. It was dictated by the old belief that trade was a minor activity of the communal life, directed to supplying certain necessities felt by those who were really important, the landowner and his dependents. There is an extraordinary air of futility about the continued

statutes against engrossing, the regulation of the price of fish, the prohibition of speculative purchase of "futures" in wool,¹ and the statutes against usury. The most probable explanation of this futility is that the Middle Class was as yet taking no part in legislation. No doubt middle-class men were not allowed to take much part. Such representatives of the class as may have been in Parliament by this time would not have, even if they wished to, much voice in its decisions. But, judging by the usual mental attitude of the traders, they would not wish to take any active part in such matters. They had discovered, as we have seen, how to meet commercial legislation in the way that would make no show of opposition, but would get behind the intention of the law. They would continue to inflict nominal fines, and regard these as a purchase of permission to disregard the law. Moreover, in matters of taxation, they pursued the line of conduct they had already marked out. The renewed attempt in 1463 to carry out an assessment of movables and to collect the tax by means of royal commissioners was met in the same way as the first assessments. The towns repeated their policy of offering a lump sum in commutation of the assessment; and thus once more prevented the Crown from obtaining, in the assessment returns, a real hold upon the resources of the rich bourgeoisie.²

In such matters as these the new Middle Class was deliberately keeping aloof from the system of

¹ *E.g.*, 4 Henry VII, c. 11.

² Dowell, "Taxation," i, 149.

the State, and, either from nervous apprehension or from a utilitarian kind of acquiescence, accepting the general failure to perceive in itself a new estate of the community. One of the striking facts about all the political writing, the songs and satires of the fourteenth and fifteenth centuries, is that there is no apparent recognition of the merchant class. The realm consists of King and lords, and the Church; yeomen and peasants. Somewhere hovering on the flanks of these good men is a mysterious, generally dishonest, sly person, who perhaps stretches cloth, or lends money upon usury. He is not regarded as belonging to any class; but appears as a kind of unexplained renegade from uprightness. The idea that a real problem for statesmen was arising in a class of men who were engaged honestly in pursuits, of which only the dishonest manifestations were thus attacked, entered no man's mind.

Yet all the time, besides the subtle evil of the abstention of the Middle Class from the activities and duties of national life, there was a more pressing evil in the effect which the purely selfish and parochial outlook of the merchants had upon the currency. The fifteenth century was a period of most urgent need for a proper comprehension of the meaning and nature of money. America not having yet been discovered, the supply of the precious metals had undergone no development to meet the enormous expansions of trade. Consequently, problems that were already pressing in the fourteenth century were, throughout the fifteenth, in a continual

condition of crisis. Gold coinage, which had been in use in Italy as early as 1252, had not made its appearance in England until some time later. But by 1339 the existence of two precious metals in the currency had caused trouble in the English Parliament. The principle of a ratio between gold and silver being entirely unknown, the trading countries of Europe simply fought one another for gold by arbitrary fixing of standards. A good noble coined at the silver ratio of 12.61 to 1 would be refused; it would gravitate inevitably to a country where it could be bought at a ratio of 11.11 to 1, which France fixed in 1346. Again, there was the possibility of clipping. A good English noble could be "sweated" of some of its metal, and still be sold abroad at a profit on the English ratio.

Parliament made various attempts to deal with the difficulties of a perpetual drain either of gold or silver. But all the attempts practically took the form of merely forbidding the export of coin—a rule which, considering the ease of concealing coin, was impossible to enforce. In 1411 it took the bolder step of ordering a re-coinage, which made the ratio 10.33 to 1. France replied by a further lowering of her ratio, and gold continued to disappear almost as fast as it was coined. A statute of 1429 shows that merchants were actually refusing to take silver in payment for goods, insisting upon having nobles, half-nobles, or quarter-nobles, which they promptly sold abroad at a profit of 20*d.* per noble.¹

¹ I am indebted for these passages to W. A. Shaw's "History of Currency."

To the end of the century the difficulties remained unsolved.

Now how do these facts affect our view of the Middle Class? It had risen to power and wealth solely by dint of the use of currency. Until money became comparatively plentiful, trade was but peddling. Yet the Middle Class entirely failed to grasp the elementary principles of its own most useful instrument. "Throughout," says Mr. Shaw, "there was in existence one class who grasped the *fact*, without any knowledge of the *theory*, and profited by it—the merchant exchangers.¹ Their operations were merely arbitrary, and had no relation to the ebb and flow of commerce. In fact, the trader simply saw in the coinage one more opportunity for private gain, and took advantage of it. He seems to have had no understanding of currency as a national concern. When a Parliamentary enquiry was held, in response to a petition to Parliament in 1381, no help came from the people who should best have known what suggestions to make. A few witnesses, goldsmiths, and the like, urged that imports should be made to balance exports, so that no money need pass between different countries. Others attacked the Pope's collectors of ecclesiastical dues, and advised that the collectors should be Englishmen, and payment be made in goods, not in coin.² No one perceived the root of the difficulty in the two-metal standard. Nor did anyone perceive that the difficulty was an indication of a new influence in national affairs. The legislator, like the

¹ "History of Currency," p. 64.

² *Ibid.*, p. 51.

writer of political songs, believed the realm still to consist of its old estates, and was distracted by the extraordinary behaviour of coined money. He had not learned that, whatever he might do, there was a powerful force at work which really had attracted into its veins all the essential life of the nation. Money was to him a convenience; to the trader it was a saleable article, and it was bound to go where a price could be given for it. But since the area of its real activity was, so to speak, an unperceived, almost subterranean one (and carefully kept so by the shrewd preference of the Middle Class for keeping themselves to themselves) Parliament was left snatching here and there at eddies on the surface. Those who caused the eddies kept out of sight.

It may perhaps be objected that it is unfair to expect a display of public spirit in a class of men whose position in the national life was quite unrecognized. But the real blame for their attitude towards currency problems lies not so much in lack of public spirit as in their mishandling of their most useful instrument of advancement. They had no conception of the dependence of trade and manufacture upon the existence of coined money. They were quite willing to denude the country of currency, if at any moment the national coinage could be sold at a profit abroad. They had, in the end, to be taught by a foreign nation the principle of using a currency advantage as a lever for profitable trading in general goods. Their only notion was to use it directly for profitable trade in the mere metals of currency.

One other considerable influence which the Middle Class was by this time beginning to exert upon the national life began to be perceived, though not fully realized, by the end of the fifteenth century. Middle Class men were becoming extensive landlords. What this meant to the health of the body politic we shall better be able to perceive when we come to deal with the succeeding century. For the present it will be enough to give some instances which show to what an extent trading wealth was being expended in this way. The earliest extant English wills are rich in such instances. Take such a will as that of John Credy in 1426,¹ in which he bequeaths "land that Weston, draper, and I purchased in Frankyng-ham and other places in Surre," together with parts of lands and manors in Somerset, and lands and tenements in Exeter. John Perfay, draper, of Bury St. Edmunds, leaves in 1509 two closes and four acres, 120 acres of land and meadow, a tenement (not the one he lived in) with 28 acres of land and meadow, six tenements with appurtenances, another close, and various odd parcels of land, all of which he specifically mentions as having been bought by him.² William Honyboom, dyer, of Bury, leaves in 1493 two tenements he had bought from John Smith, a gentleman. John Nottingham, grocer, of Bury, leaves a number of houses, granges and gardens in Bury, and a manor near by.³ John Hall of Salisbury had three manors near Southampton.⁴ John Baret, cloth merchant, of Bury, leaves houses in neigh-

¹ "Earliest English Wills."

² "Bury Wills."

³ *Ibid.*

⁴ "Prolusiones Historicae," p. 310.

bouring villages, with some hundred acres of land, and a tavern, besides various messuages in the town.¹ From these few instances, chosen at random, it would not be rash to deduce that, upon the whole, town property was beginning to accumulate in the hands of the wealthy Middle Class, so that the artisan, besides being brought under a new industrial system by the engrossing of looms, was also being brought under a new social system by inducements to part with his small freehold and become a tenant by rent. The still wealthier people, three or four perhaps in each town, were buying also manors and demesne lands in the rural districts, but were not, so far as we can discern, living in them at present. John Hall, John Perfay, and John Baret all lived in good-sized houses in the towns where they traded. In other words, they did not buy manors as yet in order to make themselves gentlemen, but purely as sound investments—a fact which, while admirable enough from one point of view, was to have some rather disastrous results later on.

At the same time the older forms of accumulated wealth had not gone out of use. These early wills reveal an astonishing quantity of Middle Class possessions in the precious metals. Sometimes they are hoarded coin; John Nottingham details monetary bequests in pounds sterling amounting to £40, in marks amounting to 384½ marks, and in shillings amounting to 207 shillings—a truly remarkable hoard.² Yet such bequests of coin are as yet rather rare; if a rich man had a few pounds or a

¹ "Bury Wills."

² *Ibid.*

few score marks to leave to the Church for masses he would be well content. Silver utensils and ornaments are a far more common form of wealth. Thus John Bathe of Bristol leaves in 1420 a silver beaker with a blue enamelled knob, several chased silver cups, a silver-gilt spice dish, some gold rings, and two or three dozen silver spoons.¹ John Baret leaves, besides, spoons, cups, plates and dishes, and "a silver fork for green ginger," two silver collars "of the King's livery." Evidence of a different kind is afforded by a foreign visitor who has left us his impressions of England about the year 1500.² He remarks that there is no innkeeper, however poor and humble, who does not serve his table with silver dishes and drinking cups; and, in describing the extraordinary display of wrought silver in London he is careful to add that it "is not occasioned by the inhabitants being noblemen or gentlemen, being, on the contrary, persons of low degree and artificers."

From the national and civic point of view the rising Middle Class does not present itself during this century in any very favourable light. It plays, as we have seen, persistently for its own hand. It had inserted itself between the landed aristocracy and the labouring people, it had taken possession of a domain filched equally from the rights of those two classes. It refused all responsibilities that did not tend to its own profit, and those which it undertook in local government were manipulated to its own

¹ "Earliest English Wills."

² "Relation of England," pp. 31, 42.

ends. But when all that has been said, it is necessary to recognize the two ways in which the new Middle Class worked for good. One has already been referred to—the foundation of the grammar schools. During the fourteenth century the idea of education had not, as a rule, progressed beyond the fee system. The mark of the fifteenth century is the foundation of endowed schools, and the conversion of fee-schools into schools of free education.¹ The list of foundations of this century is a long one; but an even more significant fact is the foundation of such schools as Winchester and Eton. For these foundations show that the Middle Class educational movement, which was (as we have seen) partially, at least, dictated by a determination to free the trading classes as much from the Church's influence as they were free already of aristocratic control, had by this time alarmed the Church into a parallel movement. Wykeham's foundation of Winchester, and the ecclesiastical impulse towards the foundation of Eton, are sufficient proof of the force and success of an idea which had originated with the Middle Class.

The other great legacy of the early Middle Class may be regarded as having arisen, less consciously, but quite as really, from its detached and self-centred position. The English cathedrals and churches are rightly regarded as the great glory of the English merchant. If we ask how they came to be built in such richness and splendour two considerations occur. Firstly, we see men of the Middle Class

¹ *E.g.*, at Stratford-on-Avon; Leach, "Educational Charters," p. xxxviii.

in possession of great wealth, proud of their wealth, but still living in town houses which, even when they were as magnificent as that of John Hall,¹ afforded but limited opportunities for expense. Secondly, it is to be remembered that these men, keen of brain in their own affairs, energetic, ambitious, were barred from, or had kept themselves clear of, political or Court or diplomatic interests. Such active men were bound to find interests besides those of their business pursuits, and they began to find them in the direction of art. Civic pride, local patriotism, launched the great buildings; the energy and efficiency of business men turned itself to making the structures fine. A class which had tended to an amalgamation with the aristocracy would have had less, alike of money and of ideas, lying idle for such purposes. Their wealth would have gone rather into the building of country houses or houses in London; their ideas would have been frittered away upon amusing pursuits, or engrossed in the nation's military adventures. As it was, men of the Middle Class reached the period of established leisure with all that they had of money and brains upon their hands, so to speak; and they found in church-building an outlet for both—a gratification of their pride, and an admirable opportunity for justifiable ostentation.

There is one early will which, in its curiously intimate revelation of a rich cloth-merchant's mind, seems to let us into the secret of such activities as these. It is the will of that John Baret, which has

¹ "Prolusiones Historicae."

already been quoted. An amazingly long document, it sets before us a Middle Class man of the fifteenth century with a startling, and sometimes pathetic vividness. Baret was evidently one of the new kind of middle-class employers; he had, adjoining the garden of his house in Bury St. Edmunds, "a spinning-house," where he would employ labourers at his own looms. He was a believer in the value of house property; he owned a good deal in Bury, and had built another house himself "my newe house with iii turrys of chemeneyes"; the mention of chimneys shows that it must have been an up-to-date house. He owned land which brought in a rental of 103*s.* 4*d.* a year. His household gear was good; he had a number of beds, coverlets, blankets, and sheets; trenchers, dishes, and saucers of "old vessell," and silver plate. He must have been either unmarried or a childless widower, since he provides for no relations but a nephew and niece. Here we come to a curious side-light upon the middle-class people of the time. They were still (in these country towns at any rate) so far from adapting their mode of life to that of their betters that Baret leaves his house to his nephew with a stipulation that the niece shall have two rooms, with the use of the kitchen, access to the garden, etc. A man who owned so many houses (including a small cottage in the garden which would have seemed suitable for the niece) might have been expected to make some rather more comfortable provision for these relations. Evidently it never occurred to him that they should live in any more spaciousness than

he had lived in himself. The details of the arrangements he made are enough to show that, rich as such men might be in lands and houses and silver plate, they did not yet think of living otherwise than as tradesmen lived.

There are, however, one or two references in the will which suggest that wealthy men of this class were beginning to look above them. Baret ordains that he shall be buried, not in the grave in St. James's Church which he had already bought for himself, but in a place close to it "near by where Lady Schardelowe was wont to sit." There are other sentences about this lady, upon which a little romance might be woven; Baret evidently had had a tenderness for her, and it sounds as if he was not sorry to leave in his will a record of his aspiration towards a great lady. He has, indeed, himself a signet of gold, with his arms. But at this period it is necessary to be cautious in drawing deductions from a merchant's mention of "his arms." There was not, as yet, much inclination to pretend to gentility, and the "arms" in such cases would often be the arms of the Staple of Calais or some company of traders, not a private coat-of-arms.¹

Baret remembers his duty as a citizen; he leaves money for the repair of Rysbygate, but he hopes that the side-pillars will not be moved, as they are

¹ See "The Brasses of England," p. 172. Even in such a book as the Black Prince's accounts, which would be written by a man who should have had knowledge, the Prince of Wales's feathers, which are only a badge, are referred to as "arms." So a tradesman might have called a badge or a merchant's mark his "arms."

quite sound—an echo, no doubt, of some controversy in the Council Chamber of the Bury Corporation.

It is in his bequests to the Church that Baret really reveals the effects upon the Middle Class of leisure, ample means, and energetic individuality. He leaves money for a painted window in memory of some friends of his, to be inscribed with verses he has made; for an image to be placed on the pillar by which he used to sit in church; and for many embellishments of St. Mary's altar—a new crown of gilt metal, mirrors to be placed between the figures on the reredos, and money for the repair and upkeep of "the chimes" and the altar. He was most anxious that the chimes should never fail, and if he had not left enough money for them, his nephew was to pay more. The sexton receives a bequest "so he do the chymes sing the *Requiem Aeternam*" for thirty days after Baret's death. The reredos and retable of St. Mary's altar are to be repainted "with the balladys I made therefor." And, finally, if an aisle were made in the church (evidently a project under discussion) all kinds of precautions were to be taken to preserve St. Mary's altar and the pillar by Baret's tomb.

Have we not, in this unimportant instance, a clue to the impulses behind the building of the famous English churches? We can see Baret, comfortably well off, stimulated from time to time by foreigners with whom he came in contact, or perhaps spending leisure moments after mass, talking in the church to some artistic and enthusiastic priest. We can see him at home, with little outlet for thoughts or ideas,

not dreaming of expressing them in much adornment of his house, since he was a merchant not a gentleman; but turning them in a direction in which he could spend money on decorative arts without being laughed at. And if, at the back of his mind, was the feeling that he was also making glorious the place "near by where Lady Schardelowe was wont to sit," he is, perhaps, not less typical of his age. The Middle Classes had won wealth, leisure, and security. There was a brief pause at this height before they risked security in order to advance themselves socially. But in the pause they occasionally glanced in new directions, just as John Baret let his eyes rest upon Lady Schardelowe.

CHAPTER V

FIFTEENTH AND SIXTEENTH CENTURIES—THE MIDDLE CLASS AS LANDOWNERS

JOHN BARET died in 1463. For twenty years after that time the aristocracy and landed gentry were cutting one another's throats, and desperately embarrassing their estates in the Wars of the Roses. The Middle Class went on making money, and avoiding all such unprofitable occasions for spending it. When another twenty years, in which exhaustion had brought about peace and quiet, had given time for recovery, the nation awoke suddenly to the fact that new masters had arisen in the land. The political songs, dialogues, and discourses of the sixteenth century are one long attempt to comprehend and grapple with a complete disturbance of the balance of the body politic, a drastic shifting of the centre of gravity.

The most obvious and most serious change was that the land of England belonged now very largely to the new moneyed men; and these men remained essentially Middle Class. Some of them, no doubt, aimed at turning themselves from merchants into country gentlemen; but on the whole, the land was to them strictly an investment—a new form of trading. Or, perhaps, in view of certain contemporary statements to be quoted later, it might be

more true to say that there was probably in all cases an ultimate idea of transition into a more exalted state of life; but the trading instinct was not to be easily eradicated. Let us consider the middle-class landed proprietor as the populace saw him in the sixteenth century.

