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A
YEOMAN PROPRIETARY.



BY
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HODGES, FIGGIS & CO.,

A
YEOMAN PROPRIETARY
IN IRELAND.

AN ADDRESS,

DELIVERED IN DUBLIN ON JUNE 22, 1883,

BY

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PREFACE.

AN Address delivered in Dublin on June 22nd has in the following pages been thrown into the form of a Pamphlet. It does not pretend to any originality, save in the arrangement of materials. Three propositions are asserted and supported by argument and evidence:—(1) The Purchase Clauses were introduced into the Irish Land Code with the unanimous approval of Irish and English Statesmen. (2) These clauses are at present completely inoperative. (3) It is desirable to weigh every rational scheme for their development. In these pages there will be found nothing to favour the expropriation of landlords, the endowment of paupers, or the reckless expenditure of public money. On the contrary, the fundamental principles of a Yeoman Proprietary are these—to increase the number of occupying landowners, to strengthen the forces of property and social order, and to confer incalculable benefits at infinitesimal risk upon the community at large.

A YEOMAN PROPRIETARY.

CHAPTER I.

UNANIMITY.

COBDEN, 1851.

“Why, if the possession of a bit of land was found to have an elevating tendency on the people of every country of the Continent, when the land had become the property of the people, surely they might try whether, if the Irish people became the proprietors, each of a piece of land, it would not also have the effect of increasing their self-respect, their frugality, and their intelligence.”—*Occupying Ownership*, by the late Vincent Scully, Q.C. Cobden.

THE MARQUIS OF SALISBURY, 1870.

(*On the Bright Clauses of the Land Act.*)

“On the broad and general ground that it will widen the basis of property in Ireland, I confess that I am in favour of the plan.”—(*Hansard*, vol. ccii., 3rd Series, 75, 76.) Lord Salisbury.

J. E. VERNON, Esq. (NOW MR. COMMISSIONER VERNON) 1878.

“I do not think that there could be any more safe means of reconciling the many to the possession of property by the few, than by increasing the few.”—*Select Committee, House of Commons.* Mr. Commissioner Vernon.

RT. HON. SIR WILLIAM GREGORY, K.C.M.J., 1878.

“I believe that in every man who is thus placed upon the soil as the owner of his land, you have, as it were, a special constable on the side of law and order.”—*Select Committee, House of Commons.* Sir William Gregory.

REPORT OF SELECT COMMITTEE OF THE HOUSE OF
COMMONS, 1878.

Select Com-
mittee of the
House of
Commons.

"Your Committee find that, when estates are offered for sale, there is a general desire on the part of the tenantry to become absolute owners of their farms; and they believe that a substantial increase in this way, in the number of small proprietors, would tend to spread contentment, and promote industry and thrift amongst the Irish peasantry."

RT. HON. JOHN BRIGHT, M.P., JAN. 24TH, 1880.

Mr. John
Bright.

"What I propose, and what I have proposed for many years, is this—that some means should be taken by which the occupiers of farms in Ireland should be transformed into owners (cheers)—and that this should be done by a process which should be absolutely just, not to the tenant only, but to the landlord himself." (Cheers.)—*Speech at Birmingham.*

RT. HON. S. WOULFE FLANAGAN (JUDGE OF THE LANDED
ESTATES COURT) 1880.

Judge
Flanagan.

"I think, if a certain fair number of those tenant proprietors were scattered over the country generally it would be a very great benefit."—*Richmond Commission.*

THE EARL OF DUFFERIN, 1881.

Lord Dufferin.

"I believe we shall never have a tranquil or contented Ireland until the great proportion of the lands of Ireland have passed into the hands of the people of the country."—*Bessborough Commission.*

THE RT. HON. W. E. GLADSTONE. M.P., 1881.

Mr. W. E.
Gladstone.

"We feel the great necessity there is of a serious effort on the part of Parliament to enlarge the circle of proprietors of land in Ireland."—*House of Commons, April 17th.*

THE MARQUIS OF LANSDOWNE, 1881.

Lord
Lansdowne.

"Nothing will add so much to the stability of the social system in Ireland as a large addition to the number

of owners of land in that country.”—*House of Lords. Hansard, 3rd Series, p. 278.*

EARL CAIRNS, 1881.

“I have always been a very strong advocate of the purchase of holdings by tenants in Ireland, and I supported a proposal to that effect in 1870; but I am greatly disappointed when I see the very persons who formerly were the greatest advocates of proposals of this kind now holding back from supporting the proposal and attempting to limit it.”—*House of Lords. Hansard, cclxiv., 3rd Series, p. 538.*

Lord Cairns.

MARQUIS OF HARTINGTON, 1881.

