

## Chapter 5: Property, Culture and Economics

*[Property is] that sole and despotic dominion which one man claims and exercises over the things of the world, in total exclusion of the right of any individual in the universe.*

*Blackstone's Dictionary of Law*

### Property as the Foundation of Wealth

All wealth begins as a gift from the Earth. This is true even with “low hanging fruit,” which still requires human labor and ingenuity to harvest the gift and make it productive; the earth itself is the indispensable beginning of all life and all the sustenance that life requires. Thus the primary “capital” has always been the earth. The concept of “capital” becomes complex and embraces all sorts of things, including money, equities, intellectual property, machinery, etc., but all capital and wealth are still founded on the land. Therefore the distribution and possession of the land is the key element in the distribution of wealth.

All wealth is distributed based on some rule of property, either property in land, in goods, or in one’s own labor. But basic to everything else will be property in land. Even in the infinite expanse of “cyber-space” one needs a place to place the server, some ground to bury the cable or set the tower. Therefore we must deal with the question of property before we deal with anything else touching on our material well-being. Societies distribute property according to their understanding of what “property” means and what “justice” means. The concept of justice controls the meaning of “property.” The idea that there could be different meanings comes as a surprise to us, since we regard the concept as self-evident. And indeed,

there is something self-evident about private property: that which we make should belong to us, and this idea is more or less constant throughout all societies and cultures. But there is a kind of property that we do not make: land, air, water, mineral wealth, the electromagnetic spectrum, etc. Who “owns” such property and how did they come into possession of it? The property in things *given* is fundamentally different from the property in things made by man; this kind of ownership is a social relationship, and always different in different cultures. Further, it will determine, more than any other factor, all other economic relations within a society. Indeed, we normally name economic systems after the form of property ownership that dominates in that society. So, for example, capitalism, socialism, feudalism, tribalism, all refer to different ways of owning land.

Therefore, any rational exploration of justice, and the economic and business systems that implement justice, must begin with a study of how the society governs land ownership. Such ownership is prior to any production or exchange, and the first thing a society must distribute is the land. Every society will make this distribution according to its own notions of justice, notions that vary from culture to culture. However, underneath these varying notions are some themes and issues that play themselves out in every culture as it develops through its history. The most

basic theme is the distinction between ownership and use.

### *Ownership and Use*

The classic position on ownership of the land in Catholic Social Teaching comes from St. Thomas Aquinas. For Thomas, there is no particular reason why a “particular piece of land should belong to one man more than another” (*ST II-II*, q. 57, A. 3). Nevertheless, St. Thomas gives an excellent defense of private property:

[Private property] is necessary to human life for three reasons. First because every man is more careful to procure what is for himself alone than that which is common to many or to all: since each one would shirk the labor and leave to another that which concerns the community, as happens where there is a great number of servants. Secondly, because human affairs are conducted in more orderly fashion if each man is charged with taking care of some particular thing himself, whereas there would be confusion if everyone had to look after any one thing indeterminately. Thirdly, because a more peaceful state is ensured to man if each one is contented with his own. Hence it is to be observed that quarrels arise more frequently where there is no division of things possessed. (*ST II-II*, q. 66, A. 3)

The thing to note about this defense is that it is *pragmatic*: things just work better when there is private ownership. But then Thomas identifies a second aspect of property, its use. He writes, “The second thing that is competent to man with regard to external things is their use. In this respect man ought to possess external things, not as his own, but as common, so that, to wit, he is ready to communicate them to others in their need” (*Ibid.*).

Thus Thomas identifies two aspects of property: *ownership* and *use*. One dictates a *private* aspect of property and the other a *public* or *common* aspect. What is the relationship between these two aspects? According to Thomas,

Community of goods is ascribed to the natural law, not that the natural law dictates that all things should be possessed in common and that nothing should be possessed as one’s own: but because the division of possessions is not according to the natural law, but rather arose out of human agreement which belongs to the positive law... Hence the ownership of possessions is not contrary to the natural law, but an addition thereto devised by human reason. (*Ibid.*, ad 3)

Indeed, the common claims on property are so strong that theft is allowed in cases of need: “In cases of need all things are common property, so that there would seem to be no sin in taking another’s property, for need has made it common” (*ST II-II*, q. 66, a. 7, sc).

For St. Thomas, then, there is a common aspect of property that is governed by the natural law and a private aspect which is governed by positive law, or prudence. Now we can better understand Thomas’s pragmatic defense of private property: it is a method, governed only by prudence, of insuring that the “natural” common values of property will be available to all; it is a way to ensure that property will be properly developed so as to be useful to the whole community, since property always needs to be developed in some sense in order that its values be made available to men. Now, if St. Thomas is correct, we would expect to see in the history of property ownership a variety of prudential methods based on the

interplay of the common and private values in land. Further, we would expect that these various methods of ownership and use will vary according to how cultures perceive the “natural” law as it applies to justice. We will test this thesis by looking at four different systems of ownership: The “Sabbath Land” of the Old Testament, the “private” system of the Greek city-states, the feudal land of the Middle Ages, and our own system of modern Capitalism.

## Property and Culture

### *Sabbath Land*

If religion and economics are separate and distinct things, you would never know it from reading the Bible. The Old Testament especially is an “economic” document which specifies a system of land ownership (indeed, several systems) and calls for “justice” from nearly every page. The land is a primary theological and economic category in the Old Testament, particularly the “Promised Land.”<sup>1</sup> The Bible does not present us with a series of moral abstractions, but embodies its strictures in concrete situations, specifically in the way the people are to relate to the land. As the faith of the ancient Hebrews waxes and wanes, so too does their relationship with the land. For this reason, we find not *one* system of land ownership in the Bible, but six.<sup>2</sup> The oldest of these is the Sabbath Land codes found in Leviticus 25-26, Deuteronomy 15, and Exodus 23.<sup>3</sup>

---

<sup>1</sup> Walter Brueggemann, *The Land* (Minneapolis, Minnesota: Fortress Press, 1977), 4.

