agricultural, and not thickly populated, the traffic may not perhaps warrant the expenditure necessary to bring our canals up to the standard of the important navigations of the great industrial States of the Continent. Yet, it is difficult to consider the practical testimony of the great European countries as to the importance of water transport without wishing to see the lessons of foreign experience applied to the development of our own system of canals and waterways.

3.—*The Land Purchase Problem.*

By W. J. Johnston, M.A., LL.B., Barrister-at-Law.

[Read 23rd February, 1906.]

It is a far cry from the turbulent scenes in the Legislative Assembly of 1790 to the quiet, almost dull, offices of the Estates Commissioners in 1906; and yet the changes that in the one case were effected with noise and bloodshed, and those that are taking place in the other with calmness and good-will, are very similar in their character, and are likely to have many resemblances in their results. The peasant proprietary that is at present being ground out slowly but surely by the mills of the Estates Commissioners, is likely to have many of the characteristics of, and something of the same destiny as the peasant proprietary that was the direct result of the Revolution in France; and I think it is no exaggeration of language to suggest that at the present time a Revolution is taking place in this country—silently, peacefully, effectively—which is bound to bring about tremendous social and industrial changes, and which, in my opinion, is fraught with the greatest good to the people of Ireland.

I am inclined to think that we in this country do not adequately realise what is happening. I am certain that at any rate the people of England and Scotland do not really understand what is taking place in Ireland at present. We and they know, of course, in a general sort of way, that the Act of 1903 was passed, and that a hundred millions of money is being expended in land purchase; but what that really portends is not for an instant realised. Under such circumstances, I think that no apology is needed on my part for introducing a discussion on the subject in this Society—a subject, as I will show, of the greatest statistical and social interest since the time of the question of Catholic Emancipation.

The Irish Land question, in its modern sense, may be said to date from the year 1835, when Mr. Sharman Crawford introduced the first Tenant Right Bill. During the first period of thirty-five years since that time the seed was being sown; and during the second period—namely, since 1870—the harvest was reaped. As early as 1843 the Devon Commission discovered and reported that land purchase was the real solution of the difficulty. The Blue Book of to-day is the legislative enactment of to-morrow; and although—fortunately for the well-being of the community—all the recommendations in such documents will not reach the statute book, it is always possible for the discerning political philosopher to sift the grain from the chaff, and discover from the findings of Royal Commissions and Select Committees no matter how despised or neglected, the shaping of the future.

In view of the unanimity of opinion amongst politicians and statesmen of all parties as to the efficacy of the principle of land purchase, it may seem to be difficult to understand why we had to wait for seventy long years before this reform was effectively carried. In reality the reason is simple enough. First of all, the land purchase code has been arrived at by a process of evolution. It would have passed the wit of man, or of one hundred men, to have drafted at one blow that code as it now exists—to have provided against all the contingencies that have since arisen—to have foreseen and made provision for all the difficulties in the way. Secondly, the difficulty of providing the funds for financing a large scheme of land purchase has always been enormous, and must have given pause to any statesman who may have considered the question. That was the difficulty that helped to shatter Mr. Gladstone's great scheme in 1886; it is the difficulty which, at one time, threatened to wreck Mr. Wyndham's scheme, and which it is to be feared has not yet been solved.

In addition, although there was great unanimity of opinion regarding land purchase, the nineteenth century was not ripe for it. It required something more than a mere pious opinion to transfer such a proposal from the sympathetic though ineffective pages of blue-books to the unsympathetic though effective pages of the statute book. Pious opinions may be the motive force of the few; but pounds, shillings, and pence is the power that brings about most reforms so far as the many are concerned. For that reason I think it is possible that the fair rent clauses of the Land Law Acts had much to do with this ultimate settlement of the question. In 1885 the Land Commission had just begun to fix fair rents, and the end of the statutory period seemed to be very far off. In 1896 first statutory terms were about to conclude;

originating notices were being served to fix second statutory terms, and public misgivings began to arise as to the ultimate destiny of rent in Ireland. In 1903 the misgivings culminated in something like alarm, when it was found that the result of the fair rent fixing in respect of first statutory terms showed an average reduction of 20.8 per cent, and in respect of second statutory terms of 20.1 per cent. In that year an aggregate rental amounting to £6,955,000 had been dealt with for a first statutory term, and had been reduced to (roughly) £5,503,000; whilst a rental of £1,512,000 had been reduced for a second statutory period to £1,191,000. Meanwhile nearly a half of the second statutory period had run its course, and a simple sum in proportion began to disquiet the minds of those who were interested in the ownership of land: if, through the operation of the law as to tenant's improvements, a reduction of 42 per cent takes place in rent in 15 years, what length of time will be required before the rent is "improved" away altogether?

