

by diffusing information, and by expounding the principles upon which rates are fixed. The companies would come to be regarded more favourably by the people, when impartial investigators had approved their policy, and the public would find that in cases of real hardship they would be able to obtain redress. The force of public opinion would cause the companies to respect the decisions of the commissioners, when based upon principles which would command general assent.

In addition to powers over rates, the commissioners should have transferred to them the powers now exercised by the Board of Trade, in regard to the certifying of new lines and inquiring into railway accidents in Ireland, and they should also be authorized to require the companies to furnish returns of traffic and expenditure and financial condition, as they think necessary.

V.—*On Fiscal Relations of the United Kingdom and Ireland, with special reference to the State Purchase of Land.* By W. F. Bailey, Esq. Barrister-at-Law.

[Read Tuesday, 13th April, 1886.]

ANY scheme that could be devised which would settle the land question in Ireland, without being unfair to the British taxpayer or unjust to the Irish landowner, would be gladly welcomed by all parties having a real desire to benefit Ireland, and restore peace and prosperity to its people. Events march rapidly nowadays, and a problem which was regarded as solved a few years ago, is again being pressed forward as if it had never engaged the attention of the leading legislators, economists, and jurists of the empire. A wholesale measure, dealing with the ownership of the land, including the expropriation of the present owners and the transference of their rights to the State, is by many considered the best, the most effectual, and, in fact, the only permanent way of settling the question. Although this has been the opinion long held by persons occupying entirely different and even opposing positions, no real attempt was made to propose any satisfactory solution on such lines. The magnitude of the difficulty, the immense extent of the property involved, and the disinclination to impose a heavy burden on the already overweighted taxpayer, left the question "in the air," so to speak. An attempt was made by the Land Acts of 1870 and 1881, and the Land Purchase Act of 1885, to encourage the buying out of the landowners, by giving the occupiers state loans on favourable terms for the purpose. Various circumstances prevented the success of these measures, although each was more favourable than its predecessor, so far as the purchaser was concerned. When, accordingly, a scheme was put forward some short time ago, which promised to effect a radical and sweeping change in the ownership of the land, without imposing any great hardship or additional burden on any class in the State, everybody was interested, and hope of a satisfactory settlement—a hope which has been grievously languishing—again filled men's minds.

Mr. Giffen, the author of the scheme propounded, under the *nom de plume* "Economist" in the *Statist* early in the present year, claimed for his proposal that it would enable the imperial government to buy out every landlord in Ireland, giving him consols at par, equal in nominal amount to twenty years' purchase of the present judicial rents; to give the land free to the present occupiers, subject only to a rent-charge of one-half or two-thirds of the present judicial rents, payable to the new local authorities in Ireland, and to relieve the imperial exchequer of all payments now made out of it in connection with the local government of Ireland.* By the last clause of this scheme it was intended that the imperial exchequer should continue to pay the present contributions in aid of local government in Ireland, in the shape of interest on the debt contracted to appropriate the landowners.

The proposal met with the support of the most advanced politicians in Ireland; but the chief difficulties in the way of its universal acceptance were the doubts entertained of the correctness of the figures on which it was based, and the objections put forth on the part of English writers to the payment of an annual charge by Great Britain, on the newly created debt, when their personal interest in the Irish question would be to a great extent gone; for the scheme was generally, though not necessarily, looked upon as an accompaniment to, and a forerunner of, a measure of enlarged local self-government or of Home Rule. Without in any way touching on the more purely political aspect of the question, my object is to consider the facts and figures on which Mr. Giffen's proposal is based, and submit his proposal to a more minute examination than has yet been given to it. To do this satisfactorily it will be necessary to analyze carefully the present burden of local and imperial taxation in Ireland, and define the existing and forecast the future financial relations between the exchequers of Great Britain and Ireland.

Before dealing with the proposed future financial relations between the two countries, it will be necessary to state carefully the present position of affairs, so that we may thoroughly understand the circumstances with which we have to deal, and the existing interests which we must take into account.

Taxable capacity of Ireland as compared with Great Britain.

