

ON

IRISH ABSENTEEISM:

A PAPER READ BEFORE

THE DUBLIN STATISTICAL SOCIETY,

(23RD JANUARY, 1850.)

BY

W. NEILSON HANCOCK, LL.D.

DUBLIN:

PUBLISHED FOR THE SOCIETY BY HODGES AND SMITH,
104, GRAFTON-STREET.

1850.

DUBLIN STATISTICAL SOCIETY.

President :

HIS GRACE THE ARCHBISHOP OF DUBLIN.

Vice-Presidents :

THE EARL OF ROSSE.
THE BISHOP OF CORK.
MOUNTIFORD LONGFIELD, Q.C. LL.D.

CAPTAIN THOMAS A. LARCOM, R.E.
REV. R. MAC DONNELL, D.D. S.F.T.C.D.
SIR ROBERT KANE.

Members of Council :

JOHN K. INGRAM, F.T.C.D.
PROFESSOR ALLMAN, M.D.
ROBERT BALL, LL.D.
JONATHAN PIM, ESQ.
JAMES HAUGHTON, ESQ.
W. T. MULVANY, ESQ.

ROBERT VANCE, ESQ.
JAMES W. MURLAND, ESQ.
STEWART BLACKER, ESQ.
HON. JOHN P. VEREKER.
EDWARD BARRINGTON, ESQ.
PROFESSOR HERON.

Treasurer :

CONWAY E. DOBBS, JUN. ESQ., 10, Henrietta-street.

Secretaries :

JAMES A. LAWSON, LL.D., 41, Lower Baggot-street.
PROFESSOR HANCOCK, LL.D., 40, Trinity College.

Barrington Lecturers in Political Economy :

JAMES A. LAWSON, LL.B.
PROFESSOR MOFFETT, LL.B.

PROFESSOR HERON, A.B.
PROFESSOR HEARNE, A.B.

THIS society was established in November, 1847, for the purpose of promoting the study of Statistical and Economical Science. The meetings are held on the third Monday in each month, from November till June, inclusive, at 8, P. M. The business is transacted by members reading written communications on subjects of Statistical and Economical Science. No communication is read unless two members of the council certify that they consider it in accordance with the rules and objects of the society. The reading of each paper, unless by express permission of the council previously obtained, is limited to half an hour.

Applications for leave to read papers should be made to the secretaries at least *a week* previously to the meeting.

Proposals of candidate members should be sent to the secretaries at least *a fortnight* previously to the meeting.

The subscription to the society is one pound entrance, and *ten shillings* per annum.

On Irish Absenteeism. By W. Neilson Hancock, LL.D. Archbishop Whately's Professor of Political Economy in the University of Dublin, and Professor of Jurisprudence and Political Economy in the Queen's College, Belfast.

Gentlemen.—There are few questions in political economy on which a greater diversity of opinion has prevailed, than the one which I have selected as the subject of my paper this evening.

Thus, some allege “that absenteeism is not prejudicial to the prosperity of a country; that Ireland, for instance, would suffer no detriment if all her proprietors should reside in foreign lands, and would derive no advantage from their return home to pass their lives, and spend their incomes in their own country.” Whilst others contend “that the poverty of Ireland, the absence of capital and enterprize, her dilapidated resources, her unexplored treasures and unworked mines, her barren wastes, and, above all, her unemployed population, must be referred to the enormous sums of money withdrawn from the country in the shape of absentee rents;” in short, that absenteeism is “the monster evil of Ireland, from which almost all the evils that afflict the country either directly or indirectly arise.” And between these extremes there are many intervening shades of opinion which it is unnecessary to notice.

Now, I believe that this diversity of opinion has arisen in a great measure from treating the subject in an abstract point of view, and from not distinguishing between the different classes of absentees. Absenteeism is spoken of as if it had only one cause; as if it always produced the same effects, and as if it admitted of only one remedy. Yet we shall see that there are at least three kinds of absenteeism, arising from distinct causes; that the effects of each kind are perfectly distinct, and that the remedies are entirely different. The want of precision in treating of the subject which I have noticed has led to that prolific source of diversity of opinion, ambiguity of language. Thus, absenteeism is sometimes used as comprising only one class of absentees, sometimes as comprising two classes, and sometimes as including every possible case of absenteeism.