A reflection of this kind is very likely to have influenced the minds of those who were interested in land in Ireland. It is obvious that negotiations as to purchase would proceed on much the same lines, whether first and second term rents were in question, or second and third term rents. But the practical results would be likely to be different. Indeed, this view of the situation was noted as early as 1886, when the Cowper Commission, which was appointed by Lord Salisbury, after pointing out the position of the landlord in England ("where the landlord is really the owner") reported as follows:—

"This does not represent the position of the Irish landlord: he has ceased to be the owner, and is placed more in the position of an incumbrancer on his property, in the improvement of which he has no longer any interest, while his influence for good has been much diminished If on the other hand the land was really the property of the occupier . . . . . he would set to work with a will to improve and cultivate what is really his own property."

When the Land Conference sat in 1902, and the Act of 1903 was about to be passed, the circumstances were most propitious. It is true that the purchase clauses of the Act of 1881 had missed fire. Only a few separate holdings and no estates had been sold under that Act. It would be a vain and useless task now to attempt to analyse the cause of that failure. But if the Act of 1881 was a failure, so far as land purchase was concerned, the Acts of 1885, 1887, 1891, and 1896 were distinct successes, and all the available resources of the Land Commission under these Acts had practically been exhausted at the time when the Act of 1903 was passed. The following tabular statement shows the amount of money

that had, on March 31, 1903, been advanced under the earlier Land Purchase Acts :—

Act.	Number of Purchases.	Amount advanced.
1869.	6,057	£1,674,841
1870.	877	514,536
1881.	731	240,801
1885-8.	25,367	9,992,536
1891-6.	42,436	12,336,685
	75,468	£24,759,399

It will thus be observed that in 1903 substantial progress had already been made, and the sense of honesty of the Irish peasantry, which had been so frequently and so violently aspersed, was placed beyond all doubt. On the 19th June, 1903, the amount of purchase instalments under the Act of 1885 in arrear and unpaid was only £1,760, out of a total sum of £192,088. Similarly, on the same date, the amount of purchase instalments under the Act of 1891 in arrear was only £1,074, out of a total sum of £216,233. Under those propitious circumstances the Land Conference was held, and the Act of 1903 was passed.

Mr. Wyndham's scheme of 1903 was only equalled in magnitude and boldness by Mr. Gladstone's ill-fated Purchase Bill of 1886. But the two schemes differed very widely in principle and in detail. Mr. Gladstone's Bill was founded on the principle of the landlord's option to sell, and in case that option was exercised, the tenants' obligation to buy. The Act of 1903 is founded on the voluntary agreement of landlord and tenant, influenced by what has been called "moral compulsion." In the scheme of 1886 the immediate landlord of any tenanted land in Ireland to which the Act applied was to be enabled to apply to the State Authority to buy out such tenanted land at the statutory price. The statutory price was to be equal to twenty times the amount of the net rental of the estate. The net rental was defined as "equal to the gross rental of the estate, after deducting from that rent the tithe rent charge—if any—payable to the Land Commission, and the average percentage for expenses in respect of bad debts, rates or cess allowed or paid by the landlord, management, repairs, and other like outgoings." It was calculated that 20 per cent. would come off the gross rental for rates, management, and bad debts.

Mr. Gladstone stated that about £113,000,000 would be required to effect the object of his scheme. The amount upon which Mr. Chamberlain fixed was £150,000,000. The scheme was to be financed during the first year by raising £10,000,000

by bank annuities. Twenty millions were to be raised the second year, and a similar amount each succeeding year, until the process was complete.

The scheme was simple, almost crude in its simplicity, but I am not sure that, so far as the question of price is concerned, it was less favourable to landowners than the Act of 1903. We know from the Report of the Estates Commissioners that according to the returns of applications for advances lodged up to March 31st, 1905, the average price that is being given by tenants for their holdings, measured in years' purchase, is twenty-three, and I am inclined decidedly to think that regarding the matter all round and in the aggregate, and taking second as well as first term rents into consideration, twenty years' purchase of rent in 1886 would have been a bigger price than twenty-three years' purchase in 1903.