Mr. Giffen, in his article in the *Nineteenth Century* (March, 1886) on the "Economic Value of Ireland to Great Britain," devotes himself to proving that while Ireland is of little or no value as an integral part of the British Empire, she is at the same time much over-taxed as compared with Great Britain. Many of Mr. Giffen's figures are doubtful, and some are based on calculations that, with the information at present attainable, are little better than guess work. We may, however, accept the main figures on which his argument is based as correct, or as nearly so as it is possible to make them.

It is almost universally acknowledged that in imposing taxation on a people regard should be had to the relative ability of the

* *The Statist*, 9th January, 1886.

different classes required to contribute. Consequently, if it be found that an undue share of the revenue of the State is drawn from any particular section of the community, it may be taken for granted that some alteration in the incidence of taxation is advisable. This being so, it is very necessary to consider the contribution to the imperial revenue from Ireland, and how it stands as regards the ability of this country to pay, as compared with the remainder of the United Kingdom. Numerous tests of relative ability to contribute may be applied, more or less satisfactory. The population of the United Kingdom (including Ireland), according to the census of 1881, was 35,026,639, and of Ireland alone 5,174,836. Ireland, accordingly, contains one-seventh of the whole population of the British Isles. The area of Ireland is 20,819,829 statute acres, and of the United Kingdom, 77,828,829 statute acres—that is, Ireland comprises over one-fourth part of the United Kingdom. In contrasting the wealth of Great Britain with that of Ireland, we can take as our bases of comparison the income tax assessment of the respective countries, their estimated total capital, their total income, their taxable income, or the amount of property in each on which legacy and succession duties are annually paid. The net amount of property and profits charged with income tax in the United Kingdom for the year ending 5th April, 1883, was £519,435,375, and in Ireland alone £26,756,126, or one-twentieth of the total sum.* Mr. Giffen estimates the total capital of Great Britain (excluding Ireland) as £9,600,000,000, and of Ireland as £400,000,000, or one twenty-fourth of the total.† He estimates the total income of Great Britain at £1,200,000,000, and of Ireland at £70,000,000, being a proportion of one-seventeenth of the total. The taxable income of the United Kingdom—that is, the income remaining after allowance for the minimum necessary to maintain a population upon a given standard of living (which minimum he fixes at £12 a head)—Mr. Giffen estimates at £800,000,000 (although he acknowledges that taxation could not even approach that sum), and the taxable income of Ireland at £15,000,000—that is, a proportion of about one to fifty. Taking the property on which legacy and succession duties were paid for the three years 1881, 1882, and 1883—we find that in Great Britain it amounted to £361,000,000, and in Ireland, for the same period, to £25,672,000, being a proportion of one to thirteen. Mr. Gladstone, speaking in the House of Commons on 23rd February last, said—

“That, upon the whole, the property chargeable with these duties affords the fairest test we can get. I will not say it is an accurate test. I am sure it is a much better test than the income tax.”‡

The income tax certainly is not a good economic test where there is a minimum income untaxed, as there is in the United Kingdom. Such a minimum is left untaxed for the purpose of protecting persons having an income just sufficient to maintain them in a cer-

* *Thom's Directory* (1885), pp. 587, 674.

† *Nineteenth Century*, March, 1886, p. 332.

‡ *The Times*, 24th February, 1886.

tain standard of comfort. It is evident that the entire population may individually come very near that minimum (which is fixed at £150 per annum in the United Kingdom), and accordingly be very comfortably off as a community, while the property assessed to the tax may be infinitesimal in amount. On the other hand, the great majority of the people may be merely on the verge of subsistence, while a limited section may have very large incomes, which would give a very disproportionate test of the taxable capacity of the community. From these figures we find that—with respect to the United Kingdom, Ireland, in population is one-seventh; in area, one-fourth; as regards income-tax assessment, one-twentieth; with respect to capital, one twenty-fourth; to annual income, one-seventeenth; to taxable income, one-fiftieth; and with respect to property paying legacy and succession duties, one-fourteenth.

Present Irish contribution to Imperial Revenue.