<sup>2</sup> Norman C. Habel, *The Land Is Mine: Six Biblical Land Ideologies* (Minneapolis, Minnesota: Fortress Press, 1995).

<sup>3</sup> All Biblical quotations are from the New American Bible.

Taken together, these chapters present a picture of the land as bound by the Sabbath. That is to say, not only do the inhabitants of the land observe the Sabbath, but the land does as well; the land itself rests one year in a week of years. The overriding premise of this system is *covenant*, an agreement between God and man with obligations on both sides. An overview of the covenant is given in Leviticus 25, while chapter 26 provides a series of blessings for keeping the covenant (3-13) and a series of curses for violating it (14-39). Both the blessings and the curses relate primarily to the land, its fruitfulness and security, and only derivatively to the inhabitants. Among the blessings we find that the Lord promises that the land will receive rain in due season (26:4), the threshing will overtake the vintage (5), dangerous animals will be removed (6), and the land shall be secure from attack (6-8). But chief among the blessings is the physical presence of the Lord: “And I will walk among you, and will be your God, and you shall be my people” (12). The curses, however, outweigh the blessings “seven-fold” (21) and include disease, famine, loss of political independence, wild beasts, and exile.

The central premise of the covenant is that the land cannot be sold because it cannot be owned: “The land shall not be sold in perpetuity, for the land is mine; with me you are but aliens and tenants” (Lv 25:23). Even this tenancy of the land does not reside so much in individuals as in the clan or tribe, and the kinsmen always retain the right to “redeem” the land (that is, buy it back after a “sale”).<sup>4</sup>

---

<sup>4</sup> This applies to agricultural land only; the regulations for city land are different, and the right of redemption expires after a year, and such land is exempt from the jubilee.

Here we see most clearly the distinction between modern and Levitical notions of land ownership; while in the modern world, the individual is sovereign over his own land, in Leviticus the land cannot be alienated from the clan or tribe, and the individual himself is a mere “tenant” even though he holds a life-time tenancy.

The specific terms of the “lease” required that the Hebrews:

1. Not sell the land in perpetuity. Rather, it could only be leased to another for up to seven years. Even then, the kinfolk of the one leasing the land had the right to “redeem” it. But whether or not it was redeemed, the land had to be returned to its owners every Sabbath (seventh) year.
2. Permanent slavery for Hebrews was forbidden; those placed in debt servitude had to be freed every seventh year.
3. Every seventh year the land had to lie fallow, the “land Sabbath.” This probably referred to a normal crop rotation system rather than *all* the land being uncultivated in one year.
4. The poor had the right to harvest whatever grew on the fallow fields, as well as the right to glean the other fields. Thus the land provided work and sustenance for both for the “owners” and those who owned no land at all.
5. Since “ownership” of the land was vested not in individuals, but rather in the clan or tribe, the current tenants merely used the land and “possessed” only as much as they could use themselves. There was no concept of land as a capital asset which one could hoard or exchange for a profit. In fact, the only way to

draw income from the land was by personal labor,<sup>5</sup> and as such, the land was available to both “rich” and “poor” members of the extended family or tribe.

This system of land tenure rested upon the Hebrew view of the purpose of life. The ancient Hebrews had only the vaguest notion of an “after-life,” a concept that came much later to the Hebrew religion; rather, the land *itself* was the promise. A peaceful life on their own land, free from foreign rule, with each man tending his own vines was the ideal; “salvation” meant having a home and living by one’s own efforts. The land itself was not a “commodity” to be bought and sold, but a gift from God for all generations, not just the current one. The Sabbath land system is typical of tribal land ownership systems found throughout history, including the tribal cultures of our own day. To put the matter into modern terms, “one could consider the land the joint property of all members of the tribe, past, present and future, with present members having only a leasehold interest.”<sup>6</sup>

We can see from the story of Naboth’s vineyard (1 Kings 21) that the ideals of the Sabbath land system were not just pious admonitions, but rather were a functioning system. King Ahab desires a field belonging to Naboth and offers to buy it from him. But Naboth will not sell because, as he tells the king, “The Lord forbid that I should give you my ancestral heritage” (v4). Naboth cannot sell the land because he does not “own” it; he is merely the current user of

---

<sup>5</sup> Garrick Small, *An Aristotelian Construction of the Social Economy of Land* (Sydney, Australia: University of Technology, Sydney, Australia, 2000), 116.

<sup>6</sup> *Ibid.*, 118.

the land. On this basis, the commoner can stand his ground (literally) against a king. The king can do nothing but return to his palace and sulk. However, the king has a wife named Jezebel who is not a Jewish but a Canaanite princess, a foreigner from a land where the king's word is law and all land belongs to the king; hence she is amazed at her husband's weakness. "A fine ruler of Israel you are!" she taunts him (v7). Taking matters into her own hands, she has Naboth framed on a charge of blasphemy and killed. Ahab then takes possession of Naboth's field. But as he does, he is confronted by the prophet Elijah, who accuses him, "After murdering, do you also take possession?" It seems the violation of the land laws was as abhorrent as the murder. The story testifies to the persistence of the old laws.