The overshadowingly prominent feature of the operation of the Act of 1903 has been the wild—I might almost say the mad, rush of both landlords and tenants into the offices of the Estates Commissioners—the one to sell, the other to buy. That rush, in its pell-mell confusion, resembles more nearly than anything else the race for land in the United States when a new territory has been declared to be open. It has caused the utmost embarrassment to everybody concerned, and to many who are not directly concerned. The Estates Commissioners and their officials, of course, had to bear the first brunt of the shock. The landlords were, and are, seriously inconvenienced by the delay, because in many—perhaps in most—instances, they are receiving interest at the rate of only $3\frac{1}{2}$ per cent. on the purchase money, whilst they are paying away interest at the rate of from 4 to 6 per cent. on the incumbrances that affect the land. The tenants are paying interest at the rate of $3\frac{1}{2}$ per cent., and the situation is delaying the vesting of their holdings, and the commencing of the payment of the purchase annuities. The Treasury is at its wits' end on account of the clamour for more money; and on the shoulders of the Irish tax-payer is falling the loss occasioned by the issue of land stock at a discount. It is not a pleasant situation; but it would be too much to expect that a revolution should take place without the accompaniment of at least a little unpleasantness, and some inconvenience.

The statistics with reference to this rush to buy and sell are significant and instructive. Mr. Wyndham's estimate was that during the first three years after the passing of the Act, it would be impossible to raise or to employ profitably a larger sum yearly than £5,000,000. After that time, he expected that it would be possible so to mend the pace as to enable all saleable land to be sold in the course of some fifteen years. According to his calculation, the amount that will be required to carry out the project is £100,000,000.

What are the facts ? The latest statistics that I can find on this point bring the operation of the Act of 1903 down to the end of November, 1905, and on that date the total amount that had been applied for under the Act was £31,000,000, instead of Mr. Wyndham's £10,000,000 ; that is to say, if the rate of speed of the working of the Act had been dependent alone upon the landlords and tenants of Ireland, the sale of land and the creation of a peasant proprietary would have been effected three times more rapidly than was estimated by Mr. Wyndham, and the whole sum of £100,000,000 would have been expended in about six years, instead of fifteen. In spite, however, of the pressure of events, the Land Commission and the Estates Commissioners have kept well within Mr. Wyndham's limits. The total actual advances made under the Act to November 30th, 1905, amounted to £8,629,991—a sum which, for the two years, fell considerably short of the promised £5,000,000 yearly.

Signs are not wanting, however, that the rush is over, and that for the future we shall hasten slowly. The monthly returns of the Land Commission for the twenty-five months beginning at November 1st, 1903, and ending at November 31st, 1905, show that the amount applied for in respect of direct sales by landlords to tenants was £28,141,779. I take this class of proceedings as affording the real test of the working of the Act in point of speed. The average monthly amount that has been applied for, therefore, in respect of this class of sales was £1,125,671. The applications for advances touched high-water mark in December 1904, in which month they amounted altogether to £4,362,880 ; but since that month—and especially during the last few months—they have shown a tendency towards a decrease.

For many reasons this result was to have been expected. those landlords who were most anxious to sell and those tenants who desired most eagerly to purchase have now filed their applications, and those who remain are presumably more level-headed and cautious. Besides, it is now pretty apparent that nothing is to be gained for some time by filing applications for advances. It has been demonstrated over and over again, and beyond all shadow of doubt, that looking at the matter from the most hopeful point of view, the applications that have already been filed cannot be satisfied for three years. Possibly it will take four or five. This consideration will undoubtedly affect many persons who otherwise would be anxious to set the Act in motion ; and I confidently expect that for the next year or so the amount applied for will probably fall below Mr. Wyndham's estimate.

I confess that I, for one, shall not be dissatisfied with such a result. As events were proceeding, the Treasury was being tempted to issue more stock than the country could take up.