The total revenue from taxes in the United Kingdom for the year 1884-5 was £73,796,000.* The gross total revenue was £88,043,110, but of this over £14,000,000 was derived from the Post Office, Telegraphs, etc., which, though a source of income to the State, cannot in any way be considered or enumerated among the taxes of the country. Of this £74,000,000 (in round numbers) derived from taxes, £7,370,000 was levied in Ireland, the average for the previous five years being £7,500,000. This sum, however, does not accurately express the sum contributed from the pockets of the Irish tax-payers, as there is a considerable amount of duty levied in Ireland on spirits and beer which are consumed in England—the consumer, of course, paying the tax. On the other hand, duties on tea, tobacco, and other commodities are levied in England, though really paid by the Irish consumer. Accurate figures cannot be obtained, which would enable us to state exactly how the relative proportions stand. Mr. Fowler, the Financial Secretary to the Treasury, speaking in the House of Commons on Sir Joseph McKenna's motion brought forward on February 23rd last, estimated the Irish contributions at £6,522,000.† It is probable, however, that this is considerably under the true figure, which may be put down at an average of £7,000,000 per annum (Mr. Giffen gives it as £6,700,000), or about one-eleventh of the total.

The following table will illustrate these figures, and show the proportion of taxation that Ireland should contribute to the imperial exchequer according to the basis of contribution adopted.

Basis of Contribution.	Proportion of Ireland to Great Britain.	Sum due to Imperial Exchequer from Ireland on this basis of contribution.
Capital, ...	1-24th	£3,083,000
Income Tax, ...	1-20th	3,700,000
Annual Income, ...	1-17th	4,350,000
Property paying Legacy and Succession duty,	1-14th	5,300,000
Population, ...	1-7th	10,570,000
Actual Contribution,...	1-11th	6,700,000

* See *Eason's Almanac*, 1886, p. 124. † *The Times*, 24th February, 1886.

The total imperial revenue is, roughly speaking, expended on the national debt, the army and navy, and the civil government. The amount spent on the last of these classes of expenditure in the financial years 1884-5, was £17,445,000, of which £3,794,000 or two-ninths, was given to Ireland. Deducting this sum from what Ireland contributes to the imperial exchequer, we get £3,000,000, or £3,200,000 (to take round numbers where we cannot be exact), as the amount of Irish contributions to that part of the imperial revenue which is spent on the army and navy and the national debt. This £3,200,000 in fact expresses the amount by which English taxpayers are relieved in meeting the cost of the army and navy and the national debt by the union with Ireland. It also measures the amount which could be demanded from Ireland as a fair contribution to British government expenses, if the exchequers of the two countries were again separated, and all costs of civil government in Ireland borne by local taxation as opposed to imperial.

The financial aspect of state purchase to Great Britain.

To turn now to the figures on which the proposal for state purchase of the land of Ireland is based, we find that Mr. Giffen, taking the rent of Ireland as settled judicially at about £8,000,000, estimates that £160,000,000 worth of consols at par, involving an annual charge of £4,800,000, would be sufficient to buy out the land-owners. These figures I shall consider more carefully further on; but accepting them as they stand, we are now in a position to estimate the effect on the taxation of both countries of such a scheme of state purchase.

Great Britain would have to raise the money. Her credit would be necessary; and considering her obligations to Ireland, it can hardly be maintained that she has no such duty—more especially when we remember the liberality with which she has guaranteed debts for foreign nations, in no way having such claims on her as Ireland undoubtedly has. And really in raising such a sum Great Britain would be doing little more than guaranteeing the debt. It would be easy to devise a scheme in the future for paying off the whole of it out of the future increments of Irish land. In the meantime the money would only be raised on British credit; but that does not mean that Great Britain should pay the interest on it. Under the altered circumstances arising out of this great measure of state purchase, as I shall point out, England need not contribute anything towards local administration in Ireland. She now contributes for this purpose upwards of £3,800,000 per annum. Now, let us suppose that Ireland continues to pay the same contribution to Great Britain as she does at present—a contribution which has been estimated at £6,700,000, or £7,000,000 a year, and also taking for granted that £3,000,000 or £3,200,000 (the sum fixed according to the calculations I have here given) measures the amount of Ireland's proper contribution to the imperial exchequer towards the expenses of the army and navy and the national debt, we find that under the new system Ireland would continue to contribute the sum of £3,700,000 or £4,000,000 a year to England, as interest on the loan required for

