

The Irish Land Question After 1870

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The Irish Land Question After 1870

The explanations put forth during the nineteenth century to account for Ireland's economic condition may be grouped under three heads. The first was associated with the conceptual framework of the English classical economists and stressed overpopulation and excessive subdivision. A second approach, which might be called the underdeveloped-country explanation, emphasized the need for social overhead capital—drainage, flood control, communications, and education. The third approach argued that defects in the land tenure system were at the root of Ireland's failure to develop a prosperous economy.

The ruling law between landlord and tenant was of course English law. Most farms were held by yearly tenancies which could be determined on short notice by the landlord. Landlords were not required to keep the premises in repair, and upon the determination of the letting the tenant gave up the land as it stood and was not entitled by law to compensation for the value of any investment that remained on the holding. Since in Ireland landlords typically did not do the investing, a clear investment disincentive existed, and to this disincentive was attributed the failure of the Irish economy to develop. In Ulster there had grown up some customary arrangements limiting eviction and rent-raising and securing to tenants property in their own improvements, and this Ulster custom was believed to be the answer to the defective land laws.

It is argued in the dissertation that the land tenure laws did not work in the way envisaged to restrain Ireland's economic development and that Ulster custom was not an important explanatory variable in Ulster's economic growth. It is shown that the limitations on eviction and rent-raising that were explicitly spelled out in Ulster custom existed in the South as well, and that over the entire island in the post-Famine period eviction was rare and rent increases moderate. (Eviction statistics are readily available, but a rent series had to be constructed.) The Irish tenant after the Famine had already achieved a large measure of fixity of tenure and restraint on the rent-setting mechanism, but, it is argued, this was not so much a cure for his difficulties as a contribution to them. The paralyzing of market forces tended to protect inefficiency, thwart consolidation, and encourage a backward technology. Landlords and tenants were locked together into a situation in which neither could act as an economic maximizer and neither could exercise complete control over the resources at his command.

If the land tenure explanation of Ireland's economic difficulties had been correct, then Mr. Gladstone's Land Act of 1870 would have gone a long way toward correcting the problem. On its assumptions, the Act was a fine piece of legislation, soundly conceived, and well drafted. But if its assumptions were wrong, as we believe we have shown, then

the Land Act of 1870 was at best practically irrelevant and at worst a retrograde step.

I

It is simply not true that there was an Irish land problem which existed from the 1830's or 1840's to which successive generations of English statesmen failed to put their hands, until it was solved by successively bolder acts of land legislation. The agricultural structure which developed after the Famine resulted in dramatic gains in per capita income, due on the one hand to decreased population but more importantly to sharply increased prices for livestock and livestock products. This entailed a shift from a tillage to a livestock economy. Evidence is presented on the prices and quantities of the principal tillage and livestock products. This successful readjustment culminated somewhere around 1876, and a detailed study of the Irish economy at this peak was undertaken, to show how the overall adjustment was distributed by area and by size of farm. Calculations were made for 162 separate Poor Law Unions, and it became apparent that the regions of Ireland showed markedly different patterns in population density, size of median farm, and dependence on tillage or livestock—dependence on corn or potatoes in the former case and on dry cattle or dairying in the latter. The successful readjustment of the economy after the Famine thus varied from region to region, both in the degree of success achieved and the economic factors involved.

The entire fabric of readjustment was subject to a series of blows after 1876: some transitory, like bad seasons, and some more permanent, like declining tillage prices. The severe hardships of 1877-78-79 contributed to the success of Davitt and Parnell in organizing the tenants in the countryside and the Irish party at Westminster along militant lines. By 1880 many parts of the country were in a turmoil verging on revolution. In this setting the second Gladstone government passed the Land Act of 1881, not so much because it was believed to be good economic policy as for its promise toward pacifying the disturbances.

II

The tenant agitation that raged in Ireland in 1880-1881 was in economic terms nothing but a well-organized rent strike. (Of course it was utilized with great astuteness by the Irish Nationalists for political ends.) The strike was a refusal to pay any rent above tenants' offers; excellent control was maintained over potential scabs, and a strike fund was recruited overseas. The law was practically powerless to break the strike, that is, by enforcing evictions for nonpayment of rent. In this impasse the Land Act of 1881 established courts which summarily reduced the rents of tenants who applied by 18 or 19 per cent. The tenant agitation may thus be seen as a struggle by the tenants to shift the burden of decreased agricultural income to the shoulders of the landlords, and the government

responded by establishing rent control. The situation was partially stabilized until in 1885-1896 livestock prices began to decline and a new wave of agitation for further rent reductions began.

To assess the quantitative impact of the rent reductions, it was necessary to estimate income figures for Irish agriculture, to set against the rent series. This was done for 1876, the peak year; for 1881, after the initial downturn; and for 1886, after livestock prices turned down. It can be seen that after each fall in income, rents were reduced to a level which more or less reestablished the initial ratio of rent to income. Judging by the only general price index available, rents apparently were reduced by much the same proportion as the price level, leaving both tenant and landlord income pretty much the same in real terms. But the important difference is that whereas tenant fixed costs (rents) were quickly adjusted to the falling price level, landlords remained burdened with a variety of fixed charges—family settlements, mortgages, head rents and quit rents, tithe rentcharges, and others—which could not be reduced. Landlords' margins were generally reduced and frequently wiped out.

It is really quite wrong to suppose that the Land Act of 1881 gave the Irish tenant something of what he wanted, but not his final desire, which was land purchase. The Land Act of 1881 gave the tenant fixed rent for 15 years and guaranteed tenure and—perhaps more important—the confidence that by political pressure he could prevent rents from rising at the end of the term, or even get them lowered again if prices fell. Tenants had so little to gain that they were uninterested in purchasing their holdings unless the annual repayment (including interest and taxes) amounted to something less than the judicial rent. It was the landlord class, squeezed between declining rent rolls and inflexible charges, who pressed for land purchase financed by government loans. Tenants' payments could be reduced; landlords could get a "reasonable" price for their estates; the British taxpayer would bring this about by subsidizing the operation. The history of the Irish land question from, say, the early 1890's is a story of jockeying for terms.

The path to income maintenance chosen by the Irish and their supporters in the Liberal Party was the path of rent reduction. In choosing it they turned aside from suggestions for improved technical education, drainage, marketing, and credit arrangements—suggestions which are not made in hindsight but which were current at the time. Denmark, Holland, to some extent Switzerland, met the agricultural downturn of the 1880's by utilizing that other road consciously to adjust their economies to changed world economic conditions. But the Irish choice was not made by a simple error or accident. Davitt saw from the first that by the weapon of the rent strike the Irish tenant could take the rent-fixing power into his own hands and signal the end of landlordism in Ireland. The prize was great. So was the cost.

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