

**THE INCOME OF THE KINGDOM**  
**AND THE**  
**MODE OF ITS DISTRIBUTION:**

**SHOWING THAT ONE-SEVENTH OF THE POPULATION POSSESS  
TWO-THIRDS OF THE ANNUAL INCOME,  
WITH THE PLANS PROPOSED FOR EFFECTING A MORE JUST AND  
EQUAL DIVISION OF THE "JOINT PRODUCE."**

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**A PAPER READ BEFORE THE  
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**BY**  
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## THE INCOME OF THE KINGDOM, AND THE MODE OF ITS DISTRIBUTION.

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Sir Archibald Alison, in his *Principles of Population*, vol. 2, p. 48, tells us that "the returns of the Income Tax, in 1812, showed in Great Britain

127,000	persons	with an income from	£50	to	£200
20,000	„	„	£200	to	£1,000
3,000	„	„	£1,000	to	£5,000
600	„	„	above		£5,000 ;

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152,600 persons in all, possessing an income of above £50 a-year ; or 600,000 souls dependent upon persons in that situation. To so small a number is the immense wealth of Britain confined. The number is now, he says, greatly increased, but probably does not now exceed 300,000. On the other hand, there are 3,440,000 heads of families, and 16,800,000 persons, living on their daily labour." "These facts," says Sir Archibald, "are deserving the most serious consideration. They indicate a state of society which is, to say the least, extremely alarming, and which, in ancient times, would have been the sure forerunner of national decline."

From a Parliamentary paper, issued in 1823, we get the particulars of the Property Tax ending April, 1815.

Schedule		Representing Pro- perty the value of
A.—Houses, manors, tithes, canals, mines, and iron- works .....	£. 5,923,486	£. 60,138,330
B.—Profits of Occupancy .....	2,734,451	38,396,144
C.—Dividends on Public Securi- ties, Annuities, &c., esti- mated at.....	2,885,505	30,000,000
D.—Profits of Trade, &c.....	3,831,088	38,310,935
E.—Salaries, Pensions, &c.....	1,174,456	11,744,557
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		£178,589,966

The Property and Income Tax ending April 1855-6, was—  
Income on which  
it is charged.

A.—Land, &c. ....	£6,963,178	£104,447,670
B.—Occupation.....	860,571	12,908,565
C.—Funds .....	1,627,157	24,407,355
D.—Trade and Profession .....	4,802,943	74,551,046
E.—Profits of Office.....	1,007,673	16,082,655
		<hr/>
		£232,397,291

Schedule A is here charged upon occupiers, who deduct it from their rent. It is for the most part charged at the highest rate of 1s. 4d. in the pound; and if the landlord's income is below £150 a-year, he has to apply to have it returned; but this, we are told, occurs but in few cases. Still, a portion of this sum must be assessed at the lower rate of 11½d., and as we have calculated it all at 1s. 4d., the nett amount must be larger than we have stated.

The same remark applies also to Schedule B and C. There are two rates of assessment,  $11\frac{1}{2}$ d. on £100 to £150, and 1s. 4d. on all above. We have calculated the whole at 1s. 4d., having no means of separating the two portions. Schedules D and E are from a Parliamentary return, and are correctly given, and there the portion of income under £150, and rated at  $11\frac{1}{2}$ d., is about one-sixth under D, and a fourth under E. From this paper we learn that there are under Schedule D

139,709	persons with an income from	£100 to	£150 ;
95,022	„ „	150 to	500 ;
12,985	„ „	500 to	1,000 ;
7,989	„ „	1,000 to	5,000 ;
701	„ „	5,000 to	10,000 ;
445	„ „	10,000 to	50,000 ;
40	with £50,000 and upwards ;		

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256,891 in all.