the buying out of the landowners. If the interest on the debt came to £4,800,000, as Mr. Giffen estimates, and if it were necessary to exactly balance the account, the Irish contribution would of course come to £800,000, or even £1,000,000 a year additional. That is, Ireland by contributing a little more to the imperial exchequer than she does at present, would pay to Great Britain her fair proportion towards the imperial expenses of the army and navy and national debt, and a sum of £4,800,000 in addition, as interest on the money raised to settle the land question.

The financial aspect of state purchase to Ireland.

This is a fair statement of how the matter stands so far as England is concerned. Now let us turn to Ireland, and see how the change would affect her. At present the imperial exchequer contributes to the support of local administration and education in Ireland the sum of £3,800,000 a year. Of this sum, about £2,400,000, or 64 per cent. of the whole, goes to justice and police, and about three-quarters of a million to education.*

Under the proposed new system, Ireland would have to meet these charges herself, and it may be urged that she would be so much the worst off. It is of course evident that Ireland would have to give up the help now given her for these services from the imperial treasury. But would she be worse off? I would answer, No. In fact she as well as Great Britain would, so far as taxation is concerned, gain enormously. The largeness of the sum now required for justice and police in Ireland is almost altogether due to the troubled relations between classes in the country; and with the disappearance of these troubles that would inevitably follow a settlement of the land question, there is no reason why a greater proportionate amount would have to be expended on local administration in Ireland than is now in Great Britain. The sum expended on justice and police in Great Britain comes to about £4,650,000 per annum; and in Ireland to over £2,400,000. Taking the respective populations of the two countries—a fair basis of comparison in reckoning the cost of this part of the government of the country—we find that they stand at the proportions of six to one. Therefore, if the cost of justice and police were in proportion to the population of Ireland what it is in Great Britain, the amount expended would be £750,000 instead of £2,400,000—that is, the country would gain £1,700,000 a year. Subtracting this sum from the £3,800,000, which the civil service charges (including public works, education, and justice) now amount to in Ireland, a little over £2,000,000 per annum would meet the needs of Irish civil administration. To fairly appreciate the result of the change in land ownership, on the lines here laid down, it is necessary to consider the total income from taxation that would in future be raised in Ireland, as well as the sources from which it could be drawn. The purely local taxation, namely, that required for poor relief and county purposes, would not vary in amount from what it is at present, and would doubtless continue to

* *Finance and Revenue Accounts, 1884-5.*

be drawn from the land. The total annual amount of local taxation has been growing steadily for many years past. New duties of course have been imposed, and new obligations incurred by the local authorities, which account for this increase, irrespective of the distress prevailing in the country of late years. The total amount raised from local taxes in the year 1866, was a little over £2,500,000. In 1882 it had increased by just £1,000,000, and the following year a rise of a quarter of a million took place—leaving, in 1884, the last year for which we have returns, a total sum of £3,788,940 as contributed by local taxation. Of this sum, £3,000,000, or 78 per cent. was raised from rates on real property. The poor-rate came to £1,160,416, and the grand jury cess to £1,211,139, being a total of £2,371,555 raised from local taxes on land, excluding purely town taxes.*

From these figures it will be seen that under the present system the total annual sum raised from Irish taxation is about £10,500,000 (or £2 2s. per head). In arriving at this figure I estimate the Irish contribution to the imperial exchequer at about £6,700,000; and as regards local taxation, I take the figures for 1884, when the amount raised was far above the average. Taking the local taxation figures for 1882, and Mr. Fowler's estimate of what is contributed by Ireland to the imperial treasury, the total annual amount of Irish taxation would be £10,000,000, or an average of £2 per head of the population. The question now comes: What sum should be added to Irish taxation if the state purchased the land? This sum I have estimated at £2,000,000, that being the amount now contributed by the imperial exchequer for Irish administration, with the deductions I have indicated that might be made in the amount required for the maintenance of justice and the police under the new system. The total annual taxation of Ireland would therefore, in the future, come to £12,000,000 or £12,500,000—an average of £2 10s. per head of the population. This is about the amount contributed per head by the population of the whole United Kingdom in 1881 for *imperial purposes alone*.