But the only practical reason for investigating whether absenteeism be really the cause of the evils ascribed to it, is for the purpose of discovering a remedy for those evils. In this point of view, we shall find it necessary to consider the causes of absenteeism before we examine its effects.

If we classify Irish absentees according to the causes of their absence, we shall find that they consist of three distinct classes :—

1st. Those who reside abroad on account of pecuniary difficulties, or on account of their real income falling so far short of their nominal income, that they cannot maintain their position at home.

2nd. Those who, possessed of great wealth, reside abroad for the pursuit of pleasure, vanity, or ostentation.

3rd. Those who spend a portion of every year in the metropolis, in consequence of the demands of political life.

In other words, Irish absentees may be divided into incumbered absentees, wealthy absentees, and political absentees. The first kind of absenteeism, that arising from incumbrances, will on investigation be found to be the largest; at least such is the conclusion to which we must be led, if we take the indications presented by the appointment of receivers in the courts of equity, and by the petitions filed under the Incumbered Estates Act. The returns show that in 1845, upwards of £600,000 of the rental of Ireland was received by receivers under the Courts of Equity, whilst the whole absentee rental is seldom estimated above £4,000,000; and we are to bear in mind that the appointment of a receiver only indicates the extreme cases of embarrassment, and many estates are in the hands of private trustees, or of proprietors who are in fact no more than trustees for their creditors. The result shown by the extent of property under receivers is verified by the quantity of property brought under the Incumbered Estates Commission, which now exceeds £1,000,000 rental; and both these results are corroborated by the general complaints of the embarrassed state of the proprietors.

Such an extensive system of incumbrances leads to an equally extensive amount of absenteeism. For nothing can be more irksome than the effort to maintain the appearance of the position, which the nominal possession of property confers on a proprietor at home, where the means cannot be procured. Besides, the family mansion is adapted to the income of the property, if unincumbered; and it is difficult to live in a large house with small means, without the imputation of shabbiness.

To discover the causes of absenteeism springing from incumbrances, it is necessary to consider the causes of such a prevalence of incumbrances. These are, first, the facility which the law of judgments hitherto afforded, and still affords, to the creation of charges on land; and, secondly, the impediments which the law throws in the way of sales of land for the payment of incumbrances. The existence of these causes is proved, by the promptness with which incumberancers have availed themselves of the provisions of the new act, and have proceeded to obtain sales of the estates for the payment of debts. The purchasers who buy land sold with a parliamentary title, will buy it for purposes of profit, and not for purposes of vanity or ostentation; and they will not be absentees. They will know that to carry on a profitable

trade in land, personal superintendence is as necessary as it is in any other trade.

We hear no complaints of absentee mill-owners, or absentee shopkeepers. Indeed, in the case of mills, legislation is asked for in the shape of ten hours' bills, to prevent the mills from working too much. We may therefore safely predict, that when land becomes a perfectly marketable commodity, and the mercantile spirit is substituted for the feudal spirit in its management, we shall hear no longer of proprietors neglecting their duties. The purchasers of land will be like the mill-owners, and instead of complaints of the land being unproductive, and the labourers unemployed, we shall have ten hours bills for agricultural labourers to protect them from being overworked by the capitalist land-owners. Thus we see that the most extensive kind of absenteeism in Ireland is caused by the legal facilities to the creation of incumbrances, and the legal impediments to the sale of land; or, in other words, arises from the want of free trade in land. Under the operation of the Incumbered Estates Act, and of other legislation of a similiar policy, this kind of absenteeism will entirely disappear.

Having traced the causes of the first kind of absenteeism, I proceed now to examine the cause of the absenteeism of those who, possessed of great wealth, reside out of the country for the pursuit of pleasure, vanity, or ostentation; those, in short, who may be called wealthy absentees. This kind is not so extensive in Ireland as the one we have been considering. It includes, however, a considerable number of persons, and a very large amount of property. The principal cause from which it springs is the prevalence of the custom of primogeniture. This leads to the accumulation of an unnaturally large amount of landed property in individual hands; and where Irish and English estates belong to the same family, prevents their being disunited. The size of the estate, by the mere operation of physical distance, necessarily isolates the proprietor, when resident, from the society of any of his equals; and his fortune, artificially enlarged by primogeniture, places him at a social distance from all who reside upon his estate. Thus the natural taste for the society of equals, and the natural desire of vieing with his equals in rank, in the display of his wealth, lead the wealthy proprietor to spend the greater portion of his time in the metropolis, in some foreign capital, or at some fashionable watering place.