As the occupier pays the tax, it is impossible to arrive at the number of persons assessed under A and B ; but from a Parliamentary paper just issued we learn that the number of county voters in Great Britain is 556,391, and that of the county voters in England and Wales 163,785 are registered for property situate within the limit of boroughs. The county voters must include all who pay tax under Schedule A and B, and a great many more, as it includes all the 40s. freeholders, irrespective of the property in boroughs, and which are doubtless included under Schedule D. Porter, in his "Progress of the Nation," gave the occupiers of land, employing and not employing labourers, at 409,260 ; but this would include many with incomes under £100 a-year. If, therefore, we allow for a considerable increase, and give 400,000 as the number taxed under Schedule A and B, we believe it will exceed rather than fall short of the mark. Schedules C and E are paid out of National Revenue, and are paid, therefore, in part out of the income of A, B, and D ; and the income

assessed to the Income Tax, viz., £232,397,291, may be said to be assessed upon 256,891 under Schedule D, and 400,000 under Schedules A and B ; in all 656,891 persons, representing, inclusive of C and E, less than 3,000,000 of the population. As 21,000,000 are the population of Great Britain, deducting the 3,000,000, it leaves 18,000,000 of people dependent upon incomes of less than £100 a-year. Mr. M'Culloch estimates the whole income of the kingdom at £370,000,000. Deducting the £232,000,000 assessed to the Income Tax from this, it leaves £138,000,000 as the share of the 18,000,000. This amount of population must include many retailers and master-men in all departments of handicraft, and it would certainly not leave to the operatives and labourers dependent upon wages—a third of the annual income or produce.

We arrive, then, at this conclusion—that for the use of land, machinery, capital, for superintendence and liberty to work, for distribution and protection, the working man gives eight hours' labour out of every twelve. He appears to give to the landowner and capitalist half or six hours ; to the retailer one hour, and to Government one ; that is, supposing he pays half the taxes—Government expenses being about one-sixth of the whole annual income. But is this really so ? I put the question by no means dogmatically, but for the sake of information. The result seems too extraordinary to be true, and yet I do not see, from the figures I have given, how it can be otherwise. Still, wages, in almost all departments, are larger than profits. But rent, which is calculated at double the profits of occupiers, and interest, pay no wages. Mr. M'Culloch estimates the interest of capital, profits, wear and tear of machinery in the cotton, linen, woollen, and silk trades, at about £19,000,000—the wages of labour at £31,000,000. I presume the annual income of the kingdom and the annual produce mean the same thing ; and that for all we receive from abroad we give an equivalent in our produce in exchange. Commerce, then, merely means exchange, and exchange, although it

facilitates production, really adds nothing to it; neither does trade, which is distribution. Now, according to the Census of 1841, the persons engaged in trade and commerce, that is, in exchanging and distributing, were 1,969,470; while those who were engaged in manufactures, that is, in producing, were only 1,140,906. The agricultural labourers, according to the last Census, were 1,460,896, the miners 256,451, the gardeners 80,032—in all, 2,938,285; so small a proportion do the actual producers bear to the whole population of the kingdom. Less than one-seventh of the people, by four hours' labour per day, keep six-sevenths; the fruits of the other eight hours per day, as we have seen, go to the other seventh.

Now, what is the law by which the division of the annual produce takes place? The Political Economists tell us. Mr. James Mill says—

“ In the greater number of cases, especially in the more improved stages of society, the labourer is one person, the owner of the capital another. The labourer has neither raw material nor tools. These requisites are provided for him by the capitalist. For making this provision the capitalist of course expects a reward. As the commodity, which was produced by the shoemaker, when the capital was his own, belonged wholly to himself, and constituted the whole of his reward, both as labourer and capitalist; so, in this case, the commodity belongs to the labourer and capitalist together. When prepared, the commodity, or the value of it, is to be shared between them. The reward to both must be derived from the commodity, and the reward of both makes up the whole of the commodity. Instead, however, of waiting till the commodity is produced, and abiding all the delay and uncertainty of the market in which the value of it is realised, it has been found to suit much better the convenience of the labourers to receive their share in advance. The shape under which it has been most convenient for all parties that they should receive it,

is that of wages. When that share of the commodity which belongs to the labourer has been all received in the shape of wages, the commodity itself belongs to the capitalist, he having, in reality, bought the share of the labourer and paid for it in advance."