Nevertheless, the laws were sufficiently disregarded so that land and power were being concentrated in fewer and fewer hands, which caused an angry response from the prophets, such as when Isaiah says, "Woe to you who join house to house and field to field until you are left to dwell alone in the midst of the land" (Is 5:8). The final chapter comes when the kingdom of Jerusalem is besieged by the Babylonians under Nebuchadnezzar. The Prophet Jeremiah tells King Zedekiah that the key to lifting the siege is to free the slaves. The Hebrews promise to do so, and immediately Jerusalem's ally, the Pharaoh Hophra, takes the field against Nebuchadnezzar, who lifts the siege to face the new threat. Seeing the Babylonians depart, the nobles renege on their promise and fail to actually free the slaves. In the meantime, Hophra takes one look at Nebuchadnezzar's army and changes his mind; his army

retreats to Egypt and Nebuchadnezzar resumes the siege. Jeremiah tells them what the result will be:

Therefore, thus says the LORD: You have not obeyed me by proclaiming liberty, every one to his brother and to his neighbor; behold, I proclaim to you liberty to the sword, to pestilence, and to famine, says the LORD. I will make you a horror to all the kingdoms of the earth. (Jer. 34:16-17)

And that is exactly what happens.

Hebrew society, like any other, did not remain static, nor did its spiritual life. The spirituality that supported the Sabbath codes was weakened by internal stresses and by long contact with the more urbane culture of Babylon. After the return from exile, the Sabbath laws were re-written into the Jubilee codes, codes more "sympathetic" to private wealth. These re-written codes are similar in form to the Sabbath codes, but the year of freedom occurs not every seventh year, but every seven times seventh year. Thus land can be leased and slavery imposed for forty-nine years, or pretty much for one's whole adult life. Further the right to harvest the fallow fields was taken from the poor and retained by the owners. This all constitutes a "privatization" of property rights and follows closely the trajectory that will repeat itself time and again throughout history: the gradual accumulation of property in the hands of a few, and the "privatizing" of what had previously been common rights to the land.<sup>7</sup> We can see this pattern at a later stage in looking at the Aristotle's Athens.

---

<sup>7</sup> Garrick Small, "Contemporary Problems in Property in the Light of the Economic Thought of St. Thomas Aquinas," in *Congresso Tomista Internazionale* (Rome: 2003), 8.

*Aristotle's Athens*

The ancient Greeks, like the ancient Hebrews, were a tribal people and had a system of land ownership not too very different from the Hebrews with ownership vested in the family or tribe.<sup>8</sup> But by the time of Plato and Aristotle, new and private forms of property were rising. "Young Greeks recognized that their standard of living could be enhanced by buying land privately and working it. The product from this enterprise did not have to be shared with relatives."<sup>9</sup> Plato regarded this kind of ownership as vulgar and forbade it to the "guardians" of his ideal republic. Aristotle, however, took the opposite tack, arguing that property was a practical necessity. Why did this "privatization" of property become practical and necessary when it had not existed before? The answer lies in the transition from a rural and tribal society to a city-state. The great problem with tribal societies is tribal rivalries and warfare. Such warfare can be disastrous, the ruination of whole societies, as we can see today in Africa or in parts of the Middle East. The challenge of the city-state was to channel the strife into economic competition, which sustains agriculture and trade,<sup>10</sup> and to provide for the support of a military class which becomes the aristocracy. For Aristotle, the warriors should be the land owners. He accepted private property, but only when connected with an obligation for common use in the form of defense and production.<sup>11</sup>

---

<sup>8</sup> Small, *The Social Economy of Land*, 143-4.

<sup>9</sup> *Ibid.*, 144.

<sup>10</sup> John Milbank, *Theology and Social Theory: Beyond Secular Reason* (Oxford: Blackwell Publishers, 1990), 333.

<sup>11</sup> Small, *The Social Economy of Land*, 145.

This privatization of property, and the consequent concentration of wealth, was connected with what might be called a privatization and concentration of virtue and happiness. Full happiness could only come from the practice of virtue, and full virtue was limited to the aristocrats; slaves, women, children, artisans, the poor, the ugly are all barred from full happiness and the exercise of complete virtue.<sup>12</sup> Since being an aristocrat was an accident of birth, happiness was a matter of "moral luck" and available in its fullness to only a lucky few. This might be called a kind of Pagan Predestinationism, in which a few are preordained to happiness (or at least its possibility) while the rest are condemned to various degrees of unhappiness, with the slave at the bottom of the heap. Slavery was in fact a cornerstone of Greek economics and fit in well with the conception of morality. Indeed, the moral, cultural, and economic systems are always intertwined and interdependent. The Greek system maintained both the common and private aspects of property but emphasized the private, as opposed to tribal systems, which emphasized the communal.

We can see a trajectory of movement from more communal values to more individual values in both the Greek and Hebrew societies, with a complete privatization of land and a disregard of communal values as the society deteriorates. This happened to the Hebrews before their exile and to the Greeks before their fall to the Romans. In the same way, Roman property follows this same pattern. Towards the end of the Empire, land tended to be

---

<sup>12</sup> Milbank, *Theology and Social Theory*, 351.

concentrated as soldiers on extended active duty lost title to their land, and the power and influence of the landowners grew while the free farmers declined in number and significance right up to the collapse of the Empire.<sup>13</sup> However, the Middle Ages are able to reverse the trajectory in new and interesting ways.

### *The Middle Ages*

The barbarian invasions gave impetus to the concentration of land as the need for defense increased. The former free soldiers and farmers became serfs (slaves) on their own land. Europe entered a dark age from about the 5<sup>th</sup> to the 9<sup>th</sup> centuries; there was a near total loss of trade and commerce, of government, even of the domestic arts, such as farming; security became the primary concern. Life expectancy declined to perhaps as little as 24 years, while crop yields plummeted, some say to as little as five grains per head;<sup>14</sup> while that number is unlikely, it was certainly true that farming declined. Part of the decline had to do with the fact that the northern lands required different techniques than the Mediterranean farms; the soils were rich but heavier and harder to work; the available "scratch" plows, for example, made little impression on the soil and the existing harnesses constricted the horses' chests which limited the amount of weight they could pull. What were needed were new methods and even a new economics.