The remedy for this kind of absenteeism is quite different from the preceding. Laws respecting incumbrances have no effect on those who are not in debt. Facilities of sale are of no use to those who want to retain for enjoyment, and not to sell. The remedy for absenteeism arising from primogeniture is, to move the encouragements to primogeniture held out by the laws for the succession to land. In short, to assilate the succession of real to that of personal property, leaving the cases of hereditary titles to be provided for by special settlements.

Absentees of the third class are quite different from those of either of the preceding classes, in one important circumstance. The demands of political life do not require that the representatives from the provinces should reside in the metropolis for more than a portion of the year. Thus, the political absentees are only temporarily so, whilst the encumbered and the wealthy are generally permanent absentees. Absentees of the third class must always exist in any system of government, for the necessities of government require that it be carried on at some centre; and wherever that centre may be, influential parties will resort there from the provinces. The duration of political absenteeism will be diminished by every improvement in railroads, in electric telegraphs, and in newspapers, as the facilities of intercourse and of transmitting intelligence will enable parties to discharge their political duties in the metropolis with less waste of time. But the same causes will increase the taste for visiting the metropolis for political objects, and will increase the number of persons resorting there, as the cheapness of communication will enable a larger class to do so. The necessary duration of political absenteeism would be diminished by improvements in the manner of transacting business in parliament, and in the various departments of government; as such improvements would economize the time of the legislature, and consequently the time of all those necessarily attendant upon it.

Beyond the means I have suggested, political absenteeism does not admit of a remedy; for whether the proprietors resort to one centre of government or another, they are equally absent from their estates.

Having concluded the consideration of the causes and remedies for Irish absenteeism, I proceed to consider its effects; and here you will at once perceive the importance of considering the effects of the three kinds of absenteeism separately. For whether we consider the moral, the political, or the economic effects of residence or non-residence, it is manifestly absurd to confound and treat as identical, the effects of the non-residence of a bankrupt, a millionaire, and a politician.

As to the effects of the non-residence of incumbered proprietors, there can be no doubt that a great deal of moral injury accrues to the community, when property is so heavily incumbered that the proprietor is only the nominal owner. And this is especially the case in Ireland, because the law places the tenant so much in the power of the landlord, that the only way in which the relation of landlord and tenant can be advantageously maintained, under the present system, is where the proprietor looks to the permanent interest of his property, and not to the immediate sums that he can obtain by the extraordinary powers that the law places in his hands. Now a heavily encumbered proprietor cannot make any abatement of rents, or other equitable concession to the tenants, however necessary, and he is tempted to take any advantage of his tenant's improvements which he can do legally. This produces

discontent, want of confidence in the laws, and agrarian crime ; consequently the system of heavily incumbered property and nominal ownership is fraught with the most extensive moral evil. But this evil takes place equally, whether the incumbered proprietor be resident or absent. Inattention to the true cause of the distress observable on heavily incumbered estates has led to a great exaggeration of the evils of absenteeism. When a traveller meets with a scene of misery and neglect in the country, and learns that the landlord is an absentee, he seldom thinks of asking the further question, whether his estate is incumbered. Such an enquiry would convince him that the state of the tenantry on the properties of incumbered absentees, is quite different from their condition on the estates of wealthy absentees ; whilst it is the same as the condition of those under heavily incumbered proprietors who are resident.

As to the political effects of the non-residence of incumbered absentees, it cannot be considered injurious ; for those who have mismanaged their own affairs are ill qualified to discharge public duties in a manner creditable to themselves, advantageous to the public, or, above all, in a manner to gain the confidence of the poor to the administration of the laws. Whilst, therefore, the residence of landed proprietors, who are prosperous and successful in the management of their properties, has a most valuable effect in promoting the stability of social order and general confidence in the laws, which are amongst the most important elements in facilitating the production of natural wealth, the non-residence of embarrassed proprietors cannot be considered injurious to the community.

As to the effect of the expenditure of incumbered absentees, it is unnecessary to enquire. It is manifest that their rental is spent not by themselves, but by their creditors. This circumstance shows the gross exaggeration which takes place in estimating the amount of absentee rental spent out of the country at £4,000,000 ; as the calculation is founded on the assumption that none of the absentees are incumbered. It is absurd, too, to speak of the expenditure of incumbered absentees escaping taxation. Their personal expenditure is insignificant from the nature of the case. What they spend in law costs, for bonds, judgments, mortgages, receivers, equity suits, through the unwise and burdensome taxes on law proceedings, contributes in a greater degree than almost any equal expenditure to the taxation of the country.

