All such rights and hereditaments,

"Save such rights of water and of taking gravel, sand, or seaweed, and of quarrying open quarries as may be necessary for the use and proper cultivation of such holding,"

it is provided should be vested in the government department, which might do all things necessary for utilizing and managing the same.

I have here shortly sketched the method of protection which might well be adopted by the government for the protection of rights and things of importance to a very large proportion of the community. An opportunity is now presented which cannot be easily recalled if allowed to go by. Every estate sold, every holding conveyed to a tenant, renders it more difficult to deal with the matter. The harm already done is infinitesimal as compared with what inevitably will result, unless steps be taken to protect the interests of the community at large from the depredations of the individual. Almost every European state has bestirred itself as regards these matters, yet in none of them is government control more urgently required than in Ireland.


[Read Friday, 25th April, 1890.]

Much misunderstanding exists, even among those who have made land reform a special study, respecting the principles and methods of the Prussian agrarian legislation of the present century. The prevailing belief is that it involved a compulsory expropriation of landowners holding, as do Irish landowners at the present time—an expropriation, moreover, which was immediate and universal in its operation. Such a belief is inaccurate and misleading. Prussian legislation contained the principles of compulsory transfer of property; but it was of a different property from that with which we are concerned in Ireland, and half a century passed by before that legislation had attained to its full development. There are, however, many elements in the land legislation of Stein and Hardenburg and their successors, there are numerous lessons to be derived from its working, which should not be neglected or overlooked by the statesman or legislator who would deal effectively with the problem presented to us in Ireland.

The Prussian land problem.

The agrarian difficulties requiring reform in Prussia at the commencement of the century were radically different from those with which we are confronted in Ireland. Here the question is how to convert a system of dual ownership of land into a system of single ownership. There the question was how to convert a nation of feudal occupiers and serfs into free owners and cultivators. Here the
problem is more or less economic and political; there it was to a great extent a matter of social reform. At the time when Stein began his reforms, the greater part of the lands of Prussia was divided among three classes of people, who were kept distinct, not alone by the usages of society, but also by legal enactments. These classes were composed of nobles, peasants, and burghers, and each had the exclusive right to the occupation of certain portions of the soil of the country. Thus, although a noble could acquire the land belonging to other members of his class, he was not permitted to purchase or otherwise acquire burgher land, or the possession of peasant's land. He was not allowed to occupy himself in trade or industry, but had a monopoly of the higher civil and military employments. The burgher on the other hand, had a monopoly of the trade of the country, but could not occupy noble's or peasant's land. The peasants held their lands under different kinds of tenure, but never in isolated farms. Peasant land in every case belonged to a "community" or "commonalty," and was under the jurisdiction of the manor. Some peasants were in a condition of abject serfdom, having to yield unlimited services to the lord of the manor, while others were practically free settlers, paying certain dues specified in the grant under which they held. All peasants, however, were prohibited from exercising any calling but that of agriculture, and from acquiring any land but what was already peasant land.

To appreciate correctly the operation and effect of Prussian land legislation, we must keep carefully in mind the condition of things which that legislation had to deal with. We must realize that the greater part of the land of the country was held under a system of tenure that had come to an end in Great Britain centuries ago. That the great mass of the peasant occupiers were obliged to yield, as a condition of their occupation, all manner of services and dues to their lords, services comprising the personal labour of the peasant and his family, and dues in money and in kind.

THE METHODS OF SOLUTION.

(1) The enfranchisement of the peasant.

