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PUBLIC ADMINISTRATION IN IRELAND

Public Administration in Ireland

VOL. II

A series of lectures delivered under the auspices of the Civics Institute of Ireland to candidates for the Diploma of Public Administration of Dublin University

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INTRODUCTION

THE FIRST EDITION of "Public Administration in Ireland" was sold out within a few months of its publication and, if one is to judge by the number of requests for a second edition, long before the demand for such a work had been satisfied. These friendly and appreciative requests are reinforced by the knowledge that some very valuable material, which is available for publication, has accumulated since then in the lectures delivered under the auspices of the Civics Institute of Ireland to students in the Dublin University Public Administration Diploma course.

The Study of Public Administration.

There have been few published studies of the theory and practice of Public Administration in Ireland. We have no body in this country devoted to the study of the subject in a manner corresponding to the Institute of Public Administration in Great Britain and to similar learned associations in the U.S.A. and elsewhere. This is unfortunate as, for several reasons, our administrative system is well worthy of attention and study. We have been pioneers in many spheres and have furnished working models for others in our system of public control by public or quasi-public corporations of great national undertakings, such as electricity, fuel, transport, ports and docks, banking, agricultural and industrial credit, tourism, etc. We have made original contributions in regard to land purchase and distribution, hospital finance and local government. These experiments make our system interesting to foreign observers as well as to Irish students. The home student's interest will also be aroused by the problems yet to be solved, such as the establishment of a social insurance scheme more suited to our national needs and circumstances. He will also be stimulated by the realisation that haphazard, hit-or-miss methods of administration can no longer be tolerated in dealing with the complex problems which arise from the many-sided extension of public control into fields of activity which were formerly left to the private individual.

Public Administration is now, to a large extent, a science, and deserves to be studied as such by all who wish to keep abreast of the social and political thought of their day, and especially by those on whom there falls a share of responsibility for the work of government, central or local. No longer is it possible to take the view that Public Administration is a matter for the select few, ministers, politicians and high civil servants, a subject which may excite mild and harmless curiosity in a few enquiring minds, but which lies entirely outside the scope of that very estimable class of people who like to "mind their own business". Socialistic encroachments on what used to be regarded as our private lives have convinced most people that in order to "mind their own business" it is necessary to know something about public business; what government does and how and why it does it. This is exactly the information which this book aims at supplying.

Choice of Lectures.

This second series of lectures on Public Administration is supplemental to the first. Though some of the subjects treated in the first series reappear in the present volume, the matter has either been presented in a new form or has been revised and brought up to date to accord with new developments. Several additional aspects of Public Administration are included in this edition, which aims at presenting as full and varied a conspectus of the Irish administrative system as is possible in the space available. Considerations of space have, unfortunately, exercised a cramping influence and necessitated the reluctant omission of much which could have been included with advantage. Where two lectures have dealt with the same subject, one had, perforce, to be omitted. The editor can only hope that in selecting the essays to be retained he has chosen those which, by reason of the interest and importance of the problems treated and the manner in which the subject has been set forth, will prove most useful to readers.

The Economic Co-operation Administration.

The series of lectures leads off with a most valuable contribution from Mr. J. E. Carrigan, Chief of the American Economic Co-operation Mission to Ireland. He has chosen as his subject the European Economic Co-operation Plan, with particular reference to its application to Ireland. This great plan is certain to have a far-reaching effect on our future trade position. It is, undoubtedly, one of the most important influences in the post-war reconstruction and recovery effort of Europe, and, therefore, no student of public affairs can afford to be ignorant of its content and implications. Mr. Carrigan expounds the plan so fully, so clearly and so frankly that he has placed students of public administration under a great obligation. The equivalent in Irish currency of the dollar allocations made under the plan will be collected by the Irish Government and will be considerable in amount. It will be interesting to learn the use which government will make of this large fund.

Lectures on agricultural and land topics.

Following up Mr. Carrigan's lecture, we have four lectures dealing with different aspects of our agricultural economy. The co-operative movement is one of the most hopeful means of promoting agricultural development in a country of small farms. The sub-division of large estates into small holdings, which has been accomplished by the Land Commission and which is described in Commissioner O'Shiel's lecture, has created for Irish farming the problem of securing adequate capital and the economies of large-scale production and marketing under a system of small independent ownership. In industry, the answer to this problem has been found in the joint stock company, but he would be a sorry "reformer" who would wish to transform Irish farming into a joint stock enterprise. Father Coyne, who is the head of the Irish Agricultural Organisation Society, which, to a great extent, guides agricultural co-operative

development, gives a most valuable factual presentation of the achievements and potentialities of the movement. Agricultural co-operation has, apparently, thrived in the dairy farming counties, but has not yet taken root in the non-creamery areas. It would seem that there is still considerable scope for co-operative organisation in other areas and in other types of farming, especially in the direction of co-operative marketing and mechanisation and in the provision on a co-operative basis, aided, if necessary, by the State, of technical services and educational facilities.

Mr. Barton's excellent lecture on agricultural credit gives us an intimate picture of the Irish farmer seen from the point of view of an agricultural banker, who is himself a practical farmer. His reflections on various aspects of our agriculture are shrewd and informative, and provide an excellent follow-up to Father Coyne's lecture. It would appear that both these experts are agreed that shortage of capital is by no means the greatest immediate problem of the Irish farmer and that better and more suitable education, including practical demonstration of improved agricultural methods, would contribute much more to our agricultural prosperity than the extension of credit facilities.

Dr. Kennedy has contributed a stimulating lecture which illustrates how far we have dropped behind Denmark and New Zealand in the agricultural export market. Unfortunately, his statistics are not quite up to date, but it is unlikely that his contention would be weakened if they were. He shows us our agricultural shortcomings and then unfolds his plan for setting things right—right with a vengeance, if I may use the phrase. He thinks we should increase our agricultural exports tenfold. The alternatives he sees before us are to export on a large scale our agricultural products or our countrymen. We have been indulging rather heavily in human exports in recent years and it has done less than nothing to help our economic condition. The export of human beings on a large scale is clearly a process which cannot continue without disaster. It is, therefore, heartening to read Dr. Kennedy's plan and his assurance that we have the climate, the grass, the land fertility and the animals to attain the ambitious target which he fixes for our agriculture. The reader must judge for himself how far his plan is practicable, but it may be surmised that there will be few farmer readers whose self-contentment, if that is their mood, will not be disturbed by this lecture.

The next lecture, which is by Commissioner K. R. O'Shiel, deals with the work of the Irish Land Commission. The Irish Land Commission may well claim to have had a more profound effect on the social and economic life of the Irish farmer than any other department of government. In the course of 70 odd years it has effected a complete revolution in the position of the agricultural population. From a state of serfdom as tenants at will it has transformed the farming community into a body of landed proprietors. Commissioner O'Shiel tells us how this has been done and incidentally demonstrates that the serious nation-building work of the Land Commission is not unmixed with an element of light relief.