First of all, having none of the traditions of the old landed class, which, although feudalism had long since disappeared, yet preserved the habits of a great establishment and the responsibility of maintaining dependents on the proceeds of manorial possessions, the new owners came to the land with their own shrewd, simple ideas of household establishments.

An unreasonable ryche man
 Dyd ryde by the way,
 Who, for lack of menne,
 Had wyth hym a boye.
 And as he paste by a pasture
 Most pleasaunte to see,
 "Of late I have purchased
 Thys grounde, Jacke," quod he.
 "Mary, maister," (quod the boye)
 "Men saye over alle
 That your purchase is greate
 But your householde is smal."
 "Why, Jacke," (quod this riche man)
 "What have they to do?
 Woulde they have me to purchase
 And kepe greate house to?"¹

Secondly, the new men were not content with buying such estates as might be offered, or with just so much land as might make pleasant places

¹ Crowley, "Epigrams" ("Of Unsatiabie Purchasers").

for their retirement from trade. They were grasping for land, and squeezed and jockeyed out of possession the old type of landlord, who might, but for their inducements, have been content to go on in the old way.

So soon as they have ought to spare
Beside their stock that must remain,
To purchase lands is all their care,
And all the study of their brain.
There can be none unthrifty heir
Whom they will not smell out anon,
And handle him with words full fair
Till all his lands is from him gone.¹

Thirdly, and most grievous of all, the new man brought to the land his relentless notions of profit and loss, screwed up rents, and levied fines.

But syth they take fermes
To let them out agayne
To such men as must have them
Though it be to theyr payne,
And to leavye greate fines
And to ower² the rent,
And do purchayse great landes
For the same intent,
We must nedes cal them
Members unprofitable.³

I cannot tell what it doth mean
But meat beareth a great price,
Which some men thinke is by the meane
That farms be found such merchandise.⁴

¹ Crowley, "Last Trumpet" ("The Merchant's Lesson").

² *I.e.*, raise, enhance.

³ Crowley, "Epigrams." See also Brinklow's "Complaint,"

p. 10.

⁴ "The Last Trumpet" ("The Merchant's Lesson").

More unprofitable still appeared the middle-class men who did not even buy the lands, but used them for even less responsible purposes of speculation:

“There be certain tenants not able to be landlords, and yet after a sort they counterfeit landlords, by obtaining leases in and upon grounds and tenements, and so raise fines, incomes, and rents.”¹

Brinklow complains that fifty or sixty years before his time such leases were not known.²

Fourthly, the land in the possession of these new men was but a portion of their general business. They recognized no more right on the part of tenants to exist on their land than their workmen had to use their looms; the one as much as the other was subject to mere business rules of rent and employment. The manor was no longer a separate entity, but profits from it went into the owner's general account.

You are called on to live
 After twenty pounds by yere,
 And after that rate
 You shoulde measure your chere;
 Tyll God did encrease you
 By his merciful wayes,
 By encreasing youre corne
 And youre cattell in the layes;
 Which encrease with your landes
 You are bounde to employe
 To the profite of all them
 That do dwell you bye.³

¹ “Imprecation against the Oppressors.”

² “Complaint,” p. 10.

³ Crowley, “Epigrams” (“The Usurer”).

There still lingered in England the sense that an owner of land held it on certain responsibilities morally to be acknowledged, even if legally the feudal structure had vanished. The complaint against the new men was that they claimed the power to do exactly as they liked with what they had bought.

For thys thyng, he sayde,
Full certayn he wyste,
That wyth hys owne he myghte
Always do as he lyst.¹

Yet it must be admitted to have been a good thing for England that the middle-class man was ready at this period to purchase land. Besides the general consideration that money so invested became national wealth, in a sense in which mere trading capital never was, there is the particular fact that the great days of the wool trade were over. Money no longer flowed into the landowner's or sheep-farmer's pockets, almost without effort on his part. There were riches still in the land, but only for those who were quick to see that, in a country with a rapidly growing town and industrial population, the provision of food supplies was the secret of a new rural policy.² No one was more likely to grasp this truth than the people concerned intimately with that industrial population. At the same time the new policy would call for harder business heads than the older conditions; profits would be cut finer. There can be little doubt that the purchasing of

¹ Crowley, "Epigrams" ("The Surveyor of Lands").

² Cunningham, "Industry and Commerce," II, i, 103.

land by the Middle Class saved England from what might have developed into an appalling stagnation of farming. A very different effect of this purchasing may be traced in the completeness and rapacity with which the dissolution of the monasteries was carried out. It would, indeed, be tempting to attribute the origin of that policy in no small degree to the incursion of the Middle Class into the ownership of land. This revealed new possibilities of wealth in landed estates, whether for those who had them for sale, or for those who bought them, and thus created a situation in which from both these points of view there were plenty of men ready to instigate and to support a policy which dispossessed some of the greatest owners of land in the kingdom, and transferred that land to speculators.

The changed conditions of rural life showed most obviously the effect of the new power of money. Once this had been envisaged, people began to discern in various other directions the existence of individuals who appeared to their bewildered eyes to be mere parasites upon the community, attaching themselves, by processes of the interchange of coin, to the solid producers of goods. The preamble of a statute of Henry VI had already complained, in 1455, that "in Norfolk, Suffolk and Norwich there be fourscore attornies or more, the more part of them having no other thing to live upon but only his gain by the practice of attorneyship."¹ Naturally the steady purchasing of land rapidly increased such practice; and Brinklow saw men who started with

¹ 33 Henry VI, c. 7.

“nothing but pen and ink, and within a little space shall purchase as much as twenty, forty, fifty, nay, two hundred or three hundred marks a year.”¹ The lawyer produced nothing, imported nothing, and the sixteenth-century inquirer did not understand why the now common use of coined money should enable a man to buy a livelihood with brains not occupied in the making of some marketable commodity.²

Accompanying this land speculation—perhaps partly caused by it—was a further change in the character of the craft guilds and town life. Hitherto the ambition of the middle-class man had been on the whole confined to standing well with his guild, and attaining to one or other of those classifications of the burgesses which were mentioned in the last chapter. But now the old town life began to loosen its limitations. This was partly due to the rise of the Merchant Adventurers’ Companies, which made competition much wider and much keener; but it must also have been partly due to the fact that entry upon the business of the land, and ownership of rents, at once introduced elements which were outside the range of the guilds. A cloth-merchant in the older days would be content to be a rich cloth-merchant; his guild, while it was of service to him in the conduct of his trade and the control of

¹ “Complaint,” p. 24.

² Piers Plowman (Pass. 8) had expressed this feeling. In writing of the lawyer he says:

“To buy water, wind, nor wit
Is against holy writ.”

his workmen, also commanding in some measure the manner of his life and the nature of his expenditure. But a cloth-merchant who owned and managed country estates had affairs outside the range of his gild. The gilds did not on that account cease to exist; they were still too useful to the manufacturer. But they became more and more councils, so to speak, of wealthy employers for a part of their business interests. The capitalist had become bigger than his gild. In some respects this was a serious matter for the towns. A statute of Henry VIII had to be passed to repeal a law of Edward II to the effect that no city officers charged with the assizes of wine and victuals should be merchants of wine or victuals in gross or retail. It was pleaded now that the cities were "so fallen in decay" that there were hardly any merchants, the inhabitants being mostly bakers, brewers, vintners, and other victuallers. So the new statute provided that, in place of forbidding such persons to be officers of the assizes, the rule should be that they should have "two discreet persons" as assessors for their duties.¹ Again, one of the chief political writers of the times complains of the dirt and dilapidation of the towns, and the decline of civil order.² Now we have not to conclude from this that the rich middle-class men had departed altogether from the towns; on the contrary, Brinklow expressly speaks of the burgesses elected to municipal offices as "the rich jolly crackers and braggers," and "bearers of some office in the country."³

¹ 3 Henry VIII, c. 8.

² Starkey, "Dialogue."

³ "Complaint," p. 13.

Town accounts and records of the period give us names that we know to be those of the wealthy traders and manufacturers.¹ The difficulty of the cities arose from the same cause as the change in the guilds. The richer Middle Class had other interests, and town affairs had become only a part of their life. It is therefore a mistake to regard the Tudor legislation in matters of local government as an over-riding of municipal independence, or as wholly dictated by a passion for centralization which was bad for the free growth of the boroughs.² There had practically been no free growth, and no municipal spirit in any modern sense of the words. As we have seen, the worthies of the guilds had early captured the seats of power. It was simply in their interests—and probably largely at their dictation, since they were by now occupying a considerable place in Parliament—that “the iron discipline invented at Westminster and enforced by a selected company of Town Hall officials”³ came into being. The more cut-and-dried local administration became, the more free these men were to enlarge and multiply their money-making pursuits.

In other words, the rising Middle Class had again dug an entrenchment for itself. It had first united the town against the landlords; then united the master-men against the labourers. Middle-class men now guarded themselves against the town organizations of which they had previously been the

¹ *E.g.*, The Burford Account Book, 1542-1602.

² See, *e.g.*, Mrs. Green's "Town Life," ii, 447-8.

³ *Ibid.*

champions by the simple process of putting the towns in their pockets. Their habit of treacherous performances of this kind appears in several ways. As long as they saw in the gild organization a weapon against the workmen they were cunningly loyal to the gilds, to the point of entirely taking possession of them. Now that their mere capital gave them power, they began to undermine still further the essential qualities of the gilds. Statutes appear, forbidding, for instance, the manufacture of cloth outside the towns of Worcester, Evesham, Droitwich, Kidderminster, and Bromsgrove.¹ Similarly there were prohibitions of the manufacture of coverlets outside the city of York and of ropes outside the town of Bridport;² and of the manufacture of cloth in the Stroud valley.³ Such statutes betray the fact that the capitalist employer was beginning to be irked by the rules and restrictions of a gild. He wanted to get behind the limitations of the number of apprentices and journeymen he might have, and the forbidding of night-work, and the over-seeing of the measures he took to keep discipline. So he withdrew from the sphere of influence of the gild into regions where he could do as he liked. Probably the attempt would have been successful had it not been that the Crown really depended upon the towns for the bulk of its taxation. The complaints of those manufacturers who remained in the towns would probably not have availed to produce legisla-

¹ 25 Henry VIII, c. 18.

² Cunningham, "Industry and Commerce," i, 519.

³ Mrs. Green, "Town Life," ii, 88.

tion if the Crown had not had a very potent reason for objecting to any considerable profit-making outside the towns.

It follows from all this that we have now reached a period at which the Middle Class is beginning to split up into several grades. There was the upper rank of large capitalists, the capitalist clothiers, the Merchant Adventurers, the wholesale mercers and grocers, all of them by this time landowners as well as merchants. There was the lower rank of traders, still mainly occupied with their business in the towns, holding the minor municipal offices, and forming the bulk of the guilds. There was also a class of those who, taking advantage of the new facilities for education, were in different ways picking up the crumbs of the new money-making. The lawyers, as we have seen, were the most prominent of this class. Others would be the secretaries of noblemen, clerks of the rich traders, etc. These men, on the whole, did form a distinct new grade. They were not, for the most part, sons of traders (who would more naturally go into the family business) but sons of country people—stewards of the manors, small farmers, etc.—who were given a good education with the object of starting them in a higher rank of life.¹ Until the end of the fifteenth century there was practically only one kind of Middle Class—a middleman class. Whether as merchants, capitalist employers, small manufacturers, or shopkeepers, they all stood together in their guilds, with differ-

¹ See, *e.g.*, "Manners and Meals," p. x; Hall, "Elizabethan Society," pp. 17, 40.

ences in quantity of possessions and in local importance, but with the same interests. The sixteenth century sees the old social town, and craft jealousy and secretiveness being translated into the sheer competitive individualism which was increasingly to characterize the Middle Class. But it was the same secretive spirit in a new form.

Of course, the steady decline of the guilds into mere machines for the service of capitalists tended to increase the subjection of labour. So far as the apprenticing system still operated, legislation could intervene. Occasional statutes appear to prevent capitalist masters from keeping the guilds to themselves by levying heavy fines and entrance fees upon apprentices desiring the freedom of the guild.¹ Other statutes forbid the taking oath of apprentices not to keep shops without licence of the fellowship.² But the truth is that by this time apprentice labour was but a very small part of the whole, and a more or less privileged part. Indentures were beginning to be expensive, largely because the growing prosperity of the trading classes, following upon the exhaustion and impoverishment in the Wars of the Roses of a nobility which had long been declining in wealth, had led noblemen and gentlemen to enter their sons to trade. We begin to find younger sons of such families as the Corbets of Shropshire entered apprentices, and becoming

¹ *E.g.*, 22 Henry VIII, c. 4, fixing 2*s.* 6*d.* as the apprentice's fine for entering the fellowship, and 3*s.* 4*d.* as the fine for taking up the freedom.

² *E.g.*, 25 Henry VIII, c. 18.

merchant tailors.¹ One of the features of English life in the early sixteenth century which most struck a foreign observer was that everyone, however rich, sent their children out, bound to service, at the age of eight or nine years.² Now in earlier days the children of nobles and gentlemen had usually been sent away from home as pages in other gentle houses, chiefly with a kind of educational purpose; they were supposed to learn the profession of arms and knightly duties better in another house. But those days had passed. Schools had arisen in which education could be obtained, and knightly duties were no longer the chief purpose of life. This universal custom of binding children to service must have meant a very general movement, on the part of the better-born, to have some share in the mercantile prosperity, or at least, to take advantage of that prosperity in order to provide for younger sons. Again, the fact that the same foreign observer could remark on the usualness of apprentices marrying into their masters' families probably points in the same direction; a rich master would not marry his daughter to an apprentice unless the latter, either by reason of gentle birth, or by reason of connection with another rich trading family, had some advantages to offer. It follows that on the whole apprenticeship had become part of the capitalist preserve. There can be little doubt of the classes from which apprentices were drawn, when we find the Guild of Merchant Adventurers at Newcastle deciding that a

¹ Hall, "Elizabethan Society," p. 32.

² "Relation of England," pp. 24, 25.

fine of £3 6s. 8d., together with the loss of a year's indentures, was insufficient to restrain apprentices from misbehaviour, and resolving to raise the fine to £13 6s. 8d.¹

Wage-earning labour had, by the same tendency, become still further depressed. We have statutes referring to the oppression of the poor by rich clothiers, who kept "unskilful persons" to work their looms;² and the still more significant statutes forbidding workmen to conspire together to fix a rate for work or hours of labour, or to refuse to do one another's work.³ Such enactments, combined with the indications that manufacturers were tending to work outside the towns, in order to be free of corporate government, mean that the industrial hands were now completely outside the guilds, and at the mercy of employers. Equally significant is a fact which, in one way, tends rather to the credit of the Middle Class. In 1555 the Norwich capitalists, finding that russets, satins, and fustians were being largely imported from Naples, joined together to provide looms and weavers to introduce their arts into England. This is referred to by Professor Cunningham as "the first venture of capitalists to import the necessary plant and necessary skill so as to introduce a new trade."⁴ But at the same time it shows how completely the capitalists had the power in their hands. A century or two earlier there would

¹ "Newcastle Merchant Adventurers," i, 27.

² 2 & 3 Philip and Mary, c. 11.

³ 2 & 3 Edward VI, c. 15.

⁴ "Industry and Commerce," i, 525.

have been far too much gild jealousy to permit such importation. The cottage industry and the small manufacturer would have had sufficient influence to prevent it. We have travelled a long way from the violent opposition to the Crown's introduction of Flemish weavers in the twelfth century.

For purposes of constitutional history the marked feature of the early sixteenth century is the effect of the weakening of the great nobles in permitting Henry VIII to establish the power of the Crown. The Council and Parliament became instruments in his hands. But for our present purpose it is more important to note that this process almost inevitably involved a further advance on the part of the Middle Class. For it was a corollary of the more independent power of the Crown that official administration should increase in importance. Instead of powerful territorial supporters and advisers, the Crown required capable servants, and these it naturally found, not among those brought up to a life of leisure, but among the business portion of the community. For the first time we find at the right hand of the Throne a man who has reached that position not by exalted birth, nor by the translation of brains into a kind of princeliness or nobility through the medium of ecclesiastical dignity, but a man of thoroughly middle-class antecedents—Thomas Cromwell. The Civil Service begins at this period for the first time to emerge as something recognizably like the Service of our own day; and it was, of course, composed of middle-class individuals, since the old restriction of education to the sphere of the Church had long

passed away.¹ The Tudor centralization of government was bound to produce and to foster a class of men engaged in administration under orders, educated, capable, but without family advantages, looking to their brains alone for their success.

