

"Surplus income derived from ownership of land must, somehow, be transferred out of the hands of those who would sterilize it in prodigal living into the hands of the productive men who will invest it in the modern sector and then regularly plough back their profits as output and productivity rise."

Duplicity of

BY DAVID RICHARDS

THIS IS one of the preconditions for economic growth as expressed by W. W. Rostow, who claims that it "is Adam Smith's perception ... at the core of the *Wealth of Nations*."¹

Ireland failed to industrialise precisely because the land's rent was in "the hands of those who would sterilize it." The reforms which then settled the land question put the rent into the hands of another set of unproductive men.

The system whereby the rent of farmland was the legal possession of some 8,000 landlords (in 1848) diverted it from being invested in mixed farming, which would have laid a sound foundation for the economy.

This in turn stunted the generation of the capital necessary for factory textile production to succeed the booming cottage industry of the 18th century; and, indeed, caused the boat of the industrial revolution to pass Ireland by.

The halving of agricultural prices after 1815 made less costly livestock production more attractive and the recovery of livestock product prices in the 1830s accentuated the change. The disenfranchisement of the "forty shilling freeholders" in 1829, the repeal of the Corn Laws in 1846, and the second railway boom weighed further against tillage in Ireland.

"Capital in the form of livestock became once more a factor of major importance in agricultural production," writes Raymond Crotty. "Persons without capital could not compete successfully for land and therefore could not get married and have families ...

"The tenure system went further: in pursuit of higher rents it sought the clearance from the land of those of the proletariat

who were already in possession."²

The potato blight did the landlords' work for them, withdrawing nourishment from the million landless labourers and smallholders who had shown themselves capable of physically resisting farm consolidation.

By 1851 the number of agricultural holdings under 15 acres had halved in six years. "On the other hand," writes L. M. Cullen, "the Famine had scarcely affected the farmers at all." Holdings of more than 15 acres increased slightly, so that there were approximately 300,000 in each category.³

During the 1840s the emigration rate was 2% of the whole population each year, and it was still almost 1% by 1900.

Relative structural stability, however, followed the catharsis of the 1840s. By 1900 there were still well over half a million holdings, and the rate of increase in livestock had averaged only 0.9% p.a. The rise of rent at the expense of labour and capital (see figure) which had accompanied the transition to a low input/low output pastoral economy levelled off.

Landlords in Ireland may have begun investing in their estates for the first time since 1815, but only at a low level, perhaps 5-6% of their rents.⁴ Small tenant farmers were still resisting the main form of improvement - consolidation.

IRONICALLY, the new utilitarianism contributed to dampening investment. "Free Trade in Land" spread to Ireland notably through the Encumbered Estates Act, 1849, and the Land Act of 1870, easing the sale of land and replacing custom by contract.

Between 1849 and 1860 one-third of Ireland changed hands. This represented a huge dis-saving, as buyers' savings financed sellers' debts. After 1870, whatever landlord investment had been resurfacing was strangled by the strengthened legal position of the tenants.⁵

These reforms did nothing to tackle the underlying injustices of the land system, so it was the potato, once again, that brought matters to a head.

Potato yields, which were only at half pre-Famine levels due to soil exhaustion, fell away by three-quarters through successive bad harvests, 1877 to 1879.

At the same time, depression abroad was reducing seasonal emigration by four-fifths, and a flood of cheap British goods was causing all towns except Dublin and Belfast to decline. Railway building at home, another safety valve, had also come to an end. The outcome was the Land War of 1879-82.

"When landlords, faced with irreducible interest payments on their debts, proved unwilling or unable to reduce rents sufficiently, redress was sought."⁶

The 3rd Earl of Leitrim was assassinated in 1878 as he endeavoured to amalgamate farms. "Agrarian outrages" quadrupled in 1879, and evictions leaped from less than a thousand a year in the 1870s to 5,000 in 1882.

There were five main interests in the Land War:

- The Landlords. In 1870 there were nearly 20,000 proprietors. Just over 3% possessed half the country, whilst four-fifths possessed one-fifth. 40% were Catholic. Half were resident on or near their property.