Labour Court.

Passing from the land and agriculture we come to matters which have an important relation to the industrial economy of the country. First there is a lecture on the Industrial Relations Act by Mr. R. J. P. Mortished, Chairman of the Labour Court. The Labour Court is one of our youngest institutions and is being watched with close attention by public men and students of public administration who are anxiously searching for some method whereby order and harmony can be introduced into the troubled relations between employers and employed. Mr. Mortished in his valuable lecture speaks from his wide experience in the International Labour Office and from his knowledge of the methods adopted by other democratic countries which have embarked on legislation of a similar nature. As he points out, our Labour Court does not function as a court of law and does not enforce any code of labour legislation. It has the very minimum of legal powers and depends for its success on the maximum of moral support from the community. It can only succeed if it is instrumental in building up a voluntary code of behaviour accepted by both sides of industry as binding. The question of whether the powers of the Labour Court are adequate for this task is implicit in the whole lecture. It is true that there are very definite limits to any form of legal compulsion in industrial relations in a democratic State, but democratic Sweden, New Zealand and Australia have all some element of compulsion in their industrial relations law. Sweden, for instance, gives its Labour Court power to enforce rights and obligations under subsisting collective agreements freely entered into. The Swedish Labour Court, unlike ours, is definitely a court of law. Law and order cannot be long divorced from each other.

Statistics.

Mr. Stanley Lyon, late Director of the Statistics Branch of the Department of Industry and Commerce, has contributed a most informative lecture on the work of his Department. Statistics, as he tells us, are records of things done in the past and signposts to what is likely to occur in the future. No statesman can afford to disregard those signposts when called on to chart the course of a nation. In Mr. Lyon's lecture we are told the types of statistics collected, how they are collected and who collects them. Few people realise fully what a storehouse of tabulated information exists in our Statistics Department. It is a pity that this rich store is not drawn on more freely outside Government circles. The Department publishes a great deal of the information collected and maintains a tradition of courtesy and helpfulness towards those who seek unpublished information which can be furnished to them. It is well that students of public administration should know something of the variety of information which the Statistical Branch supplies. It would be well also that they should realise that statistics can be a dangerous weapon in the hands of the class of administrator referred to at the end of Mr. Lyon's lecture "who calls at short notice for any statistics,

however rough, which will support a case". Such men are dangerous. They would use statistics, not as signposts to what is likely to occur in the future, but as signposts directing an unsuspecting people in the direction they wish them to go.

The Port of Dublin.

Mr. Hegarty, the Manager of the Port of Dublin, in his lecture on the administration of the port gives us an insight into the complexity of the matters with which the manager of a busy port has to deal and tells us of the particular problems of the Dublin port and how they are being met. He explains the constitution and functions of the port authority and the position of the manager in relation to his board. The board, it may be noted is, as constituted under recent legislation, largely vocational in its composition.

Some Statutory Corporations.

The next group of lectures consisting of Mr. O'Donoghue's, on the Relations of Statutory Corporations with the Government and the Oireachtas, Mr. O Broin's on Post Office Organisation, Mr. O'Doherty's on Tourism and the Tourist Board, and Mr. Donovan's on the Electricity Supply Board deal with certain aspects of the control and management of public undertakings by Government. This State has developed the method of public control and management through corporations and companies to a remarkable extent in recent years, especially during the emergency period. The method adopted is a departure from private enterprise but falls short of full nationalisation or socialisation. As Mr. O'Donoghue points out in his lecture, the method presents certain incongruities in a democratic State. Public funds are invested in the corporations but their accounts are not subject to the Comptroller and Auditor-General in the same way as the voted moneys administered by commercial or industrial Departments of State such, for instance, as the Department of Posts and Telegraphs, nor are the day-to-day transactions of the corporation subject to parliamentary surveillance by question and discussion. Government control is, therefore, to a considerable extent extra-parliamentary though the general policy and objects of the corporation or company and its structure and administrative powers may, in the first instance, have been laid down or approved by the Oireachtas in the Statute or Emergency Order whereby it was created. Such control as government does exercise over the workings of these corporations is normally effected through the power to appoint a chairman and directors of the board of management, who may be civil servants or members of the general public.

Governmental operation of public undertakings may be undertaken either directly, through the Civil Service, or indirectly, through agencies of the nature of the Electricity Supply Board, the Irish Sugar Company or other public or quasi-public corporations of this kind. When one reads Mr. O Broin's lecture on the Post Office one may ask why, if the Civil Service can manage a Department of such magnitude and such diverse ramifications as the Post Office, it cannot manage any other public undertaking which Government

decides to take over. Though the work of the Post Office is many-sided, there is a good deal of a routine nature in most of its operations and it by no means follows that because Post Office management has been a success the Civil Service is capable of managing any nationalised industry. The Civil Service system is a system subject to a multiplicity of checks and regulations evolved to secure impartiality, amenability to discipline and strict financial responsibility to Parliament which has the "power of the purse". This system of checks and regulations is familiarly known as "red tape". It is a system which hinders individual initiative and imposes extreme caution, a system which, in the words of the Irish writer, Mr. Liam Brophy, tends to make its members

> "Sedulous to be sterile and evade
> The sharp leap of decision."

At any rate, there is a fairly strong consensus of opinion that the Civil Service system is not generally suitable for the management of nationalised industry. Government appears to have adopted this view, as they are freely discarding Civil Service management in favour of management through statutory and quasi-statutory corporations, which, in Mr. O'Donoghue's words, constitute a "facile instrument". The danger is that it is too facile. Both the Banking Commission and the Commission on Vocational Organisation had misgivings on this score.

Views of the Commission on Vocational Organisation.

In view of the importance of the subject the views of the Commission on Vocational Organisation are worth quoting. Referring to expedients for the operation of industrial and commercial enterprises by the State, the report says:—

> "One of the most interesting of these is the establishment of an independent board as a body corporate by Act of Parliament, as in the case of the Electricity Supply Board and that of the Irish Tourist Board. The members of those boards are appointed by the Government and their finances are provided by loans or grants from the public funds. This is an effective and successful method provided certain conditions be fulfilled: first that the members be selected because of their competence and not because of political services; secondly, that they be indepedent of political control in the administration of their business.
>
> "To secure public confidence in the competence and suitability of directors of such boards we recommend that they should be selected by the Government from a panel of names submitted by the National Vocational Assembly. We also consider it a matter of great importance that the directors of such corporations should not have permanent tenure of office. Such permanent tenure is practically unknown in the business world and in our opinion does not encourage efficiency and progress of service. The appointment of directors should be renewable at intervals and re-appointment should be dependent on the ability and energy displayed.