It has already been suggested that the fever of land speculation may have had an effect perhaps not yet fully appreciated upon the policy of dissolving and dispersing the monasteries in England. In the more remote causes of that policy we have certainly to allow largely for the character of the Middle Class and the influence of its continued rise and permeation of the national life. It had, as we have seen, successfully defeated one attempt after another to take adequate toll for the Crown of the increasing mercantile wealth. Meanwhile the question of supplies was becoming more and more of a problem to the Sovereign. Whatever reasons of higher purpose and more honest policy may have been mixed up in the medley of impulse which brought about the dissolution of the monasteries, the Crown's financial needs were a strong determining factor; and for those needs the Middle Class was very largely responsible. Such devices as the poll-tax had been of little more value than the tax on movables. The poll-tax of 1513 merely imposed the same levy as that of 1379, in which the Lord Mayor of London ranked with the earls and paid £4; the aldermen of London and the mayors of other towns ranked with the barons, paying £2; great merchants with knights, paying £1; and other

¹ Cf. "The King's Government."

substantial merchants paid 13s. 4d. To reproduce the same rates in 1513¹ showed a complete surrender to the obstinate secretiveness of the merchant class. These poll-taxes were reckoned on a basis of land-values, and the Middle Class had again managed to have its own way in the assessment. There was a debate in Parliament in 1522, in which all the citizens and burgesses voted on one side, and all the knights of the shire on the other. It ended in a decision that £50 of goods should be assessed as equal to £50 of land; which proves, firstly, that up to this time the merchant had actually managed to obtain a lower value-for-value assessment, and, secondly, that even now he scored by allowing an apparent victory to the other side, since obviously, as wealth, £50 of goods should have been more heavily assessed than £50 in land. Nor was it only the basis of assessment that was wrong. As late as 1592 Cecil remarked in Parliament that in the whole City of London no one was assessed at above £200 of goods, and only five or six men at as much as that.² This, at a time when Gresham was turning over money by the hundred thousand pounds, and when the City numbered plenty of rich men with knights' titles and great estates, gives an almost startling measure of the shamelessness with which the Exchequer was cheated. Again, in the whole county of Gloucester, with all the rich merchants of Bristol established in country estates, only seventy-nine persons appear on the roll assessed at more

¹ The only change was to raise the great merchants' tax to 30s., a negligible increase in the circumstances.

² Dowell, "Taxation," i, 191.

than £10; one only is rated at £50, five at £40, and four at £30. The Commissioner himself appears assessed as a justice of the peace at £6; his fortune may have been anything, but the technical description provides him with a means of avoiding declaration, false though it would in any case have been.¹

Thus, both by their starving of the Exchequer and by their opening of a speculative market in land, the Middle Class must be held in two indirect ways to have stimulated, if it did not actually bring about, the dissolution of the monasteries. Middle-class men also were the principal gainers. A good many of the older nobility and landed gentry took some profit from the great spoliation. But the richest spoil would necessarily go to those who could offer for it, not merely the influence, the support, or the interested loyalty which would be the most usual bid of the great families, but the hard cash accumulated in a successful business, or gained by rapid dealing in the confiscated lands. Hence the characteristic effect of the Dissolution was to throw up into the ranks of rich landed proprietors men of the Middle Class like the Russells. Men of better birth might gain a little extension of their lordships here and there, but the men who made the big fortunes were those who, having the business capability which secured their appointment as Commissioners, used it in their official operations to buy cheaply from the Crown, taking advantage of the perpetual inclination of the Exchequer to look rather at immediate cash payments than at possibilities of future profits.

¹ Dowell, "Taxation," i, 198.

The entry of the Middle Class upon extensive ownership of land was so marked as to form a staple subject for all political writers. The core of the problem, dimly perceived by some of these, was, how far would that class go towards undertaking responsibility in national affairs? This, though not fully expressed as a question, must have been at the root of such a remark as that in Edward VI's tract "A Discourse about the Reformation of many Abuses": "I think this country can bear no merchant to have more land than £100." The ordinary political writer only perceived that the land was passing into the hands of men who used it mainly for personal profit, and had no tradition of making their estates support a retinue. But King Edward's comment has a more profound bearing. It may be read in conjunction with a phrase in one of the proclamations of his reign, issued in connection with his scheme of a re-coinage, in which reference is made to "the malice and naughty nature of a certain kind of people who go about to eate and devoure as wel the state of the nobilitie as the lower sorte." To the statesman's eye the Middle Class was ousting the nobleman and landed gentry from their position in the State; and if we inquire why this should have caused alarm—why it should so seriously matter that a rich landowner should replace a comparatively poor one—the answer must be that the older landowners had, even if imperfectly, existed practically for no other object than public affairs, whereas these were very far from being the object of the Middle Class. What was to happen if the soil, instead of support-

ing men for the Privy Council and Parliament and the magistracy, supported men who cared for nothing but their own business, and could not be relied upon for public functions?

It was too early as yet to observe that the centralizing of administration was already partly answering this question by providing openings which only the Middle Class as yet attempted to fill. In other ways the alarm of statesmen was justified, because the Middle Class was in a state of transition of which the end could not be perceived. It had certainly come much more forward into national life. The general character of its development during the fifteenth century, which was one of securing of previously gained ground, and quiet enrichment on the old lines, with comparatively slight changes either in manner of life or close association with fellow men, gave place to a more ostentatious and individualistic advance. Yet, true to its old habits, the Middle Class moved forward now very cautiously. It still was inclined to regard with suspicion the class with which it was beginning to take rank. We have just had occasion to see how, on a matter of taxation, the burgesses in Parliament voted all one way, and the knights of the shire the other way. That reveals the survival of a tendency on the part of the merchants to hang together, and not allow their new dignities as land-owners to dazzle them. A curious confirmation of this view of their mental condition is afforded by accounts of the funerals of great City men.¹ Rich

¹ Mackyn's "Diary" is full of instances.

merchants who had achieved the honour of knight-hood, and had practically passed from the trading rank to that of the squires, made nevertheless as much display of their mercantile connection as of their acquired honours. In their funeral processions officers of the College of Arms would carry the knightly standard, and pennons of the dead man's arms, and would hang up in the church a shield, a crested helmet, and a surcoat of arms. But with all this the coffin would be attended by the members of the Company of Merchant Adventurers, the Grocers, the Clerks, the Fishmongers, or whatever the trade might be. This lack of any sense of incongruity between the heraldic fiction and the commercial fact is very curious. Even when the funeral took place in the church of the dead man's country estate, where presumably he had always been more the squire than a grocer or a draper, the trade representatives would be in the procession.¹ It is clear that the wealthy traders had not yet quite made up their minds whether to form, in effect, a new class in the State, or whether to replace quietly the old titled and landed class. The decision was bound to be most important for the country. If they formed a new class it would be with the old trading traditions of aloofness from politics, as such, and of confining their concern with legislation to accepting it outwardly, and then adjusting it to their own purposes until, in so far as it interfered with these, it lost all its strength. In other words, legislation would have been a crippled attempt to weld into the body politic

¹ For many instances of these customs see Mackyn's "Diary."

a class of men whose whole purpose was bent on keeping outside it and pursuing their own course. If, on the other hand, such were decided to replace, by a quiet permeation, the failing noble and landed classes, they would enter into the traditions of those classes, and would, with whatever modifications of outlook and whatever new centres of gravity, take their place as an integral part of the national machine, and sink their individual interests to some extent in public affairs.

This century passed without quite witnessing the decision made. Yet the Elizabethan epoch made it sufficiently clear in which direction the Middle Class was tending. If we had no other proof of this we might find it in the growing official understanding of currency problems. These remained acute for the greater part of the sixteenth century. But as early as the time of Wolsey's power a change is discernible in the attitude of the authorities. It was seen, for one thing, that the old method of prohibiting the export of precious metals was futile. As long as ratios fluctuated in different countries, so long would the profit of arbitrage be large enough to make men run all risks. Wolsey's idea in 1524 of sending Commissioners to the Low Countries, to require that all monies valued too highly should be reduced to a real rate, was an attempt, if a crude one, to handle the problem in the right way. Political writers of the Tudor period are all for an international understanding as to coinage ratios.¹ Eliza-

¹ See, *e.g.*, "Discourse of the Common Weal," and Raleigh's "Select Observations."

beth's policy of re-coinage at a real value, and maintenance of a steady ratio, did very much for the enlargement of the currency basis; and it has been suggested, by authorities on the subject, that the greatness of her reign may have been largely due to this cause.¹ In any case, the more practical character of the dealing with the currency may be taken as a sign of the more direct participation of the Middle Class in national affairs. For arbitrage had been a great source of profit to members of this class, and in earlier times they had shown every inclination to pursue their profit at the cost of national embarrassment. Probably even now they may have been moved less by patriotic considerations than by the fact that, as their mercantile policy became more and more enlarged, the profits of arbitrage were insufficient to compensate them for the cramping effect of a shortness of coin. Allowing, however, for that possibility, we have to recognize that they were admitting new financial conceptions marked by more of public spirit than their old attitude had been.

Yet here again middle-class development was as mixed as middle-class social position at this time. It is possible that a certain amount of corruption is inseparable from the handling of public money; but when one considers the condition of the public finances during the seventeenth and eighteenth centuries, one is inclined to dwell at some length on such a case as that of Sir Thomas Gresham. For it suggests that what became really an estab-

¹ Shaw, "Currency," pp. 132-133.

lished tradition of corruption may well have had its seed in the persistent tendency of the Middle Class to give only half its allegiance to public affairs, and the other half to its private profit. Gresham could bring to the public service a knowledge of finance which really made the success of the Elizabethan re-coinage; he could even, if the story be true, contribute far more than any other single individual, more even than Cecil or Drake, to the failure of the Spanish Armada, by so "cornering" bills of exchange at the time of the outfit of the Armada that the great fleet set out discouraged by shortness of every kind of necessity. Yet he could at the same time so mishandle public funds as to attempt to defraud the Exchequer of tens of thousands of pounds.

The glory of such an epoch as the Elizabethan age is not, of course, to be reduced to its constituent elements by any process of analysis. But it does at least seem to be clear that it rested in the main upon the development of the Middle Class. Apart from such a distinctly commercial detail as the steadying of the monetary ratio, there is the broad fact that trading interests had provided the framework upon which the national life passed, in the perpetual civil war of the fifteenth century, from the old state of things to a new one. The shattering of the old landed system revealed the presence of a section of the community capable of taking its place, and providing a link between the Crown and the mass of the people. With the character of the link we are not at this point concerned; it was vastly different

from the old one. The essential feature is that between the widely generalized outlook which must occupy a Government, and the merely day-to-day outlook of the peasant and the artisan, there should have been that midway outlook of sufficiently long-sighted prudence, that sense of the necessity of keeping things together, which we are accustomed to regard as the result of having "a stake in the country." Let it pass for the moment whether any fundamental difference is made by the degree of self-interest in this prudence. The Middle Class certainly took its stand by a stake in the country when the old landed classes had for various reasons lost their hold.

But we have further to note that, besides thus providing a kind of solid core, at a period of flux and transition, the Middle Class prepared the way for the Elizabethan glory by introducing a new ideal of national progress. This came very largely from the habit of keeping aloof for so long from politics. The old order of things was almost inevitably bound up with ideals which involved more or less incessant hostility with France. The traditions of a system instituted at the Norman conquest had been inextricably involved with the instinct to regard parts of France as belonging, we will not say to England, but to those to whom England belonged. The feudal lieges of men who were undoubtedly sovereign lords of Normandy, Anjou, Poitou, and so on, could not but regard the lordship of another king over those provinces as an invasion. The Middle Class had no such shackles of

memory and tradition. It freed the national policy from the trammels of this old limitation of its purview. Traces of it, of course, remained. So deep-rooted a feeling was not to be extirpated easily. But, speaking generally, it was largely the freedom of the new men in national affairs from this ancient prejudice which set England on her own feet as a Power. She had, of course, had her share before this in Continental politics; but it had always been, so to speak, a part-share. She had only appeared in conjunction with one or other of the sectional interests of France. The middle-class influence, in addition to the separating effect of England's attitude at the time of the Reformation, immensely reinforced Henry VIII's policy, and therefore contributed largely to that new sense of nationality which was welded into being by the policy of Spain. It was no longer the interests of Poitou, or jealousy of the King of the Isle of France and his vassals which directed our relations with Spain (in the one case towards hostility, in the other towards friendliness), but the vitality of our own concerns.

Again, it was due to the Middle Class that this vitality was an expanding vitality. That of the old system had not been really expansive. Its territorial ambition had been a revolt of memory against changing conditions, a traditional regret for former possessions. The ambition of the Middle Class was not in essence territorial at all. It mattered little to it who owned the soil of a foreign country, so long as there was money to be had there, or merchandise promising a profit at home. But at

the same time this was an ambition capable of coinciding with the desire for territorial acquisition when new lands were discovered which, not being occupied by people accustomed to trade, were worth acquisition for the purpose of planting in them people who were so accustomed, and which proved, moreover, to be rich in materials which would foster trade. The soil and the silver ore of the New World had proportionately at the time of their discovery as much value as they ever have had since. This immediate value was due to the trading classes, who had created a state of things in which wealth, and not the extent of fighting resources, was the key to power. It was by their ideals that the struggle with Spain was worth carrying on to the extreme point.

To proceed from such recognition of the influence of the Middle Class upon the age of Elizabeth to remarking that in the expression of the glory of that age, in the representation of it to the world at large, they had very little share, may seem to be passing from the vitally important to the comparatively superficial. Does it really matter, it may be asked, that Algernon Sidney and Raleigh and Drake, Shakespeare and Surrey and Pembroke, were not men of the Middle Class¹—that Knole, Penshurst, Hatfield and their like were not built for men of the Middle Class—so long as the material foundations of national well-being which alone provides the

¹ Raleigh, Drake, and Frobisher, Shakespeare and Ben Jonson all came from the small landed class of the feudal type, not from the new land-buying class.

freedom of spirit necessary for the highest artistic expression were laid by the Middle Class? The answer is that it does matter; because in the fact of this difference, between the source of the material, and the source of the expression of the magnificence, of the Elizabethan age, we have the light in which the subsequent development of the Middle Class must be constantly regarded. In a word, the incursion of that class into national affairs produced a separation between true national consciousness and the instinct of "a stake in the country"—a separation of which far too little account has yet been taken. Broadly speaking, the merit of the Norman and Plantagenet system was that it welded together the two instincts. This was the spiritual secret of the holding of possessions by service. It created a unity of consciousness which was able to survive the translation of services into rent and taxation. Now, as we have seen, it was a deeply ingrained instinct of the Middle Class to hold itself aloof from any such conception. Middle-class men founded their municipal independence upon a revolt against it (if any movement so subtle and veiled can properly be called a revolt); they contrived to keep the new form of wealth which they introduced free from the attempts to bring it under the old conception of liege service by making the tax on movables not a due at the Crown's disposal, and therefore a due in detail, but a grant agreed upon in gross, and therefore essentially at the owner's disposal. The individualism which had won its way against their own guilds accompanied their entry into public affairs. As the

old landed class, to which rent and taxation had been a genuine translation of the old services, diminished and declined in importance, those two processes lost completely the ancient associations, and had merely the aspect which the new men had imposed upon them. These men had never had a national consciousness. The fact that their stakes were all in the same country produced an apparent unity which masked the lack of this consciousness. Their absence, therefore, from the expression, whether in art or warfare, of the glory of the age is not an unimportant fact. It is, just as much as the ingenuous speculations of Sir Thomas Gresham, a very significant sign-post upon the road of their development. National consciousness is from this time onwards in national history a quality to which individual members of the Middle Class might attain, after several generations of assimilation to the survivals of an old tradition, and for the rest a quality inherent in the remnants of an old landed class and in the mass of the people, among whom it was in time to be regarded by the cultured as insular prejudice. But the bulk of the Middle Class has never come nearer to it than a sense of the correlation and interdependence of their individual stakes in the country. And that is a totally different thing.

With the ostensible glories of this great age, then, we have no more to do. The cities of England had their loyalty, and turned out to cheer the Queen on her progresses, to offer her purses of gold (as they could very well afford to do), and to produce second-rate pageants in her honour. Townsmen and the

new buyers of land built houses in the taste which the aristocrat favoured. Burbage, Hemmings, and Condell made a sound second-rank to the resources of the stage. But the great names were for the most part of other classes; and this, not merely for the reason that the sixteenth century saw the Middle Class in transition, and therefore imperfectly developed, but for the less accidental reason that it was of its peculiar genius to permeate the national life without committing itself to it in the unreserved spirit which alone could rise to the supreme heights of artistic and patriotic expression.

CHAPTER VI

THE SEVENTEENTH CENTURY—THE MIDDLE CLASS UNDER
THE COMMONWEALTH AND RESTORATION—FINANCE—
BANKING AND FOREIGN TRADE

THE seventeenth century witnessed the one positive mistake that the Middle Class ever made in English history. Perhaps the great change in its position during the preceding century had confused it; or the advance in administrative organization under the Tudors may have misled as to the tendencies of constitutional development. At any rate, it suddenly altered its course of development, and swung from the extreme of avoiding all concern with government to the extreme of attempting to monopolize government.

It would, of course, be wrong to suggest that the Civil War was an entirely middle-class movement. Yet in the long run that was what it more and more became. Moreover, the conditions that led to it were so largely brought about by the influence of the Middle Class in the State that indirectly, as well as directly, that class seems to be at the root of the war. In view of all that we have hitherto had to say about the attitude of the Middle Class towards taxation, a fairly obvious point is to be made of the fact that the immediate precipitating cause of the war was a question of taxes. But that point can, after

all, only be made with caution. By this time the Middle Class view had become much more than a traditional obstinacy. It was almost a constitutional tenet that taxes were a grant of the subject, not a right of the Crown; and that tenet had been evolved from the persistence of the mediaeval traders in countering the attempts of the Crown to obtain by assessment a knowledge of their possessions. They had seen to it that the principle of the Domesday Book—the right of the Sovereign to exact knowledge of his subjects' possessions—was never transferred from land to that form of wealth in personalty which came to be of importance later on. This right to knowledge was only a corollary of the right to exact dues. The Middle Class, not aware, perhaps, in the beginning of the extent of its own ingenuity, had pursued its invariable method of avoiding frontal attacks on a principle of government. By merely undermining the corollary it secured the collapse of the main proposition.