Barbara Solow has broadly distinguished Old and New landlords. Those who had purchased land since 1849 were more likely to have to rack-rent, and hence

Irish land reform

free trade in land helped precipitate the crisis.

- The smaller tenants and labourers. Concentrated in the west and south-west, away from the rich grazing areas. Mere access to land was all that they required, a cause a century old. It was in County Mayo, the poorest county, that the republican Michael Davitt organised the tenants' movement that was in the vanguard of the Land War.

- The larger tenants. Perhaps three-quarters of the land was held by medium to large graziers. "The prosperity and progress of Irish agriculture increasingly depended not so much on this smallholding class but on this comfortable, educated, self-confident rural bourgeoisie," writes Michael Winstanley.

This was the "nation-forming class" (Emmet Larkin) and it saw itself as the future land-owning class. Indeed, it already merged into the land-owning class. Daniel O'Connell had been a Catholic landowner, and his electoral base those who swore publicly that their farms were worth at least forty shillings more than the rents they paid.

The Nationalist Party's rising star, a haughty Protestant, Charles Stewart Parnell, was also a landowner, as was to be his successor, John Redmond.

- The urban middle classes. The other mainspring of the Home Rule movement. Like the farmers, they frowned on agrarian outrages, but recognised in Davitt's peasant movement "the engine which would draw Home Rule in its train." (Joseph Lee)

- The Westminster Government. The Richmond Commission on agriculture, 1881, was not the first to call for active promotion of development in Ireland (funding drainage projects, etc.) but the Government was loathe to treat Ireland as more than a



● Eviction scene, 1880

storehouse. It only acted on recommendations that did not invoke public spending, that is, the Devon (1844) and Bessborough (1881) Commissions' tinkering with the existing tenure system in an effort to make it function more smoothly.

This official predilection was seized upon by the Irish Party, and what we may call the Land Tenure Myth became the prime tool of Irish nationalism in the nineteenth century.

THE LAND Tenure Myth held that an alien garrison of profligate, Protestant, absentee landowners, backed by the British army, was mercilessly rack-renting an overcrowded Catholic tenantry forced to subsist on potatoes whilst the fat of the land was exported.

The tenants had no security from one year to the next and could not improve the land because their efforts would be con-

fiscated by rent rises or by evictions. The landlords would not improve the land – they spent the rents abroad. Hence, the whole of the economic problem of Ireland was due to the landlord system.

The solution was to protect the tenants by enforcing the "Three Fs", which were supposedly the custom in Ulster – Fixity of tenure, Fair rents, and Free sale of tenants' improvements and land interest.

"The essence of the Irish Question was that rents offered ... appeared to be altogether out of proportion to the productivity of the land," notes Crotty.

The people who paid the high rents, and who stood to gain from rent control, were the well-off graziers.

Of course, there was a core of truth in the Myth, which was why it was so powerful. But the "Three Fs" were already customary outside Ulster. The objective need was to restore the wide access to land which had existed in the 18th century. This had been ensured by a diversity of economic activity coupled with the rent-paying mechanism.

As the American, Henry George, who came over to report the Land War for *Irish World*, pointed out, it only required that the rents be ploughed back into production for those conditions to be repeated.⁸

THE LANDOWNER class-elect, however, had other ideas. It fitted in neatly with their aspirations that the removal of the existing landowners would remove Britain's main interest in Ireland and thus further the cause of nationalism.

The strategy for overthrowing the landlords was devised by Davitt and inspired by James Fintan Lalor's letters to *The Nation* during the Famine.

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Lalor had written: "I hold and maintain that the entire soil of a country belongs of right to the entire people of that country," and that the rents "should be paid to themselves, the people, for public purposes, and for behoof and benefit of them, the entire general people."