The consequent loss, being payable out of the Irish Development Grant, fell on the Irish tax-payer, and that was a result that could not be contemplated with anything but alarm, especially when it was accompanied by the fact that the loss was likely to be continuous. An urgent demand has been made in many quarters that the Estates Commissioners should be "adequately financed"—that is to say, that land stock should be issued in such quantities as would produce sufficient money to satisfy the applications under the Acts that have been made. I think that anyone who made such a demand cannot have seriously considered Sect. 36 (6.) of the Act, which provides that when, by reason of any stock having been issued at a discount, the sums paid by the Land Commission in respect of advances to them of money raised by means of stock, are insufficient to pay the dividends on the total amount of the stock outstanding, together with ten shillings per cent., the amount of the deficiency is to be paid out of the guarantee fund. In other words, the deficiency caused by the issue of stock at a discount is to be paid by the Irish public. Lord Dunraven appreciates this difficulty, and has pointed out a remedy. He suggests, in an article in the *Fortnightly Review* for November, that if the whole transfer of the land of Ireland could be completed in the next ten or fifteen years, and if the annual sum requisite to pay interest on and provide a sinking fund for the amount of loss sustained on floating the necessary loans were placed upon the votes, the addition to the Estimates would be to a large extent, perhaps entirely, neutralised by the economy effected by the natural extinction of the various courts and boards. This is obviously the natural and the fair way out of the difficulty. The Imperial Parliament is pledged to supply the necessary cash for financing the Act. How that cash is to be raised is a matter of indifference to us in Ireland; let it be raised by land stock if the Treasury so desire; but supposing that that expedient is adopted, there is no reason in principle or in fairness why the resulting loss should fall on the Irish Development Grant—that is to say, on the Irish tax-payer.

If the Imperial Exchequer bore the loss in the case of the issue of land stock at a discount, there would be corresponding gain to the Exchequer in the event of the issue of stock at a premium—an event that is not unlikely to happen within the next few years. I may point out that from 1893 till 1898 land stock actually was at a premium. In the meantime, however, as matters stand, I am not in favour of large issues of stock being made for the purpose of relieving a situation for which the general tax-payer is not responsible.

There is, however, another cogent reason for thinking that the present block in the Estates Commissioners' office is not an unmixed evil. It is a startling fact, that

according to the annual report of the Land Commission for the period ending March 31st, 1905, the average price paid for land under the Acts of 1885 represented only seventeen years' purchase of the rent. The price paid under the Act of 1891 was 17.7 years' purchase: whilst the price paid for land under the Redemption of Rent Act, 1891, was smaller still, being only 14.9 years' purchase of the rent. It is sometimes said that the rent paid can be no criterion of the value of the land for the purposes of land purchase, and that since 1885 and 1891 the rents have been very much reduced all round. That, however, is an obviously fallacious view. If the rents have been reduced, it was the Land Commission who reduced them—a body which was established for the purpose of fixing "fair rents" between landlords and tenants—and it must be assumed, for the purpose of these calculations, that the rent paid in 1905 represented the annual value of the lands as truly and as effectually as the rent paid in 1885. The adoption of any other view would in effect repeal the fair rent provisions of the Acts of 1881 and 1887, and wipe out for all practical purposes everything that has been done under those Acts. Many agreements are at present being entered into too hurriedly, before either parties can have really weighed the matter in all its bearings, and that that is so is made plain by the fact that the prices now, as I have pointed out, are considerably higher than they were before the passing of the Act of 1903. This is a serious matter for the State, which in the near future will be the owner—or rather the mortgagee—of all the agricultural land in Ireland, the tenants being the mortgagors, and paying off their charges in the shape of purchase annuities. If prices are being given now which will be found in a few years to be too high, and if it is found that the tenants, or even any considerable proportion of them, have burdened themselves for seventy years with purchase annuities which they cannot pay, the State will be confronted with a very serious situation, especially as it will already have presented a very substantial bonus to landowners in the shape of a percentage of twelve per cent on the purchase money.