Let us now consider the sources from which this additional burden of £2,000,000 could be derived. If the state purchased the land of Ireland, no serious politician could maintain that it should be handed over as a present to the existing occupiers. Mr. Parnell and Mr. Davitt have clearly stated that the land must be paid for. The large non-agricultural population of Ireland would never consent to endure an increase of taxation for the exclusive benefit of those who happened to be tenant-farmers. Consequently the occupiers would have to continue to pay a rent-charge for the land, which, however, would be very different from the present rent, both in amount and incidence. Mr. Giffen estimates that this rent-charge might be one half or two-thirds of the present rent, and points out that provision might be made for varying the annual amount according to the average changes in the prices of agricultural produce—instituting, in fact, a sliding scale.† The payment of the tithe in England is

* *Local Taxation (Ireland) Returns, 1885, p. 10.* † *The Statist, 9th January, 1886.*

now regulated in this way, being fixed each year by the average price of corn for the preceding seven years. The rental on which Mr. Giffen bases his proposal is an annual sum of £8,000,000. Accepting this figure, a rent-charge of two-thirds would amount to nearly £5,500,000.* Making full allowance for the cost of collecting this rent-charge and of managing the lands—a cost which should not exceed 5 per cent. of the amount collected—there would remain a sum of £5,200,000 for state purposes. Subtracting from this the £2,000,000 required for civil government in Ireland, and which under the new system should be contributed locally, and not from the imperial exchequer as at present, and also the £800,000 required to meet the interest to be paid annually to England on account of the new debt—£4,000,000 of which I have already accounted for out of the taxes already imposed—we arrive at a sum of £2,400,000, to be placed each year to the credit of the Irish government. This large sum might be devoted partly to relieving general taxation, partly to developing the resources of this country, and partly to paying off the debt due to England.

Taking into account the interests of the other than agricultural classes who have to bear part of the burden of taxation, and the fact that there is no real ground for thinking that the present depression in the prices of agricultural produce will be permanent, it would be unfair to reduce the future rent-charge below two-thirds of the present rent. This would bring into the Irish exchequer the sum of £2,400,000, as a surplus over and above all charges for civil government and payments to the imperial exchequer. This reasoning would prove that the purchasing out of the landowners by the state could be effected with fairness to all parties, and not alone without injury to the empire, but of a certainty to its material advantage and moral strengthening. By the apparent paradox of throwing the burden of a heavy debt on the peoples of the two countries, a great and long existent difficulty will be removed, and, moreover, removed in a manner satisfactory to the people, and without any injustice to, or confiscation of, the property of the present landowners.

Proper future contributions of Ireland to the Imperial Exchequer.

Although accepting my conclusions as correct deductions from the facts and figures here relied on, it may be objected that I do not fairly estimate the financial relations of the two countries, and that I do not make adequate allowance for the proportion of the charges caused by the National Debt, and the army and navy, which would have to be contributed by Ireland on a severance of the exchequers.

I do not here intend to enter on a discussion of that much controverted point—whether Ireland was fairly treated with respect to the burden of debt imposed on her in the period between the Act of Union and the amalgamation of the exchequers in 1817. The subject was fully gone into before a Select Committee of the House of Commons in the years 1864 and 1865, and the evidence taken

* Mr. Davitt estimates the amount of the future rent-charge at £5,000,000 a year.—*Contemporary Review*, April, 1886.

published in two voluminous blue books. The committee, which included among its members Sir Stafford Northcote, Sir Robert Peel, Mr. Lowe, the O'Connor Don, and Colonel Dunne, came to the conclusion that the provisions of the celebrated 7th Article of the Treaty of Union (embodied in the Act of Union, 39 and 40 Geo. III. c. 67) were substantially carried out in the amalgamation of the exchequers, and the imposition of indiscriminate taxation on both countries in the year 1817.*

The best and most satisfactory way of now deciding on the fair contribution from Ireland to the interest on the National Debt is to accept what has taken place, and calculate on the basis of relative taxable ability what the proper proportions should be.