However, at the period of the disputes between Charles I and his Parliament the revised tenets of taxation were so fully established that it would not be fair to lay great stress upon them as an indication of the middle-class character of this dispute. Besides, the questions of taxation were only the immediate cause, and it is of more importance to observe, in the broad lines of opposition which really gave the war its scope, the effects of the middle-class advance. These were real and serious; and if we examine them we shall see that the Civil War had its origin in a contest, not between a part of the nation desir-

ing an absolute monarchy and another part desiring a constitutional monarchy, but between two modes of thought equally desiring a nominally absolute monarchy, but differing in their interpretation of that principle. It is impossible to believe that on a mere question of taxes the country would have been driven into war. As far as that went, the nobles and the older landed gentry would not have been difficult to detach from the Crown. What kept them on the side of the Crown was their natural jealousy and dislike of the processes of the preceding century, which had entirely replaced the old dependence of the Sovereign on his council of nobles by a new independence based upon the administrative capacity of the Middle Class. When they saw the Crown at last embroiled with that very class over matters of taxation, they perceived the possibility of recovering their own old position. If Charles had won, there must have been a return to the conditions preceding the Tudor *régime*. The Council, so long a machine of administration, would have become again a governing body virtually concurrent with the Crown's authority, and at need controlling it.

The object of the Parliamentarians, on the other hand, was, at the beginning, to render absolute the administrative machine. They, as much as the Cavaliers, contemplated the preserving of the monarchy; but it was to be in the last resort dependent upon, and not supreme over, the machine. Their rapid development during the preceding century, their command of a moneyed leisure liberating them for a wider outlook, their high stage of education,

and their dawning sense of international finance, had all helped to render possible the contemplation of such a limited absolutism. It was just this possibility which the nobility and the older landed gentry were able to perceive; and that perception was the secret of their attitude. For this reason, far more than for any reason connected with taxation, the Civil War became a struggle of the Middle Class against the Court. All the tendencies that emphasized this character of the struggle—the pious protestations of the one side against the profligacy of the other, the opposition of sober dress and cropped hair to laces and lovelocks, the frequent contrast between the spirit of the towns and that of the castles—were but accidental accretions upon the main antagonism. It was because the Parliamentary movement was so essentially sprung from middle-class tendencies that it took on all these middle-class aspects.

It is quite possible that the ultimate stages of the movement were not at all foreseen by the mass of those concerned in it. They would probably be quite unaware of that feeling in the Court party which welcomed the probabilities of a struggle; they would probably not realize the existence of a party still clinging to the hope of returning to conditions in which the Middle Class was of small importance outside its own station in life. Superficially there was little to remind them now of any Court party. They seemed themselves to have penetrated successfully into its remotest sanctuaries or even to have occupied its place. To the possession of land and the rank of knighthood the Middle Class had

quietly added all the other insignia of Court distinction. James I's sale of honours laid every title, up to that of an earl, open to the purse of the moneyed man. The records of the Heralds' Visitations in the seventeenth century point in the same direction. Mercers, grocers, lawyers, customs controllers, goldsmiths, merchants, attorneys, and mayors of provincial towns appear as county gentlemen with their coats of arms. Yet it is to be noted that the old tradition of being frankly Middle Class had not been destroyed. Just as the knighted land-owning citizens of the sixteenth century had their trade banners carried at funerals with their knightly pennons, so the succeeding generations openly bought their titles, or laid before the heralds the facts as to the family's trading pursuits. Only a very few veil these details in a vague statement of descent from some ancestor "of London," without further description.¹ That is to say, the Middle Class regards itself, not as merging in some other class, but as occupying in its own acknowledged capacity the place which that other class, from poverty or from failure of heirs or from the exhaustion of old dynastic struggles, was leaving vacant. Moreover, in so far as the aristocratic class survived, it appeared to be admitting the extent of this change by going into trade. The complaints as to the costliness of apprenticeship, and especially complaints as to the new habits of apprentices in "affecting to go in costly apparel and wear weapons" for the very reason that they were "often children of gentlemen

¹ See, *e.g.*, the "Visitations" of Berks, Kent, Cheshire, etc.

and persons of good quality" are significant.¹ Why should the Middle Class imagine that, when it made its protest against Charles's proposed taxation, it would find itself embarked upon a struggle for power with a class which it seemed to have already overcome by its customary processes of subtle permeation?

Perhaps it was the unexpected nature of this discovery which drove the Middle Class to its mistake. For the first time it made a frontal attack, and its temporary success only makes the more conspicuous later failure. For once, it went to a logical conclusion. If this was to be a struggle between the Court and the Middle Class, then everything must go which was not, or could not be made, a middle-class institution. Everything in the history of the Commonwealth bears the impress of this kind of forced conclusion. There having been no genuinely considered theory of middle-class control, the Sovereign was replaced by an individual with no hereditary honours and a plain name; Parliament, summoned in the old fashion, remained a place in which the middle-class men tried to avoid committing themselves. There was really nothing new, only a translation of the old into middle-class terms. The failure of it all can be traced to qualities we have found inherent in the Middle Class. The mass of the people very soon came to hate the experiment because of its inexpressiveness. There was no sense of nationality left. That lack of expressive power which we have noted in the Middle Class in connection with the Eliza-

¹ Stow, "Survey," v, 329.

bethan age now became a positive danger to the new *régime*. The Middle Class could stand for nothing, because it had always stood for itself alone. The more serious cause of failure was the discontent of the traders with the Commonwealth. In the old days war might interrupt some processes of money-making, and might drain the country's resources. But in the end the merchant, keeping cannily aloof from the centre of the whirlpool, sucked his profit here and there upon the edge of it, and made the best of what he could not alter. But when he found war being carried on, and trade disturbed by the *régime* which he imagined to be his own creature, when he found the ports closed for the more rigorous enforcement of customs dues, not to be evaded by any means of Court corruption, he could not settle down to take what profit he might, but had to declare himself in petitions, and ultimately in sullen resentment such as vastly eased the way towards the Restoration.

For the time being the Middle Class had wholly lost sight of the bent of its peculiar genius, which had always been not to attack institutions, but to handle them in such a manner as to find a sheltered area for personal profit under them. After the Restoration it never repeated this mistake. Instead of ever attempting again to set up middle-class institutions, it devoted itself to insinuating new interests and habits into the shell of old institutions. It abandoned the attempt to make a middle-class state, and successfully proceeded to make the State Middle Class.

One point in connection with the Civil War

remains to be considered, namely, the position and attitude of the Church. How was it that, if the Parliamentary side in the Civil War had on the whole a middle-class aspect, the Church was, as a whole, on the Court side? The answer is that here again that class made a mistake in attacking the principle of an institution instead of permeating the institution without concern for the principle. The change which had been brought about by the Reformation had not been fully understood, and the Middle Class tended to regard the Church still in its princely and autocratic aspect. To that it was helped by the ecclesiasticism of Laud. We get, indeed, a good deal of light upon the virulence of the dislike of Laud by remembering the Middle Class tendency to keep, even in the old days, as free as it dared to be of the Church's power. That which, in days of no religious liberty, had expressed itself in the foundation of the grammar schools, had come now, through the exaggerations of the Reformation, to full growth. The first effects of the separation from Rome had not made the Church Middle Class. The bulk of the clergy would still be drawn, as in former days, from the sons of rustics—small farmers and small squires—with a sprinkling of men of gentle birth. When the transmission of a kind of Royal rank from the Papal authority, or of land-owning rank from the position of the monasteries, was withdrawn, the particular allegiance to the Sovereign as Head of the Church of England, would continue to operate, in the eyes of the Middle Class, as making a privileged com-

munity of the clergy. Probably with the lapse of a little more time, the growth of the Middle Class would have caused it to modify by permeation the character of the Church. But since its onslaught upon national institutions happened to come before it had entered the clerical profession to any great extent, and since the autocratic demands of Charles in State affairs were paralleled in Church affairs by the theories of Laud, the Church was identified with the Court in the minds of the Middle Class, and its nonconforming attitude during the Civil War was rendered inevitable.

The first half of the seventeenth century, therefore, while in one sense a period of very remarkable middle-class activity, was in the more profound sense not a period of middle-class development at all. We perceive that class, advanced in no respect beyond the lack of political conceptions, the class jealousy, the reluctance to commit itself in affairs of policy, and the avoidance of patriotic responsibility, which characterized it in the expansiveness of the sixteenth century, suddenly put into a position in which it mistakenly believed itself to be the repository of constitutional idealism. It emerged from this adventure less damaged than it might have been, for the simple reason that it had remained essentially its own self, all through, and had therefore taken very little part, after all, in the policy of the Commonwealth. Cromwell and his Council of State had carried on the national business much as any King and Council would have carried it on. If the Middle Class had had any genuine political theory behind

it, in the victory of the Civil War, it would have been so far committed to carrying it out as to have found itself, in the hour of commonwealth failure, discredited and disorganized. In point of fact, satisfied for the moment when it had put Middle Class names to old institutions, it had simply returned to its own affairs. One instance of the truth of this may suffice. The origin of banking, in any modern sense, is to be found in the system which was instituted by London goldsmiths during the Civil War of collecting rents for those who, being on active service, could not well attend to their affairs, holding the money till required, and paying interest on it meanwhile.¹ Another form of the same kind of operation arose from the fact that wealthy people felt it to be unadvisable to use much plate, at a time when it was so liable to be commandeered for coining. The goldsmiths received plate, melted it down, and credited the depositor with the value.

This makes it possible to understand how it was that, when the Restoration was accomplished, the Middle Class almost at once started upon the true line of its development, which had been for a time unwisely abandoned. Incidentally, we can also arrive at a better understanding of the condition of the nation during the reign of Charles II. The Middle Class, having learned its lesson had, to an almost excessive degree, retired from publicity. The nation, as a visible entity, consisted once more of Court and Commons. In the return of that ex-

¹ Cunningham, "Industry and Commerce," ii, 142, quoting a tract published in 1676.

pressiveness of life which the Middle Class had never been able to achieve, it mattered comparatively little what form the expression took. The licentiousness may have been a revolt from the oppression of Puritan severity; but the general tolerance of that licentiousness was due to the feeling of satisfaction at a return of vigour to the national vitality. Defeats at sea under Charles II were even more tolerable than victories under the Commonwealth, because the nation felt that it had recovered shape and elasticity.

The Middle Class, in its way, had recovered no less. Take first the case of State administration. It returned ostensibly to its old order, and forthwith began to undergo astonishing development. Departmental government started at once upon that advance in complication and organization which gives us for the first time a recognizable Civil Service.¹ The reason was simply that, accepting the institutions as they were, the Middle Class began to occupy these in force, leaving all the ostensible positions of power and authority to the nobles and the gently born. The system of sinecures, which grew into such an amazing burden upon the revenue, is traceable to this middle-class instinct. As long as the Government offices provided quantities of clerkships for the Middle Class, the ornamental heads might remain as they were.

Take next the case of the revenue. We must, indeed, begin by admitting that here the Middle Class had actually succeeded in modifying the

¹ Cf. "The King's Government."

institution itself. The theories of taxation on which the Civil War was provoked, were, as we have pointed out, moulded entirely by Middle-Class ideas. How completely the practice, as well as the theories, had been affected may be seen from the instance of the property tax of 1697. This tax, originally intended to be levied strictly upon assessed property, was at once changed to a fixed sum. The rate of one shilling in the pound was reckoned to produce £494,671. This sum was portioned out and charged in fixed contributions upon towns and counties—a repetition for the last time of the old middle-class evasion of the mediæval taxes on movables.¹ The Crown had very little more knowledge than before of the real amount of wealth in the country; it only knew what the Middle Class chose to confess to.

But other great changes in national finance were now taking the fancy of the Middle Class. Some adviser of Charles II (Montagu perhaps) perceived the considerable possibilities latent in the goldsmiths' system of receiving money on deposit. The goldsmiths made their profit very largely by selling abroad at a good price the heavy money they received. But that by itself would not have sufficed to yield them a profit, after paying interest on the deposit; so they were also in the habit of lending out, at a higher rate of interest, the money they received. Charles II began to take advantage of this system, not with any new conceptions of finance, but simply in order to escape the tedious delays between the voting of a tax in Parliament,

¹ Dowell, "Taxation," ii, 51.

and the receipt by the Exchequer of the money voted. That was a slow process for an extravagant Court. By depositing with the goldsmiths the Exchequer tallies, or by the looser process of issuing Exchequer Bills, money could be drawn from the deposits. Moreover, repayment was not an exacting process. The notes which the goldsmiths issued to depositors were accepted as value. It followed that the tallies and bills could be regarded as value, and so long as the goldsmith held these, he would not be urgent about the cash they represented. Thus the Crown was able both to borrow on the strength of a Parliamentary vote, and also to use the coined money paid in to the Exchequer.

At one moment the Middle Class in Parliament took alarm at this process. It appeared to open the door to a loosening of middle-class hold upon taxation. If the Crown could borrow thus, it might become too free to keep, for instance, a standing army. A statute was passed, therefore, forbidding the lending of money upon Exchequer tallies. But it was a momentary alarm. The Middle Class was quick to see that a new avenue of profit had been opened, and that having secured control of the basis of taxation, it might now erect upon this a structure of the money-making kind so dear to itself. The loans of the goldsmiths to the Crown had been but a more or less accidental development of their business, and had been also very expensive. The system, inevitably rather suspect in the case of an extravagant Court like that of Charles II, had been highly specu-

lative for the goldsmiths, who might at any time find the tallies on their hands repudiated by Act of Parliament; consequently the discount on the tallies was heavy, and thus the taxes, when they came in, had already lost much of their total value. At the same time, although this kind of borrowing had had its origin in a not very admirable desire for forestalling taxes, it gradually began to be seen as containing the germ of a useful system. It was obvious that if, by any means, the gathering of money into the Exchequer could be eased, the trade of the country would benefit by the less rigid locking up of a mass of currency. Moreover, if the loan could be obtained on less speculative terms than those of the goldsmiths, the system would really be an economy. Sums voted by Parliament, if obtainable at once on reasonable terms, would represent, even after the deduction of the interest, more real value than the same sums paid slowly into the Exchequer, and only available in fragments. These considerations would represent the view of certain enlightened statesmen. Now the view of the middle-class public would meet these half-way. We can see, from the number of trading ventures on a vast scale, like that of the East India Company, the Muscovy Company, and others of this period, that wealth had undergone an enormous increase. The influx of the precious metals from the American Continent had coincided with better ship-building and greater international communications to produce a vast expansion of trade. Consequently every opportunity for the employment of capital was wel-

comed, and, when the officials of the Exchequer contemplated systematizing the borrowings on Parliamentary votes, they were met by this readiness to provide capital.

In this way the Bank of England came into being. It is notable as illustrating a real difference between the English Middle Class and the trading classes of other countries. The English Middle Class had never understood currency. Consequently it had never had an institution like the Bank of Amsterdam. This Bank had been purely a currency instrument. In the perpetual disturbances of coinage, which had been the most acute difficulty of trade for so many hundred years, the Dutch had perceived that, if they accumulated money on deposit at a fixed standard, and gave the depositor a note of acknowledgement, the actual coin need not return into the perils of circulation. They could afford to fix the standard high, because, so long as it was high, there would be the less likelihood of the notes being exchanged for the deposit money, since with them could be bought a greater face value of other monies. They thus set up a drain of bullion into their own coffers, where it was kept. For the Bank of Amsterdam differed in this essential point from the other primitive banking operations, like those of the English goldsmiths, that it held the deposits always against its notes, whereas the English goldsmiths frankly issued their notes as a promise to pay a sum equal to a deposit, without any pretence of keeping those deposits always at command. Their business was not to steady the

exchanges or to make a reserve of coinage, but simply to take a profit as loan-brokers.

Thus, while the origin of banking in one sense may be credited to the Dutch, in another sense (and one more vitally leading up to banking as a profession) the English must have the credit of it. Yet not the English Middle Class, for the moving spirit in the promotion of the Bank of England, the man who really formulated its principles and steered it through the perils of early opposition was Charles Montagu. The foundation of the Bank shows that, in the long run, the English failure to deal with currency problems was counterbalanced by a kind of mercantile sense which provided in the end the most lasting solution of those problems. The first Bank of England was a company of men of mercantile renown, all of the Whig party, who made themselves responsible in 1694 for a loan to the Government of £1,200,000. They could, without doubt, have paid the whole sum in cash. But by arrangement with the Exchequer they paid 60 per cent. in cash, and the remaining 40 per cent. in Bank bills. Thus only £220,000 were withdrawn from trade, the remaining £480,000 being left in circulation. Thus the bank-note system of Amsterdam was boldly translated into a completely new principle. Notes became an issue, not squared with reserves, but as a part of liabilities balanced against assets, *plus* shareholders' capital.

The consequences of this financial operation were in time to provide remarkable proof of the fact that middle-class development proceeded most success-

fully on lines remote from political theory, by ingenious adaptation of existing facts. But these consequences will be more clearly seen in a later chapter. For the present, the foundation of the Bank may fitly be seen as the final product of a century which was marked by a singular tendency on the part of the merchant class to mercantile theorizing and the philosophy of trading economics. Not only do we find such a document as the petition to Cromwell in 1655, against the war with Spain, setting forth that "the English trade with Spaine is driven and upheld in a circular motion as well by creditors as by the real stock of the nation";¹ but we also have the confidential clerk of a merchant in Newcastle, digressing from an account of his master's life to a brief discourse upon foreign exchanges, and the opportunities for profit therein.² The theory of "the balance of trade" began in the seventeenth century to obtain that complete hold upon the Middle Class which Adam Smith ultimately set himself to loosen. Thus the petition of 1655 argued that we had from Spain iron, oil, cochineal, raisins, silk, wool, etc., and that since we exported to that country manufactured goods we drew in the end "great store of monies," not only in direct import of coin paid for our manufactures, but indirectly also by the working of our position as creditor, which forced money from Spain to Italy and Turkey "for the better advancement of our merchants' affairs," and also to the East Indies. On

¹ "Thurloe Papers," iv, 135.