“I believe that the evils of Ireland are too deep-seated to be removed by any change in the relations between the landlords or the owners and the occupiers. We believe, as Mr. Bright has so constantly urged, that these evils will never be effectually removed until there has been established a great increase in the number of owners of property in Ireland—until the vast disproportion between the owners and occupiers has been somewhat diminished, and until a larger number of persons in Ireland are placed in a position which will give them some sympathy with, some understanding of, the rights of property.”—*House of Commons, 27th April.*

Lord Hartington.

THE RIGHT HON. W. H. SMITH, M.P., 1881.

“It will require strong and vigorous hands to see that the object the Government have in view in constituting a solvent, an independent, and a thriving Peasant Proprietary is attained.”—*House of Commons, July 19.*

Right Hon. W. H. Smith.

MARQUIS OF SALISBURY, K.G., 1882.

“Your effort must be, instead of giving concessions to agitation, to provide the population of Ireland with motives for resisting change.”—*Speech at Liverpool, Times, April 13.*

Lord Salisbury.

CHAPTER II.

FAILURE.

"There appears to be a general feeling of regret that the Purchase Clauses of the Land Act have failed."—*Bessborough Commission*, 1881. (*On the Irish Land Act*, 1870.)

"All the witnesses are agreed that the present arrangements made to promote the purchase of holdings must be taken to have failed."—*Select Committee of the House of Lords*, 1882. (*On the Irish Land Act*, 1881.)

Unanimity in favour of the principle of the Purchase Clauses.

A glance at the previous chapter will go far to convince the most cynical student of Irish politics, that representative Irishmen and thoughtful British Statesmen have for many years been almost unanimous in recommending the increase of the number of occupying landowners in Ireland, as a means of strengthening the forces of law and order in this country. Three Acts of Parliament—the Church Act, the Land Act of 1870, and the Land Act of 1881—embodied the idea in clauses aimed at enabling tenants to purchase their holdings with assistance from the State.

The Purchase Clauses of the Church Act.

By the Church Disestablishment Act, 1869, the Church Temporalities Commissioners were directed, when disposing of the Landed Property of the Church, to give the occupying tenants the preference of purchase at a fair market value. They were empowered to assist tenants by advancing, on the security of their holdings, three-fourths of the purchase-money, the whole debt, including principal and interest, being made repayable by equal half-yearly instalments spread over thirty-two years at an annual rate of a trifle over $5\frac{1}{2}$ per cent. upon the money advanced.

The Purchase Clauses of the Land Act, 1870.

By the Land Act of 1870 two methods were proposed to effect the same purpose of facilitating the acquisition by tenants of their holdings. The first was by giving

inducements and facilities to landlords to agree with their tenants for the sale or purchase of their holdings through the medium of the Landed Estates Court. The second method was by directing the Landed Estates Court, in the course of sale of landed property, to give all reasonable facilities to occupying tenants desirous of purchasing their holdings, two-thirds of the purchase-money being advanced to them. The Board of Works was authorized to advance, by way of mortgage on the land thus sold, two-thirds of the price of the land, payable by equal half-yearly instalments, at an annual rate of 5 per cent., spread over a period of 35 years.

The Purchase Clauses of the Church Act proved a comparative success. The Purchase Clauses of the Land Act proved a comparative failure. Enlightened by the experience of these two legislative efforts, the authors of the Land Act of 1881 have embodied in that measure a number of clauses dealing with the same subject. It is unnecessary to consider their details; for it is universally admitted that the Purchase Clauses of the Land Act of 1881 are completely inoperative.

The Purchase Clauses of the Land Act, 1881. Their Failure.

Schemes for rendering these clauses workable have been suggested from several quarters, and most recently by Lord George Hamilton. Lord George's proposals appear to have been misinterpreted and distorted by his critics. Some of those critics have endeavoured to represent his suggestions as involving gigantic transactions, and unlimited risk to the State. But such a result was never contemplated, and is quite at variance with the aspirations of Irishmen. Irishmen are not such beggars as they have been painted. They do not desire the State to lend money, unless the investment can be recommended not merely as safe, but as profitable. The idea of an advance of £300,000,000 never seriously entered the mind of any sane person. Any system of purchase is likely to be gradual and

Lord George Hamilton's Scheme for their development.

The Prussian
system.

partial. The experience of the Prussian system confirms this view. In Prussia the Tenant was entitled to commute his rent, either by a money payment, or by an advance of the whole of the purchase-money by the State. In order to induce him to pay the money in full, the price was made 18 years' purchase. But if he was not able to pay the price, the rent-charge bank would pay, at his request, to the landlord rent-charge debentures to the amount of 20 years' purchase of the rent. Thereupon the tenant would have to pay on that amount $4\frac{1}{2}$ per cent. (interest and sinking fund) for $56\frac{1}{2}$ years, or 5 per cent. for $41\frac{1}{2}$ years. The commutation amount was paid by the bank to the landlord in debentures of 1,000, 500, 25, and 10 dollars, bearing interest at 4 per cent.; coupons for 8 years were attached. These coupons were legal tenders in all Government offices. Drawings took place each half-year of bonds to be paid off in full. Such were the principal details of a system which was successfully organised in another country, and which is the best pattern and model provided for us in European history.