"Another method of operating State enterprise has come into Government favour in recent years: it is by means of a nominal company registered under the Companies Act. A company, properly speaking, is an association of citizens each of whom has contributed a certain amount of capital. But when out of £50,000 capital, £49,995 are contributed by the State and the remaining £5 are also contributed by the State, but in the names of five persons, in order to qualify them as directors and on the understanding that they will surrender their shares if they cease to be directors, such a company may rightly be called a nominal or fictitious company. The State maintains the legal fiction that such companies are associations of private citizens, that the capital is their property, and that in regard to administration and accounts they are in the same relation to the Executive and to Parliament as other companies.

"Very large sums of money have been contributed by the taxpayers to develop this new method of public administration. It is interesting to note that by the device of the nominal company this form of State activity has escaped from the fundamental rules of the Civil Service which were designed for integrity, economy and parliamentary control. In these nominal companies appointments of directors and officials (managers, secretaries, solicitors and auditors) are not made on a competitive basis but by patronage; there is no strict accounting of funds to the Comptroller and Auditor-General; there is no responsibility to Parliament, as the Minister who sets up such a company or provides it with money refuses to answer questions in the Dáil concerning it.

"This method of administration is clearly fraught with great dangers to the prestige and integrity of democratic Government. It offers a wide field for the exercise of political patronage of a very costly and undesirable type, for not merely may large salaries be given to persons as a reward for political services, but large sums of money for capital and working expenses may be placed at their disposal without adequate safeguard. It could provide an unscrupulous Government with a means of making a large number of persons dependent on it for salaries and wages and of obtaining electioneering support by promoting enterprises or industries in certain localities without due regard to economic factors."

Problem of Economic Democracy.

The use of statutory and quasi-Government corporations not fully subject to public audit and parliamentary surveillance raises in an acute form difficult problems of economic democracy. Economic democracy is still in the formative stage and is groping about to discover a technique of management which, while allowing the freedom of action necessary for the conduct of business, will secure the reality of parliamentary control. It is obvious that the Oireachtas itself cannot, either directly or through its Cabinet of Ministers, manage a great variety of nationalised industries throughout the country in addition to its task of governing the country. If it attempted to do so

it would be overwhelmed and there would be an inevitable breakdown of administration on all fronts. It cannot hand over the management to the Civil Service as it is generally agreed that the Civil Service system is unsuitable for such a task. The choice before Government is, therefore, either to limit very severely the extent of its responsibilities in the industrial and commercial sphere or, else, to devise some satisfactory method of delegation of authority which will enable it to retain the essentials of control over the agency to which authority is delegated without depriving that agency of the freedom to manage independently.

One of the advantages of a general review of public administration such as has been undertaken in this book is that it provides lessons of practical value. When a working principle is observed to give good practical results in one branch of administration, it may often be expected that the application of the same principle to another branch would prove equally satisfactory. This consideration prompts the suggestion that there may be something in the county management system (which is dealt with in Mr. Garvin's lecture on Central Controls in Local Government Administration) which could be applied with benefit to the problem of State industrial management. The county management system is designed to secure efficiency and adequate central control in local government without destroying its democratic character. To some extent this is an attempt to combine incompatibles as centralised control negatives local control, when operating simultaneously on the same subject. The solution adopted in the county management system consists in the division of the functions of a local authority into *reserved* and *executive* functions, the exercise of the reserved functions being entrusted to the elected local authority while the executive functions are assigned exclusively to the county manager, who, in practice, is at present largely independent of the council and to a great extent dependent on the Minister. The county management system also aims at building up a skilled cadre of local government officials, selected, not by the local authorities but by the Local Appointments Commission. This system eliminates patronage and should, in the course of time, succeed in establishing a *corps d'elite* of trained local government administrators. Under this system of management important public works and services such as roads, water supply, drainage, hospitals, sanitation, public health, technical education, etc., are being conducted with efficiency and skill. The Dublin Port and Docks Board also provides a model which is deserving of attention.

Can the county management system or a system analogous to it, which has worked in the sphere of local government be successfully transposed to the sphere of State industrial management? Is it possible to build up a cadre of industrial administrators in the same way that the local government administrative cadre is being established? In doing so, can we avoid the bureaucratic attitude which is associated with the almost impregnable security of tenure of the Civil Service? Is it possible to constitute boards of management for nationalised industries which would be as democratic and representative as, say,

a county council, and would such boards be likely to provide efficient commercial management? Is it feasible to divide the functions of control and management between these boards and trained administrators on the lines of the division of local government functions into reserved and executive functions? Would such a system be conducive to co-operation between the representative board of management and the trained administrators? These questions are posed with the object of focussing attention on a very important branch of public administration which is at present in a formative stage and in which it is vitally important that correct decisions be taken.

The remaining lectures.

The remaining lectures deal with miscellaneous aspects of administration. Local government is under review in a most comprehensive and valuable lecture from Mr. Garvin, Secretary of the Department of Local Government, in which he discusses the controls exercised by the Central Government over local administration.

Sir Walter Gurner has chosen for his lecture the very important subject of Town Planning. In this paper the emphasis is on the constructive aspect of town planning rather than on the restrictive aspect to which we in this country are committed by our planning code. He tells the interesting story of Calcutta's achievement in constructive planning. It is the history of a boldly conceived plan directed and carried through successfully by a statutory corporation, the Calcutta Improvement Trust, of which he was the chairman. He is now a Regional Controller in the British Ministry of Town and Country Planning. In addition to the Calcutta plan, he touches on recent developments in British town planning law and practice and raises important questions of method and finance which are of much interest to town planners in this country.

Dr. Moorhead, who has been long and honourably associated with medical and hospital work in this country, analyses the changes which have taken place in hospital finance, medical services and administration. The lecture shows how the principle of voluntary service under unpaid private administration is yielding to that of paid service under State control.

Mr. H. Moloney, S.C., has contributed a very valuable exposition of our judicial system, a subject which though it affects the public very intimately, is, owing to its complexity and other causes, little understood. The administration of justice has undergone considerable changes since the State was founded and these are ably dealt with in the lecture.

One of the difficulties which arises from a complex system of law and judicial procedure is that, owing to its complexity, it is expensive and that, at times, it places justice out of the reach of people in straitened circumstances. Mr. Carr Lett in a valuable lecture tells us what is being done here and elsewhere to remedy this serious social defect.

Mr. O'Sullivan's lecture on Unemployment Insurance will provide a valuable reference source for those interested, as employers or em-

ployed or as social workers or students, in this intricate branch of administration.