Accordingly Davitt sought to agitate for formal concession of the "Three Fs", with emphasis on "fair rents", aided if necessary by "rent strikes". This would undermine the finances of the landlords and be "a legislative sentence of death by slow process," as he later put it.⁹

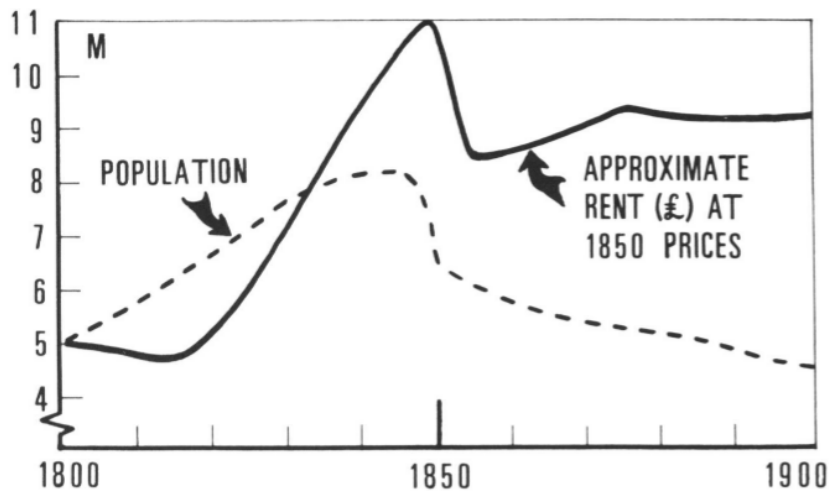
In October 1879 he founded the Irish National Land League and persuaded Parnell to be its President, thus harnessing together for the first time the rural poor, the graziers and the urban nationalists.

By August 1881 Parliament had capitulated, in order to avoid a "social revolution" as Gladstone told the Commons. A Land Act conceded the "Three Fs", including rent tribunals to lower rents to levels at which tenants would cease to agitate.

The next goal being unclear, however, the violence and boycotting continued, and the Government hit back by throwing the Land League leaders into Kilmainham Jail. At the same time a letter to the clergy and laity in the graziers' heartland of Meath from its Bishop, Dr Nulty, appeared. In it he wrote, under the heading "Land Rent for the Community a Design of Divine Providence":

"A vast public property, a great national fund, has been placed under the dominion and at the disposal of the nation to supply itself abundantly with resources necessary to liquidate the expenses of its government ..."¹⁰

But Parnell's view was in an entirely different direction. In a private treaty in May 1882 he agreed to subdue the peasant movement upon his release in return for the dropping of coercion, the release of prisoners, and



• AGRICULTURAL RENT AND TOTAL POPULATION OF IRELAND

the inclusion of rent arrears under the Land Act.

The Land War was over. Landlordism was clearly dead, and the graziers were now content to feast on its carcase in the land courts and await their inevitable succession to the ownership of Ireland.

MICHAEL DAVITT obviously wished that smallholders and labourers should also succeed to some of the land's rent.

He denounced the Kilmainham Treaty and immediately made a speech in favour of land nationalisation in Manchester's Free Trade Hall.

He also happened to be sharing the platform with Henry George, so the Parnellites accused him of having been "captured by Henry George and the *Irish World*", and of splitting the nationalist ranks.

Down, but not out, he spoke out again a fortnight later in Liverpool. A delighted Henry George wrote to the *Irish World*:

"At last the banner of principle is flung to the breeze, so that all men can see it, and the real worldwide fight begun ... Davitt proposes compensation. Of course neither you, nor I, nor Bishop Nulty agree to anything of that sort; but that makes no difference ... I don't care what plan any one proposes, so that he goes on the right line ..."¹¹

The Treatyites rallied, and within the month, for fear of making an open break, Davitt

was making conciliatory speeches.

Parnell's pact to restore order culminated in October in the rededication of the National Land League to Home Rule, and the dropping of the word Land from its title. He became its President on the condition that Davitt kept his ideas to himself at the inaugural meeting.

In his opening speech, Parnell declared that "no solution of the land question can be accepted as a final one that does not insure the occupying farmers the right of becoming owners by purchase of the holdings which they now occupy as tenants."

George's disgust had already been registered after Kilmainham in a letter to his editor: "Parnell seems to me to have thrown away the greatest opportunity any Irishman ever had. It is the birthright for the mess of pottage."

"Peasant Proprietorship" – that is, proprietorship mainly by bourgeoisie farmers – proved to be the British Government's favoured line of retreat from the defeated landlord system.