The system of peasant proprietary which now has been established in Germany, grew out of the state of things here sketched by three separate operations or reforms initiated between 1807 and 1850. The first of these—enfranchisement of the peasant—was begun by the decree of Stein, in 1807, by which serfdom was abolished, and the distinction between noble's and peasant's land was abrogated. This work was completed by the decree of 1811—due to Hardenburg, which converted occupation into ownership. This was done by the "Edict for the regulation of the relations between landlord and tenant," which laid down the rules and principles by which the work of conversion was to be carried on. In the case of tenants who held by hereditary right, it was decreed that the services due to the landlord should be limited "by the obligation which the latter is under, to leave the tenant sufficient means to subsist and to pay taxes." The proportion which the tenant was entitled to retain
under this rule was estimated at two-thirds of the annual produce. This was the basis on which the compensation to the landlord was estimated. It was held that in the case of hereditary tenants the landlord was entitled to one-third of the tenant's holding as compensation for surrendering the remainder to the occupier. In the case of tenants-at-will, or for a term of years, or for life, the compensation was fixed at one-half of the holding. Thus the hereditary occupiers, by surrendering one-third of their holdings, and the non-hereditary by surrendering one half, became absolute owners of the remaining two-thirds or one-half, as the case might be.

Although this method of compensation, by a surrender of part, was the principal one adopted, many other arrangements were allowed to suit particular cases. If the tenant desired to retain his entire farm he was allowed to do so, providing that he compensated the landlord by the payment of a lump sum, or agreed to pay a fixed money or corn rent.

Particular care was taken to prevent a return to a landlord and tenant system by means of sub-letting. Even labourers on an estate were not permitted to get lands for long terms, and under-letting was dealt with as an unmixed evil.

To carry these decrees into effect, a commission, composed partly of lawyers and partly of skilled agriculturists, was formed for each province. This tribunal, framed somewhat on lines similar to those adopted under the Irish Land Act of 1881, has continued its labours since the year 1817, and was constituted a department of the ministry of agriculture.

(2) Abolition of landlord rights and compensation by the creation of rent charges.

The reforms here sketched had a very wide operation. They practically transformed the great body of occupying tenants into proprietors, and emancipated a peasantry who were practically serfs. Experience, however, proved that much more was required. It was found that a great and radical system of land reform, could not be the work of a day or a year. The edicts of 1807 and 1811 emancipated the serfs and converted the agricultural tenants of Prussia into proprietors, but they did not touch the position of large bodies of occupiers who had previously become peasant proprietors, and who were still subject to all manner of feudal burdens and servitudes. Even many of the tenants who were emancipated and turned into proprietors under the decrees of 1807 and 1811 were still subject to various obligations to their former landlords, who, in many cases, in preference to obtaining a surrender of land, stipulated for the retention of labour—both of men and horses—to enable them to cultivate their demesnes. Many other rights and easements, such as rights of way and of pasture, had in several cases been allowed to continue. The existence of these rights and obligations was found very burdensome and a serious obstacle to agricultural prosperity, and further legislation was deemed necessary to get rid of them; accordingly, in 1821, two edicts were issued providing for the commutation of servitudes and easements into rent-charges, which rent charges at the same
time could be redeemed on certain terms. Thus compensation might be given to the landlords, either in money or in land, and the servitudes and easements might be converted into fixed money or corn rents, which again could be capitalized and redeemed on certain specified terms.

(3) The redemption of rent charges through land banks.

The history of most great measures of reform, shows that as a rule the progress of the reformer is gradual and tentative. So it has been in the case of Irish land reform, which began with the Act of 1870,—a measure that contained principles of great value, both as regards the tenure of the occupier and the granting of state aid to enable him to become the proprietor of his holding. The experience of ten years, however, showed that in both respects the measure fell short of the needs of the country and of its agricultural tenantry. The act of 1881 enormously improved the position of the farmer, both as regards the incidents of his tenure and the rendering of assistance in the purchase of his holding. In this latter respect further relief was afforded by the Land Purchase Act of 1885, commonly known as the "Ashbourne Act," and the bill lately introduced by Mr. Balfour into the House of Commons, would extend and perfect this great body of remedial legislation.