Finally, Mr. Bayne discusses in a thoughtful and enlightening manner the problems of social insurance such, for instance, as what we can afford in the way of social services and the principles which, in his opinion, should guide our future social security policy. His lecture is of a general and theoretical nature but, for that very reason, it is perhaps more valuable than a lecture dealing with the administrative details of existing schemes which are marked out for early revision. Though delivered four years ago, the lecture is still fresh and up to date notwithstanding the amount of thought and discussion which has been directed to the subject since then. Possibly he has over-emphasised the debit side of the social insurance balance sheet through not drawing sufficient attention to the potential stimulation and reinforcement of the productive side of the national economy which might arise from the increased demand for commodities and the improved public health which would be associated with a higher standard of living brought about by a well planned and well administered social security scheme. Some people may be inclined to question the inevitability of Mr. Bayne's assumption that in any more developed system of social insurance in this country the principle of roughly equal contributions by the insured person, the employer and the State would be maintained. There is no obvious reason why the State should as a general principle pay for the insurance of those who can afford to pay their own way, and, under any properly regulated economic system, that should be the bulk of the people.

On the other hand, it is proper that security of tenure should as far as possible be a normal condition of a man's employment and that, in consequence, industry, through his employer, should make a contribution to his insurance. The State must lay down the legal basis of any national social security scheme, it must also supervise and regulate it and, in the last resort, guarantee it, but it certainly is not axiomatic that it should relieve those who are able to pay their own way by paying a part of their insurance contributions.

A note on the Anglo-Irish Trade Agreements of 1938 and 1948 and on the Swedish, Spanish, French and Dutch agreements, kindly contributed by the Department of Industry and Commerce, is printed as an Appendix.

F. C. KING.

14/2/49.

The Editor, for the Civics Institute and himself, wishes to thank the contributors for the time and trouble they have so generously devoted to the preparation of these valuable lectures, and for their kind permission to publish them.

The Economic Co-operation Administration in Ireland

Text of a Lecture delivered by Mr. J. E. CARRIGAN
Head of the E.C.A. Special Mission to Ireland, on 16th November, 1948

This lecture deals with a very big project of International Economic Co-operation, in which Ireland, in the words of the lecturer, is taking "a full and leading part". The future position of Ireland in world economy will be vitally affected by the measure of success it achieves in carrying out its own part of the plan and by the degree of economic co-operation which it can establish with its European and American partners in the scheme. Mr. Carrigan explains the machinery and operation of the Economic Co-operation Administration in a full and clear manner. The subject is one of critical importance and this lecture will be invaluable to students and others who wish to study the plan.

* * *

MR. Minister, ladies and gentlemen, I am greatly indebted to you for the honour and privilege of speaking here this evening about the Economic Co-operation Administration in Ireland. In so far as the administration of the Marshall Plan in Europe as a whole has a bearing upon its administration in Ireland, I shall extend my remarks to include some of its broader aspects.

Origins of the E.C.A.

The economic destruction and dislocation in Western Europe resulting from World War II was so extreme as to endanger seriously democratic institutions, individual liberty, and international peace and harmony. It became evident that the race between recovery and chaos might easily be lost in many countries unless their individual efforts were augmented by intelligently planned co-operation and by temporary assistance from countries which had been spared devastation and could afford to help. The United States of America, being more fortunate than its neighbours throughout the world, offered assistance to support a co-operative recovery effort by the European nations. This offer was made through our Secretary of State, Mr. Marshall, in his Harvard speech on June 5, 1947.

The Committee of European Economic Co-operation established by European nations to represent them in their difficulties brought into existence the Organisation for European Economic Co-operation (the O.E.E.C.), which has for its major purpose to ". . . undertake the

elaboration and execution of a joint recovery programme. The objective of this programme will be to achieve as soon as possible and maintain a satisfactory level of economic activity without extraordinary outside assistance . . ."

The United States then made good Secretary Marshall's promise by enactment of Public Law 472 of the 80th Congress, Title I of which is known as " The Economic Co-operation Act of 1948," which provides specifically for assistance and for the establishment of an agency known as the Economic Co-operation Administration (the E.C.A.) to represent the United States in handling the details connected with the programme of assistance.

Though I am speaking this evening about the E.C.A., I wish to make clear that it is the O.E.E.C. and not the E.C.A. that is of transcendent importance in this whole programme of European recovery. Just as the economic recovery in Europe depends on the European nations themselves rather than upon the United States, so the heart and soul and muscle of this programme for economic recovery depends on the Organisation for European Economic Co-operation, the O.E.E.C., rather than on its United States counterpart, the E.C.A. In the European organisation, which determines the manner of distributing economic assistance, Ireland has taken an influential part.

Terms of the Economic Co-operation Act.

The Economic Co-operation Act provides for an Administrator whose headquarters are in Washington, D.C.; a Special Representative abroad whose headquarters are in Paris, and an E.C.A. Mission in each of the participating European nations.

It also establishes a National Advisory Council on International Monetary and Financial Problems, composed of top officials in various divisions of United States government, and a Public Advisory Board appointed by the President of the United States by and with the advice and consent of the Senate, selected from the citizens of the United States, with broad and varied experience in matters affecting the public interest, to advise the Administrator on general or basic policy matters.

It authorises use of the funds available by the participating nations for (*a*) purchase of goods and services from hard currency or dollar nations, and processing, storing, transporting and repairing any commodities and performing other related services; (*b*) special technical assistance to participating nations; (*c*) carrying out special projects which contribute to economic recovery; and (*d*) safeguarding investments of nationals of the United States in enterprises in the various countries made with the approval of the Administrator and the participating country concerned. In connection with the transportation of commodities procured in the United States out of E.C.A. funds and transported abroad on ocean-going vessels, it provides that the Administrator shall take steps to assure, so far as is practicable, that 50 per cent. of the gross tonnage be transported on United States flag vessels to the extent such vessels are available at market rates.

It provides that the aid will be granted in such manner as not to

impair the fulfilment of vital needs of the people of the United States. (Naturally, the export of many goods which are in short supply in the United States will present problems affecting the American domestic economy. The adequate solution of such problems is necessary to Americans, as well as to Europeans.)

It authorises the United States to enter into bi-lateral agreements with each participating nation and into multi-lateral agreements with more than one participating nation in order to further the purposes of the Act. (Such a bi-lateral agreement between the United States and Ireland has been executed.) It provides, among other things, for co-operation with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and in reducing barriers to trade among themselves and with other countries.

It directs the Administrator of the Act to terminate assistance to any country whenever he determines such country is not adhering to its agreement or whenever because of changed conditions the assistance is no longer needed.

It authorises the President of the United States to request co-operation of the United Nations and of other international organisations in carrying out the purposes of the Act.

It sets the date of termination of the programme as June 30, 1952, unless such date is changed by Act of Congress. (All our efforts should, therefore, be directed toward the achievement of general recovery within the period of these four years.)

It requires reports to be made to Congress and establishes a joint Congressional committee to study the programme and make reports and recommendations to Congress.