The Act of 1903 is commonly regarded as merely an amending Act, for the purpose of affording greater facilities for the purchase of land under the earlier Acts. There are, however, a number of new principles contained in the recent legislature which are of such novelty and importance that the Act stands apart by itself, and must be regarded for all practical purposes as the starting place on a road over which many persons are travelling and will continue to travel for many a long day. The first new principle that was introduced by the Act is that of the zone limitation of price. Previously to 1903, the parties arranged their own terms, and the Land

Commission sanctioned the price or not, according as the land was regarded by that body as security for the advance. Every holding which was proposed to be sold was inspected by an official, and the security for the advance was carefully determined before any step was taken by the Land Commission. That has now all been changed by Section one of the new Act. In the case of all holdings which are subject to judicial rents (and of course that class covers the vast majority of holdings that can be purchased under the Land Purchase Acts) a certain zone has been fixed, and if the price that has been arranged comes within that zone, the advance will be sanctioned as a matter of course by the Land Commission, without any inquiry as to the security of the advance. The object of the zone limit was to remove the necessity for having such inquiry, and in that way to facilitate and hasten the proceedings.

This object was of course quite admirable in intention, but it has been embodied in a very curious—not to say illogical—enactment. The zone limit confines the range of negotiation within a maximum and a minimum price, which is set out in sec. 1. Now it is obvious that a maximum limit would have been quite sufficient to carry out the intention of the legislature. It was unnecessary, and indeed one would say illogical, to have fixed a minimum price, as of course the lower the price the greater the security the State had for the advance. But the illogicalness of the enactment goes even further. It is provided that if the price agreed upon is outside the zone limit, whether it is less or more, it is discretionary with the Land Commission to sanction the advance. Accordingly if a tenant agrees to purchase his land from his landlord at a price which might be less than the zone price—say £1000—the Land Commission is bound to inspect the land, and consider whether or not it affords sufficient security for the advance, whilst if the same tenant agreed to give a higher price for his holding—a price which happened to come within the zone limit—say £1,200, the Land Commission would be bound to make the advance as a matter of course, and could not investigate the security at all. It is surely not too much to expect that under a voluntary system of land purchase there should be no minimum price restricting the range of negotiation between the parties. It would be different of course, if purchase and sale were compulsory. In such a case, in the event of disagreement between the parties, the assistance of the State would have to be invoked as an arbitrator. There are many Acts under which land may be acquired voluntarily and compulsorily for many purposes, but it has never yet occurred to the legislature to fix a minimum price which in the case of a voluntary sale, the landlord must accept and the tenant must pay.

If the parties were given perfect freedom to arrange their own terms, the only duty that would remain for the State would be to see in each case that the land in question afforded sufficient security for the amount that was to be advanced. That was a duty that was performed, with general satisfaction to the parties, and with complete safety to the State, by the Land Commission for the previous twenty years; and it is a duty that could still be performed by that body with equal satisfaction to all the parties concerned. Indeed, the system of inspection is even more important and necessary now than it has been. Till recently any loss that might have been incurred through any general default in the payment of instalments would have fallen on the Imperial Exchequer. Now, however, owing to the operation of the Guarantee Fund, which was invented in 1896 by Mr. Gerald Balfour, any such loss that may take place will have to be defrayed out of the various grants for local Irish purposes that are made out of the Imperial Exchequer. In the interests, therefore, of the Irish ratepayer, the necessity for inspection is very much more urgent now than it has been.

The second new principle that was introduced by the Act was the abolition of the decadel reductions, and the re-arrangement of the terms of repayment. The position of affairs can best be understood by a survey of the progress of the question. Under the Irish Church Act, three-fourths of the purchase money might be advanced to the tenant, the annuity payable being at the rate of 4 per cent for 32 years. The Act of 1870 was somewhat retrogressive in respect to land purchase. Under that Act only two-thirds could be advanced by the Board of Works, which was repayable by an annuity at the rate of 5 per cent for 35 years. Then came the Act of 1881, which enabled three-fourths of the purchase money to be advanced, and the annuity payable was still at the rate of 5 per cent for 35 years. Then the Act of 1885 enabled the whole purchase money to be advanced, but one-fifth of the purchase money was to be retained by the Land Commission as a guarantee deposit. The annuity was at the rate of 4 per cent., payable for 49 years. The Act of 1891 made a further departure. Advances were to be made for the future in guaranteed land stock instead of in cash, and the annuity continued to be at the rate of four per cent. for 49 years. The annuity at that time consisted of three items: interest, £2 15s.; county percentage, 5s.; sinking fund, £1. The principal object and effect of the Act of 1896 was to provide for the revision during the first three decades of the annuities paid by the tenant purchasers. That is to say, at the end of ten years, the amount of capital which had been repaid was ascertained, and the principal was reduced by that amount. The tenant's annuity was reduced *pro tanto*. The same process took place at the end of the

second and third decadel periods, and then there was no further revision of the annuity. The Act of 1896 repealed the portion of the annuity which was called the county percentage, and the sinking fund became £1 5s. instead of £1. This change had the effect of shortening the period of repayment to about 43 years.