The working
of the German
system
gradual and
profitable.

If we follow the development of that system we shall find that in Prussia, where the rent banks had the power of advancing the whole purchase-money on terms very similar to those suggested by the House of Lords' Committee, we have it on the authority of Mr. Harriss Gastrell, that the whole business done by the rent banks from 1854 to 1869 was about thirteen and a quarter millions. There was no difficulty in keeping transactions within reasonable limits. There was no loss to the State. In Saxe-Coburg, where a similar scheme was carried out, the British Secretary of Legation reported that the bank did a "thriving business, and made a very profitable return to the State for its guarantee."

A hopeless crush was anticipated at the passing of the Landed Estates Court (Ireland) Act. Yet the sales

during ten years, from 1865 to 1875, averaged nearly £838,000 in annual purchase-money, as appears by a return obtained by the Duke of Argyll, and the business never exceeded the limits of convenience.

Sales in the Landed Estates Court were gradual.

It must be remembered that many landlords cannot, and many others will not, sell. Many tenants will be unwilling to exchange their present easy position for the hard and fast lines of ownership. The process of bargaining, and the mere mechanical work of conveyancing impose necessary limits. Again, the annual sum advanced may be defined if necessary by statute.

A Purchase System must be limited and may be defined by statute.

There is no danger of an universal sale of land to tenants in Ireland. But there might be a considerable sale, which would exercise a very satisfactory influence. The grievance at present is that there can be no sale at all. There is no market where, on fair term to each other, the landlord and tenant can come to an arrangement of this kind, however willing they may be to do so. To make these sales possible is the object of all the schemes which have been put forward in these directions.

No danger of an universal sale.

A "Yeoman" Proprietary—the title-phrase of this pamphlet—*ipso nomine* disposes of the commonplace objections which are no doubt applicable to the system popularly known as "Peasant" Proprietary. The word "yeoman" emphasises the first condition of the proposed advances of money by the State. The first condition must be, that the borrowing farmer shall be a solvent man, whose holding, after investigation of title and official valuation, shall be declared to be full security for the loan. This security is of an exceptionally satisfactory kind. It consists of the landlord's interest, and the tenant-right. The tenant-right in Ulster is worth from 10 to 30 years' purchase, and in the rest of Ireland, since the last Land Act, has been proved in evidence before the Lords' Committee, to be worth from 7 to 17

A "Yeoman" Proprietary necessitates a solvent borrower, and full security to the State.

years' purchase. Consequently the fee-simple and tenant-right added together can seldom be less than value for 30 years' purchase. This will leave ample margin of security to the lender, for he will only advance money to purchase the landlord's interest.

This is not an eleemosynary scheme but a practical development of the Purchase Clauses of the Land Act.

These are important considerations, because it is right that this matter should be placed upon a purely business basis. Any proposal of this kind which is put forward in a charitable or eleemosynary spirit falls self-condemned. But a Yeoman Proprietary is not in the least a charitable or eleemosynary scheme. It presumes a solvent buyer, and full security in the land for every penny advanced by the State. Though the size of the holding is not the necessary test of the solvency of the tenant, it is obvious that a Yeoman Proprietary does not involve the "morcellement" of France and Belgium, or the giving of public money to the poor cottiers and mountaineers whom all must pity, but who can not thus be relieved. Their condition has been well described in a recent pamphlet by Mr. James P. Maunsell, entitled "The Irony of the Land Act." These commonplace objections are quite groundless. A scheme for the development of a Yeoman Proprietary merely aims at giving vitality to the dead-letter Purchase Clauses of the Land Act of 1881, and by this means infusing gradually but effectively an appreciable proportion of middle-class proprietors for the purpose of giving stability to the social system.

CHAPTER III.

THE ROAD TO SUCCESS.

"If the tenants have a possessory interest, why should not they get the whole of the money?"—*Professor Baldwin (Bessborough Commission, 1881.)*

"I do not approve of making proprietors by depriving them of the means of living."—*Mr. Uniacke Townsend (Bessborough Commission, 1881.)*

If it be once admitted that an effective move should be made in the direction of a Yeoman Proprietary, that move should be thorough and sincere. There should be none of that timidity and tinkering which has first marred and finally nullified the whole Purchase code in this country.

Purchase legislation should be thorough and sincere.