² "Memoirs of Ambrose Barnes," pp. 39, 40.

the other hand France was a manufacturing country, requiring little from us, so that trade with her ended in a drain of coined money.¹ The same contrast was drawn in other connections between Portugal and France.² Probably this theory, that the balance of trade was in England's favour when she drew coin from a foreign country and against her when she had to pay coin, was about as far as mercantile theory could have been expected to go at this time. It followed naturally upon all the acute currency difficulties. These would have been early days to discern the fact that the difference, for instance, between the "bank coin" of Amsterdam and the current coin might make an apparent exchange against England when the true balance of trading debit and credit was in her favour.³ But the fallacy of supposing that trade involving the payment of coin by English traders was carried on at a loss was responsible for much unwise legislation. So persistent were the old illusions about the currency that even the repeal, under Charles II, of the statutes forbidding the export of bullion, was not wholeheartedly enacted; the traffic in bullion was frequently interfered with by proclamation.⁴ It is too early yet to see in this repeal the triumph of mercantilist over bullionist.⁵ All middle-class men were still really bullionists; the only difference that had arisen was that some of them began to see that

¹ "Thurloe Papers," iv, 135.

² Hewins, "English Trade," p. 121.

³ Cf. Adam Smith, "Wealth of Nations," bk. iv, cap. iii.

⁴ Shaw, "Currency."

⁵ As Cunningham does, "Industry and Commerce," ii, 177.

operations of trade might affect the international command over coin more than legislative enactments did. They had not ceased to regard the exchanges as entirely a question of bullion.

With this recovery of its true line of development in the State, and the immediate success that attended it, the Middle Class gave another exhibition of its innately selfish habits of thought. We have seen it first, as a body united against the landlords and standing with the workmen; next as a body strong enough to drop the workmen; next, with an advance in wealth, turning upon its own organizations, and proving disloyal to the spirit, and then to the letter, of trade gilds. We now see a further advance in wealth rendering the more powerful middle-class men disloyal to all conceptions of unity in the trading class. For a time the events of the reign of Charles I and the Civil War delayed this exhibition of their disloyalty. Pressure of circumstances drove the Middle Class into a compact whole for the time being; indeed, it even drove it back upon association with the artisan. The towns as a whole made common cause for a while. But when the Restoration, liberating the Middle Class from the burden of ostensibly upholding a political theory, left it to pursue its own bent, the old tendency to entrench capital against the rest of the community displayed itself at once. This became now a far more powerful and dangerous tendency. The merchants had so much to offer that they were able to draw the Court circles into their camp. The process had, indeed, begun

some time back. The Elizabethan adventurers had interested supporters in high circles; and the second joint-stock enterprise of the East India Company in 1617 included among its subscribers 15 dukes and earls, and 13 countesses and other titled ladies, as well as the 313 merchants and the 214 tradesmen.¹ The history of English commerce becomes for some time now a history of great monopolistic trading companies. The trade with virtually all the countries which were worth trading with was in the hands of privileged groups of men. The Muscovy Company had Russia, the Eastland Company had Norway, Sweden, and the Baltic; the Merchant Adventurers had the coast of Europe from the Cattegat to the Somme; the Levant Company had the Mediterranean and as much of the Near East as the Turkey Company did not control; the Guinea Company, the East India Company, and the South Virginia Company explain themselves; the Plymouth Adventurers had Pennsylvania, New Jersey, New York, and New England, and so on. Moreover, these companies were a more exacting form of monopoly than had been known before. The old Companies did at least admit new members on payment of a fine; the new Companies were closed to all but actual shareholders.

Interest in these ventures entirely replaced concern for internal trade and manufacture. The real evil of the commercializing of England's policy was not the mere introduction of considerations of trade, but the fact that this introduction was mainly in-

¹ Hewins, "Trade and Finance," p. 60.

spired by men with the bad as well as the good elements of the Middle Class spirit. What this meant in foreign affairs we shall see later. What it meant at the moment in home affairs was an oppression of the small trader in the externals of his business, and a complete disregard for his behaviour in the internal conduct of his affairs. In some respects, indeed, the small trader was more free. The statutes against regrating and forestalling had fallen practically into abeyance; and in London the capitalist was too busy upon large schemes of foreign trade to interfere with the retailer. But in the country towns and ports the small man was still harried by the monopolist bodies. The guilds, shadowy as they had become in one sense, yet existed sufficiently to be perpetually persecuting men for selling in the open market when they were not members of the Fellowship, or for trading beyond seas when they were not enrolled Merchant Adventurers.¹ As for a man's conduct of his business, apprenticeship had become, in the higher grades, a form of preliminary to partnership;² and in the lower grades a form of forced labour which virtually evaded the law (as having previously been a guild affair) and, with the decline of the guilds, was under no practical control at all. There is little actual appearance of change in the seventeenth century;

¹ See, *e.g.*, "The Newcastle Merchant Adventurers," *passim*.

² At any rate, it is difficult to see any other explanation of the prices given by Stowe as paid for indentures in the reign of James I; or of the fact that Newcastle apprentices were fined £100 for misbehaviour in 1635 ("Newcastle Merchant Adventurers," p. 27).

but the outbreak of riots of workmen early in the eighteenth century shows what had been taking place. Disturbances like these, with the breaking of looms in London, Gloucestershire, and elsewhere, must have been the slowly developed outcome of long exasperation.

The events both of 1660 and of 1688 were very largely determined by Middle Class considerations. Just as the Restoration had been rendered possible by the dissatisfaction of the trading community with the position in which the Civil War had placed them, so its success was due to the fact that the Middle Class never allowed its ostensible dislike of licentiousness to blind it to the advantages it reaped from the new conceptions of policy for which it was able to gain the support of Charles II. A king who would appoint a Committee of the Privy Council for Trade and Plantations, and would conclude treaties upon a commercial basis with foreign countries, was not to be deposed for any faults in his moral outlook. This is probably the real explanation of the apparently curious way in which the solid part of the nation accepted the excesses of the Restoration Court. Why, then, it may be asked, should the Revolution of 1688 have occurred, if the attitude of the Middle Class was the determining factor?

The answer is that, while morals make very little difference to trade, religion could, in those days, make a great deal. From quite early times, as we have had more than one occasion to remark, the Middle Class had had a suspicion of the Roman

Church. It had cautiously but persistently withdrawn from that church's influence all the essential accompaniments of daily life that it could. It had developed its resources and position in the State enormously since the Reformation. Now, at the moment when it seemed to be at the height of its policy of permeating State affairs with its influence, while taking but the smallest and most formalized share of responsibility, it perceived the danger of a reaction. The rule of James had seemed likely to bring England back into that particular form of relation with foreign countries which the Middle Class had just succeeded in supplanting by a new one. Instead of treaties of commerce the country would be making alliances on quite a different basis. Foreign policy would again be involved with the territorial interests of Rome; and national affairs, which had been brought to the position of being controlled by "considerations of revenue rather than those of power,"¹ would revert to a control with which trade would have little to do. This was the real danger of Roman Catholicism. The popular kind of fear—whether it took the crude old form of "the fires of Smithfield," or the more sophisticated form of patriotic dislike of allegiance to the Pope"—was a force that had to be stirred up to be effective. The inducement to stir it up was the apprehension engendered in the Middle Class by the prospect of this dangerous interference with the foreign policy it had set on foot, and with the commercial structure beginning to be erected upon it.

¹ Cunningham, "Industry and Commerce," ii, 401.

CHAPTER VII

THE SEVENTEENTH CENTURY CONTINUED—THE MIDDLE CLASS BECOMES TRANSITIONAL—DECAY OF MUNICIPAL LIFE

THAT class of the population which was thus modifying the character and trend of English public life is easily recognizable as having developed from the original Middle Class—the trader of the towns. But during the seventeenth century the Middle Class began to display one of the characteristics that chiefly distinguishes it in modern times; it became “Middle” in the sense of transitional. Hitherto, however vigorously middle-class men had developed, they had retained one peculiar quality; the distinctions at which they aimed were distinctions of their own class and their own way of life. Just as, in the mediaeval towns, the ambition was to be one of the *bons gents*—the men of substance—so down to the end of Elizabethan times the ambition of the merchant practically limited itself to being a knighted dignitary of the Fellowship of his trade or merchandise. He bought lands, and built a country house; but the complaints of the Tudor pamphleteers and verse-writers show that he did not attempt, in his new circumstances, to behave himself with the feudal lavishness of a gentleman. The verse-writers, it is important to notice, made

complaints, not satires; the pamphleteers wrote serious disquisitions about the new economic conditions, not sarcastic attacks upon *nouveaux riches*.

The comedies of the Restoration give us signs of development. In them we come upon the moneyed merchant, the City man and his wife, making their bungling and befooled entry upon high life. They affect the company of young blades and elderly *roués* of the Court; they have mincing manners and a self-satisfaction that blinds them to ridicule of their pretensions. They are despoiled by gambling rakes and extravagant great ladies. They put on airs and graces, and try to conceal their City connections behind country estates and purchased coats of arms. The same tendencies can be observed in the sober records of the College of Heralds. The various Visitations of 1623 and 1665-6 are full of matter for the satirist. Names obviously plebeian, like Gunter, Backhouse, Baker, Blower, Mundy, Packer, assume territorial affixes; and Gunter of Reading, Backhouse of Swallowfield, Bigg of Haines Hill, Packer of Shellingford, are inscribed upon the Heralds' rolls. Tooker of Abingdon, a lawyer in 1623, has in 1665 a punning coat of arms, blazoned with hearts; Tout Cœur is its significance. Sir John Davis of Bere Court, Eman of Windsor, Jones of Welford, Nelson of Chiddleworth, veil their origins under vague references to a father or grandfather as "of London." Only those who are themselves the first generation in the new process, so to speak, frankly confess to being "Citizens and Mercers" or "Citizens and Merchant Taylors" of London. A single remove

from the original change is enough for dropping the name of citizen and the trade description of the father. More significant still of what was going on are the disclaimers. In the Berkshire visitation of 1665-6 no fewer than 127 people, in this single county, disclaimed the right to bear arms and the title of "esquire" and "gentleman." In other words, this number of people had been pretending to be gentlemen with coats of arms; and having been summoned by the Heralds had had to confess their inability to prove any right to their pretensions. In the Warwickshire visitation of 1682-3, among an equally large number of disclaimers, are such persons as saddlers, cutlers, clerks, and smiths at Birmingham. Evidently the ambition of the rich middle-class man now had ceased to be merely to stand well in his trade. His first idea when he made money was to pose as a gentleman, and forget his trade connections.

Such changes could not occur in the outlook of the richest portion of the Middle Class without affecting the other portions. A new standard of expenditure was bound to accompany pretensions to gentility; and this would give an opening to all those members of the Middle Class who had discovered, two or three centuries earlier, that money was to be made by the employment of brains on other subjects than trade. The lawyer, the civil servant of the Crown, and the doctor, began to have new conceptions of the fees that could be exacted for their work. Acquiring more money, they in their turn had the idea of making themselves gentlemen. Lawyers, clerks

of the Signet and the Privy Seal, officials of the High Court, doctors, officials of the Royal Household, appear in the seventeenth-century Visitations with claims to coats of arms. These professions had developed with an extraordinary, yet quite comprehensible, rapidity. The old order had given them but little opportunity. In so far as they served the old nobility and landed classes, they could never be more than dependents of the household. The clerk who kept a lord's accounts, the doctor who occasionally attended him, would live of his substance; little coined money would come in their way, since, so far as the old landed classes possessed coined money, it would be used to procure luxuries. In so far as the professional classes were concerned with the traders they would, until the end of the sixteenth century, be able perhaps to acquire more money, since the trader had no habit of keeping a dependent household. Yet the highly organized system of town government by the men of substance would have precluded any assumption of social position by those who made money by their wits solely.

The individualism which succeeded the breaking-up, during the sixteenth century, of practically all the systematized life of England—the church, the manor, the gild, the great household—swept away the barriers that had hitherto confined the learned professions. A clerk of the Royal service no longer looked to some ecclesiastical preferment as the ultimate reward of his services; a merchant's clerk no longer lived of necessity and by gild rules under his master's roof. The lawyer, gaining his first great

profits from all the trafficking in land, saw a new future opening in commercial disputes which the guild or the company had lost the power of settling. At the same time, the discovery of America had vastly increased the bullion resources of Europe; and the habit of payments in coin would tend to emphasize individualist development. Hence we find, as early as 1648, a doctor of Bury St. Edmunds making a will in which he appears as the owner of a manor, and of houses and lands in various parts of Suffolk and Essex, and as the mortgagee of two other houses upon which he has lent sums of £800 and £700. Hugh Barker, of New Windsor, a doctor, bears arms in the Visitation of 1665-6. Just as the Middle Classes first appeared, in the persons of the town tradesmen, founding their distinct position upon the use and circulation of coined money, so when money becomes the instrument of social advancement, and the possession of land for the most part only an indication of the command of money, we find the professional men definitely taking rank in the Middle Class, and displaying its characteristic quality of development. This quality was an individualism protected by privileged combination. As soon as the law and medicine became avenues to wealth they became opportunities for monopolistic union on the lines of those trading combinations which had been developed out of the old guilds. The Inns of Court, instead of being merely convenient inventions for keeping under supervision the apprentices to the law, became authorities without whose licence no one could make money at the

law. The surgeons obtained from Henry VIII a charter for incorporating themselves on the lines of one of the City companies; and transformed that combination into a College, imitated by the Physicians, which equally protected the individual power of its members to make money.

There remains one profession, and it presents some curious difficulties—the profession of the Church. How far is it to be regarded at this period as a middle-class profession? Up to the time of the Reformation, as we have more than once remarked, the Church took rank, not by the family origin of its dignitaries and priests, but by its corporate existence, which was in political theory of royal or princely rank, and in sociological fact of the position of a great landowner. The first sixty or seventy years after the Reformation may be said to have been a period of no new social development in the Church and no new social attitude towards it. This was largely because the development of the Middle Class was still upon the old lines. There was no need to regard the Church in any new way. It had always been mainly dependent upon the land, and it continued to be so, the only difference being that, instead of a large landowning corporation, it had become a body of small landowning individuals. It was not to be thought of as belonging to a new class.

But when all the other forms of gaining a living by the mere results of education began to be seen as avenues to personal consideration and social position, the Church was likely in its turn to be seen in the

same light. Since the withdrawal from Rome had left its ordained members to stand by their own origins and capacities, and since the origins continued to be what they had always largely been—the humblest kind—the Church became the way to social advancement for those of least social position, who could attain to education. For a time a false appearance of middle-class development took place. The effect of the Puritan movement and the Civil War was to emphasize individualism in the clerical profession, and to make of the profession a power in public affairs. But it lacked the true middle-class quality. It was not dependent upon the use of coined money. Its remuneration had, by the sequels of the Reformation, been stereotyped in a mediaeval form, not left open to the modifications which were affecting the rest of society. Its tithes remained tithes, and were not translated into rent. Hence for a long time to come, the Church was in a peculiarly equivocal position. It again came to take rank less by the origins and character of its ordained members than by its corporate nature. Clergymen might be, and increasingly were, drawn from obviously middle-class families. Yet they were not as a whole of the Middle Class. This may be seen in the social treatment of them. A great lord or landed gentleman might, or might not, invite a wealthy middle-class man to his table. But if he did invite him, the middle-class man would rank for all purposes as an accepted guest. The parson of the parish would be invited for a part of the meal, would be treated as a dependent, and expected to with-

draw before the meal was over. The middle-class man of as little wealth or education as the ordinary parson would not be invited at all; but in the circumstances that would be a situation of more dignity, if of less consideration. The conclusion is that for the present the Church cannot be regarded as a middle-class profession. It was, as it had always hitherto been, rather difficult to place in any social category. But whereas, before the Reformation, it had characteristics which make it placeable, for all practical purposes, in the feudal and governing class, it has in the seventeenth century characteristics which rather thrust it down towards the peasant class. It maintained relations with its social superiors, not by being of the class of transition, but by the very fact that it was not of that class. The parson could be invited to great tables because there was no possibility in his case of social confusion.

The rise of the wealthier middle-class people into the ranks of the landowners and politicians had, besides its direct effect upon English public life, an indirect effect upon social conditions. In the old days there had been stratifications of a very definite kind. The only ladder of advancement from the lower grades of society to the higher had been the Church. On the whole, the trading classes had not used that ladder; the poor men who became great ecclesiastical dignitaries, and thereby great political forces, had for the most part risen, not from the intermediate stages, but from the peasantry, the yeomen farmers, and the skilled labourers. But when, with the failure of the Commonwealth, the

rich merchant class finally took its direction, not towards a new form of an upper class, but towards an assumption of the old form by new men, the earlier stratification of society, while it remained in appearance, had in reality disappeared. The path by which the princes of the East India Company rose to eminence was open to any man in the kingdom.