The estimated total expenditure on the National Debt for the financial year ending 31st March, 1886, was £28,036,917. Of this sum, about £20,000,000 may be put down to interest on the funded debt, and the remainder to terminable annuities and exchequer bills. Much of this latter portion of the debt will expire within a comparatively short period, and cannot be reckoned as a permanent charge. We may now in a table, similar to one given before, show what would be the proper proportion to be contributed by Ireland to the imperial exchequer to meet the charge caused by the National Debt—distinguishing the amount calculated on the total debt (including terminable annuities) from what it would be, taking into account the funded debt only.

TABLE SHOWING IRELAND'S PROPER CONTRIBUTION TO THE ANNUAL CHARGE ON ACCOUNT OF THE NATIONAL DEBT, CALCULATED ACCORDING TO THE VARIOUS BASES OF CONTRIBUTION.

Bases of Contribution.	Proportion to Great Britain.	Contribution to interest on total debt (= £28,000,000.)	Contribution to interest on funded debt only (= £20,000,000.)
		£	£
Capital,	1-24th	1,166,000	833,000
Income Tax,	1-20th	1,400,000	1,000,000
Annual Income,	1-17th	1,647,000	1,176,000
Legacy and Succession Duty,	1-14th	2,000,000	1,428,000
Population,	1-7th	4,000,000	2,850,000
Actual Contributions, ...	1-11th	2,545,000	1,818,000

From these figures it will be seen that, whereas on the basis of the present contribution of Ireland to the imperial exchequer, she would pay £2,500,000 a year on the total debt; on the basis of property paying legacy and succession duty, which Mr. Gladstone considers such an admirable test, she would give only £2,000,000; and on the basis of income tax assessment, about £1,500,000.

*The subject was also gone into by a special committee of the Municipal Council of Dublin "On the state of the public accounts between Ireland and Great Britain" in the year 1863; and in 1864 a paper criticising the report of this committee was read before the Statistical and Social Inquiry Society of Ireland, by Mr. Joseph J. Murphy. The discussion, however, seems a profitless one, and has been to a great extent lost sight of for many years.

Mr. Giffen's estimate is the same as this. He says:—

“Its share of the imperial debt, proportioning that share to its resources, would not cost more than £1,500,000 per annum.”*

Looking forward indeed to what the charge for the National Debt will be after a few years (as foreshadowed in the fourth column of the table), and of course in arranging the mutual liabilities of the separate exchequers this should be done, we shall see that the proper Irish contribution would be probably much under this sum.

Turning now to the charge for the army and navy, a proportion of which would also have to be borne by Ireland, we shall find that the figures are much the same as in the case of the National Debt. For the year 1885 the total cost for the army and navy was £30,632,402, although the estimate was only £26,992,370. The average cost of the navy for many years past has been a little under £11,000,000, and of the army for some years before 1879 between £15,000,000 and £16,000,000; but since that year it has averaged £19,000,000. We may accordingly take the cost of the army and navy as between £28,000,000 and £30,000,000 a year, or a little more than the charge on account of the National Debt. The third column of the last table will accordingly give an approximate notion of what the fair contributions from Ireland would be for this branch of the imperial expenditure, according to the basis of contribution adopted. Proportioned to resources it would be about £1,700,000 a year, which, added to £1,500,000 for the National Debt, would give us a total of £3,200,000—the amount at which I have estimated the liability of Ireland to the imperial exchequer for these two classes of expenditure. This is the sum that at present is contributed by Ireland to Great Britain, when we deduct the amount paid back for the maintenance of civil government, and, as I have said, measures the contribution that could be demanded on a separation of the exchequers.

Amount required to buy out the land.