But has he paid a just price for the labourer's share? That is a question which is beginning now to be very generally asked. No doubt the arrangement is found to suit the convenience of the capitalist, but why has it been found to suit also the convenience of the labourer? Because he cannot wait till the "joint property" is realised, and he is obliged, therefore, to take whatever the capitalist, who can wait, chooses to give; and if he did not—so plentiful, ordinarily, is the supply of labour—another would. I am quite aware of, and fully appreciate, all the advantages of Capital, as explained by the Economists; its tendency to fly away if not well treated, and how much more easily it takes wing than Labour can do. I also fully appreciate a wise and energetic superintendence and direction of Capital, and I know that accumulations will not be made, and Capital will not increase rapidly unless there be sufficient inducement. All this is most eloquently and lucidly explained by Messrs. Newman, M'Culloch, and others. Still I am of opinion that, if one-seventh of the population take two-thirds of the "joint produce," it is a little more than can be said justly to belong to them; and that whenever it may "suit the convenience" of the workmen to take a little more of that which they are at least *equally* instrumental in producing, there is a wide margin left for the improvement of their condition.

There are three ways by which a more just and equal division of the produce of labour may be brought about. The one recommended by the Political Economists is, so to raise the condition of the operatives that they may feel all the advantages of their improved condition, and resolve to maintain it by



provident marriages and providence in all other departments. By thus checking the increase of their own numbers, labour will become scarce, and they can make better terms, if not their own terms, with the capitalist. This plan is not at present popular with the workmen.

The second plan is, that the working classes should possess themselves of land, capital, and machinery, either by clubbing their joint means, or renting and borrowing, at interest, and then dividing the joint produce, either equally or in proportion to capability and earnings. This is the much-dreaded Communism and Socialism, and it has attained a firm footing in the imagination of the operatives both here and abroad.

The third course is, an appeal to the justice of the employers of labour themselves. But the employer *could* not if he would, and *would* not if he could, raise wages. He could not, because competition will not allow one capitalist to pay much higher wages than another; and although there are exceptions, it is not easy to make friends of workpeople; the master is obliged to keep a tight hand, or he would soon be put at a fatal disadvantage with his competitors. Again, he would not if he could, because he considers the present arrangement between capitalist and labourer as the natural and proper order of Providence, and because he knows that, with the present standard of Education among working men generally, more time and additional wages would, by the majority, be probably spent in dissipation, to the injury of the workman himself. Wherever, from peculiar circumstances, the masters have been in the hands of their workpeople, the trade has always been damaged; the workpeople objecting to the introduction of machinery, or to a greater subdivision of labour, or in other ways preventing its extension.

With reference to the two first plans I have mentioned, for a more equal division of profits, they may be said to represent the

objective and subjective, that is, what a man can do for himself, and what can be done for him by external circumstances. The feeling of society is now divided between these two theories; the few being of opinion that a man can only help himself, and that very little can be done for him—in fact, that everything must come from within, whilst the many are of opinion that a great deal depends upon circumstances and upon the organisation of industry. In my opinion, these are but different *points of view* of the same question—the different sides of the same shield—and both parties are right and both wrong. That “action and reaction are equal and contrary,” applies as much to the moral world as to matter; and the two states, the internal and external, act and re-act equally upon each other. The last twenty years have witnessed a great change for the better in the condition of the working classes. A nearer approach to free trade, and an extensive emigration, have kept them well employed, and, in some instances, made labour scarce. Many have raised themselves to the condition of masters and capitalists, and great savings have been made and invested in Building, Freehold Land, and other Societies. As much as 200 thousand pounds have been saved in such Societies by the working classes, in Coventry, during the last 15 years, and there is a general air of increased comfort in lodging, clothing, and food, and this improved condition in very many cases, in my opinion, is likely to be maintained. On the other hand, all attempts at Co-operation, and for the working classes to become their own masters, have hitherto failed. Mr. Robert Owen’s “New Moral Worlds,” both in America and England, the Leeds Redemption Society, and other experiments in Communism, have all failed. Whenever there has been a sufficient tie, either of Religion or Fanaticism, to keep men together, such Societies have always been an economical success; but among the working classes at present there is no tie,—there is no principle strong enough to overcome the individualism, the selfishness, and ignorance, that pretty universally prevail. When the moral nature, which is at present all but rudimentary, shall