Why has the Prussian system succeeded, while the Irish legislation has never been an unqualified success, and is now an admitted failure? The history of the working of the idea in the two countries discloses one great difference. The Prussian authorities had the power of advancing the whole purchase-money if the security was sufficient, while the Irish tenants have always been obliged to pay down in ready money one-fourth or one-third of the price. In order to pay this considerable fragment of the price, the tenant was usually forced either to part with all or almost all his capital, to sell his stock, or to borrow from a usurer. Under the Church Act he borrowed this money as a second charge at high interest. Under the Land Act he was not allowed to make the one-third a second charge, and he had to borrow it on personal security at still more usurious interest. He thus started hopelessly handicapped.

One cause of success in Prussia was the advance of the whole of the purchase-money.

The Church Act was successful from three points of view—the tenants bought eagerly; the vendors obtained a fair price; the State was paid punctually. But there

Necessity for payment of one-fourth was main de-

fect in Church
Act.

was another side to the picture. Many of the purchasers are hopelessly embarrassed, and not a few have succumbed to the pressure of their initial difficulties. It will be found that these cases have arisen mainly from the necessity to pay down in ready money one-fourth of the purchase-money.

This is proved
by evidence
before
Bessborough
Commission.
Mr. Uniacke
Townsend.
Mr. Murrough
O'Brien.

The evidence before the Bessborough Commission disclosed many instances of this. Mr. Uniacke Townsend instanced an estate where out of 14 purchasers 7 had either to sell their stock, or borrow, or do both, in order to pay one-fourth. Mr. Murrough O'Brien, himself the Inspector of the Chief Commissioners, gave evidence that many had to sell all their stock to make the payments, and some melancholy cases had come before him of men who were well off before and had since been almost ruined; and he attributed a great deal of the difficulty in the way of these tenants to the usurious interest they had to pay for the borrowed money. Several tenant-farmers gave evidence before the Commission, to the effect that by paying the portion of the purchase-money the purchaser had to take away his working capital, and thus he was either prevented stocking his farm, or forced to borrow from the banks, which placed him in a worse position.

Opinions of
witnesses:
Mr. Bernard.
Mr. Rochfort.
Mr. Champion.
Mr. Stack.

This side of the picture deeply impressed some of the witnesses who had the largest experience and the best means of judging. Mr. William L. Bernard, the Chief Clerk of the Commissioners, recommended a discretion being given to the Board to allow the whole to remain out on mortgage. Mr. Rochfort, agent to Lord Howth, said he would recommend the Government to advance the whole of the purchase-money, as the tenant not having money ready would be obliged to borrow at a high rate of interest, and it would therefore be better for the Government to advance all. All these difficulties were aggravated in the Bright Clauses of 1870.

Mr. Campion, a gentleman connected professionally with 17,000 acres of land, recommended the advance of nine-tenths of the purchase-money, and remarked that "expecting small, medium or large tenants to pay down, without borrowing, one-third of the purchase-money, is the very height of foolery." Mr. Stack, the Chief Clerk of the Board of Works, was asked the cause of the failure of these clauses. He replied: "I think, in a great measure, it has arisen from the limit of the two-thirds of the purchase-money."

It has thus been shown by reliable evidence that a considerable portion of purchasers were ruined, or on the verge of ruin—the result of having been crippled at the start. It may be observed also that the burden of usury, or loss of capital and stock, injured the tenants' power of repayment of the instalments, and thus indirectly weakened the State security. On the other hand, if the purchaser was a solvent and unembarrassed tenant-farmer, his holding by itself was full security for the whole advance. "If," said Professor Baldwin to the Bessborough Commissioners, "the tenants have a possessory interest, why should not they get the whole of the money?" The effect of obliging them to pay the one-fourth, was to detract from the reality, and consequently from the advantages of ownership. "I do not approve," said Mr. Uniacke Townsend, "of making proprietors by depriving them of the means of living."

Consequent
ruin of many
purchasers.

Professor
Baldwin.

Mr. Uniacke
Townsend.

In their report the Bessborough Commission, while recording the comparative success of the purchase system under the Church Act, remarked that "it is not denied that a portion of the tenant purchasers have assigned their right for the most part as security for the balance of the purchase-money." The Commissioners proceed to record the failure of the Bright Clauses, and while they point out many particular obstacles to their success—for instance, head-rents, annuities, easements, the cost and complica-

Report of the
Bessborough
Commission.

tion of conveyancing, and the difficulty of lotting properties which came for sale—they touch upon the real obstacle in their first recommendation, which is that “a larger proportion than two-thirds of the purchase-money, say four-fifths, might be safely advanced.” They do not suggest any principle as a reason for stopping at four-fifths. Further on they admit the feasibility of the schemes which are now before the public, for in the next paragraph of the report they say, “It is obvious that the principles of these clauses will admit of indefinite extension if, at the highest rate at which sales of land are ordinarily effected in Ireland, it is possible so to adjust the loan and its repayment that the whole of the purchase-money may be advanced to a tenant and repaid by him in the course of half a century, without adding a penny to the former rent.” Here, in the Bessborough Commissioners’ report, were the suggestions of the Lords’ Committee sketched, in anticipation, without a word of disapproval. Both Mr. Shaw-Lefevre’s Committee and the Bessborough Commission recommended the advance of four-fifths of the purchase-money, but even this concession to the necessities of the measure was not made by the legislature.