And that is precisely what happened. As Europe emerged from the Dark Ages around the 9<sup>th</sup> and 10<sup>th</sup> centuries, there was a technological explosion. It was not

one invention, but dozens of little ones such as the moldboard plow, the horse collar, three-crop rotation, the use of legumes, the spiked harrow, and horseshoes.<sup>15</sup> Farms became very productive once again. The increased production meant a revival in population and trade, not to mention improvements in the health of the people. By the 11<sup>th</sup> century, for example, the average height for European men reached 5' 8"; it began to decline after that and men did not again reach that stature until the 20<sup>th</sup> century,<sup>16</sup> contradicting the popular view that life in the Middle Ages was "nasty, brutish, and short." This increased productivity raises a question of why problems in farming that had existed for centuries suddenly were solved in so short a period of time. What was at the root of the trend towards innovation and constant improvement? To understand this development we must understand the system of medieval land tenure, the feudal system.

As we noted previously, at the start of the Dark Ages the mass of men had been reduced to slavery. But slavery, especially when it is so widespread, has both military and economic drawbacks. In the first place, slaves do not make good soldiers; it matters little to them what language the master speaks, and they are not likely to risk their lives over the issue. In an era of warfare this is a serious shortcoming. Nor do slaves make good workers: they may work for free, but as long as the master gets all of the values above bare subsistence, they will

---

<sup>13</sup> Small, *The Social Economy of Land*, 124.

<sup>14</sup> Fernand Braudel, *The Structures of Everyday Life*, vol. 1 (New York: Harper and Row, 1982), 120.

---

<sup>15</sup> Francis Oakley, *The Medieval Experience* (Toronto: University of Toronto Press, 1988), 83.

<sup>16</sup> Richard Steckel, "New Light on The "Dark Ages:" The Remarkably Tall Stature of Northern European Men During the Medieval Era," *Social Science History* 28, no. 2 (2004).

not work harder than subsistence requires and are not likely to invest the effort in innovation or experimentation on which improved output depends. If the estates were to progress, they could only do so by granting a measure of freedom, both political and economic, to the slaves. Thus it gradually happened that by the 9<sup>th</sup> or 10<sup>th</sup> century the term “*servus*” no longer meant a slave but a serf and very nearly a peasant.<sup>17</sup>

To understand how this happened, we need to look at land ownership. The predominant form of land ownership was in “fief.” All title was held by the King as the representative of the people who in turn granted estates for a fee (fief). This “fee” was not a “rent” in our sense of the term, but a complex system of rights and responsibilities. We have extensive records from these estates because the bailiffs, a combination of CEO/accountant for the estate, were required to give detailed accounts of the estate, thousands of which still exist. The estates were divided into three portions. The first of these was the demesne or the domain which was the Lord’s private farm, usually occupied by the bailiff. This might consist in about a third of the land. Another portion was that worked by the serfs and cottagers and owned by them in all but name. The third portion was the commons, on which both the Lord and the serfs had certain rights.<sup>18</sup>

Each serf held about 12 acres of land in tenancy.<sup>19</sup> His rent was largely in

goods and in labor. He was required to pay  $\frac{1}{2}$  *d.* on November 12 along with a peck of wheat, 4 bushels of oats, 3 hens. At Christmas, he must pay a cock and two hens, and 2 *d.* worth of bread. At Michaelmas (September 29) he would pay a peck of seed wheat. In addition, he must plow, sow, and till half an acre of the lord’s land, work three days at harvest, and do such work as required by the bailiff, which could be several days/week. Compare this with the expected yields from his land of 13 bushels/acre of wheat or 20 of barley, 16 of oats, or 14 of peas. The cottagers paid between 1*s* 2*d* and 2*s* for their cottages and were required to work at haymaking one or two days for  $\frac{1}{2}$  *d./day*. They were also to work four days at harvest during which they were fed at the Lord’s Table. During the rest of the year they were free laborers, usually employed on the estate for money.

In return, the Lord was expected to maintain the infrastructure of the estate (roads, canals, bridges, etc.), provide for the defense and the policing of the estate and hold courts for minor offenses and disputes. In addition, the lord owned the mill which everybody was required to use for grinding his grain, for a fee, and the brewery at which everybody made their beer, also for a fee. Finally, the lord had the best pastureland and the right to all the oak and ash trees, which could be cut only with his permission.

The key factor in the transformation was a change in the division of the produce of the estate between the master and the serfs. After this change, the serfs gave the master only a set of fixed dues to the master, mostly in goods and

---

<sup>17</sup> Hilaire Belloc, *The Servile State* (Indianapolis, Indiana: Liberty Classics, 1977; reprint, 1913), 47.

<sup>18</sup> *Ibid.*, 44-5.

<sup>19</sup> The figures for the fees and services come from James E. Thorold Rogers, *Six Centuries of Work and Wages: The History of English Labour*

---

(Kitchner, Ontario: Batouche Books, 2001), 37-45.

service, and kept the rest for themselves. This meant that any improvements in productivity would go to the serf rather than the lord. The servile condition implied by the term “serf” had all but disappeared, and the tenant regarded the land as his own. True, he could not sell it, but neither could he be evicted, and he could pass his title, such as it was, to his sons. What improvements he made to the property accrued to his own benefit. Under such conditions, men willingly worked and eagerly improved the land. These rents were not economic, but customary; what would later become the so-called Law of Rents, by which the landlord got the benefits of all values above that produced on the worst piece of land, held no sway. The rents were not based on the value of the land, but on the value of the services provided to the land.<sup>20</sup> Adam Smith correctly identified the fees not as “rents” at all, but as taxes, that is, what someone pays the ruling authority for police protection, infrastructure, etc.<sup>21</sup> In an economic sense, there were no rents at all. This explains the great improvement in agricultural technique and productiveness. For when people can keep the output of their industry, they get very industrious indeed, and very creative. It is no small irony that great economic results were obtained by ignoring what would later be called the “laws” of economics. It is clear from the records that there was a security and fixity of tenure and well-distributed property. The picture we have of a few who owned the land and the many who worked it in misery is simply not correct.