To make an examination of this subject complete, it is necessary to consider the amount that would actually be required to purchase the land of Ireland from the present owners. In fact this is, from the practical point of view, the most vitally important part of the whole scheme. Mr. Giffen estimates the rental to be purchased at £8,000,000. Archbishop Croke considers “that £6,000,000, or at most £7,000,000 would come nearer to the mark.”† From the data available it is a matter of extreme difficulty to arrive at any exact or satisfactory estimate. We have no government returns giving the rental of Ireland, or distinguishing how much of the agricultural land is in the hands of the owners, or showing satisfactorily what proportion of the land comprised in the poor-law valuation is town land, as compared with agricultural—for it is not proposed as yet, as I take it, that the total land of Ireland, including cities and towns, should be bought up by the state. In seeking for light on this part of the

* *Nineteenth Century*, March, 1886.

† Letter to *The Statist*, 6th February, 1886.

question, Mr. Giffen calculates that the rents fixed by the land courts average about 10s. per acre, which on 15,000,000 acres of cultivated land gives £7,500,000; and he allows the additional £500,000, required to bring his estimate up to £8,000,000, as rent on the remaining 5,000,000 acres of land in Ireland.* This method, however, is fallacious, as no allowance is made for the very large portion of land under lease, which cannot be brought into the land courts, and which, as it comprises the richest soil in the country, would average much more than 10s. an acre.

The only possible way of getting at the true rental of Ireland is by examining the income tax returns, or by taking the total poor-law valuation of the country, and estimating how much of the property comprised in it is non-agricultural land, and consequently not to be taken into account when dealing with the present problem. Mr. Giffen takes the former test, but merely to discredit it, on the ground that it has proved inaccurate all over the United Kingdom, as "nominal rents are maintained long after they have been practically reduced." It is difficult to conceive why this should be so on anything of a large scale, as it is not in the nature of tax-payers to develop their income more than they can avoid. The income tax returns give the rental of Ireland at about £10,000,000. They do not, however, enable us to distinguish how much of this comes from land that would be comprised in a land purchase measure.

It remains for us to analyze the poor-law valuation returns, and from them estimate the rental. The total valuation of Ireland, on 29th September, 1883, was £13,832,740. Subtracting from this the valuation of the towns and of the land in their immediate neighbourhood, which could not be reckoned as agricultural, we get a valuation of £10,000,000 (the exact figures are £10,188,000) for the land of Ireland. This includes the land in the occupation of the owners, the valuation of which may be roughly estimated at £1,000,000. Mr. Giffen would also buy out owners in occupation; but at present these might be omitted, as their case does not touch the demand for a new system of ownership now so urgent. This would leave a valuation of £9,000,000, to be bought out. Further deductions might be made for holdings at low rents for long terms, and of which the tenants are to a certain extent part owners of the freehold interest. This would probably bring the rental down to the £8,000,000 arrived at by Mr. Giffen. If, however, *all* the agricultural land were bought out by the state, as Mr. Giffen intended, it would not be possible to bring the capitalized value of the rental under £200,000,000, that is, taking the present judicial rents at twenty years' purchase.†

Even if this sum were adopted, the scheme could be carried out

* *The Statist*, 9th January, 1886.

† Comparing the judicial rents with the poor-law valuation, we find that up to the close of 1885 a total old rental of £3,138,791 (of which the poor-law valuation was £2,396,949) was judicially fixed at £2,568,494, or seven per cent. over the valuation. This would give us for all the agricultural land of Ireland, a judicial rental of £11,000,000—the capitalized value of which would be £220,000,000.

by paying £2,000,000 of the surplus income from the Irish rent charge—a surplus which I have estimated at £3,200,000, on a rental of £8,000,000—as additional interest on the debt contracted for the purpose. It must be carefully kept in view that the larger the rental to be bought out by the state, the greater will be the rent charge which will come into the Irish exchequer. Suppose that the rental to be bought out comes to £10,000,000. The capitalized value of this will be £200,000,000. Turning this sum into consols at 3 per cent., the interest would come to £6,000,000 a year. This amount, accordingly, Ireland would have to meet, instead of £4,800,000 which is Mr. Giffen's estimate. But a rental of £10,000,000 will give a rent charge (fixed at two thirds of the old rent) of £6,650,000; or, deducting 5 per cent cost of collection, a total of £6,300,000. Taking from this the £2,000,000 required for civil government under the new system, and the additional £2,000,000 that would now be required to meet the interest on the new debt, there would remain a sum of £2,300,000 clear, to be used as the Irish government should think proper.