We may see also the folly of proposing a tax on absentees, as a remedy for absenteeism arising from incumbrances. The tax would only increase the burdens of the proprietors, and consequently only increase the cause of their being absentees.

So, that, whether we consider the moral, political, or economic effects of the non-residence of incumbered absentees, we find that these effects are not injurious to Ireland.

We have next to consider the effects of the non-residence of wealthy absentees. In estimating the moral and political effects of the non-residence of this class of proprietors, there is an important distinction to be borne in mind. Where a very large property is, by the operation of primogeniture, concentrated in the hands of a single individual, his establishment is generally conducted on a scale of extravagance, and with an absence of prudence and economy, that has an injurious effect on the classes beneath him, leading the middle classes especially into vanity and extravagance. It also operates as a discouragement to regular industry, and as an inducement to gambling and rash speculation; because the people see one placed so far above them by no industry or exertion of his own, but as it were by accident; placed, too, in a position that no exertion of theirs can ever enable them to reach.

Very different would be the moral effects of the residence of a number of proprietors, if the same property was divided equally amongst all the members of the family. No one of them would be too far removed from the condition of his neighbours, neither would they be so wealthy as to render the prudent and careful management of the property unnecessary. They would, on the contrary, seek to provide for their families by the improvement of the land. Whilst their example would not be injurious on account of their wealth, they would, by being exempt from the engrossing cares of personal labour or personal superintendance of capital, have leisure to cultivate the higher qualities of the mind. It would be difficult to exaggerate the civilizing influence which the continued residence of a numerous body of active and prudent proprietors of moderate fortune would exercise on the community. Such a class would afford the means of working our local institutions with advantage, and would promote an improved public opinion.

As we have seen that the principal cause of the absenteeisms of our wealthiest proprietors is primogeniture, it follows that the moral and political evils of their absence are, from the very circumstance that produces it, their great wealth, much less than would be the effects if their properties were divided, and all the members of the family were non-resident.

But even with this qualification, there can be no doubt that the permanent absence of wealthy proprietors is morally and politically injurious to the community. The remedy for it, as we have already indicated, is the removal of encouragements to primogeniture. Any tax on absentees, short of a confiscation of property, would not operate in stopping wealthy absentees; as it would not remove the causes of their being so, but only slightly increase their expenses.

The great argument used by those who exaggerate the evils of absenteeism is involved in the next subject for consideration, namely, the effect of the expenditure of wealthy absentees. It is

assumed that the entire of this expenditure is a loss to the country from which they derive their income.

There cannot, however, be a grosser exaggeration ; for wealthy proprietors who reside at home spend a great part of their income in foreign luxuries, and in British manufactures, and so a great part of their income is exported to pay for those articles. Besides, in the direct consumption of Irish produce, all that the capitalists and labourers in the locality gain by the expenditure of a resident in such articles, is not the entire expenditure, but only a reasonable profit on it.

The estimate of the loss, therefore, to the community from the expenditure of absentees, is subject to the following deductions. In the first place, we have seen already that that part of the absentee's rental which goes to pay interest on incumbrances, tithe rent charge, poor rates, law costs, and expense of managing property, is expended not by the absentee, but by others, and consequently its destination is quite independent of his place of residence. Now, of the alleged £4,000,000 of absentee rent, at least £2,000,000 go in these ways. So the only question we have to consider is, the effect of the profit of the expenditure of the remaining £2,000,000.

In order to state the economic effects of this expenditure, I will suppose two cases. First, suppose the wealthy absentees to go to some country like Japan, between which and Ireland there is no intercourse, so that labourers never migrate there, and capital is never sent there for investment ; and so that Japan and Ireland do not compete in the production of any commodities. In such a case, there can be no doubt that the effect of £2,000,000 being spent in Japan, which had been previously spent in Ireland, would be to lower wages in Ireland and lower profits in Ireland, and to raise both in Japan.

But if the wealthy absentees go to England, with which we have the most intimate commercial intercourse, to which our labourers migrate yearly to the extent of 50,000, and migrate permanently in such numbers that at the last census there were 400,000 native Irish in England and Scotland, and to which our capital is exported for investment in the public funds in such quantities, that the exports have exceeded the imports of such investment by upwards of a million in each year for the last six years. In such a case, the expenditure of £2,000,000 in England, instead of in Ireland, does not lower the rate of wages or the rate of profits here, and consequently is not injurious in an economic point of view to the Irish people.