It is sometimes forgotten that the interest payable by the tenant under the Act of 1903 is exactly the same as that which he paid under the Acts of 1891-6. It is true that in the latter case the purchase annuity was at the rate of £4 per cent., and in the former case at the rate of £3 5s. per cent. This change to the smaller rate does not represent any real relief to the tenant and his successors. In both cases, he pays £2 15s. per cent. for interest. The difference is caused by the fact that, whilst formerly he paid £1 5s. per cent. as a sinking fund, now he is paying off capital at the rate of only 10s. per cent. The practical result is that the length of the period for which the tenant gets the loan has had to be lengthened, and instead of paying interest at the rate of £2 15s. per cent. for 49 years, he has now to pay it for 68½ years. It is obvious, too, as time goes on, and as the capital is gradually repaid, that this payment of interest will become more and more onerous, until towards the end the tenant will be paying interest on the full amount of the advance, which will have been almost entirely repaid by means of the sinking fund

It will be observed that till 1903 the longest period that was allowed for the repayment of the advance was 49 years, and this is quite in accordance with sound finance. It is worth while noticing, in connection with this question, that the very maximum period which is allowed by statute for the repayment of a loan by a county council is sixty years, and the period which is fixed by the Local Government Board is as a rule very much less. It need scarcely be stated that a loan to a County Council is very much more secure than that to a private individual. Similarly loans to Boards of Guardians and loans to sanitary authorities under the Public Health Act, 1878, must be repaid within sixty years, or any less period that the Local Government Board may fix. In fact, sixty years is the very maximum period for repayment in the case of loans to Irish public bodies, and of course the Local Government Board does not necessarily, or even as a rule, allow the loan to remain out for the maximum period, even though such loans are secured by a mortgage of the local rates. I do not think, when the Act of 1903 was before Parliament, that a case was made out for departing, in the case of private individuals, from this very reasonable rule; and it is worthy of note that in 1902 the period that was proposed by Mr. Wyndham when introducing the Land Bill of that year was 59 years.

It seems to me that the four per cent. purchase annuity, with decadel reductions, worked well from the point of view of the parties, and was well calculated to secure to the State the punctual repayment of the advances. It is interesting to observe that the continuation of the system of decadel reductions was contemplated by the Irish Land Conference, and it was expressly recommended in the report of the Irish Landowner's Convention on October 10th, 1902.

The third new principle that the Act introduced was that of assisting the tenant to bridge over the difference between the price which he could afford to pay, and that which the landlord could afford to accept. This object was effected—or was intended to be effected—by the Land Purchase Fund, or Bonus, as it is popularly called, a sum amounting to £12,000,000, to be paid by the Treasury from time to time as it may be required. The twelve per cent. addition to the purchase money, which is the amount of the Bonus, represents an addition, on the average, of about $2\frac{3}{4}$ years purchase money to the price. That is to say, a landlord who arranges to sell at a price representing 22 years purchase of the rent, will receive, by means of the Bonus, a sum amounting to $24\frac{3}{4}$ years purchase of the rent. Mr. Wyndham explained that this sum of £12,000,000 was to be provided by effecting savings in the cost of the government of Ireland, and with that object already the cost of the Royal Irish Constabulary, the administration of the law, and other charges in Ireland, have been cut down to a considerable extent. The plain object of the financial clauses of the Act was to throw the whole burden of financing the scheme, the whole risk and the whole loss, on Ireland's own resources, and that has most effectually been done as regards not only the Land Purchase Fund but also the Land Purchase Aid Fund. Some disposition has been shown in certain quarters to deny that the bonus can be taken into consideration at all by the tenant in determining what price he shall offer for his holding. That, of course, is a view that cannot be supported for an instant. The Irish Land Conference recommended that the parties should receive "some assistance from the State beyond the use of its credit"; the object of the Bonus is stated in the Act itself to be "for the purpose of aiding the sale of estates under this Act"; and Mr. Justice Ross expressly decided in the case of *Ely's Estate* that the payment of the Bonus was a legitimate element to be taken into consideration in arranging the price.