Now this had a double result. It made merely transitional the objects which had previously been of sincere ambition to the trader, and it produced, in a man's conduct of his business, the beginnings of the rampant individualism which was to become so grave a problem during the nineteenth century. The first of those results is most clearly to be seen in town government. Formerly, whatever corruptions might creep in, municipal affairs honestly engaged the ambition of the Middle Class. To stand well with the town, to make it prosperous and happy, to keep it out of trouble, were the objects of men of the type of John Baret and John Hall. The grammar schools, the town lands, the charities were handled with a living interest, and, if not always wisely, at any rate vigorously. But in the seventeenth century municipal life began to suffer from dry-rot. The old convention of the *bons gents* reached its lowest level. The records of a provincial town at this period show that everything was in the hands of a comparatively small group of men, who did not take the trouble to exercise any real supervision. The same people year after year were elected to office. Each year the list of burgesses is recorded; but a corporate act is rarely to be found. The accounts of funds display

a complete lack of thought and enterprise. No matter what moneys were in hand, the burgesses appear to think that they had done their duty when certain salaries were paid, and the barest necessities of repairs had been attended to. Very often no proper account is kept of balances. In one year, for example, the receipt of school funds may be £40, and against that will be set a schoolmaster's salary of perhaps £20 and a carpenter's bill for £1 6s. 8d. Next year the accounts will display the same receipts, with no mention of a balance carried over. The town lands are let to burgesses, as a rule, without any effort made to see if a higher rent could be obtained elsewhere. The charity accounts are considered adequate if a list of doles is entered, without much relation between the total of this and the total of receipts.¹ All this does not necessarily mean deliberate corruption. But it certainly has the wider meaning that what had once been the object of honest ambition had become only a formal stage on the way to a different kind of life. To stand well with the town now meant only that a man was on the way to becoming a gentleman, or to making his sons gentlemen. In some cases the spirit would be even worse than that. The feeling would be that, as the richest rank of the Middle Class had risen to a point at which they had left behind them their previous standards of comfort and ease, the second rank should now take those standards and treat them as, in their way, the equivalent of gentlemanly

¹ I have for this subject chiefly used the archives of Burford, kindly placed at my disposal by C. T. Cheatle, Esq.

leisure. Not having the wealth, or the possibility of wealth, to raise them to the degree of land-owning, they would give themselves by municipal office a kind of self-importance to mark them off from mere trade. That would reduce municipal office to a mere symbol, and burgess-ship to a mere condition of privilege.

Marked individualism was the other result that was bound to ensue from the new position of middle-class life as an avenue to rank and station. The evil had, indeed, begun some time earlier. As soon as the control of workmanship and prices by the guild was undermined by the increasing standard of personal comfort, which an enlarged currency made possible, the conception of trade and manufacture as affairs with masters on one side, and men on the other, began to creep in. The invention of open joint-stock enterprises, such as the East India Company, produced a further change. Previously the uses for money outside a man's own business had been limited. He might buy land, or take mortgages, or equip himself with plate. But all these were comparatively unspeculative uses of money. They might lead a man some distance towards advancement; but they necessitated a considerable degree of advancement to begin with, if they were themselves to be at all effective. Small purchases of land or of plate had ceased to open any avenues. But small purchases of stock in the early days of such ventures might lead a man almost anywhere. With this new kind of opening for money, the master manufacturer would soon begin to regard his trade

merely as the source of wealth, not as an enterprise in which he was concerned in the same manner, though in different degree, with his workmen. He became concerned in a wholly different manner. The money he made bore to him no longer a relation to the work that was being done by his men ; its sole relation was to the possibilities of using it in other directions. Wages were no longer even in the remotest sense a participation in profits ; they became the tiresome but necessary basis for the machine that produced money.

This economic individualism was, of course, all of a piece with the moral and political individualism of the Middle Class. Middle-class men had, from the nature of their rise in the State, grounded themselves always upon the belief that what they had was their own.

The original feudal conception had been that no man's property was his own, in the sense that he could do exactly what he liked with it. That would have destroyed the unity of physical force by which what each had had became his. To this conception the Middle Class had, in the days of its origin, opposed the corresponding idea of the guild ; a trader made money not solely by his own skill and efforts, but by the protection of unified force. However, this was always realized as a merely intellectual conception, in the last resort. The truth always came out in such matters as countering of taxation ; successful refusal to be assessed by royal commissioners was an assertion that traders' possessions were individual, and not in any consti-

tutional sense the Sovereign's. This attitude is visible in two directions during the Commonwealth and the Restoration. The lukewarmness of the middle-class men to the Commonwealth was a sign that they mistrusted a political organization which tended, however slightly, to assume rights over the proceeds of commerce. In a minor way, the diaries and memoirs of dispossessed ministers are full of the same feeling. Nearly every one of these men had gained a cure of souls by the expulsion of someone else. But when he was in turn expelled, each one raises an outcry. No sense of responsibility for corporate failure can be found in them. The complaint is always that a possession, a piece of personal ownership, has been taken away.¹ Throughout the seventeenth century the absence of a sense of national responsibility in the Middle Class becomes more pronounced, even at the very time when it is entering largely upon national affairs.

It was, in fact, the secret of the final trend of middle-class development in the direction of maintaining old forms, rather than creating a new kind of public life. Snobbery was not the only, or the most important element in this decision. Individuals may have been influenced by the pleasantness of having titles, lands, and the command of deference. But the class as a whole moved on an obscure policy that it was better to leave the screen of old forms and appearances in front of their operations for their own interest. If they had made new constitutional

¹ See, e.g., "Yorkshire Diaries," *passim*, and "Adam Martindale."

forms and a new social organization, then their political acts would have been, without concealment, the political acts of traders and merchants. If, on the other hand, they left the old forms standing, then the nation at large would continue to regard political movements as the movements of Lords and Commons; and the virtual identity of these august bodies with the rich mercantile community would not be noticed. The duality could even be turned to active account. The merchants could at any given moment appear as merchants to influence public affairs, if in their capacity as Lords or Commons they had failed to carry a point. It was the most triumphant achievement of the ingrained middle-class secretiveness.

CHAPTER VIII

THE EIGHTEENTH CENTURY PREDOMINANCE OF THE MIDDLE CLASS—TRADING MONOPOLIES

DURING the eighteenth century the Middle Class reached its highest point of development. It did not, indeed, occupy so large a place in the community as it came to occupy during the nineteenth century. It had not reached the point at which it becomes very difficult, if not impossible, to mark off a middle-class area in the social organization. But it had arrived at the stage at which it entirely coloured the national outlook, and virtually controlled policy. It regulated itself almost entirely by the standard which it best understood—the standard of money; and only gave advancement to brains in so far as they were employed upon affairs of money. Finally, it was at its highest degree of command of the two other classes in the State. The upper class had become predominantly Middle Class in substance; and its surrender to the increasing scale of expenditure made it in effect dependent upon trade and speculation. The lower class—the workmen, artisans, and labourers—were securely enchained. Administration was in the hands, or at least at the service, of the masters of trade and industry; the ancient rights and safeguards of the workman had been deliberately allowed to become

obsolete, and he had no means of obtaining new rights save such as his masters could satisfactorily condemn as breaches of the peace. At the same time, the capitalists had not yet arrived at the stage which was in the end to prove a trap for them. They had not entered upon that rapid advance in the use of machinery which was to bring them profits so large as to blind them to the danger of collecting in single towns immense aggregations of workers. Combination among workers had not yet been made easier by such aggregation; it was sporadic, and therefore comparatively simple to suppress. The Middle Class reaped now the full reward of shrewdness in abandoning its mistake of the seventeenth century. By returning, from the brief error of the Commonwealth, to the canny maintenance of old forms, it preserved, among other things, the rough and elementary franchise which had been based originally on the landowning and not the mercantile conception of the State. Thus it was able to pursue commercial ends secure from any responsibility save to those who profited by such pursuits. In general, a man must have advanced some way upon money-making before he could become an elector; or, if he owed his vote to hereditary tenure of land, his only criticism of policy would be concerned with differing aspects of what was, and what was not, profitable trade. To both kinds of elector the internal details of commerce, the conditions of work and wages and so on, would be of no concern.

It was, of course, essential both to the preserva-

tion of form and to the maintenance of their power that those members of the Middle Class who had attained to the rank of a governing class should avoid that dilution of their privileged position which would be likely to ensue from the sweeping away of the old barriers. Anyone might now rise in the world; but it was necessary that not every one should rise. The change in the social fabric had not yet proceeded so far as to leave no barriers at all. One certainly remained which proved efficacious for some time to come. The ownership of land on a large scale was different from every other position in the social system. It was a position no longer easy to reach. Those whose families had not been able to avail themselves either of the opportunities of the Tudor period, when the decline or extinction of old families coincided with a vast increase of wealth among merchants, or of the later opportunities of the Civil War, could have no hope of entering into the circle now, except by the control of far more money than sufficed to obtain entrance at those earlier times. They might, indeed, become small landowners; and the Heralds' Visitations show how very many people were doing so during the seventeenth century. But that was all to the good of the new aristocracy. For the whole object of the small landowner in buying land would be to rank himself as far as possible among the gentry—in other words, to appear to coincide with the new aristocracy—while the smallness of his estate would prevent him from actually entering the circle of real power.

At the same time, the continuance of this fictitious position of landowning would make an effective barrier against the next rank of the Middle Class—that which was still actively engaged in wholesale or retail sale of merchandise. The uppermost of these persons had already discovered ways of drawing an income from commerce to supplement their rent-rolls. Not all, of course, needed this supplementing. The golden periods of estate-buying had allowed many to acquire, by the application of commercial methods, a translation of considerable trading fortunes into new terms in which there were equally large fortunes. But even if rent-rolls were inadequate, the great joint-stock enterprises of merchant companies were there to give the profits, without the stigma, of trade. Nor was the joint-stock principle confined to oversea enterprises. As early as 1631, when Charles I gave a charter of incorporation to a London Society of Soap Boilers, to exploit a new method, the complaint had been made that “many citizens of London were put out of an old trade, in which they had been bred all their time, by knights, esquires, and gentlemen never bred up to the trade, upon pretence of a project and new invention.”¹ This complaint throws a good deal of light backward upon the famous debate in Parliament on monopolies in 1601, from which an incredibly long list might be drawn up of articles which might only be sold by privileged persons—salt fish, currants, iron, gunpowder, playing cards, potashes, aniseed,

¹ From a contemporary pamphlet quoted by Cunningham, “Industry and Commerce,” ii, 307.

vinegar, sea-coal, steel, saltpetre, aqua vitae, brushes, lead, oil of blubber, are but a few items.

The practical explanation of the existence of all these monopolies is, of course, that the venturing of capital had become necessary, while the idea of speculation was still so far undeveloped that the owners of capital would not risk it in open competition, but demanded the closed market of a privileged association. The rich Middle Class, advancing into a new sphere of importance, carried with it its old narrow ideas of making money by keeping other people out; they translated into world-wide enterprises the primitive old principles on which they had, four or five centuries earlier, closed their town markets to strangers. The "Knights, Esquires, and gentlemen" of 1601 would be very largely the new men of mercantile wealth, in whom these old principles were instinctive. These were the chief components of that upper circle which was setting on foot a new exclusiveness, and perpetuating, by dint of getting into the highest land-owning class and maintaining the appearances of aristocracy, social distinctions which might otherwise have been swamped in the spread of the same pursuits by which they had themselves risen. This was not done entirely by deliberate resolve or for economic reasons. The same ambitions which had gradually made of their land purchases the gateway to a new sphere of importance would tend to make their possessors wish to lose nothing of that importance by widening of the circle. They enjoyed rather more than a hundred years of unchallenged supremacy, before

the rise of machinery, introducing a fresh class of wealth, led, by the new commercial ideas involved in the change, to a slow eclipse of the aristocracy which had risen to power on older ideas.

An episode in the early history of the Bank of England requires some examination, as throwing light upon the currents of upper middle-class development at this time. The Bank was at first only incorporated for a limited term of years, and was subject to a good deal of criticism. It was, of course, one more monopoly. It had the privilege of lending money to the Government, and its bills were issued on the credit of the Government. This implied, to the minds of some critics, that there would before long be a "corner" in loans for commercial purposes. The licence to combine capital for the purpose of lending to the Government had been so handled as to leave a large portion of the nominal capital to circulate in trade. By means of the Government credit this money could be lent at a lower rate of interest than the goldsmiths were in the habit of charging. Hence arose an idea that one of the objects of the Bank shareholders was to get all loan business into their own hands, and then raise the rate of interest to an exorbitant figure.¹ This dread of monopolistic tendencies shows that there was considerable middle-class feeling against the Bank.

In years after the foundation of the Bank, a scheme was propounded for establishing a Land Bank, that is, a Bank which should hold money on

¹ Rogers, "Bank of England," p. xiv.

deposit and lend money on the security, not of capital subscribed by shareholders, but of land owned by members of the corporation. The idea had a middle-class origin; it was mooted by a doctor named Chamberlain. But his object, beyond doubt, was to unite, against the mercantile interest, the landed interest of such old families as still survived and of families that were newer, but had dissociated themselves from commercial pursuits and become landowners pure and simple.

The significant point about this episode is the complete failure of Chamberlain's scheme. It never really entered upon existence. For a few years there was an office of the Land Bank in London, but it never obtained sufficient support to be incorporated, or to start business. This gives a measure of the extent to which politics were becoming subject to the middle-class mind. Much as the purely landed families would have liked, by this time, to counter the moves of the mercantile influence, the Tories themselves were too deeply penetrated with the commercial instinct to support a Land Bank. They were able, on the whole, to see that bills could not be issued on a security not quickly realizable. Land could never be the sole, or even the main, security for such purposes. Therefore, although it is true that the Land Bank proposals were a sign of the Tory dislike of the purely moneyed community,¹ it is also true that the Tories themselves displayed, in regard to the proposals, their own middle-class origins.

¹ Rogers, "Bank of England," p. 11.

The same fact can be discerned, indeed, in most of the commercial legislation of this century. The old interference by Parliament in matters of trade had never wholly died out. There had been, in the late seventeenth century, a considerable return of such interference. Thus the East India Company was forced, by Act of Parliament, to export yearly not less than £150,000 worth of English manufactures.¹ But the distinguishing mark of the kind of interference that went on during the eighteenth century was that it was a particularized interference, directed to the advantage of some special trade or form of commerce, at the cost, not of foreign competitors, but of certain interests at home which were less influential than the people desiring the particular advantage. Thus the importation of alum for cloth-dressing was forbidden, because certain people wished to exploit their own alum in Yorkshire; tobacco-planting in Ireland was forbidden because it competed with the interests of the American plantations. Exportation of wool was forbidden, ostensibly to starve out foreign weaving; but the real result was to lower the price of wool to the English manufacturer, at the cost of the wool-grower.²

This kind of legislation, involving such consequences as the atrophying of the wool-growing trade, for instance, shows a complete middle-class domination of Parliament. It was the surviving of the original ideas of privileged trading. The career of

¹ Cunningham, "Industry and Commerce," ii, 267.

² 13 and 14 Car. II, c. 18; 1 William and Mary, i, c. 32.

most of the great merchant companies displays the same flaws. The Levant Company practically killed our trade with the Near East by the narrowness of its spirit. Cloth could only be exported to the Near East in the Company's own vessels, and had to be brought to London to be shipped; while membership of the Company was confined to London and the near neighbourhood. The Russia Company, by such operations as "cornering" cordage, and ordering its agents to buy no more for three years, produced a situation in which the Russian Court refused to renew the Company's privileges, and so practically stopped trade, since Englishmen who were not members of the Company could not enter into commerce with Russia.¹

Yet for the greater part of the century these old conceptions of trade remained supreme. There are two probable reasons for this. One was that the Middle Class was again making use of its old shrewdness in dealing with the Exchequer. The operations of the big companies tended to a certain ease and simplicity in the collection of customs duties.² The other, and more effectual reason was that the capital of the companies had begun to be operated with, and the processes of stockbroking offered to the upper class an opportunity for making their own profit out of trading enterprises. The affair of the South Sea Bubble in 1720 shows to what a pitch this kind of speculation had risen. Consequently, in spite of the perpetual complaints

¹ Hewins, "Trade and Finance," pp. 34, 43, 44.

² Cunningham, "Industry and Commerce," ii, 222.

against the chartered companies, in spite of the open hostility of the House of Commons to the East India Company,¹ the great corporations succeeded in maintaining themselves.

Hence there began to arise a new kind of division in the Middle Class. These interests of privileged foreign trade and stock-jobbing were of comparatively little use to the manufacturer. The one cut his profits by compelling him to carry on his foreign connections through monopolistic shipping enterprises; the other inevitably tended to diminish the capital available for manufacture. But, on the other hand, the professional section of the Middle Class tended to side with the monopolist and stock-jobbers. The wealth of this section was increasing. Lawyers, doctors, the clerks of the departments of administration, all profited in their degree by the greater ease of currency which even the primitive banking methods of the goldsmiths had introduced. At the same time, in the sweeping away of social barriers they found themselves, if only capable in a very limited degree of rising into the new exclusive circle, at any rate free to consider themselves as not belonging to the trading circle. The effect of the older kind of stratification had been to lump together all educated use of brains as a form of money-making, and the law and medicine were no more than a kind of trade. But the virtual disappearance of the original class of landed proprietor, who regarded education as an affair that should be left to the sons of rustics, had changed all

¹ Cunningham, "Industry and Commerce," ii, 268, 286.

this. The new upper class had been constructed by those whose forefathers had been the first to spread education in England. Therefore those who found a livelihood by dint of their education were no longer looked down upon. They began instead to look down in their turn; and thus a second rank of the Middle Class came to append itself to the uppermost rank.