The effect of the residence of wealthy absentees is only to bring over a few more Irish labourers, and to have some more Irish capital sent to England for investment. The fallacy of supposing that wages and profits could be permanently depressed in Ireland, by the expenditure of wealthy absentees in England, arises from supposing the temporary effects of their going away to be lasting.

Thus, when a wealthy proprietor suddenly leaves a country district, some labourers are thrown out of employment, some capitalists make less profits. But in the place where he goes to reside his expenditure raises wages and profits slightly. But as soon as the labourers have migrated from one country to the other, wages are restored so their former level; as soon as capital is exported, profits are restored to their level; and so the labourers and capitalists who remain earn as much as before. It may be said that if we have fewer labourers and fewer capitalists in Ireland, the country is injured. But there cannot be a greater error than that of viewing the nation as something distinct from the individuals that comprise it.

If we want to trace the effect of any cause on national wealth, the simple way is to observe its effect on wages, on profits, and on rent. These are matters of every day observation, which those most interested can find out for themselves. If a man's wages are the same, it is a matter of no importance to him whether there are eight or ten millions of people earning the same wages. If the profits of his capital are the same, the capitalist need not care whether there is £10,000,000 or £50,000,000 of capital producing the same profit. In short, what the community is interested in, is not the aggregate amount of wages or of profits, but the rate of wages and the rate of profit. So that the expenditure of wealthy absentees in England is not injurious to Ireland.

But it is alleged that the wealthy absentees escape taxation. This, however, depends on whether they reside in England or on the continent. Those who reside in England pay more taxes than they would do if they lived at home. And as the majority of the wealthy Irish absentees reside in England, the great bulk of the absentee expenditure does not escape taxation. The portion that does escape is in a great measure, if not entirely, compensated for by the sums received under our system of indirect taxation from foreigners resident in England. The indirectness of the tax which enables the absentee to escape, brings all foreign residents under taxation. The remedy for this trifling evil is to substitute direct for our present complicated system of indirect taxation.

I now come to the third class of absentees, those who spend a portion of every year in the metropolis, in consequence of the demands of political life.

As to the moral effects of this kind of absenteeism, I have already noticed that those of this class generally reside at home for a considerable portion of the year, and so discharge the greater part of the important duties which devolve upon them. And the loss of their presence for the remainder of the year is compensated for by the enlightenment and knowledge which they bring from the metropolis on their return. The new ideas and information which they are the medium of introducing, prevent the provinces from getting into a stationary state, and falling so far behind the metropolis, as to prevent the machinery of government being car-

ried on in harmony. Few things have contributed more to the stability and good working of the British constitution, than the long continuance of that representative system of government which makes all the ablest and most influential resort, for a portion of the year, to a common centre; thus adding the greatest strength to good government, and putting the most complete barrier against mis-government, such as has prevailed in other European states.

The provincial proprietors are also much better fitted to discharge their duties as magistrates and local administrators, from their occasional residence in the metropolis. Thus, it is manifest that the moral and political effects of the temporary absenteeism of political men, which results from our political constitution, are highly beneficial. The expenditure of this class has no permanent effect on wages and profits, any more than that of the preceding class, and that expenditure never escapes taxation.

Having thus completed the investigation of the subject, I shall briefly state the conclusions at which I have arrived. They are as follows:—

That Irish absentees consist of three classes, incumbered absentees, wealthy absentees, and political absentees.

That these kinds of absenteeism are produced by entirely different causes. The first by the facilities to incumbrances, and the impediments to sales of land. The second by the encouragements given to primogeniture. The third kind must always exist under any form of government, but will be greatest under the representative form.

The effects of these three kinds are also different. The absenteeism of incumbered proprietors does not increase the moral and political evils of incumbered properties; nor does it lead to any expenditure out of the country or to any evasion of taxation.

The absenteeism of wealthy proprietors is in some degree morally and politically injurious; but their expenditure in England does not lower wages and profits in Ireland, nor do they escape taxation to any extent worth noticing.

The temporary absenteeism from political causes is morally and politically beneficial; the expenditure of such absentees does not lower wages and profits in Ireland, and they never escape taxation.