---

<sup>20</sup> Jarrett Bede, *Social Theories of the Middle Ages: 1200-1500* (Westminster, Maryland: The Newman Book Club, 1942), 139.

<sup>21</sup> Rogers, *Six Centuries of Work*, 56.

The peasantry was prosperous, secure in their land, well-fed and, if Professor Steckel is correct, tall.

The expansion of farming also meant the revival of town life and with it the revival of trade and industry, for there can be no town life unless there is a surplus of food to support it. The industry in the towns was organized into *guilds*:

A Guild was a society partly co-operative, but in the main composed of private owners of capital whose corporation was self-governing, and was designed to check competition between its members: to prevent the growth of one at the expense of the other. Above all, most jealously did the Guild safeguard the division of property, so that there should be formed within its ranks no proletariat upon the one side and no monopolizing capitalist upon the other.<sup>22</sup>

The guild controlled all production within the towns and was made up of both the workers and the owners. Being a “worker” in a trade was itself a temporary condition; after a period of apprenticeship all the workers could become masters.<sup>23</sup> Note that the guild did not actually do away with competition, but merely competition on price; the masters still competed on matters such as quality, artistry, and service. Trade and industry flourished under this system and great wealth was created, as can be ascertained by the amount of surplus available for projects

---

<sup>22</sup> Belloc, *The Servile State*, 49.

<sup>23</sup> This system survives at the college level. We spend four years getting a bachelor’s degree and a further three to get a master’s because this was the length of time for an apprentice to become first a “journeyman” and then a “master.” The “colleges” were originally guilds of scholars who earned their livings by teaching.

such as cathedrals, castles, public buildings, roads, and canals.

What emerges is not a simple political/economic hierarchy, but a complex system of multiple authorities reflecting a moral equality within a political hierarchy. The guilds, the towns, the estate, and the religious authorities, all had their own laws, rights, and customary rules which were regarded as more or less “sacred” and could not easily be tampered with by other authorities. Everyone, from the peasant to the aristocrat, was conscious of his rights and willing to assert them against all threats. Property was well distributed so that even the meanest peasant had rights to the common lands. Although legal “ownership” was vested in the sovereign, actual ownership was vested in the lords, the tenants, and the townsmen. The system not only created a vast amount of wealth, but distributed it well to high and low alike. The system of customary rents, rather than economic ones, worked well. However, the system began to evolve from one of labor rent to one of cash rents. Landlords preferred to receive, and peasant preferred to pay, cash in lieu of service.

By the middle of the 14<sup>th</sup> century, there was very little of the old serfdom remaining. At first, this worked well for both sides, but things changed rapidly after the plague (1348), which reduced the population of England by one-third.<sup>24</sup> Wages rose rapidly and the cash commutations for service were no longer sufficient to hire replacements. Attempts to force the serfs to labor on the old terms failed, since workers could just flee the estate with the assurance that they

would find work at high wages elsewhere.<sup>25</sup> The high wages meant that the remaining serfs could buy their freedom and he could pay a money rent for his farm, which led to the rise of the yeoman-farmer. As the wages rose, and the profits of the old system declined, the landlords attempted to re-impose serfdom, but with little success. Indeed, wages were so high that in 1351 the Statute of Laborers attempted to cap the wages at pre-plague rates and imposed treble damages on Lords who paid more than the statutory rate.<sup>26</sup> However, the law had little effect; demand for labor was high and the peasant had too many alternatives.

The labourers gained all that the landlords lost, and could extort what terms they liked from the necessities of their employers. This attitude was meant by the Statute of Labourers... The attempt failed. Year after year, almost century after century, the Parliament complained that the Statute of Labourers was not kept, re-enacted it, strove to make it effective, were baffled, adopted new and harsher expedients, and were disappointed.”<sup>27</sup>

By the end of the 15<sup>th</sup> century, wages had reached their highest level; a peasant could provide food for his family for a whole year by 15 weeks of work, and a craftsman by 10 weeks.<sup>28</sup> England enjoyed, for a century or more, the novel experience of general prosperity with high wages and full employment. It was no accident that such a system developed in Christian Europe, for it well reflected the values of the Medieval Church. For

---

<sup>25</sup> G. M. Trevelyan, *Illustrated English Social History, Volume One* (Harmondsworth, England: Penguin Books, 1964), 31.

<sup>26</sup> Rogers, *Six Centuries of Work*, 227.

<sup>27</sup> *Ibid.*, 250.

<sup>28</sup> *Ibid.*, 389.

---

<sup>24</sup> Rogers, *Six Centuries of Work*, 223.

Christianity the end of life was not in this world, as it was for the Hebrews and the Greeks, but in the next. Therefore mere accumulation could not be part of the final end. Moreover, this end, union with God, was available to rich and poor alike; there was a moral equality even in the face of social inequality. In such circumstances, slavery withers and dies and the classes tend to converge. Since the kings had lost their divine status, they could no longer be absolute monarchs (as they were before and would later become) but were hedged in by a system of rights at all levels of society.

However, there were problems developing. The move from service to cash also meant a move from a society based on custom to one based purely on money.<sup>29</sup> The new system also affected the revenues of the crown, which were based on the old "suit and service" system. When Richard II imposed a poll-tax in 1381, in keeping with the new cash economy, there was a wide-spread rebellion under Wat Tyler<sup>30</sup> that nearly succeeded in establishing popular government in England.