It will be thus seen that a large rental to be purchased out, although it may entail a larger obligation so far as the loan is concerned, will at the same time yield a proportionally large income from which the interest can be paid.

State management of the land.

With the land of Ireland the property of the state, it would have to be farmed out under stringent regulations as to subletting and subdivision. Most probably it would be found advisable to gradually regulate and alter the size of the farms, so as to make their area commensurate with their productiveness. At present thousands of farms are, productively speaking, far too small, and are consequently economically wasteful.

The new rent-charges should be fixed in accordance with a sliding scale, which would to a great extent avoid troubles in collection when bad seasons came, and which besides would secure to the state its rightful share of the profits arising from high agricultural prices. Part of the surplus that would come into the hands of the Irish government could with advantage be devoted to the formation of a fund for paying off the debt due to Great Britain; and with the advent of a new era of agricultural prosperity, there is no reason why the reduction of that debt should not proceed rapidly, and without the imposition of any additional burden on the taxpayers.

Risk to Great Britain of repudiation of interest.

From the considerations, calculations, and figures here given, it is evident that if Ireland continued to pay to Great Britain practically the same amount as she contributes to the imperial exchequer at present, England could lose nothing even if she raised a sum of £160,000,000 or £200,000,000 to buy out the landowners. It is sometimes objected that there is no guarantee but that the Irish tenant-farmers may at some future time strike against the rent-charge imposed on them, and leave England without the interest due on the

debt she had incurred. By the arrangement between the two countries that I have here indicated this danger could not arise. Great Britain would not be dependent on the rent-charge out of Irish land for the interest on her debt. That interest would be paid to her out of the imperial taxes (customs, excise and stamp duties) exactly in the same way as the Irish contribution to the army and navy, and towards paying interest on the existing National Debt. The rent-charge from the land would be the source out of which the purely Irish charges for home-government would come; and when collected as an Irish tax, and for the purposes of home expenditure, there would be little risk of repudiation or non-payment. In fact as long as excisable and customs paying articles are consumed in the country, the imperial exchequer would be perfectly secure, and when these sources fail it will be necessary to seek for a new way of paying old debts, and of supplying an income to the state if possible for still more vital purposes than the payment of interest on the new debt.

Benefits of state purchase to Ireland.

I have also shown that under the new system resulting from state purchase of the land, the Irish exchequer would not alone be perfectly solvent, but would most probably have a surplus income of £2,500,000 a year, after paying the proper contribution to the imperial exchequer for the maintenance of the army and navy, and towards interest on the old and new debts, and after supporting justice, police, education, and the other necessary charges of the Irish government. This sum would be amply sufficient to cover any unforeseen expenses, and leave a surplus over of a very large amount. All these results could be brought about while fully and amply compensating the owners of the land, and thus avoiding the creation of a feeling of injustice and insecurity, that would, if engendered, without doubt, be enormously injurious to the future of the country.

VI.—*Notes on Some Continental Prisons.* By Hercules MacDonnell, M.D.

[Read Tuesday, 18th May, 1886.]

IN bringing before this society the subject of prisons, I feel that no apology is required. It is one well suited for full and serious consideration before a society founded for the purpose of discussing social questions. At present, however, I shall confine this paper to dealing with the information gained during a somewhat limited visit to the three countries where I spent my vacation last summer. I propose briefly to describe the treatment of prisoners in Belgium, Germany, and Italy, the regulations in force, and some of the main differences between our system and that pursued in those three countries.

Our Foreign Office procured for me the printed regulations, etc., for Belgian prisons. The director at Strasburg most courteously