The Economic Co-operation Act, as modified by the Appropriation Act, provides five billion dollars for loans and grants to countries participating in the European recovery programme for the period from April 1, 1948, to June 30, 1949. Whether such assistance shall be by means of grants or by means of loans depends upon the character and purpose of the assistance and upon whether there is reasonable assurance of repayment considering the capacity of such country to make such payments without jeopardising its own recovery programme or that of Europe.

Preparation of National and European Programmes.

As a basis for determining the amount and type of assistance needed in overall European economic recovery, the O.E.E.C. is preparing a long-range programme for recovery. Each participating country has prepared a long-range programme of its own. The individual country programmes will form the basis for the overall programme.

The O.E.E.C. also prepares an annual programme setting forth the types and amounts of assistance needed in the year ahead and requires each participating nation to prepare an annual programme as a basis for the overall annual programme. The annual programme helps the United States to determine the amount of assistance required. When such assistance is made available, O.E.E.C. is then asked by E.C.A. to

make recommendations for allocation of this assistance among the participating countries.

The preparation of such programmes is a very great task. It requires careful study of all economic factors involved in the life of a nation. It is particularly hard if this has never before been done, as is the case in some of the nations. I am sure, however, it is worth while not only for the operation of the European Recovery Programme as a whole, but also for the long-time operation of the individual country.

After the annual allocations of assistance to the various countries have been generally worked out, the E.C.A. determines for the quarter year the amount of assistance available to the various nations and the purposes for which this assistance may be used. This is not done in arbitrary fashion; rather it is by negotiation. Furthermore, as conditions warrant, modifications may be made. It is important to keep in mind that the programme, while definite, is never final. It is always open to review until the actual commitment for specific use of the funds is made.

The Course of an E.C.A. Transaction.

Let us follow through a transaction in connection with the part of the programme for which most of the funds will be used, namely, the procurement of goods and services from dollar or hard currency countries. Suppose that the annual programme for Ireland carries an item of $4,000,000 to be expended for miscellaneous machinery and that a quarter of this, or $1,000,000, is available in the period January 1 to March 31, 1949. The Government of Ireland prior to October 1, 1948, will have provided application blanks to the banks, where they may be obtained by machinery importers. These importers fill in the blanks, setting forth the amount of machinery they would like to buy from such hard currency countries as Canada or the United States. On a given date the Government of Ireland collects the blanks, screens them, and sends requests to the E.C.A. in Washington. The E.C.A. considers the requests and gives the Irish Government authorisation for procurement of a total amount of miscellaneous machinery during the quarter. The Government of Ireland then authorises the individual importers to buy the machinery from exporters in Canada and the United States. The Irish importers then place orders with the Canadian or United States exporters.

When the goods are delivered and the importers receive their bills, they get dollars from the Irish Government in exchange for pounds and pay the dollars to the Canadian and American exporters. The Irish Government draws $1,000,000 under its loan agreement with the E.C.A. to replenish its dollar balances. The importers then sell the machinery to Irish businessmen.

General Result of Assistance.

Now what is the situation? The United States Government has $1,000,000 less money. The United States and Canadian exporters have sold a million dollars worth of machinery and have been paid in dollars. The Irish machinery importers have purchased the machinery

and paid for it and have, in turn, sold it to Irish businessmen, who are using it to produce goods for export or for the home market. The Irish Government has the equivalent of a million dollars in sterling (which it can use further to stimulate recovery) and an obligation, under the loan agreement entered into between the United States and Ireland, to repay $1,000,000 in 35 years with interest at 2½ per cent.

The point is that Ireland could not get the machinery without the dollars. Irish industry could not produce its products without the machinery. Europe would be short of that much goods, Ireland would be short the income from sale of these goods, and European economic recovery would be accordingly impaired.

Other Forms of Assistance.

The other provisions for assistance to which I have briefly alluded in outlining the Act do not need as extensive treatment. First, with respect to provision of technical assistance, if the Irish Government believes that technical advice or assistance is necessary in connection, for example, with the construction of a hydro-electric plant or development of a better veterinary or agricultural service to farmers, it may request such assistance, and, if the project appears to be justified and the money provided for this purpose is still available, E.C.A. will provide that assistance.

Beyond the proffering of technical assistance and advice, E.C.A. may also make funds available for large special projects involving actual construction, where such construction will advance recovery.

In order to encourage private investment of United States capital in the participating countries, E.C.A. may guarantee that earnings or capital so invested will be reconvertible into United States dollars. In order to be eligible for such guarantees, the investor must convince both the government of the country in which the investment is to be made and the Administrator for Economic Co-operation that the project involved will contribute to European recovery.

This, in a general way, outlines the operation of the programme for European recovery and indicates not only E.C.A.'s place in it but also that of O.E.E.C. and the governments of the participating nations.

Activities of the Special Mission to Ireland and its Relations to the Programme.

It may be well now to be a bit more specific about the special mission to Ireland, its activities, and its relations to the programme.

As previously stated, recovery planning is primarily one for the participating countries, and so the job in Ireland is primarily the job of the Government and people of Ireland rather than of the E.C.A. Mission. The Mission represents the E.C.A. Administrator in Washington in Dublin, and its purpose is to facilitate the effective operation of the programme. More specifically, we in the Mission to Ireland have the following duties:—

We study the long-range and annual programmes of the Irish Government and report to the E.C.A. office in Paris and in Washington, giving our appraisal of how its programme fits into the

European Recovery Programme. We may make suggestions to the Government for improvement in its programme whenever we feel that we have worthwhile suggestions.

We make quarterly reports on the progress of the programme in Ireland to the E.C.A. in Paris and Washington.

We make special reports on request or when needed to the E.C.A. in Paris or in Washington in connection with modifications in the programme or any other transactions calling for such information.

We maintain close contact with Government officials, especially with those of the four Departments primarily involved, namely, the Departments of External Affairs, Agriculture, Finance, and Industry and Commerce, in order to be as helpful as possible in working out the operation of the programme. We act as liaison between the Government of Ireland and the E.C.A. in Paris and Washington, undertaking to clarify points about which there may be questions and assisting to solve problems which may arise.

Now that the loan agreement has been signed and procurement authorisations are being issued, we shall be checking arrival of commodities in Ireland and shall trace some of them to their final utilisation that we may demonstrate to Americans that Irishmen are using the goods in capable fashion towards recovery.

We help to give the public information about the programme at meetings, over the radio, through the Press and at group and individual conferences.

As the programme develops we shall want to encourage the investment of United States funds in enterprises in Ireland, when they contribute to economic progress.

We shall help obtain technical assistance as requested by the Government.

We stand ready to do whatever is possible for us to do in facilitating the effective operation of the programme in Ireland to the end that it may contribute most to building up the economy of Ireland and to the economic recovery of Western Europe.

otives for U.S.A. Action.