False reasoning as to the payment of one-fourth.

An erroneous impression prevails that this payment of one-fourth is a test of *bona fides* in a purchaser. An example of the common mistakes made on this branch of the question may be instanced in a letter in the *Times* of June 19, of this year, signed “Statist,” apparently written with the object of explaining away the failure of the Purchase Clause. The letter starts with the following wholly inaccurate proposition as the foundation of its argument:—“The Purchase Clauses were distinctly and avowedly based upon the principle that the tenant-farmers should make some effort or submit to some sacrifice for the purpose of becoming the owners of their farms.” This was, no doubt, an incidental consideration on which

some of the promoters of the clauses laid stress. But it was incidental, not fundamental. The fundamental principle of the Purchase Clauses was that the infusion of a number of occupying proprietors would give stability to the social system in Ireland. If it were true that this initial expenditure of so much ready-money by the tenant crippled him at the start, by denuding him of his stock or capital, and driving him into usurious borrowings; if it were true that it thus detracted from the sense of ownership, which it was desired to encourage—then it would become imperative to dispense with this necessity for ready-money payment, in order to preserve the principle upon which Purchase Clauses were based in the legislation of this and every other country.

It is interesting and useful to examine the evidence of the men who carried out the work of the purchase-clauses, and who had the best opportunities of observing their defects, and of estimating the appropriate remedies. The evidence of Head Commissioner Vernon, Mr. Godley, the Secretary of the Land Commission, Mr. Fottrell, late Solicitor of the Land Commission, Mr. Murrough O'Brien, the head of the Purchase Department of the Commission, Professor Baldwin, and other competent authorities were all in favour of advancing the whole of the money.

Summary of
"expert"
evidence.

The question of the proportion in which the instalments should be paid is one of detail for careful discussion in a Committee. It must be remembered that the tenant is exchanging an obliging landlord for an unbending State. The tenant will also be obliged to pay all the taxes, which will make a difference of about £5 in every £50 rent. It is, therefore, not altogether inequitable that the yearly payments should be reduced to balance the alteration of circumstances. This is, however, a matter comparatively of detail. The main point lying at the root of this branch of the whole ques-

Payment of
instalments.

tion on which it is necessary to lay stress is, that the advance of the whole of the purchase-money, if done with discrimination in the case of solvent purchasers, is the only way to give full security to the lender, and full sense of ownership to the tenant.

Tenants should be encouraged, but not forced, to pay part of the purchase-money.

Of course the powers of the Central Board may be qualified and discretionary. An excellent suggestion is contained in a letter which appeared recently in the *Irish Times*, signed "Barrister." The writer proposes that the tenant should be enabled to invest his savings or spare money in the reduction of his annual instalments. In this way a legacy, a marriage-portion, or the produce of a rich harvest might be devoted to the shortening of the period of redemption. The Prussian system contains a suggestive feature of a kindred character. The purchaser in Prussia was given better terms (18 instead of 20 years' purchase), if he paid the price in ready money. Every inducement should be offered to the tenant to pay the part or whole of the purchase-money, where he can do so without injury to himself or his holding. But the Central Board must have the power of advancing the whole to the tenant, where the payment of part of the price would hamper and embarrass him in his efforts to become owner of his farm.

The magic of ownership.

The magic of ownership, which it is desired to bring to bear on the Irish tenant, is a mixture of pride and hope. There is small pride to be expected in an occupier burdened with usurious interest; there is slight hope in the faint prospect of an ownership purchased, and perhaps wrecked, by the sacrifice of capital and stock.

CHAPTER IV.

THE WAYS AND MEANS.

"I believe there are material resources in Ireland which, if properly applied, should make her as prosperous and her people as vigorous as any people on the face of the earth; and it is my desire to see those resources applied by Irishmen for Ireland in a spirit of true independence, rather than see her come to this country for aid from the Imperial Exchequer."—*Right Hon. W. H. Smith, M.P. (House of Commons, July, 19, 1881.)*

"I cannot understand why an Irish Land Bank should not be established."—*Sir Michael Hicks Beach (House of Commons, March 2, 1882.)*

"Thus, the public opinion of the whole country would be strongly in favour of the payment of rent."—*Earl of Dufferin (Bessborough Commission, 1880.)*

There remain two serious questions. How is the money to be raised to pay the landlords? How is the payment of the instalments to be guaranteed to the State? There are six principal authorities on these points—Lord Dufferin, Mr. Commissioner Vernon, the letters of R. O'H. to the *Times*, the report of the Committee to the House of Lords, the special suggestions of Mr. George Fottrell before that Committee, and Lord George Hamilton's recent speech in the House of Commons. Two ideas run through all these authorities—a *local loan* for the purpose of raising the money, and a *local guarantee* for the purpose of protecting the State.