### *The Modern Era*

The 16<sup>th</sup> century opened with England in prosperity, a prosperity that was well distributed to workers and farmers through high wages for the one and low fees for the other. By the end of that century, wages had collapsed and vast numbers of peasants had been dispossessed from the land to become a landless proletariat in the cities. A system of "welfare" became necessary, in the form of the "poor laws," to support a rapidly growing underclass. Obviously,

some catastrophe had intervened to change the character of England and the balance of economic and social forces. That catastrophe was the seizure of the monasteries (1536) and a new view of property. This seizure itself was in line with a growing discontent among landowners with the feudal system. They wanted to obtain not merely customary fees but the full economic values of the land for themselves. To do this, they would have to break the power of the working and peasant classes. Further, large tracts of land had been taken out of the feudal system, both by the monasteries and by grants to individuals, and became "freeholds" paying no fees to the crown. This meant that the revenue which formally flowed from these lands had to be made up by increased taxation.<sup>31</sup>

By the 16<sup>th</sup> century, the Church controlled fully a third of the land in England making the Church the single largest landowner aside from the king himself. The Church's lands supported not only the monasteries themselves, but were part of the charitable and educational infrastructure. The universities, for example, were largely supported by scholarships funded by the Church so that the collapse of the monasteries very nearly meant the collapse of the universities. The monasteries were also a part of the pension system, by which "corrodies" were purchased from abbeys. They were a kind of annuity, in which a sum of money would be given to the monastery in return for the right to be supported by the monks for the rest of a beneficiary's life.

---

<sup>29</sup> Trevelyan, *English Social History*, 33.

<sup>30</sup> *Ibid.*, 37.

---

<sup>31</sup> Small, *The Social Economy of Land*, 129.

The Dissolution of the Monasteries was not the result of the Protestant Reformation; it was the cause. King Henry VIII regarded himself as a Catholic, and indeed persecuted dissenters with the same zeal as had his father. Rather, it was the work of a combination of factors. The first was the growing resentment of the power of the clergy and of abbots who seemed more interested in wealth than in religion. Anti-clerical Catholics hoped that seizure would allow the funds to be used for education and public improvements. Their hopes would be thoroughly disappointed. The second factor was the profligacy of the King, who had emptied his treasury and sought to refill it by confiscation. The third group were the who hoped to get the land on easy terms, which in fact they did.<sup>32</sup>

It should be noted that the seizure of the monasteries, by itself, did not actually change things in England. Had the king merely taken over the Church lands, he would have become the richest and most powerful force in England, and perhaps in Europe. But the life of the peasants would not have changed all that much; instead of paying fees to the officers of the Church, they would have paid them to the officers of the King, and things would have proceeded as before. But in point of fact, the King did not actually get the land.<sup>33</sup> The King was in no sense an absolute monarch; his bill had to pass the parliament, and parliamentarians then were like parliamentarians now: each member had his own price.<sup>34</sup> Each member of Parliament (and they were all drawn from the land-owning class) had his eye on some tract of land that he had

coveted and, as the price of his vote, he got it, often for a price of pennies on the pound. Instead of refilling his treasury, the King spent his capital and ended up as poor as before.<sup>35</sup> The wealth that should have flowed to the king passed through his hands and into the hands of a new class. This land owning class already owned outright in the demesnes a fourth to a third of all the village land. Now a further fifth to third was added to that, making them the masters of half the land in England.<sup>36</sup>

Nor was that all. The land-owners wanted to *enclose* the village commons, that is, take them out of common ownership and make them “private” property. “Enclosure” was a movement that had been undertaken in a small way prior to the seizures and which had been roundly condemned by the King’s Chancellor, Sir Thomas More. But with the removal of More and the change in the balance of power, there was little to check the disappearance of the commons into private hands.<sup>37</sup>

Adding to the woes of the working class, Henry VIII sought further remedy for his finances by debasing the currency. Workers found that the prices for everything but their wages increased, doubling and then doubling again. Henry and his successors reduced the value of the coinage by as much as 60%

---

<sup>35</sup> R. H. Tawney, *Religion and the Rise of Capitalism* (New York and Toronto: Mentor Books, 1954), 120.

<sup>36</sup> Belloc, *The Servile State*, 64.

<sup>37</sup> Which leads to the lament:

“We hang the man and flog the woman,  
Who steals the goose from off the common;  
But let the greater villain loose,  
Who steals the common from the goose.”

---

<sup>32</sup> Trevelyan, *English Social History*, 208.

<sup>33</sup> Belloc, *The Servile State*, 64.

<sup>34</sup> *Ibid.*, 66.

before the old measure was restored by Queen Elizabeth a century later.<sup>38</sup>

The looting of English land continued through the reign of Henry VIII's weak successor, a sickly child, so that by the beginning of the reign of Queen Mary, there was a powerful class of capitalists, weak and impoverished crown, and a degraded and landless peasantry; power in England had passed to a new group of men. the dispossession of a large number of former peasants resulted in the creation of a landless proletariat, who clogged the cities in a search for work or turned to brigandage on the highways; further, there was a century of civil wars culminating in the Revolution of 1660 as the new landowning class asserted its power; finally, and perhaps most importantly, the common people had lost their bargaining power on wages. Henry had unwittingly accomplished what the Statute of Laborers could not; wages were finally limited not by the law but by the economic system.<sup>39</sup> A century before the seizures, the peasant could provision his family by 15 weeks of work and the artisan by 10; by 1543, it took the peasant 40 weeks of work and the artisan 32.<sup>40</sup>

Society passed from a system of well-distributed land at easy rents to a system of consolidated estates rented on the unfavorable terms<sup>41</sup> of what would later be known as the Law of Rents. It amounted to a "new conquest of England."<sup>42</sup> The intense land speculation forced a rise in land prices and the new owners had to squeeze

every penny from the tenants to make the land pay. Thus with the new owners of England came a new attitude. When some peasants objected to the seizure of their common lands, the new landlord told them:

Do ye not know that the King's Grace hath put down all the houses of monks, friars and nuns? Therefore now is the time come that we gentlemen will pull down the houses of such poor knaves as ye be.<sup>43</sup>

With the new owners of England came a new view of property. The fine balance between common and individual values gave way to a purely "private" notion of property; the feudal system, which enmeshed property in a complex relationship of rights and responsibilities, becomes an *allodial* system, where property is held free of any obligations. While we accept this today without any critique, in fact it took some doing to "sell" it to a public that still remembered the commons and the system of customary duties. Moreover there is always the problem of how one gets original title to land. You and I hold a piece of property most likely by right of purchase. But how did the first person come into exclusive control of that property? Obviously the land originally belonged to no one but was common to all. The philosopher of the new view of property was John Locke (1632-1704). He begins, as St. Thomas does, with a common view of property but moves to the question of how to take property out of its common use and put it in a purely private domain, free of any common responsibilities. His answer was to appeal to the "property" we all have in our own labor:

---

<sup>38</sup> Rogers, *Six Centuries of Work*, 343.