The fourth change of importance that was introduced by the Act of 1903 in the administration of the land purchase code was the appointment of three Estates Commissioners to administer the Act, and the placing of those Commissioners under the general control of the Lord Lieutenant. This

effort to place the Judiciary under the control of the Executive was undoubtedly the most startling episode in connection with the whole matter. Regulations were, in July last, issued by the Lord Lieutenant, under Sec. 23 (8) of the Act, controlling the action of the Estates Commissioners. Those Regulations were decided by the Estates Commissioners in the case of the *Downes-Martin Estate* to be *ultra vires* in several important particulars. Mr. Commissioner Finucane said in his judgment in that case :—" The Crown has not, I believe, since the time of James I., claimed the power or right to interpret the law for judicial authorities, but that power, though not explicitly claimed, is implicitly exercised, in this and the other Regulations." Accordingly, the Commissioners held that with reference to the point arising in that particular case, they were not bound to follow the Regulations. Since that decision was given, however, the Regulations of July have been withdrawn, and others have been substituted for them. The new Regulations are of the most general character, and they appear to be entirely in accordance with both the letter and spirit of the Act. The principle, however, is bad. The Estates Commissioners are nominally an administrative, but in reality and in fact they are a judicial body, performing duties which are essentially to a large extent judicial, and any attempt on the part of the Executive to control their conduct, or even their discretion, must sooner or later lead to unconstitutional results.

I have purposely left to the last the greatest and the most hopeful of the principles contained in the Act of 1903 —the great ameliorative principle that those whose business it is to till the land should be enabled to do so in an economic way. There are two classes of agriculturists in Ireland who must be assisted—the evicted tenants, and those whose holdings are uneconomic ; and they must be assisted in two ways—by the distribution of land and by the providing of houses, stock, and farming implements. Some sections of the previous Land Purchase Acts contained clauses which were intended to effect this object ; but, with the exception of the provisions constituting the Congested Districts Board, these sections resulted in nothing. They seemed merely to draw attention to the difficulties that lay in the way of reform.

The necessity for the carrying out of this object has been admitted by all parties and sections in Ireland. Anyone who has read the evidence of Dr. O'Donnell, the Bishop of Raphoe, before the Financial Relations Commission, must be aware of the widespread misery that exists in those districts in Donegal and Connaught where those small holdings are scattered. The story that he tells of the fight that those poor people are constantly waging with poverty for their very

existence is heartrending in its pathos. There are no fewer than 75,701 holdings in Ireland which do not exceed one acre in extent, and 62,185 holdings which exceed one acre, but do not exceed five acres in extent. The number of holdings with a valuation of £4 and under is 134,182, and the number with a valuation over £4 and under £10 is 141,162. It is, however, impossible to realise from figures such as these the misery that they represent. Then, again, the evicted tenants are a numerous class—homeless, friendless to a large extent, sinking rapidly into pauperdom. A Parliamentary Return was made in 1903 (No. 125) showing that the number of tenants who had been evicted in Ireland during the last twenty-five years, and who had not been reinstated in their holdings, was altogether 9,992. Nearly one-half of the tenants—namely, 4,081—had paid rents of less than £10 yearly. This return was made by the Inspector-General of the Royal Irish Constabulary, and is admittedly incomplete: but it shows at any rate that this is a large class in the community whose condition of poverty is a menace and weakness to the State.

The provisions of the Act of 1903 for dealing with this state of affairs seem to be fairly adequate, so far as they can be so under a voluntary system of land purchase. Untenanted estates may be purchased from the landlords by virtue of Sec. 6, and from the Land Judge by virtue of Sec. 7. Other untenanted land may be purchased under Sec. 8. The persons to whom "parcels" of land may be allotted are set out in Sec. 2. Improvements—in the very widest sense of that term—may be effected under Sec. 12. The Reserve Fund, which is the only method of financing this branch of the Estates Commissioners' work, is very limited in amount, and will not bear very heavy demands on its resources. I may say in passing that it is a mistake that grants made by the Estates Commissioners in respect of improvement works cannot be repaid by tenants by means of purchase annuities. It would be impossible now to set out at any length the various provisions in the Act which were intended to empower this great ameliorative work to be done.