The two economic problems, the local loan and the local guarantee.

Lord Dufferin was one of the first public men of eminence who proposed the *local guarantee*. I will quote his own words, addressed to the Bessborough Commission in November, 1880:—

Lord Dufferin suggests a local guarantee.

"Our endeavour, therefore, should be to get as large a proportion as possible of the lands of Ireland into the hands of its cultivators. How is that to be done? Let a necessary sum, raised on Government securities, be devoted to the purchase, upon fair and proper terms, to be regulated by a trustworthy Commission, of a considerable proportion of the lands of Ireland. . . . It will be at once said—'You surely do not propose to make the State the landlord

of the Irish people?' Certainly not. Let us rather take a leaf out of the Russian book, and convert this rent into a fixed charge or land rate to be collected by local authorities, with jurisdiction over limited areas—townlands, for instance, or similar circumscriptions—and with power to impose an additional rate-in-aid, if the rent-charge for which the area is assessed be not forthcoming, and to sell the defaulter's farm. This is what is done by the heads of the Russian 'Communes' or 'mirs,' even when the land is not cultivated in common, but is held by individual peasants. Supposing such a system established, it would work in this way:—A tenant in a particular townland would fail to pay his portion of the rent-charge. All his neighbours, knowing very well that in his default they would have to make good the deficiency, would immediately require him either to pay or sell his holding. Thus, the public opinion of the whole country would be strongly in favour of the payment of rent."

Here we have the germ of the suggestion for a local guarantee to be worked by townlands, baronies, unions, counties, or any other area to which it may be adapted. It is impossible to approach the consideration of this scheme without being both attracted by its grandeur, and deeply impressed by its difficulties. But no sensible person would dismiss without hesitation proposals sanctioned by so distinguished a student of men and nations as Lord Dufferin.

Mr. Vernon
suggests a
local loan.

Mr. Commissioner Vernon first sketched the plan of a *local loan*—also to the Bessborough Committee in November, 1880. He was influenced by the anticipation that the result of purchase by the tenants on a considerable scale might be to create one great absentee landlord. The following extract from his evidence will explain the basis of his scheme:—

"The rents would all go into the Bank of Ireland, and be remitted to England by a cheque, in favour of the Secretary to the Treasury; and we would have one large absentee landlord. I do not think that would be a desirable state of things, and I think, if possible, it should be avoided. I believe that you can raise certainly £10,000,000 in Ireland amongst the small farmers, and I think that if you could raise that sum, and make it primarily chargeable upon the

farms sold, the persons who held the securities on these farms would be interested in the purchasers of the farms paying their rents—of course behind that there must be a State guarantee, I think that is unavoidable. I would propose to raise the money by issue of land debentures primarily charged on the lands sold, and with a Government guarantee. I would make the debentures either registered or payable to bearer, with coupons attached, to bear interest at the rate of 3 per cent., payable half-yearly at every branch of the Bank of Ireland, or other bank having the Government account. I think it could be done in any bank. I think the holders of debentures would very soon learn to present their coupons at the bank for payment as they become due, and they would become like small cheques, debited to the Government. I don't think there would be any difficulty in working that part of the matter."

In estimating the value of these suggestions, we must bear in mind that Mr. Vernon was for long a director, and within the last few years the Governor of the Bank of Ireland. His opinion upon the possibilities of launching a local loan by the machinery of local banks, rests upon a wide experience, and the best opportunities for observation.

The next scheme formulated before the public was contained in two letters addressed to the *Times*, in the month of March, 1882, and signed with the letters R. O'H. The following is a sketch of his proposal, in the form of an imaginary case. He guards himself by premising that the figures must be taken merely to illustrate the principle, and not to suggest the value of property or the price to be paid :—

Scheme
suggested by
R. O'H.

"When the tenant of a holding at a rent of £10 judicial (either by decision of the Court, or agreement approved by the Court) agrees for the purchase of his holding at 20 years' purchase of the judicial rent, let him be enabled to pay the purchase-money by the delivery to his landlord of land debentures for £200 at $3\frac{5}{8}$ per cent., guaranteed by the State, and redeemable, say, in 55 years. In order to prevent direct contact between the State and the landlords or tenants, these land debentures should be delivered to the landlord by some bank or other authority (empowered by the State to issue land debentures) after the assignment to