<sup>39</sup> *Ibid.*, 344.

<sup>40</sup> *Ibid.*, 389.

<sup>41</sup> Trevelyan, *English Social History*, 232.

<sup>42</sup> Rogers, *Six Centuries of Work*, 445.

---

<sup>43</sup> Tawney, *Religion and the Rise of Capitalism*, 120.

Though the Earth and all inferior Creatures be common to all Men, yet every Man has a Property in his own Person. This no Body has any Right to but himself. The Labour of his Body, and the Work of his Hands, we may say, are properly his. Whatsoever then he removes out of the State that nature hath provided, and left it in, he have mixed his Labour with, and joyned to it something that is his own, and thereby makes it his Property.<sup>44</sup>

By working the land, then, one takes it out of “common” use and makes it private property. Moreover it becomes *radically* private, with no public obligations whatsoever; the obligations implied by St. Thomas’s view of common use do not apply.<sup>45</sup> Finally, for Locke not only does one’s personal labor entitle him to take land from the common domain, but the labor of any under one’s control does as well. This means that ownership is now in principle infinite with no natural limitations whatsoever. For Thomas, private property was a conventional arrangement intended to further the common good; for Locke, the reverse is true: ownership is natural and any “communal” values were purely conventional, a matter of positive law; the connection to the common good disappears entirely and all values are purely individualistic. Note how well this accords with the new individualism that becomes the hallmark of the Enlightenment. Recall also how the Enlightenment fragmented human experience while reducing all values to the purely logical or psychological. Thus the communal and personal nature of property, connected to some degree in every civilization, is now fragmented,

and the only values are the satisfaction of personal desires freely determined by the individual.

## Property and Economics

### *Economic Rent*

We have previously seen that while classical economics recognized that the income from land (rent) was different from the income from either labor or man-made capital, neoclassical theory attempted to treat all sources of income as springing from marginal utility. At equilibrium, this would drive all prices to costs and eliminate any economic profit. But this is simply not possible when it comes to property in land; land will always collect an economic rent. *Economic rent* is a payment to a factor of production or input in excess of that which is needed to keep it employed in its current use. Another way to think of economic rent is that it is collected on a fixed resource which is not consumed in the transaction. Neoclassicism claims, like all economic systems, to be able to eliminate economic rent, for the most part. When we are dealing with man-made capital items, this is likely true. If a maker of widgets is in a position to charge economic rent for his product, that is, when there are excess profits, other entrepreneurs will be attracted to the widget business, thereby raising the supply and lowering the price until the economic rent is eliminated. But land cannot be manufactured. It has neither production nor depreciation costs, hence *all* payments for land will be in excess of its production and depreciation costs. If economic efficiency means paying no more for an asset than that which is required to keep it in production, then economic rent is the precise measure of

<sup>44</sup> Small, *The Social Economy of Land*, 149.

<sup>45</sup> *Ibid.*

economic inefficiency. Therefore, the question of economic efficiency cannot be addressed apart from the question of economic rent. We have just seen how the use of non-economic (customary) rents in medieval England caused an explosion of creativity and economic expansion. Later (chapter 14) we will see how the elimination of rents had similar effects in modern day Taiwan, Korea, and Japan.

Property ownership confers another advantage related to economic rent, that of the *unearned increment*. The price of raw land (not including the improvements to the land) is not determined by the land itself, but by what happens to the surrounding properties. Think about buying a plot of raw land in a sparsely populated area near a large city. As time goes on, there is a tendency for the population to expand and for development to find its way to the outlying areas. As the population increases and surrounding tracts get developed, the price of the land rises, and it does so without the owner having to do anything to the land whatsoever. This increase in value constitutes the unearned increment, an amount accruing to the land with no effort on the part of the owner.

Insofar as equilibrium depends on efficiency, land rents will constitute an irreducible element of inefficiency in the economy. The effects of this inefficiency will be vastly exaggerated by the concentration of land ownership. Societies that have a small landowning class will have high rates of poverty, unemployment, and underemployment, a fact that may be easily verified since there are, alas, many such economies both present and past. Further, what is true for land is also true for capital; the

more it is concentrated in ownership, the more difficult will be the tasks of development, equity, and equilibrium. Thus to a large extent the distribution of incomes in a given society will be largely determined by the distribution of property. This fact has profound implications

### *The Mystification of Property*

To most people, and to most ages, “property” refers to something physical in the real world. However, property no longer has this meaning within economics; it loses any purely physical properties to become a pure abstraction and, we might say, a purely mystical concept. Recall that J. B. Clark had drained capital of its actual content so that it became no more than “continuity of ownership,” a kind of “transmigration”;<sup>46</sup> ownership rather than use becomes the determining factor. As Hernando de Soto points out in *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, “capital” now becomes not a “thing,” but a “representational system” where “we can disengage the resource from its burdensome material constraints.”<sup>47</sup> A house, then, is not capital, but only the deed to the house, “an economic concept about the house, embodied in a legal representation.”<sup>48</sup> In other words, property becomes a purely *cultural* construct with a merely tenuous connection with reality; the “reality” becomes the deed, the actual house

---

<sup>46</sup> John Bates Clark, *The Distribution of Wealth: A Theory of Wages, Interest, and Profits* (New York: Augustus M. Kelly, 1899; reprint, 1965), 120.