Perhaps the question most often raised in connection with the uropean Recovery Programme is: "Why is the United States giving is assistance?" I take pride in the feeling that simple human mpathy is a very real motive in support of the European Recovery rogramme by the people of the United States; a more practical iotive is the realisation that a shattered and depressed Europe means ss prosperity and low living standards for us in the United States. hese I believe to be elements in our adoption of the recovery proramme, but the central reasons are stated in the Economic Co-operaon Act of 1948, as follows:—

"Recognising the intimate economic and other relationships between the United States and the nations of Europe, and recognising that disruption following in the wake of war is not contained by national frontiers, the Congress finds that the existing situation in Europe endangers the establishment of a lasting peace, the general

welfare and national interest of the United States, and the attainment of the objectives of the United Nations. The restoration or maintenance in European countries of principles of individual liberty, free institutions and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance."

This is a programme of recovery, not relief. It is not assistance from the rich to the poor either by way of charity or relief. It is not the sort of gesture for which America demands response of gratitude; instead, the European Recovery Programme is a co-operative undertaking in which each partner contributes according to his means. The concept of a working partnership between the United States and Europe has been clearly and concisely expressed by Economic Co-operation Administrator Hoffman as follows:—

"Success will depend mainly upon our partners across the Atlantic, because the American contribution (large as it is, from the standpoint of the American taxpayer) amounts to less than 5 per cent. of the annual income of the participating countries. This critical 5 per cent. will be effective only to the extent that it is used with imagination, courage and vigour to increase the productivity of labour and farms and management throughout sixteen European nations."

I congratulate Ireland on taking a full and even leading part in this tremendous programme which holds so much promise for lasting peace in the world.

The Agricultural Co-operative Movement in Ireland

By REV. E. J. COYNE, S.J.
President Irish Agricultural Organisation Society, Limited

The co-operative movement has played a very important part in Irish agricultural development but there are few authoritative sources of recent date to which the student of public affairs can refer for a full account of its achievements, objects and methods. In this lecture Fr. Coyne has supplied in tabloid form an excellent factual statement of the present state of the movement, the objectives it has set before itself and the means by which it seeks to attain them. The authority which attaches to Fr. Coyne's views and the high quality of the lecture itself make this a most valuable contribution to "Public Administration in Ireland".

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THE object of this lecture is to give some factual information about the present state of the agricultural co-operative movement in Ireland and about the principles and ideals of that movement. I wish to stress the fact that I am dealing only with the agricultural co-operative movement and am not touching upon any other co-operative societies that may, and actually do, exist in the Twenty-Six Counties.

According to the latest statistics there are 317 co-operative societies, consisting of 96,700 members. The total paid-up share capital of these societies is approximately £730,000 while they have a loan capital of some £820,000, a total, that is, of £1,550,000. The combined turnover of the co-operative societies was, in 1946, £17,700,000. These are the bare figures of the structure of the movement.

The societies fall into three or four clear divisions. There are first the creamery societies, some exclusively engaged in the processing of milk into butter, others combining with this a store, or some form of marketing of agricultural produce. Of those which we call creamery societies there are at present 202 with a membership of 49,000. There are then the agricultural societies, chiefly stores for selling the raw materials of the farmers' industry. There are seventy-four of these, with a membership of 21,000. Then there are miscellaneous societies numbering nineteen, with a membership of 22,000. Finally, in addition to these trading societies there are twenty-one small agricultural credit societies, with a membership of

3,800. There is, in addition, a federation of co-operative societies involving a membership of 360.

The distribution of the societies over the country ranges from forty-four societies in Tipperary to one each in Leix, Longford, Fermanagh, Mayo and Roscommon. The Irish agricultural co-operative movement was founded on the creamery society and, consequently, the greatest number of societies is found in the creamery counties. In Tipperary there are forty-four, Limerick, forty-one; Cork, twenty-six; Cavan, twenty-two, and Kilkenny, twenty-one. After that there is a great fall in the number of societies in the other counties. Sligo, Donegal, Monaghan and Kerry have only eight each, Waterford, seven, and Leitrim, six.

With regard to membership of the societies Cork heads the list with 8,600 farmer members of societies, Limerick comes next with 6,700, followed by Cavan, Tipperary and Sligo, with over 5,000 members. At the end of the list comes Longford, with only 385 farmer members of societies, Roscommon, with 293; Wexford, with 271, and Clare, with 249 members.

With regard to the amount of paid-up capital, put up by the farmer members, Limerick has a figure of £125,000 invested in creamery societies, Cork, £112,000, and Tipperary, £45,800. The other societies are very much smaller. With regard to the turnover, that is the selling of dairy produce, Cork leads the country with a total turnover of £2,190,000, Limerick comes close behind with £2,000,000, and Tipperary, with £1,370,000.

A final set of figures, giving the relative positions of the counties, may be of interest. Limerick leads the country with a total milk supply to its creameries of 35,000,000 gallons a year; Cork comes second with 32,000,000 gallons and Tipperary third with 21,000,000 gallons a year. It is easy to see how important these three counties are when we realise that the next largest supply of milk comes to the Kilkenny creameries, and amounts only to 7,500,000 gallons a year, almost the same as Waterford. The lowest milk supply is found in Roscommon, where the societies draw on only a supply of 74,000 gallons.

With regard to the size of the co-operative societies existing in Ireland the following facts may be helpful. There are twenty-six societies doing a business of over £100,000 turnover in the year, but the vast majority of the societies are much smaller. Some forty of them have a turnover of £25,000 and perhaps another forty are between £10,000 and £25,000. Consequently it is easily seen that the agricultural co-operative movement in Ireland is primarily one of small societies.

Out of a great number of societies founded in the early days of the movement between 1890 and 1900 about fifty-six are still in existence. In the second stage of the movement between 1900 and 1910 we find seventy-two societies founded. In the following decade, 1910-1920, there are forty, and between 1920 and 1930, apart from the consolidation and amalgamation of many weak societies, there were twenty-five important new societies founded. Naturally, in recent years, the

number of new societies coming into existence has been relatively small.

Formation of a Co-operative Society and its Activities.