such bank or other authority of the holding purchased by the purchasing tenant, as security for a rent-charge of $4\frac{1}{8}$ per cent. on £200, or £8 5s., per year for, say, 55 years. This rent-charge would be payable by the tenant to such bank or other authority, and would be paid annually by such bank or other authority into the Imperial Treasury— $3\frac{5}{8}$ per cent. by way of interest, and $\frac{1}{2}$ per cent. towards a sinking fund for the redemption of the land debentures. By way of indemnity to the State against bad debts, or other losses, I propose that a guarantee fund, to be called, "The Irish Land Guarantee Fund," should forthwith be established, and that for such purposes £3,000,000 should be secured to this fund from the surplus funds of the Irish Church Commission, and that until this £3,000,000 is transferred, interest thereon at the rate of £3 per cent. per annum should be paid to the credit of the Irish Land Guarantee Fund, and that for five years a sum of £60,000 should be annually raised in Ireland by means of an inhabited house duty, and carried also to the Irish Land Guarantee Fund."

Scheme
suggested by
Mr. George
Fottrell.

Mr. George Fottrell, late solicitor to the Land Commission, who was examined before the Lords' Committee, expressed his disapproval of this plan, and suggested to the Lords' Commission a scheme, many of the features of which are the development of Lord Dufferin's suggestions. His views may be best expressed in his own words:—

"I would throw the liability of the collection of the instalments inside every union upon the rates of that union. I would collect the money, in the first instance, by the Commission, as a State Department, but the books would be kept by unions. All the books of the Land Commission, for example, are now kept by unions, and it would be perfectly easy for the Commission at the end of any given year to say what arrears of instalments were due in any particular union, and that should be communicated to the unions, and the unions should be bound to assess the taxes to pay up that arrear. I think the effect would be magical, because there would be always a certain proportion of people who would have paid, and directly they had paid they would be the best police you could have for making the others pay."

Recommendations of the
Lord's Com-
mittee.

The next scheme to be considered is contained in the Report of the Select Committee of the House of Lords,

published in April, 1882, embodying the views of the following Noblemen:—

DUKE OF NORFOLK.
DUKE OF SUTHERLAND.
DUKE OF SOMERSET.
DUKE OF MARLBOROUGH.
MARQUIS OF SALISBURY.
MARQUIS OF WATERFORD.
EARL OF PEMBROKE AND
MONTGOMERY.

EARL STANHOPE.
EARL CLARENDON.
EARL CAIRNS.
EARL OF DONOUGHMORE.
EARL OF CARYSFORT.
EARL OF DUNRAVEN.
LORD PENZANCE.
LORD BRABOURNE.

They report as follows upon this branch of the question:—

“The Committee are of opinion that the advances of the State for the purpose of facilitating purchases should be made at the rate of £3 per cent., and that the repayment should be by annual instalments of $3\frac{1}{2}$ per cent., spreading over 66 years, or of £4 per cent., spreading over 46 years, whichever term may be selected for the operation. They think that the landlord and tenant should be left to agree as to the capital sum to be paid for the holding, and that the Land Tribunal should be authorised to advance the whole of the purchase money, subject to the conditions for the protection of the State which are hereinafter mentioned.

“The Committee will consider, in the first place, the effect which an arrangement on this basis would have on the position of the tenant, and will then examine the security for repayment which would be obtained by the State.

“Taking the case previously supposed of a tenant paying a rent of £50, and agreeing with his landlord for a sale at 20 years' purchase, the tenant would make to the State an annual payment of £35, being £3 10s. per cent., or of £40, being £4 per cent. on £1,000. He would also be liable for £5 already assumed to be the additional taxation falling on him as owner. His annual liability would therefore be £40, or £45 (as the case might be), or a reduction of 10 or 20 per cent. on his present rent, with the advantage of any possible increment to the value of the property.

“Supposing the landlord and tenant to have agreed to a sale at 22 years' purchase, the annual instalment to be paid by the tenant would, on the same basis of calculation, be £38 10s. or £44, making with the amount of additional taxation a yearly charge of £43 10s. or £49. If the agreement was for 24 years' purchase, the annual instalment would be £42 or £48, and the total charge on the tenant £47 or £53.

“The Tribunal should in every case be satisfied that the sum to be advanced is not in excess of the value of the interest sold; and the State would obtain a further and substantial security, defined and elevated for the first time by the recent statute into a fixed interest in the land, namely, the interest of the tenant. This interest would be in most cases more than the margin which is deemed adequate in the most carefully selected mortgages. The interest of the tenant in Ulster, as is well known, sells for prices varying from 10 to 30 years’ purchase and upwards. But the Committee have had evidence before them that in other parts of Ireland, where tenant-right has not been recognized previously to the Act of 1881, the tenant’s interest has, since that Act, sold for prices varying from 7 to 17 years’ purchase and upwards.