The history of Prussian land reform was correspondingly gradual. The edict of 1807 enfranchised the serf; that of 1811 transformed occupation into ownership; that of 1821 provided for the redemption of feudal services. The experience of thirty years, however, showed that much more was required to complete the reforms initiated by Stein at the commencement of the century. The peasants indeed had been turned into proprietors, and the services and dues which they had to yield to the lords had been commuted into fixed annual payments, which could be capitalized and redeemed at specified rates. All this, however, availed little to the peasant who had to pay an annual rent—often to him as onerous as the former servitude, and who had no means of raising the capital necessary to redeem such annual rent except by the sacrifice of his entire agricultural capital. To redeem under such circumstances was but to turn himself from an over-burdened tenant into a pauper proprietor—an alteration in his status of doubtful value. At the same time the economic changes that were taking place rendered it a matter of great importance to the landlords, that they should obtain capital to carry on the cultivation of the lands in their own hands on improved and scientific methods.*

The laws of 1850, framed with undoubted boldness and statesman-like skill, effected the desired objects, and introduced a system for the redemption of the annual rents and charges that has proved eminently successful. All dues and services that had been left untouched by the former laws, were commuted into fixed money rents, calculated on the average money value of the services and dues.

* See Mr. Dix Hutton's pamphlet, and Mr. Morier's paper in Cobden Club volume.
rendered and paid during a certain antecedent period. At the same
time it was provided that these rent charges might be compulsorily
redeemed, either by an immediate payment of a capital equivalent
to eighteen years' purchase of the rent-charge, or by a payment of
of $4 \frac{1}{2}$ per cent. for fifty-six one-twelfth years, or of 5 per cent. for
forty-one one-twelfth years, on a capital equivalent to twenty years'
purchase of the rent charge.

To enable this redemption to be carried out, the famous system
of Rent Banks was established. These had been previously (1832)
introduced into Saxony, and now they were everywhere founded
under the law of 1850. The capitalized amount of the rent-charge
being the purchase-money required for the redemption of the pea-
sants' annual payments, was advanced to the landlord by the rent
bank, but it was advanced in rent debentures, not in money. These
debentures were issued in amounts of from 30s. to £150, and bore
interest at 4 per cent. per annum. They were transferable by de-
livery, and the interest was paid every half-year by coupons. They
could be redeemed by the state at par, on six months' notice being
given, and the redemption should be in money. Their value was
always maintained, as they were considered as state securities open
for the investment of trust money, both public and private. They
were redeemed by half-year drawings—the amount liquidated being
equivalent to that part of the accumulated rents received by the state
available for the purpose.

This sum annually devoted by the state to the purposes of redemp-
tion, was provided out of the difference between the 4 per cent. paid
as interest on the debentures, and the $4 \frac{1}{2}$ or 5 per cent., as the case
might be, paid by the peasant into the bank, according as he may
have selected the period of fifty-six or forty-one years in which to
redeem his rent-charge. At the termination of the specified period,
the payment by the peasant to the rent bank came to an end, as by
that time the $\frac{1}{2}$ per cent. or the 1 per cent. paid to the bank, over and
above the 4 per cent. required to pay interest on the land deben-
tures, had at compound interest yielded a sum sufficient to pay off
the principal debt. The peasant could at any time, by a lump
payment according to a specified scale, get rid of his annual payment.
Thus by payment to the bank of a sum equivalent to eighteen years'
purchase of his rent-charge, he could at once redeem the charge,
although at the same time the landlord was entitled, at his option,
to receive in debentures twenty years' purchase of the charge.

The annuities, payable to the banks by the peasants, took priority
over all other charges. This together with the Prussian system
of registration of title, and the punctual collection of rents by the land
tax officials, tended to secure the banks on a firm basis; also the
periods of fifty-six one-twelfth and forty-one one-twelfth years re-
quired for payment of the annuities by the peasants, were somewhat
in excess of what was required for the redemption of the charges
and served to provide a sort of assurance against loss.
The relative magnitudes of the Prussian and Irish land questions, as regards the provision of compensation for the owners.