It may be well here to try to sketch out some concrete picture of what a co-operative society is. We shall take a small remote district covering, say, a circle with a diameter of ten miles. Within that circle the organiser of a co-operative society will, first of all, investigate how many farmers there are, and how many milch cows each farmer keeps. In this way he will form a good estimate of how much "milk is in the district". If he finds that there is sufficient milk within that circle he will then approach each farmer and ask whether he would be willing to join a co-operative society for the purpose of processing his milk. In other words, the attraction to a farmer would be having a sure market in which he could sell his milk within easy reach of his farm, say between five miles and one mile. There is, of course, a lower limit of milk supply beneath which it would not be economical to run a creamery. But, assuming for the moment that there is an annual supply of 100,000 gallons, the organiser would then suggest to the farmers that they should contribute the necessary capital to build and equip a creamery to be placed in the centre of this circle. The farmers would own this creamery and would appoint a manager. Obviously the co-operative society formed by the farmers would be a different moral personality from either the farmers collectively taken together or each individual farmer. But, nevertheless, it is true that a farmer selling his milk to the society is in a certain sense selling it to himself. When the milk has been separated into cream and skim milk the farmer can take back his skim milk and will be paid for the remainder in accordance with the quantity of butterfat it contains. To form a co-operative society each farmer will have to take a certain number of shares. Normally he will be asked to subscribe at the rate of £1, £2 or £3 per each milch cow which he keeps, so that a farmer with an average of 10 milch cows may be asked to subscribe £30 as share capital to the society. If we have 200 farmers each subscribing an average of £30 we have a share capital of £6,000. Actually that would be on the high side. Very many co-operative societies work on a much lower paid-up share capital. The figure 200 farmers is taken as a fair average for the membership of a co-operative society. It should not be so large that the members could not conveniently attend a general meeting, and it should not be so small as merely to be a private little group. An average of 10 cows should give a daily supply of milk of 25 gallons or, better put, should give an annual supply (at the very low present yield of cows) of 3,500 gallons. This would mean in our hypothetical case an annual supply to the creamery of 700,000 gallons, which would be a very big supply. It can be seen that the structure of such a society is very simple. The farmer sets up for himself a market where he can sell his produce, and then as a member of the society he processes these products which are sold by the society, and he gets first a market, sure and advantageous; secondly, a good price for his milk; thirdly, the interest (never more

than 5 per cent. on his capital invested), and, fourthly, any profits to be made from the processing of his products.

After a while the profits of such a society will almost certainly be larger than the sum required to pay 5 per cent. on the share capital and to pay the interest on any loan capital which might have been required to buy equipment or stock. These profits could then be either (*a*) distributed to the members in accordance with their sales of milk to the society, and this is one of the co-operative principles, or (*b*) held by the society as its reserves (or surpluses). The normal policy in Ireland has been to hold these reserves and to invest them in some new branch of the production owned by the society. So, in the course of years, farmers of the district gradually become the owners of more and more producing capital, creamery, machinery, land, stores, even factories.

Such a society, if it is at all prosperous, will not be long in existence before it finds itself forced to give various services to its members. The farmer or his boy has to bring his milk each day from the farm to the creamery buildings, at least during the season of the milk flow, which might be only seven or eight months in the year. He may have to travel five miles from his farm for this purpose and to go five miles back. Hence, in order to economise on journeying he will soon begin to demand that the creamery get a lorry to collect the milk. Obviously this lorry will be paid for out of the profits of the society, and the profits made on it will go back to the society, *i.e.* to the farmers. But the farmer will probably ask the manager of the creamery to do much more than merely collect the milk. He will find it more convenient to buy his fertilisers or his feeding stuffs from the co-operative society at the creamery than to go into some neighbouring town, perhaps three miles in the other direction. Consequently there will be a steady pressure brought upon the committee by the members to open a store in connection with the creamery. This store will first deal only in the raw materials of the farmers' trade. But later on it is almost inevitable that the farmers will ask for other goods for their household use—farm boots, for instance, machinery and hardware. As there is little risk in trade in these commodities the manager will probably readily agree. But things will not stop there. The farmer's wife will find it more convenient to buy her things at the store attached to the creamery and so the manager will be urgently requested to stock foodstuffs, especially the less perishable kind and probably also drapery and ordinary household necessities. This is the way co-operative stores spring almost inevitably from the erection of a creamery. At the same time, the farmers will gradually wake up to the fact that their co-operative society, if it is able to sell the butter it makes, ought also be able to sell the grain the farmer has over and above his needs, the eggs and poultry his wife may have produced and the various other goods which the farmer wishes to dispose of and so, almost without noticing it, the co-operative society which began merely as a very simple processing society, churning milk into butter, develops into a buying agency and a selling agency for the farmers of the district. It is clear that such a society buying on a

large scale can get very much better terms both as regards price and quantity and guarantees than the individual farmer can obtain and when selling such a society can enter into much larger and longer term contracts than any individual farmer.

Things are not likely to stop there for as the society develops the profits will accumulate and some use must be found for them. An enterprising committee will at once see the possibility of the society starting, say, a sawmills for the service of its members or even for making its own butter boxes. It will also see the value of running a lorry for the service of its members. It can even buy the live stock, especially the pigs, from the farmers and sell them in bulk to some bacon factory. And if it once does this the day will come when the society will ask itself why it should not itself own and work a bacon-curing establishment. Possibly it will dawn on a well-informed committee that it might be a good thing for the society to buy the young pigs from its farmer members and to fatten them for the market. This in time will lead to the need of buying a farm on which can be collected the various live stock bought from the members and on which can be produced the feeding-stuffs required. This farm, being owned by the farmers as a society, will be able to be used as a demonstration farm and can afford to try out experiments in various directions. Logically there will come a time when the societies will get together and form a co-operative wholesale society which will buy for all the societies together and which might be used also, but not very easily, as a selling agency for the societies. The possibilities of development in co-operative societies are almost unlimited. Needless to say, very few societies in Ireland have approached anything like the full limit of their possibilities. Indeed, comparatively few societies go outside the making of butter and the running of a simple store trade.

Legal Basis of Co-operative Movement.

Those who are interested and are doing the course of public administration must perforce be interested in the legal basis of the co-operative movement in Ireland and should certainly obtain the invaluable handbook for committees of co-operative societies written by Mr. Riddall of the I.A.O.S. They will find there a very detailed account of the legal rights and duties of co-operative societies as well as a great deal of other valuable information concerning the practical running of societies. It is sufficient for me to draw your attention to the fact that all co-operative societies in Ireland (except co-operative credit societies) must be registered and incorporated under the Industrial and Provident Societies Acts, 1893 to 1936. Under these Acts no person may hold more than £200 of share capital in any society, with certain negligible exceptions touching the Dairy Disposals Company's purchases. The point of this provision is to make sure that the members of a society do not invest money in the society for the purpose of personal profits. The Acts are administered by the Registrar of Friendly Societies under the Minister for Industry and Commerce. There is a limited liability of shareholders, that is, limited to the unpaid balance, if any, of their shares. A shareholder has, too,