“The Committee may further observe that Mr. Godley, who, under the Irish Church Commission, conducted with much success the largest conversion that has occurred in Ireland of tenants into owners of their holdings, gave it as his opinion to the Committee that the whole purchase money might be advanced by the State, and the repayment spread over a number of years so as not to increase the annual payment of the tenant, and that this might be done without any loss to the State.

“Some apprehension has been expressed as to the effect of withdrawing from Ireland a large annual payment representing the aggregate of the instalments due to the State for advances in respect of purchases. The Committee do not consider that under the most favourable circumstances the magnitude of the operation at any one time would be so great as to lead to any serious consequences of this kind. Mr. Commissioner Vernon, however, laid before the Committee a detailed proposal to which they attach much weight, for the creation of a stock which might be issued under conditions which would lead to its being held locally, and being used as an investment in Ireland, and which might thus both tend to counteract the evil apprehended, and also itself become an element on the side of order.”

It is impossible to overrate the importance to be attached to this report. Mr. Godley was one of the many “expert” witnesses on whose evidence it was founded. In many respects it closely tallies with the Prussian system. It is not unreasonable to anticipate that public opinion is likely to veer round to the views of a Com-

mittee composed of eminent men and supplied with authoritative information.

Lord George Hamilton, in moving a resolution lately, sketched a proposal differing in some respects from those which have been referred to. He suggests that there should be a central authority in Dublin, and local authorities through the country, under a person of responsibility, having authority from the Treasury in London, to deal with questions which come before it. The local authority should receive joint application from landlord and tenant in the district within its jurisdiction, and the central authority should report whether terms of purchase, solvency of tenant, and others matters were satisfactory. If the report of the central authority be favourable, the local authority would request from the central authority power to raise the sum required upon the rates of the district, but with the guarantee of the State behind it. The net result would be, as far as the central authority was concerned, that the rates would be indebted for the amount payable upon the sum so raised, and they would recoup themselves by an annuity which the purchasing farmer would have to pay. The local authorities would be empowered to raise money in the way of debentures bearing interest at 3 per cent., payable at banks in the neighbourhood—the bonds to be in very small sums, transferable by delivery—and if necessary registered so as not to compete with consols. These debentures would be taken up in the neighbourhood, and become a local investment by which traders and farmers would become creditors, not debtors of the State. The rates would be liable, if the purchaser failed, and thus two social and moral forces would be brought to bear on the fulfilment of the obligations.

Lord George
Hamilton's
Scheme.

It is interesting briefly to compare these various schemes in a few sentences. "R. O'H.," in his letters

Comparison
of various
schemes.

to the *Times*, proposed that a loan should be raised by local land banks on the Prussian system, and a guarantee fund provided by the Church surplus and special Irish taxation. It is doubtful, however, whether there is any Church surplus at present in existence. Mr. George Fottrell proposed that the loan should be raised by the Central Land Tribunal, and that the local rates should be primarily liable for the purchaser's default. Lord George Hamilton proposed that the local authority should raise the loan whenever a sale was sanctioned by the central authority, and he was also in favour of making the rates liable for the purchaser's default. The Committee of the House of Lords favoured the idea of a local investment, but did not recommend a local guarantee.

The local
guarantee.

Certain serious questions suggest themselves as to the *local guarantee*. No doubt it is laudable in Irishmen to desire to minimise the State risk. Again it is desirable to enlist local opinion in favor of the payment of the instalments. But is it politic to make an elective board a guarantor at all? Is it equitable to make a district pay for a defaulter?

The local
loan.

The *local loan* is, however, quite unobjectionable. At present Irish tenants usually leave their money in the bank at 1 per cent., and regard every other public investment with suspicion. But if an easy local loan, guaranteed by the Government, were brought to their doors, they would quickly avail themselves of it, and the existence of such an investment would be not merely a means for raising a considerable fund, but also an element of social and commercial stability.

Importance
of these
different
proposals.

These different proposals are full of suggestiveness. They involve matters of deep interest to Ireland and Great Britain. The object of every loyal citizen must be to endeavour to widen and strengthen the foundation of law and order, and to give stability to the local insti-

tutions of the country. In so far as these schemes aim at this desirable object they demand the serious attention of all who are interested in the welfare of their native land. The question ought not to be treated in a party spirit. The interests of all classes converge upon its development, and it deserves to be carefully weighed by every thoughtful Irishman.

It may safely be predicted, that when there shall arise the man, or the ministry, with the genius to conceive and the courage to carry out an effective measure for the gradual establishment of a Yeoman Proprietary, the work will deserve to rank with the greatest political and legislative achievements of all countries and all ages.

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OPINIONS OF THE PRESS.

MR. BARTON has dealt with the question in a calm, dispassionate, and practical manner.—*Daily Express*.

Well studied, well arranged, well worded.—*Freeman's Journal*.

The propositions of MR. BARTON by no means partake of the wild and unpracticable character which has marked the pronouncements of others.—*Cork Constitution*.