It is frequently urged that the great system of land transfer adopted in Prussia could with ease be applied to the case of Ireland. As, however, may be seen from the account here given of that system, the situation in Ireland is in few respects analogous to that with which Stein and Hardenburg and their successors had to deal. The object of their reforms was indeed to put the peasantry of Prussia in the position in which the tenantry of Ireland are at the present time—subject to certain specified rents, having security of tenure, and freed from all personal and feudal obligations to the lords of the soil. Those who became absolute proprietors of their farms did so by the surrender of one-third or one-half of their lands to the owners. The rent banks established in 1850 were intended to facilitate the redemption of charges of far less relative value than the rents which would have to be redeemed in Ireland. The banks, as far as new applications were concerned, were closed in 1858, although of course they were continued to complete the applications before that date. At a period of fifteen years from their establishment (in the year 1866), they had issued rent debentures amounting to £1,453,573, of which £1,453,573 were already paid off. At the same date the banks were in receipt of rents to the amount of £563,131 per annum, which sum was devoted to the payment of interest on, and the redemption of, the rent debentures which had been issued to the land-owners.

At the end of the year 1865, something over 83,000 peasant proprietors had been created in Prussia by the operation of the various edicts and regulations that have been here described. At the same time more than a million properties, comprising upwards of 36,000,000 acres, had been relieved from about 30,000,000 burdens of various kinds. The compensation awarded for all these operations to the landowners amounted to £6,736,000 in capital, 1,100,000 English acres in land, and £1,150,000 in annual money and corn rents.

Taking the latest returns, for which I am indebted to Professor von Scheel (Berlin University), we find that up to 1st April, 1889, rent debentures to the total amount of £24,002,986 had been issued by the rent banks. Of this sum, £6,367,394 had been redeemed or paid back, so that at that date rent debentures to the amount of £17,635,592 were still in circulation.

When we compare the values of the rents to be dealt with in Ireland with those in Prussia, we see at once the enormous difference in the amount, a difference which places the question of compulsory and universal land purchase in Ireland on a basis altogether distinct from that which had to be faced in Prussia.

The land to be dealt with in Ireland is indeed, in extent, not more than one-third or one-fourth of the land of Prussia. There the area affected by the legislation described in the paper, comprised

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*See Mr. H. Dix Hutton's paper before British Association, "Prussian Land Legislation."
upwards of 70,000,000 acres of productive land. The entire land of Ireland comprises only 20,000,000 acres, of which little over 15,000,000 acres is cultivated. When, however, we consider that fifteen years after the rent banks had been established in Prussia, and some seven years after they were closed to new applications, less than £13,000,000 of rent debentures had been issued, and that not more than £24,000,000 have been advanced to the present date, we can estimate the comparatively small value of the rent-charges which had to be redeemed. The rental of Ireland, which under a compulsory scheme would require to be purchased, has been estimated by Mr. Giffen at £8,000,000 per annum.* Even Archbishop Croke puts it at £6,000,000 or £7,000,000.† The income tax returns give the rental at about £10,000,000, but they do not enable us to distinguish how much comes from agricultural tenants' land. The government valuation of agricultural land in Ireland is about £10,000,000 per annum, which, however, includes lands in the occupation of the owners. Taking the rental of Ireland at £8,000,000 per annum, a transfer at seventeen years' purchase would require the issue of rent debentures to the amount of £136,000,000. Even bringing the total rent which would have to be purchased out under a compulsory scheme in Ireland to £6,000,000, and estimating its redemption on an average at fifteen years' purchase, payments to the amount of £90,000,000 would have to be made. Comparing these enormous sums with the modest £24,000,000 required in Prussia, we can see the absurdity of the contention that because compulsion was successful in Germany it would also be feasible in Ireland. We should beware of falling into the grave error of confounding legislative problems that differ not alone in extent but in kind.


[Read Tuesday, 10th June, 1890.]

The progress of that movement which we know by the somewhat ill-defined term, Socialism, is the most interesting, as it is the most important phenomenon of our present economic and social condition. During the past half century it has been taking more distinct shape and gathering ever increasing strength and volume. It has come to be a power with which the rulers of civilised nations—the representatives of the existing social order—must everywhere count, in reference to which they must frame a policy, which they must set themselves either to conciliate or to crush. I date the socialistic movement which at present agitates civilised society no further back than the year 1840. Not that socialism was then preached for the first time, or then secured its first disciples. Teachers of socialistic

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