This tendency would be accentuated by the growing division between the manufacturing and retailing interests, and those more speculative interests of the upper class. The division would concentrate the shop-keeping influence, and thus set on foot a classification from below as well as from above. Through the greater part of the eighteenth century the new concentration is not very obvious. Industry developed but little until towards the end of the century. It could not attract capital, because it had as yet no real use for it. The industrial capitalist and the shop-keeper remain therefore, through the contests of Whigs and Tories, a rather indeterminate influence. They were so far outside the circle of power as to be subjected to much the same kind of ill-directed regulation of industry as the mediaeval Parliaments had attempted to enforce. Employers could still be ordered, during the seventeenth century, to go on employing workmen, even when they could not, from some interruption of the markets, sell enough to keep up with production.¹ Statutory assessment of wages, which had fallen into obsolescence, was revived in 1726, and again in 1756, after

¹ Cunningham, "Industry and Commerce," ii, 53.

riots among labourers had driven Parliament into a panic.¹

Thus it came about that the gradual formation of what might be called the lower trading rank of the Middle Class took place under conditions which tended to make it regard its interests as different from, and ultimately opposed to, the interests of the upper rank. The moneyed men of the seventeenth and eighteenth centuries, it has been remarked, were merchants rather than manufacturers.² Hence the commercial policy of the eighteenth century remained subject to those old ideas of "the balance of trade" which had first provided the commercial class with a philosophy of its business. The theory still was that it was more profitable to trade with countries from which we imported very little, like Portugal, than with those which were capable of sending us merchandise in return, like France. One of the bitterest objections to the East India Company was that it began importing textiles; and the treaty with France in 1713 was violently opposed by the Lancashire linen merchants. Walpole's great tariff reform of 1721, which removed the duties from a hundred and six articles of export, though an enlightened action in its time, was essentially in the same spirit. It regarded the exports as the source of profit, and imports as justly subject to the burden of taxation.

All this did not matter so much as long as manufacture remained, for all practical purposes, on the

¹ "English Gilds," clxii.

² Cunningham, "Industry and Commerce," ii, 618.

old narrow level. Volume of trade was more regarded than market prices.¹ But the effect of the mercantilist outlook was that when the industrial revolution came, and machinery and subdivision of labour vastly increased the manufacturing output, the new capitalists found the whole dead-weight of the eighteenth century structure against them. They had been protected, at the cost of narrowing the circle of the world-market, and hampering the supply of raw material from abroad.

For the present, however, the day was with the rich men of the older tradition. They, with the ineradicable instincts of the rising Middle Class throughout its career—which had led it perpetually, as it gained each stage of advance, to entrench itself in varying forms of exclusiveness—had produced the combination of landowning and membership of privileged mercantile companies, which, in effect, closed up its ranks. There is very little to choose, in any respect, between Whigs and Tories during the eighteenth century. They disputed with one another the power of control; but the purposes to which the power was put showed little, if any real difference. The Tories numbered among them more of the purely land-owning class; the Whigs relied upon the more mercantile element. But both alike directed foreign policy to the support and enlargement of privileged trading enterprises; both alike regarded the administration as a legitimate source of personal profit. Each side accused the other of intrigue for

¹ Cunningham, "Industry and Commerce," ii, 457.

the spoils of office; but neither side showed any disposition to regard the State service as other than an exclusive preserve. The long hostility of the Tories to the House of Hanover was not due to any fundamental principle, but merely to the fact that the Whigs had succeeded in identifying themselves with the new *régime* to the point of monopolizing influence over it. The debates on the American colonies, though they display some difference of opinion in detail as to the immediate policy to be pursued, are inspired on both sides by the same essential clinging to ideas of privilege. To the Tory, colonies were a kind of appanage to their estates; to the Whigs they were a rather unfortunate opening for the diversion of capital from home trading. To neither were they of the least apparent usefulness if they succeeded in freeing themselves from the ring of privileged exactions.

In another respect there was little to choose between Whigs and Tories. There is no need to labour the point that now existing titles of aristocracy in England have no great antiquity. Several authorities have proved that we have practically no titles older than the early Tudor period. In other words, the highest class of the eighteenth century was made up principally of the families which had risen in the first land speculation of the Middle Class. There remained, indeed, a core of ancient holders of land, for the most part untitled. But since these very largely owed the continued possession of their lands to the fact that the estates were comparatively of small extent, or poor in rent, their

representatives would only appear in the new governing class by becoming so far affected by the middle-class spirit as to enrich themselves in the fashion of speculation and investment. Moreover, those who did not, or could not, do this, began to decline during this century into another class. The literature of the eighteenth and early nineteenth centuries presents us occasionally with pictures of a social type very difficult to place exactly. It is a type of small country squire, most imperfectly educated, talking the local dialect as broadly as the peasants, rough in dress, living on the sheep and other products of his own lands, and served by one or two retainers. This is the land-owner of ancient line who had not, either from inability or lack of ambition, put himself within reach of the new forms of wealth. In the old days he would have acquired an enlargement of outlook and the opportunity of a career by going in his childhood as a page to some great man's house, where he would have received a kind of schooling, and been able probably to attach his fortunes to those of a rich lord. But the middle-class grammar schools had slowly taken the place of this form of education;¹ the purchase of land by new rich men who did not have the tradition of keeping large retinues had taken away the professions of page and esquire. The small land-owner was left to return, from his perfunctory schooling, to his own narrow property, where he declined into little more than a farmer. He was to have another opportunity before the nineteenth century began;

¹ See Furnivall, Preface to "Meals and Manners," p. xi.

but for the present he is hardly distinguishable as a social element at all.

In the aristocracy of the eighteenth century, therefore, we discern little but the wealthier Middle Class. It might, if the events of the seventeenth century had been other than they were, have developed by this time out of all relation to its origins, and have become virtually a real aristocracy. But the effect of the attempt to make the State an ostensibly Middle Class concern had been, in spite of its failure, to assert and accentuate the ultimate reliance of the new order upon trade. The clearest proof of this is the complete alteration of financial policy during the eighteenth century. Even as late as the Revolution of 1688 there was, quite unconsciously, a strong survival of feudal tradition in the regions of national finance. The Whigs of that epoch, even while thinking that they were introducing a wholly new era in the affairs of the Exchequer, were in fact repeating the old feudal formula that "the King should live of his own."

True, the formula was modified in outward appearance. The King had very little left of "his own." Towns which the Plantagenets and Lancastrians had tallaged had become chartered boroughs; wide demesnes had been given away or sold. At the same time the administration of the State had increased enormously in complexity. The clerks of the household, who had in the old days sufficed for the task of foreign correspondence, of keeping tally of the Crown's resources in cannon and gunpowder, and for issuing Commissions to tax-assessors, judges,

municipal authorities, etc., had developed into well-staffed departments of Government.¹ Old dignities of the Court, such as the offices of Treasurer, and Lord High Admiral, and positions of authority formerly given by special commission, like that of the Masters of Ordnance or the commanders of forces, had expanded into permanent offices or commissions with their separate staffs.

It was impossible, in the literal sense, to bid the King in such circumstances, "live of his own." Yet that was in effect the way in which the governments of the Revolution attempted to solve the financial problems which had been so largely responsible for the events of the seventeenth century. The Middle Classes had been betrayed into their great mistake by failure to perceive the reality of the Crown's financial difficulties. They seized the opportunity of the Revolution to attempt to make such a crisis impossible in the future. They had to recognize that the Crown had insufficient revenues on the old basis, and they therefore fixed a sum of money to be voted as an annual payment to the Crown, adding to its old rights of customs and tonnage and poundage certain new grants of the same kind.

But essentially this was no real change, and sprang from no real facing of the situation. The new arrangement was infected by the characteristic vice of the Middle Class—the shirking of national responsibility. This class was, in fact, almost entirely in control of the administrative departments; but it preferred to leave standing the historical

¹ See my book, "The King's Government."

fiction that these were the province of the Crown. Probably, indeed, it was not fully perceived what had happened. Civil government had been shaped in England during the early centuries after the Norman Conquest very much on the principle that the kingdom was, in the same kind, though in greater degree, the estate of the Crown. The sovereign had his secretaries, clerks, and heads of various departments of management just as the lord of a great estate had such officials. That is to say, the Chancellor, the Secretaries, and so on, were not, in our modern sense, public officials. They were part of the Royal Household. They received various allowances, and as their work and their numbers increased most of them were empowered to take fees. But for several hundred years they had no real salaries. This was of little account so long as the old theories of the Crown's position remained unassailed. But with the developments of the seventeenth century the Crown ceased to be the national executive. That change had really become explicit with the Revolution of 1688, as far as the ruling influences of that time, with their middle-class instinct of secretiveness, allowed anything to be explicit. The rapid development of the Cabinet reveals the truth of what had happened. Yet the services of Civil Government were left as ostensibly a portion of the duties of the Royal Household.¹ There were, of course, several reasons for this. One was the old distrust existing between Parliament and the Court. Parliament had always inclined to keep its hands

¹ See "The King's Government."

free of the administrative services, regarding them as necessarily under Court influence. The presence of officials in Parliament would have been taken to involve an interested attempt to divert affairs into directions favourable to the Court, at the cost of the Commons. This was a survival of the old jealousy felt by the nobles towards the Crown. Other reasons would be more distinctly of middle-class character. Besides the instinct to shelter actual responsibility behind some constitutional fiction, there would now be the additional incentive of the careers offered by the civil service. Throughout the eighteenth century that service was a mere field for spoils. The fee-system had been developed to a thoroughly profitable point; and as long as the whole structure remained in the semi-private region of Household appointments it could be exploited with impunity.

This, then, was one of the directions in which the financial arrangements of the eighteenth century showed the Middle Class influence. Another and more striking instance is the systematization of borrowings by the Exchequer. Hitherto the practice of raising money for the Crown on the security of the taxes had been regarded with suspicion, and had even been forbidden. An Act was passed disallowing the loans from goldsmiths which Charles II had found so useful. But by the early years of the eighteenth century the situation had changed so much that the Bank of England was only prohibited from lending money to the Crown without consent of Parliament. The truth was that the upper Middle Class had realized that the process of taxation

could actually be made to produce money. By subscribing to a public loan they drew interest out of the national needs—the final triumph of their many manipulations of the taxes. This kind of subscription, which was the foundation of the Bank of England's first charter, soon became a regular process. In 1718 a Government loan was floated by the Bank, not as a specific action requiring chartered incorporation for its performance, but as a part of the Bank's business.

The result of the institution of this practice in respect to the national income was finally to make England a Middle Class State. For the ultimate security for her finances ceased to be directly the land or personalty. The security really became trading credit. The way was open to a National Debt, as soon as a combination of financial need and a bold man should arise; and a National Debt had no tangible security. The actual taxes, of course, continued to be levelled on land, personalty, and merchandise. But while these provided a security for the subscribers to a Government loan, the true national income depended upon the structure of credit erected by the subscribers. Of course, the actual change was slow in operation. But that it was a real change, and was essentially in the middle-class spirit, may be seen by putting this point in a different way. Hitherto the consideration for the officials of the Exchequer each year had been the raising of a sum of money conditioned upon the one side by the requirements of the Crown and upon the other by an imperfect system of taxation which

diminished the real value of the grant to the Crown by the spasmodic character of the payments into the Exchequer. It was now discovered that by systematizing the public loans the Parliamentary grants were received at their full value by the administration without any galling enforcement of the tax-collecting process.

The history of detailed reforms of taxation during the eighteenth century shows equally strongly the middle-class influence, both for good and for evil. It displays itself now by an advance in efficiency now by a victory of prejudice, or again by the old flaw of limitation in outlook. Walpole's general reform of the Book of Rates was an admirable expression of the form of mercantilism current in his day.¹ It was so well designed to stimulate the particular trading and manufacturing interests of the country that it must have been the outcome of a fairly common accord among the commercial community. Together with its large removal of export duties this reform fostered the new trades that were beginning to be carried on upon a large scale, such as gun-making, glass-making, and paper-making; and made the capitalist manufacturer very much awake to the need for new markets. Another reform of Walpole's, the introduction of the bonded warehouse system for tea, coffee, and chocolate, was a considerable advance in efficiency; it added £120,000 a year to the revenue. But it would hardly have been established, had it not at the same time been of convenience to the Middle Class. The system liberated

¹ Cunningham, "Industry and Commerce," ii, 428.

both the large and the small trader from a certain subjection to uncertain elements in their trade. The large trader had never in fact paid the duty on such goods. He had had, for a long time now, a system of entering into bond with the customs officers, on removing a cargo, to pay the duty when he sold the goods to a retailer.¹ But the bond was, after all, rather in the nature of a speculation, and was a personal liability. The new warehouse system freed the merchant from that. It also freed the retailer, who must have been subject very often to arrangements whereby the merchant would impose upon the retailer a quantity of goods in excess of his requirements, in order to hand on the speculative burden.

The reform which Walpole failed to effect was, on the other hand, an occasion for the display of some of the less shrewd qualities of the Middle Class. His attempt to erect a system of excise came to grief, because of the outcry with which it was received. There were, in fact, two streams of middle-class influence at work. One object of the proposal was to abolish the land tax, which Walpole had already reduced from four shillings to one shilling. That is to say, the upper rank of the Middle Class was trying to bring to a conclusive end the taxes on property to which they had always objected. But the new tax was an obvious kind of vexation to another rank of that class. It appeared to weaken the structure of protection of industries. Moreover, it might well be suspected of involving a

¹ Dowell, "Taxation," ii, 44.

return to that kind of inquisition by officials of the Crown which traders had always successfully nullified in the past. An excise duty must have meant a perpetual supervision of the production of excisable articles, and thereby an accurate ground for knowledge of the wealth of the producers.

Besides these indications of its influence upon finance, the rise of the Middle Class showed itself in a curiously unexpected direction. The establishment of a standing army was not, as might have been expected, an aristocratic move; nor was it, as some historians have believed, a triumph for the Crown and the Court. It was really due to the Middle Class. It is true that, after the Restoration, the persistence in maintaining a kind of standing army was attributable to the Court; it was a kind of assertion of victory over the Commonwealth influences, and was regarded in that way, with all the ensuing suspicion, by the Parliament. But these early standing armies were comparatively unimportant. The first really important change was, of course, brought about by the Jacobite risings. The disturbing effects of Jacobitism, necessitating the maintenance of armed forces in a time of comparative peace, gradually accustomed the nation to the upkeep of an army. But this, to begin with, was largely because the governing classes now disliked conditions of uncertainty at home. Herein we have a measure of the altered quality of those classes. There had been times when the whole tendency of the nobility was to live in, and for, breaches of the peace, when jealousies and struggling ambitions

were the only things that justified their way of life, their retinues, and their state. But in their stead had arisen a nobility which required stable conditions, ease of transit from market to market and town to port, and a life in which people could earn money and would not be afraid to spend it. Thus the first steps towards a standing army were simplified by the importance of trading conditions.

But how was it that, when peace at home was secured, there was no revival of the old distrust of a standing army? How is it that we can give the same date to the last internal war in this country and the first saddling of the national finances with a permanent armed force? We may find the clue to the answer in a remark made by a modern authority upon trade. Professor Hewins has said of the mercantile politics of the eighteenth century: "The supremacy of the commercial classes was not favourable to peace. They were bitter and bloodthirsty in the competition for new markets. Nations went to war in the eighteenth century for the sake of commerce."¹ That which the Crown could never have obtained for its own purposes was quietly brought into being when the Middle Classes could see their own profit in it. When that happened, a Government mainly commercial alike in composition and in outlook, would see that the old idea of an army as a force raised for a specific purpose, and therefore for a limited time, was extravagant and wasteful. The army was put upon a more or less business footing; and the Middle Class found in it, as it had managed by

¹ "Trade and Finance," p. 143.

degrees to find in most things to which it had once objected, sufficient scope for money-making. By contracting for supplies, and by profit on army loans, as well as by the exploiting of a new career for its sons the mercantile England rapidly accustomed itself to its standing army.

CHAPTER IX

THE FACTORY SYSTEM—THE WEALTH OF NATIONS

TOWARDS the end of the eighteenth century the supremacy of commercial ideals began to produce an unforeseen effect. The steady fostering of manufactures was throwing up a further stratum of wealth, and was opening another of those cleavages which had characterized from time to time the advance of the Middle Classes. The result was two-fold. On the one side the older wealthy rank leaned more and more upon the circumstances that emphasized their exclusiveness and marked them off from the newest wealth—their ownership of land and their possession of titles. On the other side the ineradicable middle-class idea that it could do as it liked with its own affairs made the gulf between the newer wealth, and the workmen employed to produce it, perpetually wider. Thus on both sides the rising manufacturers were separated off; and, just as had happened when the great merchants first made themselves felt as a distinct portion of the community, the rest of the nation suddenly awoke to a fresh situation created by the power of money, and to a vague sense of unhealthiness in the body politic.

It is to be noted, for our purpose, that the striking period of the new conditions coincided with a most important epoch in the history of currency. Hitherto, although since the early seventeenth century the nation had been comparatively free from the acute monetary troubles of earlier days, this was largely due, not to any real enlightenment upon the subject of currency, but to the vast increase of bullion which had gradually ensued from the discovery of America. Throughout the seventeenth century and the greater part of the eighteenth the old war of gold and silver was going on. The Act of 1663 has already been referred to. It permitted the export of foreign moneys or bullion of gold and silver; and thus deserves in some degree the admiration it has received as a bold improvement upon the previous determination to regard such export as illegal, even though it was in practice impossible to prevent it. But in referring to this Act it is necessary also to remark that the removal of the prohibition was constantly interrupted by proclamation. The truth is that the Act proceeded from no real improvement of theory about the working of foreign exchanges. The preamble states that "it is found by experience that [gold and silver] are carried in greatest abundance (as to a common market) to such places as give free liberty for exporting the same." In other words, the exchanges were still pure arbitrage. Gold and silver were not fluid bases of commerce, but articles of merchandise. Consequently for a hundred years to come we see the old struggles going on, in the periodical devices of re-coinage and variations of

the mutual standard of gold and silver. A steady drain during the reign of William III led to the re-coining of 1699. Montague, the Chancellor of the Exchequer, preferred this device to an alteration of the standard. It was found that the silver called in was nearly all coined between the reign of Edward VI and the re-coining of 1662. The Restoration money had gone abroad. An alteration of the standard had been tried in 1698, when the ratio was made 1 : 15½. Gold began to come in rapidly from France; but at the cost of a drain of silver, since the gold importers made fifteen pence on every guinea.¹

The result of the action taken to correct this drain is very significant of changed conditions. When the guinea was called down to 21s. there followed a speculative hoarding of silver. The men engaged in arbitrage operations foresaw that the result of this artificial interference must be to lower the value of the guinea; and they kept their silver back to be ready for the lowering. Now this has two meanings. There is first the obvious one that the quantity of silver must have been very greatly enlarged by this time. Previously the changes of ratio had always been followed by open movements on the part of one metal or the other. There had not been a spare quantity of either, so that the lowering of one had been sure to bring out stores of the other. There is also the further meaning that, since the Act of 1663 had proceeded from no real improvement of opinion as to the exchanges, men were making a business of arbitrage apart from anything else. In

¹ Shaw, "Currency," p. 228.

previous times, whatever currency troubles there might have been, a certain restraint of speculation occurred practically, because the handling of money was very largely effected by merchants, who might seize opportunities of taking an arbitrage profit, but had in the end to consider also the interests of their merchandise. The men who hoarded silver against the prospect of a lowering of the guinea were cutting right across the path of trade.