be fully developed,—when a man's desire to do right is as strong as his propensities now are,—when he is as much pinched by his conscience if he neglects to do right, as he now is by his stomach if he neglects to work for his living, some form of such Societies may become possible : but not before. The working classes have attempted various other minor forms of Co-operation. Tailors and other trades have combined to work for themselves, and divide the profits between them. Others have associated to supply themselves with the necessaries of life at first-hand, and have become their own millers, grocers, provision and coal dealers, but at present with very little success, and, perhaps I ought rather to say, with a marked want of success, as success has been the exception and failure the rule. The Co-operative stores at Rochdale,—where I understand there is a large-headed and large-hearted manager, who gives, almost gratuitously, the whole of his time to the Society,—have been a great success; also there has been success at Leeds. At Coventry, a Society, numbering 1,000 men, under my own presidency and inspection, has failed. Mr. Vansittart Neale also, I understand, has lost many thousand pounds in his benevolent efforts to establish and aid such Societies over the country at large. The principle at present, in my opinion, most likely to succeed in giving the workman a more just share of the joint produce, is to give him a share of the profits in the establishment in which he works. This is successfully practised, I am told, in many trades in Paris. Under this system he is paid his wages as usual ; is not allowed to interfere in the management ; and the additional profits he receives are a premium upon his good behaviour and additional skill. I am glad to find the attention of the first of our Political Economists, Mr. John Stuart Mill, called to this question. Writing on the “ Probable Future of the Labouring Classes,” he says, “ Confining ourselves to economical considerations, and notwithstanding the effect which improved intelligence in the working classes, together with just laws, may have in altering the distribution of produce to their advantage, I cannot think it probable

that they will be permanently contented with the condition of labouring for wages as their ultimate state. To work at the bidding and for the profit of another, without any interest in the work,—the price of their labour being adjusted by hostile competition, one side demanding as much and the other paying as little as possible,—is not, even when wages are high, a satisfactory state to human beings of educated intelligence, who have ceased to think themselves naturally inferior to those whom they serve. \* \* \* \*

“The problem is, to obtain the efficiency and economy of production on a large scale, without dividing the producers into two parties with hostile interests, employers and employed, the many who do the work being mere servants under the command of one who supplies the funds, and having no interest of their own in the enterprize, except to fulfil their contract and earn their wages.”

“It is this feeling,” he says, “almost as much as despair of the improvement of the condition of the labouring masses by other means, which has caused so great a multiplication of projects for the ‘organization of industry,’ by the extension and development of the Co-operative Joint-Stock principle: some of the more conspicuous of which have been described and characterised in an early chapter of this work. It is most desirable that all these schemes should have opportunity and encouragement to test their capabilities by actual experiment. There are, in almost all of them, many features in themselves well worthy of submitting to that test; while, on the other hand, the exaggerated expectations entertained by large and growing multitudes in all the principal nations of the world, concerning what it is possible, in the present state of human improvement, to effect by such means, have no chance of being corrected except by a fair trial in practice. The French Revolution of February, 1848, at first seemed to have opened a fair field for