It would be a national misfortune if the Estates Commissioners failed, through any cause, to carry out this work. An opportunity such as the present is not likely to arise again. The whole agrarian system of Ireland is changing, and if the evicted tenants and the tenants of small uneconomic holdings are left as they are, they will be a burden to themselves and to the State for all time. It would seem, from an examination of the Report of the Estates Commissioners for the period ended March 31st last, that this side of the work has almost completely broken down. A note of warning on this subject is sounded by Mr. Robert Donovan in the December number

of the *Independent Review*. This gentleman is perhaps the highest authority in Ireland (outside the offices of the Estates Commissioners) on all branches of the land purchase question. He says, and his words are deserving of the most serious attention :—

"The farms of some two hundred thousand of those occupiers do not provide a means of livelihood to the tenants; and the conversion of these tenants into the nominal owners of their uneconomic farms simultaneously with the sale of the unoccupied lands, would simply stereotype poverty and congestion, and prevent ultimate relief, save by the old and painful process of eviction, amalgamation and emigration. It was Mr. Wyndham's virtue to have recognised this fact; it is to be counted to his discredit that his effort to provide for it has, as the Estates Commissioners' Report shows, hopelessly failed."

The cause of that failure may, I think, be taken to be fourfold. The inability of the Estates Commissioners to take land compulsorily, the mad rush of the tenants of economic holdings to buy direct from the landlords, the want of cash through the neglect to ear-mark a sufficient portion of the Land Purchase Fund to be devoted to this ameliorative work, and, above all, the paralyzing effect of the Regulations of July last—all these facts combined to defeat the intention of the legislature in this matter.

The figures on which Mr. Donovan's article was based were those given in the Report of the Estates Commissioners for the period ended March 31st last. It is difficult to get accurate and definite data from which to ascertain what has happened since that time. I find, however, that whilst on March 31st the Estates Commissioners had sanctioned advances for the purchase of estates under Sect. 6 amounting to only £139,000, on November 31st they had sanctioned advances for that purpose amounting to £602,000. The advances sanctioned on March 31st for the purchase of estates under Sect. 7 amounted only to £132,000; but on November 31st advances for that purpose amounting to £280,000 had been sanctioned. Presumably a considerable proportion of the land included in such estates was untenanted —in some instances, I know, it was wholly untenanted—so that some progress is being made. It is to be hoped, now that the obstructive Regulations of July have been withdrawn, that this great social work will proceed with vigour and persistency.

I hope that it will not be thought, on account of anything that I have said in the course of this paper, that my attitude towards the legislation of 1903 is that of the mere fault-

finding critic. On the contrary, I have the greatest admiration for the great Act of that year, which in my opinion was honestly intentioned, boldly conceived and capably drafted. I have endeavoured to point out a number of particulars in which the enactment fails to fulfil the requirements of the country and the situation; but underlying those faults there is a foundation of utility and potentiality on which the complete settlement of the question—whether it proceeds on voluntary or compulsory lines—can be based.

4.—*Proposals for a New Labourers' Bill; an attempt to solve the Rural Housing Question in Ireland.*

By Nicholas J. Synnott, Esq.

[Read 2nd March, 1906.]

We have now had more than 20 years experience of the attempt to provide habitable houses for labourers in country districts in Ireland, by means of an elaborate code of seven Statutes, beginning with the Labourers' Act of 1883, and ending with the Land Purchase Act of 1903; and are in a position to judge of the success of this legislation by its tendencies and results. The casual visitor who, from a railway carriage or a country road, observes the new District Council cottages sprinkled over the country, and compares them in his mind with the thatched mud cabins they have replaced, may hastily judge that the problem is in a fair way to be solved; and, indeed, there have not been wanting English economists and philanthropists who have taken, what I must call a superficial view, and urged that these methods should also be applied to rural housing in England.

This was the burden of an article in the *Contemporary Review* (September, 1904), by a Mr. Gilbert Slater, entitled, "A Lesson from Ireland"; but it is plain from an examination of this and other statements on the subject, that only one side of the picture has been looked at. The other side is not to be found in the Reports of the Local Government Board, nor otherwise than by a careful study of local accounts, the proceedings of local bodies, and of Irish rural life.

That closer study would reveal the burden on the rates, the delays, the waste, the inequalities of a system which is an absolute bar to all private effort, and has resulted in providing what is really out-door relief in kind to a privileged few.