The first real enlightenment is not discernible until 1774. In that year an Act was passed to the effect that no tender by silver coin in payment of sums of over £25 should be a legal tender at more than value by weight of 5*s.* 2*d.* per ounce of silver, and that no person should be bound to receive silver as tender on any other terms. This "epoch-making clause," as Professor Shaw calls it, was the first evidence of a dawning perception of the mono-metallic principle, the first approach to a gold standard, which proved to be the means of that steadying of the currency which had been sought for in vain during so many hundred years.

Simultaneously with this steadying occurred precisely the kind of new activity in the commercial world which most required such steadiness. The development of the factory system could hardly have proceeded with the rapidity which it in fact displayed unless the material for paying wages on a large scale had been liberated from the danger of sudden wholesale withdrawals to other countries. The first great change in currency, the mere increase of coined money in circulation, had in the same way coincided

with precisely the right kind of need on the part of the commercial classes. It occurred at a time when the men who had grown rich in local marketing were ready to combine for foreign enterprises in which coined money in quantity was necessary both as a medium of exchange and as a basis for credit. The second great change—for indeed no other had occurred in principle since that early date, the only new conditions being further increases in quantity¹—coincided with a commercial movement in which it was of vital importance to be able to rely upon a sufficiency of coin in active circulation. As long as manufactures, though they had in essence undergone the change from the domestic to the factory system, remained in practice and in scale still almost domestic, the pressure of a drain of coinage could be distributed. Part payment in kind was not impossible; and the conditions of the artisan enabled him to tide over a period of shortness of coin. It has been noted in a previous connection that, as the employers grew richer and more powerful, they tended to withdraw their works from the towns, largely in order to avoid the supervision of their relations to their workmen and of the quality of the work. An incidental result of this tendency was that the artisan in such circumstances became a combination of artisan and peasant. He had, besides the wages he might draw from an employer, a holding in the common fields of his village. Moreover, even

¹ The use of bills of exchange and the establishment of banks were, after all, only for the increase of currency by avoiding as far as possible the withdrawal of coin from circulation.

where the manufacturer had not transferred his works to country places, the artisan was not wholly dependent on his wages. Nearly all the towns still had common fields. This may, indeed, have had on one side a bad effect in making the artisan often rather lazy about his affairs. With a small piece of land, and a cow and a pig or two which he had the right to pasture at common, the artisan-labourer, as Professor Cunningham calls him,¹ would be neither a very good artisan, nor a very good small-holder. He might irritate his employer in the one capacity as much as he irritated Arthur Young in the other. But at the moment all we have to note is that in these conditions wages might fluctuate, in submission to erratic currency movements, without any fundamental disturbance of manufacture. The workman could still keep alive.

But the last quarter of the eighteenth century saw the introduction of new methods. The invention of the steam engine had opened the way to all kinds of machinery, and had, by its very principles, necessitated the concentration of hands in large factory buildings, and consequently in settlements close to those buildings. The immense amount of capital awaiting employment and hitherto finding little opening because of exclusiveness of the great trading companies, the greater elaboration of credit which was growing up with the final establishment of the Bank of England and the foundation of an increasing number of private banks, the impulse given to the development of machinery by the coal and iron

¹ "Industry and Commerce," ii, 575.

interests—all these influences tended to make the concentration of the new style of industry astoundingly rapid.

Another effect of the introduction of machinery was the subdivision of labour upon the products of manufacture. The making of anything became a series of processes performed by different machines; and the artisans were enslaved to single processes. Consequently, at the same time that they were losing the moderate independence which country conditions had given them, they were losing also such independence as might come from their particular skill. At the worst, if a man could make a knife he had the chance of being able to sell knives in a small peddling way if he lost regular employment. But when he could only perform one operation in the course of making a knife—could only stamp out the blade in the rough, or polish a blade, or cut a handle—he was entirely dependent on the capitalist; for the capitalist alone carried on the manufacture of knives in such a way as to have a use for this limited kind of craftsmanship.

One curious sign of what this meant to the manufacturer may be seen in the complete change of his attitude towards apprenticeship. As long as the craft guild system had any life, even of the most circumscribed kind, very jealous watch was kept upon the number of apprentices. Since they had to be regarded as master-men in embryo, the tendency during the fifteenth, sixteenth, and seventeenth centuries was to prescribe strictly the number of apprentices a man might keep. As time went on this

limitation tended to raise the price of indentures until, as we have seen, apprenticeship became in practice little more than a privileged form of entry into a trade for a few rich or well-born people. It was so handled by the masters as to be one with their own interests. But subdivision of the processes of manufacture very usefully altered this state of things at the very time when quantities of cheap labour were required. There need be no fear of apprentices, partly because no apprentice could expect to become acquainted with the whole of the various processes, and partly because, even if he did, he could not make himself a manufacturer without command of capital. The old exactions of the guilds in money payments from the apprentice who wished to be free of the craft and a master in his own right paled before the exactions which the new conditions of commerce imposed upon him.

While apprenticeship had thus become virtually useless to the apprentice it suddenly acquired a new value for the master. By its means he could put into his factory labour that by the express terms of its employment was bound to him legally for certain years, could be recovered if it removed itself, had no right to wages in any real sense, and could by law be kept practically confined upon the master's premises. Every legal provision which had once been the fair guarantee to the master of a return for what the apprentice gained by the learning of a craft and the prospect of admission to a privileged means of livelihood, remained on the Statute Book; and since the apprentice's ultimate gains had become

only in fact, and not in theory, obsolete, it occurred to no one that apprenticeship was an outrage. It was a common thing, towards the end of the eighteenth century, for framework knitters or calico printers to have fifty or sixty apprentices each, and perhaps two or three journeymen. The cutlery trade in Sheffield was in much the same state.¹ Apprentices could be kept far more under the master's control out of factory hours than the journeyman artisan could be; the laws against any combination or acts of violence on their part were far more stringent, and had, besides, less of the unsatisfactory air of being passed in the interests of a class than later statutes against unions of workmen; they had a more specious appearance of being passed for the general interests of the community.

Thus, once more, the rising Middle Class was treacherous to its allies. Just as, several hundred years earlier, the rich townsmen had cunningly turned the craft guilds to their own purposes, instead of openly fighting them, so now the capitalist mis-handled the apprenticeship laws in order to enrich himself and weaken the force that might have risen from the concentration of large masses of workmen. Just as the trader in the fifteenth and sixteenth centuries entrenched his new fortress of capital against the working man, so now he entrenched the fortress of industrialism against the artisan. He made use of every accidental circumstance of the new era—the removal of the artisan from the soil,

¹ "English Guilds," pp. clxxxiv-vi.

the subdivision of labour, the unnoticed survival of apprenticeship laws—to reduce the men he employed to an abject dependence upon his command of capital. }>

He forgot, however, that the State was by this time predominantly Middle Class, and that the very methods upon which he was thus proceeding were those which had been employed, and might be expected still to be employed by the rank of that class which had already attained to power. The first effect upon this upper rank of the rise of a new kind of wealth was to make it more exclusive, more ostentatiously aloof from industrialism, more imitative of the manners of a true aristocracy. { The corollary of this was that it should tend increasingly towards political opposition to the movements of the newest wealth. } The difference between Tories and Whigs, which had during a great part of the century been unreal, turning upon such minor matters as a vague Jacobitism on the part of the Tories, or an almost equally vague religious tolerance on the part of the Whigs—both using their power for much the same ends when they obtained office—began now to become a real difference. The core in the Tory party of old lords of the soil accentuated the insistence of that party upon landed interests, which in fact they represented no more than did the Whigs. On the other hand the greater hold of the Whigs upon supreme power during a century in which commercial affairs had been the guiding consideration accentuated their claim to represent commercial interests, upon which the Tories were actually hardly

less dependent for their riches than the Whigs were.

These differences would probably not have appeared at this time, had it not been for the rise of the moneyed manufacturer. He attached himself, for the reason that has just been given, to the Whigs; and the Tories fell more distinctly into opposition to the rising interests. Thus a completely new situation was created. For the first time the Middle Classes divided in relation to politics and national affairs. Hitherto, however imperfect the union had slowly been becoming during the eighteenth century, these classes, even when different grades began to appear among them, had been, roughly speaking, looking in the same direction. Those who had risen to the governing rank may sometimes have over-ridden the purposes of those who remained in the directly commercial pursuits; but they had not done so from any failure to understand these pursuits. There remained a kind of mutual comprehension not at all impossible to maintain in the face of actual disagreements. The small trader might be subject to arbitrary interference with his methods; but the interference came from those who had themselves suffered from interference in their day, and whose own methods, after all, differed in degree, rather than in kind, from those of the smaller men.

But at last this mutual comprehension was broken. The opposition of the Tories to the industrial spirit, was accompanied by a real and complete failure to understand a new commercial outlook with the ap-

proach of new theories of trade. It is not, indeed, very likely that many of the Whigs understood them immediately; but they had, if only from opposition to the Tories, the appearance of sympathy with the new ideas.

Of these ideas we have, as it happens, a very comprehensive view. They are the vital constituent of Adam Smith's "The Wealth of Nations." It would, of course, be absurd to suggest that, in the manufacturing capitalist class as a whole there was anything like the clear and determined envisaging of new principles of international commerce which that book contains. The capitalist employer was probably too much occupied with the direction of new forces at home, too much, it may be, overwhelmed by the amazing rapidity of movement developed by those forces, to work out the question of his relation to markets which had hitherto been approached solely in the conditions and for the purposes of a wholly different kind of commerce. Yet it would be equally absurd to imagine that Adam Smith's work was wholly an intellectual theory—that it had no roots in the commercial outlook of the time. The instant success of the book, the mark it has left in our history, and the position it has always held in controversy, are enough to show that, while perhaps few of the leaders of the industrial era could have produced anything like "The Wealth of Nations," they immediately recognized its representative character, and found in it a kind of charter of their liberties. Such books are not sudden, unconditioned inspirations; they are the crystallization, by a brilliant

and lofty mind, of the yet fluid constituents of a new intellectual vigour—the concentration in a channel laid down by a powerful brain of the currents of movement in the general thought.

There is no need here to summarize at any length the propositions of "The Wealth of Nations." It was in effect a fundamental attack upon all the trading principles of the Middle Classes up to that date. At its very core was the destruction of the venerable middle-class tradition of commerce as only to be successfully pursued at the cost of rivals—the rivals being in early days the people of a neighbouring market-town, in later days the people of a foreign country. Adam Smith pointed out that trade is gain to both sides; and that it is to the advantage of a country that the foreign countries with which it deals should be rich. Another proposition was that it was always best to buy in the cheapest market; and another, that even if gold and silver went abroad for purchasing from certain countries, that silver and gold must have been bought by industry, so that, though the profit on such transactions might not be so great as in cases where the currency balance was the other way, it was at any rate foolish to speak of them as involving a loss.

Now these propositions were a complete overthrow of that theory of "the balance of trade" upon which the seventeenth century had prided itself,¹ and to which the eighteenth century had been faithful. The sum of this theory was, as we have already remarked, that it was profitable to trade with nations

¹ See "Ambrose Barnes," pp. 39, 40.

which required our manufactured goods, but had little or none of their own to send in return, so that they had to pay in coin; but unprofitable to trade with manufacturing nations, because coin might be drawn from us to pay them. But clearly the manufacturing nations must be richer than the non-manufacturing; and, further, their markets must be cheaper to buy in. Therefore on both the main arguments of "The Wealth of Nations" the old theory went by the board. The proposition that the gold and silver with which we might be called upon to pay could only be acquired by industry, so that the appearance of paying for manufactured goods by something else than our own manufactures was fictitious, did much to remove the chief basis of the old theory. A better understanding of the foreign exchanges on Adam Smith's part did even more. He perceived that, as long as the currency of one country was intrinsically below the value of the currency of another country, the apparent exchange might be against the former country, when the actual exchange, the balance of trading debt and credit, was in its favour. The same false relation might arise from such institutions as the banks of Amsterdam and Hamburg, which had created a standard of bank money higher than the standard of the ordinary currency.

One further proposition of Adam Smith's had its effect upon this question of the exchanges. He insisted that, whereas the transportation of commodities, when properly suited to the market, is always attended with a considerable profit, the transportation of gold and silver, as commodities, is

scarcely ever attended with any profit. The day of mere arbitrage transactions was, in fact, over, when the wealth of a nation began to be reckoned no longer in the obvious terms of its possession of bullion, but in terms of its producing and consuming capacity.

The real secret of the new theory of trade is to be found in that regard for consuming capacity, as much as in anything else. Hitherto the producer alone had been considered. The whole object of the mercantilist school had been to extend our manufactures, not by improving the methods, and acquiring thereby an enhanced power of competition, but by depressing the production of rivals. It sacrificed the consumer to the producer in every way, whether by regulations such as those which depressed the price of wool, for instance, or by those which penalized exports to certain countries. Adam Smith stood boldly for the conviction that the sole end of production was consumption, and that anything which interfered with consumption was a misuse of power in the interests of certain producers at the cost, immediately, of other producers, and, ultimately, of the national wealth.

This regard for the consumer was clearly a characteristic of the newly rising rank of the Middle Classes, the capitalist manufacturer in command of machinery. The old system, with its comparatively narrow area of output, and above all its comparatively small sinking of capital in production, naturally found its profit in narrowing the channels of trade. The merchant was the controlling influence, and the

manufacturer had no other idea than to attach his interests to those of the merchant, and coincide with his theories of privileged trading. But the new men urgently required free consumption and the widest possible market. They had tied their capital to factories and machines; they had, in the place of the more or less casual labour of the old-fashioned manufacturer, vast concentrated bodies of workmen to whom lack of employment in manufacture meant, not falling back upon the land, but idleness and the end of their consuming capacity.

It followed inevitably that Adam Smith's work should assume in parts a very controversial aspect. The old system was an enemy. "It is," he writes, "the industry which is carried on for the rich and powerful that is principally encouraged by our mercantile system";¹ and again: "The capricious ambition of Kings and ministers has not, during the present and the preceding century, been more fatal to the repose of Europe than the impertinent jealousy of merchants and manufacturers."² It was upon such bases as these that the difference between Tories and Whigs began to assume new proportions. Not until the next century did the new Middle Class begin to be formidable in the State. But already its existence served, by its greater inclination towards the Whig side, to introduce into the Tory attitude the elements of Conservatism as a reaction, partly social, partly dictated by financial and business prejudices against the new trading.

¹ Bk. iv, cap. 8.

² Bk. iv, cap. 3, part ii.

Moreover, the difference which, so far as it concerned Whigs and Tories, was merely a difference between two sections very much alike in origin, in political traditions, and in habits of mind, became now a difference dividing the nation. The Whigs were not the only party with a newly-risen class attached to them. A fresh middle-class cleavage appeared upon the Tory side, in the shape of the small landowner, the farming squire, the yeoman, and the tenant-farmer. Hitherto, as we have remarked, these men hardly belonged to the Middle Classes at all. They had been left on one side by the events of the sixteenth century in the affair of landed property, and remained a kind of anomalous survival of feudalism, impossible to characterize clearly in a State that had thrown up a middle-class aristocracy owning land on a large scale. They had not acquired the conception of currency as the principal instrument of life. They still lived largely on their own produce; and had but the most elementary notions of rent. The farming system was, in the main, still feudal in idea. The greater part of the farmed land of the country was in the old condition of open fields divided into the communal strips of the self-contained manor.

Now just as the earliest important rise of the Middle Class, in the latter part of the fifteenth century, very seriously affected the landed system, so the new rise had an effect in the same direction. Partly it was the effect obviously to be expected from the results of the growth of factories which removed people from the land and concentrated them in

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towns. The supply of food-stuffs to these congested centres of population completely altered the market conditions for agricultural produce. An unforeseen consuming power was introduced, and a demand which violently stimulated production. But there was also an indirect effect, concurrent with this. The new prospect of monetary gain in farming created a new movement for greater efficiency in the management of land, and the introduction of a higher intelligence into agricultural methods. Hence arose Arthur Young's surveys of the rural districts, the movement for enclosing open fields, and the farming experiments and reforms of men like Coke of Norfolk.

These new ideas meant, of course, more than the introduction of intelligence. They meant also the introduction of capitalism into farming. The great new markets demanded a power to hold crops and manipulate prices which could only come from the use of money as more than a symbol of exchange. The combination of common-field holdings into large farms, and the scientific working of those farms, necessitated the outlay of money in a kind of speculation. The process of enclosure involved the extinction of the cottage rights, and made the agricultural labourer ultimately as dependent upon wages, in his removal from the soil, as the factory worker had become. Thus every result of the change helped to throw up another kind of Middle Class, composed of the small landowner and the farmer.

These men's interests lay, on the whole, with the Tories. For one thing, although in the ownership of

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