the trial of such experiments, on a perfectly safe scale, and with every advantage that could be derived from the countenance of a Government which sincerely desired their success. It is much to be regretted that these prospects have been frustrated, and that the reaction of the middle-class against anti-property doctrines has engendered for the present an unreasoning and indiscriminating antipathy to all ideas, however harmless or however just, which have the smallest savour of Socialism. This is a disposition of mind of which the influential classes, both in France and elsewhere, will find it necessary to divest themselves. Socialism has now become irrevocably one of the leading elements in European politics. The questions raised by it will not be set at rest by the mere refusal to listen to it; but only by a more and more complete realization of the ends which socialism aims at, not neglecting its means so far as they can be employed with advantage. On the particular point specially considered in the present chapter, these means have been, to a certain extent, put in practice in several departments of existing industry; by arrangements giving to every one who contributes to the work, whether by labour or by pecuniary resources, a partner's interest in it, proportionally to the value of his contribution. It is already a common practice to remunerate those in whom peculiar trust is reposed by means of a percentage on the profits; and cases exist in which the principle is, with the most excellent success, carried down to the class of mere manual labourers."

"The value of this 'organization of industry' for healing the widening and embittering feud between the class of labourers and the class of capitalists, must, I think, impress itself by degrees on all who habitually reflect on the condition and tendencies of modern society. I cannot conceive how any such person can persuade himself that the majority of the community will for ever, or even for much longer, consent to hew wood and draw water all their lives in the service and for the benefit of

others ; or can doubt, that they will be less and less willing to co-operate as subordinate agents in any work, when they have an interest in the result, and that it will be more and more difficult to obtain the best workpeople, or the best services of any workpeople, except on conditions similar in principle to those of Leclaire (who gives in Paris a share in the profits.) Although, therefore, arrangements of this sort are now in their infancy, their multiplication and growth, when once they enter into the general domain of popular discussion, are among the things which may most confidently be expected."

Of course Mill is here alluding only to what is possible in the future for the labouring classes ; all who know the present low moral and intellectual condition of the great majority must know that any change of that sort is impossible at present, except in exceptional cases. "To that complexion may they come at last," but it must be through years of discipline. Measures for improving the condition of the people at present, have only had the effect of increasing their numbers, without much improving their moral state. They have not maintained the advanced position ; but have only peopled up to it. Mill most truly says "no remedies for low wages have the smallest chance of being efficacious, which do not operate on and through the minds and habits of the people. While these are unaffected, any contrivance, even if successful, for temporarily improving the condition of the poor, would only let slip the reins by which population was previously curbed."

I have worked with the working classes at all measures for improving their condition for a quarter of a century, but have never yet found them capable of conducting their own affairs. If their affairs were of a trading kind, they were jealous and niggardly of the pay of those who were principally instrumental in making them succeed, and what was ordered by a Committee one week or month was too fre-

quently undone the next. There was no permanency or persistency. If their affairs were of other kinds they fell out among themselves, and could not long be kept together. The worst feature of ignorance is intolerance, and the worst of the working classes is that they cannot agree to differ. They are for the utmost freedom of thought and liberty of opinion, but denounce as knave or fool every one who does not think as they think. They are too generally suspicious of each others' motives, and find it very difficult to rise to the comprehension of a disinterested feeling. I have heard a philanthropist defined as a person who acts from no motives at all. I have heard the most damning denunciations of government pay and patronage,—of aristocrats helping themselves and their relations out of the public purse ; but I have known the same persons order a larger quantity of tea and sugar for a tea-drinking than could possibly be used, that they might divide it among themselves at *half* price afterwards. Of course there are many and glorious exceptions. During the last 20 years I have witnessed great improvement in the condition of the working classes ; year by year the state of a large number is permanently improved, and if the present peaceful and prosperous state of the country should continue this must rapidly increase. I have shown from the small number of producers and the unequal mode of distribution that there is ample room to improve the physical condition of the operatives, and although I have lost all faith in any single remedy for all their ills, I have an increasing conviction that no effort is thrown away, but that all measures for their improvement are working together for their good ; gradually and slowly bringing about a time in which all may enjoy what hitherto has been the exclusive privilege of the favoured few. I say *slowly*, because conduct depends more upon individual organization than upon opinion, however enlightened, and the organizations have yet to be grown.

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