

## Erskine May, Chapter IV, pp. 253-262

### Management of Land Revenues

We have seen that the income arising from the land revenues of the crown was surrendered to the state, by George III. in exchange for a civil list: but for a long time the state was deprived, by mismanagement, of the greater part of the benefit to which it was entitled. Leases were improvidently, if not corruptly, granted,—often without any survey of the property, and even without a copy or counterpart of the lease being retained by the Surveyor-General, on behalf of the crown: renewals were conceded at the pleasure of the tenants; while extravagant fees, payable at public offices, instead of being charged to the tenants, were deducted from the fines, and became a grievous burthen upon the revenues of the crown. At least seven-eighths of the value of the land were received in the shape of fines, and one-eighth only in rent; and these fines, again, were computed at high rates of interest, by which the payments to the crown were further diminished.

Encroachments and waste were permitted upon the royal demesnes, with scarcely a check. Such mismanagement, however, was not due to any want of officers, appointed to guard the public interests. On the contrary, their very number served to facilitate frauds and evasions. Instead of being a check upon one another, these officers acted independently; and their ignorance, incapacity, and neglect went far to ruin the property under their charge. As an illustration of the system, it may be stated that the [254] land-tax was frequently allowed twice over to lessees; from which error alone, a loss was sustained of upwards of fifteen hundred pounds a year. Even without mismanagement, the wide dispersion of the estates of the crown multiplied the charges of superintendence and administration.

From these various causes the noble estates of the crown, for the first twenty-five years of the reign of George III., produced an average net revenue little exceeding six thousand pounds a year. Some of these abuses were exposed by Mr. Burke in 1780, who suggested as a remedy, a general sale of the crown lands. In 1786, the king sent a message to Parliament, by the advice of Mr. Pitt, recommending an inquiry into the condition of the woods, forests, and land revenues of the crown; and a commission was accordingly appointed by Act, to make, that inquiry, and to suggest improvements in the system of management. The recommendations of this commission led to the passing of an Act in 1794, by which an improved administration of the land revenues was introduced;(1) and means were taken for making them more productive. This commission had reported that, in their opinion, the estates which had hitherto yielded so insignificant a revenue might, under improved management, eventually produce no less than £400,000 a year. Existing interests postponed for a time the realisation of so [255] sanguine an estimate: but in 1798 the crown lands were valued at £201,260 a year; in 1812 they were valued at £283,160; in 1820 they actually yielded £114,862; in 1830, they produced £373,770; and in the year ending 31st March 1860, they returned an income of £416,530.

But when the land revenues of the crown were at length becoming nearly an equivalent. for the civil list, a considerable proportion of the income was still diverted from the Exchequer. The land revenues, and the woods and forests, were originally managed, each by a Surveyor-General: but in 1810 the functions of these two offices were combined in a commission of woods, forests, and land revenues.(2) In 1832, the superintendence of public works was added to the duties of this commission;(3) when it soon became evident that what they received with one hand, they were too ready to pay over to the other. The revenue derived from the property of the crown, was applied with too much facility, to the execution of public works and

improvements: the Exchequer was deprived of the funds which were due to it, in exchange for the civil list; and Parliament was denied its proper control over an important branch of the public expenditure. To arrest this evil, another administrative change was necessary ; and in 1851, the Departments of Woods and Forests and [256] of Public Works were again entirely separated.(4) Hence, whatever may be the net proceeds of the property of the crown, they form part of the public revenue; and whatever sums may be needed for public works, are voted by Parliament out of the general income of the state.

#### **Footnotes.**

1. 34 Geo. III. c. 75.
  2. 50 Geo. III. c. 65.
  3. 2 and 3 William IV. c. 1.
  4. 14 and 15 Vict. c. 41.
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## **Civil List Pensions**

### **The Law Relating to Crown Pensions**

A very important part of the expenditure of the civil list has been caused, in every reign but the present, by the payment of pensions. The grant of pensions by the crown has so often been the subject of political discussion, that a brief explanation of the law and usage by which they were granted, and the funds from which they were payable, will not be devoid of constitutional interest.

Prior to the reign of Queen Anne, the crown had exercised the right of charging its hereditary revenues with pensions and annuities; and it had been held that the king had power, in law, to bind his successors.(1) But on the accession of Queen Anne, in 1701, when alienations of crown lands were for the first time restrained by Parliament,(2) it was also provided that no portion of the hereditary revenues(3) could be alienated for any term, longer than the life of the reigning king.(4)

[257] This Act, however, having been passed before the union with Scotland, did not extend to the hereditary revenues of the Scottish crown. Nor was any similar Act passed in the Parliament of Ireland, restraining grants from the hereditary revenues of Ireland: neither did the Act of Anne extend to the 4½ per cent. duties. Subsequently to this Act, pensions on the hereditary revenues of the crown in England could only be granted during the life of the reigning sovereign: but were practically re-granted at the commencement of every reign. But pensions charged on the hereditary revenues of Scotland and Ireland, and on the 4½ per cent. duties, continued to be granted for the lives of the grantees.

On the accession of George III., the larger branches of the hereditary revenues of the crown of England being surrendered in exchange for a fixed civil list, the pensions which had previously been paid out of the hereditary revenues, were henceforth paid out of the civil list. There was no limit to the amount of the pensions so long as the civil list could meet the demand; and no principle by which the grant of them was regulated, but the discretion of the crown and its advisers.