Lord Salisbury, head of the new Conservative administration of 1885, and a wealthy London landowner, was aware of a general unease amongst property owners, especially landowners, "because they have been the most attacked," as he wrote in the *Quarterly Review*, October 1883.

He appreciated the Free Trade

in Land argument, most effectively put by Emile de Lavaleye in the first series of Cobden Club essays, 1871:

"In the [Flemish] public-house peasant proprietors will boast of the high rents they get for their lands, just as they might boast of having sold their pigs or their potatoes very dear. Letting at as high a rate as possible comes thus to seem to him to be quite a matter of course, and he never dreams of finding fault with either the landowners as a class or with property in land . . .

"Thus the distribution of a number of small properties among the peasantry forms a kind of rampart and safeguard for the holders of large estates; and . . . averts from society dangers which might otherwise lead to violent catastrophes."¹²

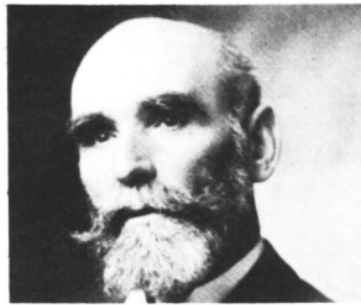
Salisbury's first major piece of legislation was therefore the Ashbourne Act, which raised the provisions in previous Acts for subsidised land purchase to a new level, and encouraged Parnell to instruct Irishmen to vote Tory.

The policy's climax was the Wyndham Act of 1903 in which A.J. Balfour's Government pledged £100m "to bridge the gap between the price the owners could afford to take and the price the tenants could afford to give" (Earl of Dunraven), to be repaid over 68½ years at a rate a quarter below the judicially fixed rents.

By World War One, two-thirds of farmers were owner-occupiers (from 3% in 1870). A.J. Balfour, Salisbury's nephew, claimed in a speech in 1909: "There is no measure with which I am more proud to have been connected than with that giving peasant ownership in such large measure to Ireland, and I hope to see a great extension of such ownership to England."

"These ideas of Tory democracy which were planted in the 1880s were the germ of a social process which is still working itself out," observes economic historian Avner Offer.

THE LAST quarter of the century thus saw Irish efforts once



● Michael Davitt

more concentrated on redistributing incomes rather than increasing production. British hopes of "killing Home Rule by kindness", however, were completely vitiated by the failure of the land reforms to spur economic activity.

Winstanley concludes in his recent historical review that "in no way" could Ireland's economic problems "be attributed to the inadequacies or otherwise of the land system."

He is, of course, referring only to the system of the Land Tenure Myth. Barbara Solow, who helped destroy that myth, has gone on to "argue for re-establishing the economic importance of tenure arrangements . . ."

She indicates that communal and private property rights "co-existed right into the 19th century", and that the 1881 Land Act halted the shift towards the latter "when the State undertook to enforce the alternative view of property rights and ended rent determination by the working of free market institutions . . ."

"Thus no automatic mechanism exists for replacing an inefficient tenant with an efficient tenant . . . there is no way for land allocation to be completely effi-

cient." (Solow, 1981) "Incentives to readjust the economy in the face of new international conditions were to some extent paralysed." (Solow, 1971).

But this was the very opposite of what was required to protect common land rights. The problem had not been that commercial rent was being paid but that it was not being received by its rightful owners, the whole people, via fiscal policy.

Thus the baby (rent charging) had been thrown out with the bathwater (rent receipt by private landlords) and the dirt remained (private rent possession).

In the name of private property, market allocation of land among users was hobbled (replaced mainly by inheritance). In the name of communal rights, the labouring, crofting and artisan classes were denied their common rights in land. And in the name of the Famine, the graziers consolidated their power.

Land value taxation (public rent collection) would have transferred the rent to the whole population, perhaps by relieving consumption taxes which hit the disinherited hardest. The increased value of work and investment, the greater parity of incomes, and the rental market for land would have thrown open access to land.

Even the landlords could have been compensated as they were, or perhaps by annuities equal to their judicial rents. Growth and inflation would have made short work of that burden on the economy.

Instead, Ireland had to carry the burden of a particularly unproductive system of land tenure into the 20th century.

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