<sup>47</sup> Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000), 49.

<sup>48</sup> *Ibid.*, 50.

being no more than a footnote to the deed.

The cultural nature of “capital” becomes more evident when we see what happens when a capitalist system is suddenly imposed on pre-existing systems in both the so-called “third world” and the former communist countries. We tend to view these people as desperately poor because they have no capital. The poverty is indeed widespread, but so is their capital. As de Soto points out, not only do the poor save, but the value of their savings is immense— forty times all the foreign aid received throughout the world since 1945.<sup>49</sup> The poor have houses, land, machinery, farm implements, and other things commonly thought of as capital, but they do not have capital in the capitalistic sense. For example, in Peru, the value of extra-legally held real estate amounts to \$74 billion, or five times the total valuation of the Lima Stock Exchange, 14 times the value of foreign investment, and 11 times the value of all government enterprises.<sup>50</sup> Yet, in order for a claim to land to be registered in Peru, 728 steps are required, a process beyond the means or patience of most of the peasant entrepreneurs.<sup>51</sup> Thus the “new” capitalistic system becomes a means of social control and exclusion.

Through most of the world, the “extra-legal” segment of the economy is as large as or larger than the legal segment. The poor trade houses and land, have informal banking systems, produce goods on their farms or in their workshops, but are still not capitalists. Not for want of trying, but because of

deliberate exclusion. More than anything, what separates the capitalist from the non-capitalist is not the actual existence of capital, but the social and cultural constructs that surround Western notions of capital and property.

### A Question of Values

We have come to view all arguments about property as arguments between an absolute ownership as embodied in Capitalism or “public” ownership as embodied in Socialism. But the historical question is far more complex, always being some combination of the two. The particular combinations are not given by an abstract vision of economics, but by the vision the society has of the end and purpose of Man and society; it is in view of its final values that a society allocates the relative public and private values of land. R. H. Tawney put the case like this:

[The Scholastics] while justifying [private property] on grounds of experience and expediency, insisted that its use was limited at every turn by the rights of the community and the obligations of charity... Society is a hierarchy of rights and duties. Law exists to enforce the second, as much as to protect the first. Property is not a mere aggregation of economic privileges, but a responsible office. Its *raison d'être* is not only income, but service. It is to secure its owner such means, and no more than such means, as may enable him to perform those duties.<sup>52</sup>

Thus we see in a highly communal society like the ancient Hebrews a communal view of land with ownership in the tribe and use in the family;

---

<sup>49</sup> Ibid., 5.

<sup>50</sup> Ibid., 33-4.

<sup>51</sup> Ibid., 191.

---

<sup>52</sup> Tawney, *Religion and the Rise of Capitalism*, 127-8.

moreover, it is a view of moral equality that lets the commoner stand his ground even against the king. For the Greeks, the ideal was an aristocratic one, where the private values are more emphasized, yet the communal values are present in the form of the support of the soldier and the advancement of commerce. For the people of the Middle Ages, there was "public" ownership with private use circumscribed by custom with a diffusion of rights and responsibilities throughout all levels of society. For our own age, the question of the relative merits have been fragmented into two opposing views, one that makes absolute either the individual values (Capitalism) or the communal values (Socialism). In actual practice, in both "Socialist" and "Capitalist" countries, this means a strong view of the "private" nature of property with the communal values recovered by taxation. All of these views were "economic," in the sense that they established viable and relatively stable economies that produced great wealth for their citizens.

Economics, then, emerges as a tool by which people and societies provide for their material needs within a certain moral framework. People, and societies, are *relatively* free to choose their own ends and to build the kinds of systems that support those goals. The answer is not given in advance by an abstract economics, but freely chosen and discovered through actual practice.

Bede, Jarrett. *Social Theories of the Middle Ages: 1200-1500*. Westminster, Maryland: The Newman Book Club, 1942.

- Belloc, Hilaire. *The Servile State*. Indianapolis, Indiana: Liberty Classics, 1977. Reprint, 1913.
- Braudel, Fernand. *The Structures of Everyday Life*. Vol. 1. New York: Harper and Row, 1982.
- Brueggemann, Walter. *The Land*. Minneapolis, Minnesota: Fortress Press, 1977.
- Clark, John Bates. *The Distribution of Wealth: A Theory of Wages, Interest, and Profits*. New York: Augustus M. Kelly, 1899. Reprint, 1965.
- De Soto, Hernando. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, 2000.
- Habel, Norman C. *The Land Is Mine: Six Biblical Land Ideologies*. Minneapolis, Minnesota: Fortress Press, 1995.
- Milbank, John. *Theology and Social Theory: Beyond Secular Reason*. Oxford: Blackwell Publishers, 1990.
- Oakley, Francis. *The Medieval Experience*. Toronto: University of Toronto Press, 1988.
- Rogers, James E. Thorold. *Six Centuries of Work and Wages: The History of English Labour*. Kitchener, Ontario: Batouche Books, 2001.
- Small, Garrick. *An Aristotelian Construction of the Social Economy of Land*. Sydney, Australia: University of Technology, Sydney, Australia, 2000.
- — — . "Contemporary Problems in Property in the Light of the Economic Thought of St. Thomas Aquinas." In *Congresso Tomista Internazionale*. Rome, 2003.
- Steckel, Richard. "New Light on The "Dark Ages:" The Remarkably Tall Stature of Northern European Men During the

Medieval Era." *Social Science History*, 28, no. 2 (2004): 211-29.

Tawney, R. H. *Religion and the Rise of Capitalism*. New York and Toronto: Mentor Books, 1954.

Trevelyan, G. M. *Illustrated English Social History, Volume One*. Harmondsworth, England: Penguin Books, 1964.