### **Limitation of Pensions**

No branch of the public expenditure was regarded with so much jealousy, as that arising out of the unrestricted power of granting pensions by the crown. Not only did it involve a serious

public burthen,—being one of the principal causes of the civil list debts,—but it increased the [258] influence of the crown, and impaired the independence of Parliament. Mr. Burke, in bringing forward his scheme of economical reform in 1780, dwelt much on the excessive amount of the pension list, and the absence of proper regulations; and particularly adverted to a custom which then prevailed, of granting pensions on a private list, during pleasure, by which dangerous corruption might be practised. Mr. Burke proposed that the English pension list should be gradually reduced to £60,000, and that pensions should be restricted to the reward of merit, and 'real public charity;' extraordinary cases being in future provided for by an address of either house of Parliament.

By the Civil List Act of the Rockingham administration in 1782, the power of granting pensions was considerably limited.(5) It was provided that until the pension list should be reduced to £90,000 no pension above £300 a year should be granted: that the whole amount of pensions bestowed in any year should not exceed £600, a list of which was directed to be laid before Parliament: that the entire pension list should afterwards be restricted to £95,000; and that no pension to any one person should exceed £1,200. This Act fully recognised the principles of Mr. Burke's plan: it affirmed almost in his very words, that by the usage of granting secret pensions during pleasure, 'secret [259] and dangerous corruption may hereafter be practised;' and it directed that in future all pensions should be paid at the Exchequer. It further acknowledged the principle that pensions ought to be granted for two causes only;—viz. as a royal bounty for persons in distress, or as a reward for desert.

So far, therefore, the English pension list was regulated, and made subject to parliamentary control. But the crown still retained ample means, from other sources, of rewarding political or personal services. The hereditary revenues of the crown, in Ireland, amounting to the net sum of £275,102, were still at the sole disposal of the crown, and were even alienable, so as to bind future sovereigns. It is natural that this convenient fund should have been largely charged with pensions. They had been granted in every form,—during the pleasure of the crown,—for the life of the sovereign,—for terms of years,—for the life of the grantee,—and for several lives in being, or in reversion. As there was no control whatever over such grants, the pension list was continually increasing. Complaints had long been made of the reckless prodigality of the crown in bestowing pensions; and so far back as 1757, the Irish House of Commons had unanimously resolved 'that the granting of so much of the public revenue in pensions is an improvident disposition of the revenue, an injury to the crown, and detrimental to the people.' Yet the pension list, which in 1757 had amounted to £40,000, was trebled in the first thirty years of George III.; and, in 1793, had reached the prodigious sum of £124,000. But the [260] abuse had now worked itself out, and could be tolerated no longer. In that year, therefore, the government itself proposed a change, which was readily adopted by the Irish Parliament.(6) The hereditary revenues were surrendered in Ireland,—as they had previously been surrendered in England,—in exchange for a fixed civil list of £146,000, exclusive of pensions; and a pension list of £124,000, to be eventually reduced to £80,000. Meanwhile the crown was restrained from granting pensions, in any one year, exceeding £1,200: but still retained and exercised the power of granting pensions for life, and in reversion. It was not until 1813 that the Irish pension list was reduced to £80,000, as contemplated by this Act. On the accession of George IV., this list was further reduced to £60,000: no grants exceeding £1,200 in any one year being permitted until that reduction had been effected.(7)

The hereditary revenues of the crown, in Scotland, remained exempt from parliamentary control, until 1810. At that time, the pensions charged upon them amounted to £39,000. It was then arranged by Parliament that no amount greater than £800 should be granted in any one year, until the pensions had been reduced to £25,000; and that no pension exceeding £300 a year should be given to any one person.(8) There was still one fund left beyond the control of Parliament, and of course amply charged with pensions. The 4½ per cent. duties [261] were not surrendered until 1830, when William IV. gave up his own life interest in them: the

pensions previously granted being still payable by the state.

At this time, the three pension lists of England, Scotland, and Ireland, were consolidated; and the entire civil pension list for the United Kingdom was reduced from £145,750 to £75,000; the remainder of the pensions being charged upon the Consolidated Fund.

Finally, on the accession of her present Majesty, the right of the crown to grant pensions was restricted to £1,200 a year. Such pensions were now confined, according to the terms of a resolution of the House of Commons, of the 18th Feb. 1834, to 'such persons as have just claims on the royal beneficence, or who, by their personal services to the crown, by the performance of duties to the public, or by their useful discoveries in science, and attainments in literature and the arts, have merited the gracious consideration of their sovereign, and the gratitude of their country.'<sup>(9)</sup> At the same time an inquiry was directed by the House of Commons to be made into the existing pension list, which resulted in the voluntary surrender of some pensions, and the suspension or discontinuance of others.<sup>(10)</sup>

The pensions thus reduced in amount, and subjected to proper regulation, have since been beyond the reach of constitutional jealousy. They no longer afford the means of corruption,—they add [262] little to the influence of the crown,—they impose a trifling burthen on the people,—and the names of those who receive the royal bounty are generally such as to command respect and sympathy.

#### Footnotes.

1. Bankers' Case, 1691; State Trials, xiv. 3-43.
2. *Supra*, p. 229.
3. The hereditary revenues specified in the Act were these: the hereditary duties on beer, ale, or other liquors, the post-office, first-fruits and tenths, fines on writs, post fines, wine licenses, sheriffs' processes and compositions, and seizures of uncustomed and prohibited goods.
4. 1 Anne, st. 1. c. 7.
5. 22 Geo. III. c. 82. On the 21st February, 1780, Sir G. Savile's motion for a list of the pensions was lost by a majority of two only—Parl. Hist., xxi. 104; Lord Stanhope's Life of Pitt, i. 37 (Letter from Pitt).
6. 33 Geo. III. c. 34 (Ireland).
7. Geo. IV. c. 1. s. 10.
8. 50 Geo. III. c. 111.
9. 1 Vict. c. 2: Report on Civil List, Dec. 6th, 1837.
10. Report on Pensions, 24th July, 1838.

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