the right to nominate a person or persons to whom his shares up to £100 shall be transferred at death. There is a much discussed and often very badly understood exemption from liability to tax by the income tax under Schedules C and D of the Income Tax Acts. As a matter of fact, a true co-operative society cannot make real profits in the income tax sense seeing that there is only a question of mutuality of trading. Any surpluses left over at the end of the year's trading with the members are really the property of the members and are given back in the form of deferred discounts or else are placed to their credit in the form of reserves. Another book which students will find useful is *Dairy Legislation in Éire* by Professor Lyons of University College, Cork. Each society must have a set of registered rules governing its constitution, administration and management. No action or decision of the committee, or even by a general meeting, can legally override or conflict with any registered rule. The societies as a whole do not work under a single uniform set of rules but most of the rules in use are very much the same. There has to be at least one general meeting in the year, known among the initiated as the A.G.M. (annual general meeting). The business of this meeting is chiefly the election of committeemen and the discussion and approval or otherwise of the report prepared by the secretary or manager as well as the reading and approval of the auditor's report and the statement of accounts. The general meeting elects a committee which is the board of directors of the society. Normally the committee appoints all the employees of the society including the manager and fixes their duties and remuneration. It is unnecessary to go into all the duties of the committee. There is a secretary, either honorary or paid (often this office is combined with that of manager) and he is intended to be the supervising authority for the committee in all matters of an administrative character. There is a manager then appointed for the purely technical side of running the society's business, whether creameries, stores, factories, etc.

Philosophy and Ideals of Agricultural Co-operation.

It is now time to say a few words concerning the philosophic principles and the spirit which is at the foundation of all agricultural co-operation.

Agricultural co-operation, as a constructive social and economic policy, programme and practice, springs from the conviction that the farmer is a highly skilled specialist in a key position. If he is—and we know that he is—then the only common-sense plan for a community to follow, and for himself to insist on, is to make sure that he is free to devote his whole time and energy to doing his own specialised work, free that is, from other distracting outward tasks and free, too, as far as possible, from all unnecessary anxieties and worries not intrinsic to his trade. *Ex hypothesi,* he is specially trained and specially experienced for the task of farming and if a country wishes to use its wealth-producing resources in the most efficient way, it will take care that the invaluable and irreplaceable resources of the farmer's skill, energy, experience and character are devoted to farming

and to nothing else. From this truth emerges the doctrine of agricultural co-operation.

That doctrine teaches that the farmer should conserve his time and energy for those tasks for which he is best suited and which he alone can perform and that he should delegate to someone else both the preliminary stages of his productive processes and the final stages of disposing of his products. The preliminary stages are the buying in wholesale lots and at wholesale prices of his raw materials, fertilisers, feeding stuffs, seeds and of his power and machinery and of his capital, fencing, housing, containers and the like: the testing for quality of these things and the constant servicing and repair of farm buildings, fencing and machinery. Moreover, the farmer should have at his disposal a research service for the various essential factors of his trade, at least an intelligence service that would keep him fully abreast of modern scientific thought, discovery and progress. The final stages are the transporting, storing, processing and selling of his products in the most economical and efficient way. All of these should be done co-operatively.

Agricultural co-operation sets before itself as its task the application to agriculture of this division of labour which has been one of the chief causes of the enormous increase in industrial productivity in the last two centuries. If co-operators wish, as they do, to increase the productivity per man and per acre, they shall have to make an even greater use of co-operation.

Qualities of a Good Co-operator.

The first condition of successful co-operation is an unshakable belief in self-help, a refusal to hanker after the spoon-feeding now growing so common, and a determination to put one's trust in God and oneself, a sturdy self-reliance on one's own character, industry, foresight and enterprise, with a readiness, of course, to learn from others whatever they can teach.

The second condition is the cultivation of an unselfish team spirit based on a knowledge that the prosperity of their fellow-farmers cannot injure them but must help them and that, therefore, they are doing themselves a real service by helping others—a strange enough, but common, paradox where unselfishness brings its own very great reward. They must be convinced that they themselves as members of a prosperous community, farmers and labourers, will undoubtedly be better off than as members of a poverty-stricken community and, therefore, should make it their business not to try to impoverish their fellow-farmers but to join with them in trying to increase the prosperity of all. They can make a little contribution to increasing the productivity and lowering the cost of the 200 or 300 farmers in their district by co-operating with them—and if they do, then they must increase their own prosperity as well. They work for the 199, but the 199 work for them.

The third condition is the possession or cultivation of the three great moral qualities—imaginative planning, keen initiative and hopeful, confident enterprise. There is a danger of over-conservatism in a

rural population. True, they must strive to preserve all the best that has been handed down to them, but they must also know how to combine steady progress with continuity and tradition; true, they must have their roots in the past and cling to the treasures of wisdom and practical experience handed down to them by their forefathers, but they must also take care that these roots are living and vigorous and that there is organic growth going on. They cannot expect to survive if their standards of efficiency and their achievements are not equal to the accepted standards of the 20th century elsewhere.

The fourth condition is a humble readiness to learn. Co-operators should make it their aim to pick the best brains in this and other countries, and they should listen gratefully to both destructive and constructive criticism about their farming methods and business practices and weigh it all coldly and unemotionally.

They must learn to have a voracious appetite for knowledge, facts and figures and a clear understanding of them. They must know how not to be impatient with facts or rebel against them but rather know how to use them in their own favour. They must have a strong sense of the real and the practicable—shot through with a tinge of idealism, knowing what is possible as distinct from what is desirable and what, though impossible now, may be possible in a few years' time if attacked vigorously. Above all, co-operators must learn to have confidence in those whom they employ to give them service that they cannot give themselves and be willing to pay the labourer his just hire.

The fifth condition is the capacity and courage to say: "I made a mistake," "I was wrong," and "I don't know"—a humility of an heroic kind, lamentably rare in public life—but essential, not only for holiness of the soul, but for the health of the body politic.

Co-operators have sometimes been called "starry-eyed" idealists and they do not reject the term, for nothing lasting has been achieved in the world without a large dash of idealism in those who achieved it. But they are starry-eyed idealists who have their feet firmly fixed on terra firma, in fact, in the American phrase they are "dirt farmers" as well as idealistic farmers. It is said that the farmers of Ireland, and especially the co-operative farmers, know what it is to have mud on their boots and sweat on their brows, but at the same time pride in their hearts for their profession and their service to the community and their service to the land, and one of their starry eyes is very frequently fixed on the main chance as shown in a bank balance. Again and again it has been asked: "What does the co-operative movement set before itself as an objective?" "Has it any ordered plan or policy?" and I should like, in the short time at my disposal, to give some outline of an answer to these questions.

The co-operative movement is fully conscious of its obligation and responsibility to give of its best in the very difficult years following World War II. The movement has quite clear ideas as to the main lines on which Irish agriculture must progress.

Objectives and Methods.

The ultimate objective is common ground with everyone who gives

any thought to the subject at all: the agricultural community, and that is each individual farmer, must aim at (1) increased productivity —per man, per acre, per beast—and let me add, per family—for they shall have to give up letting the enormous potential productivity of their women folk in rural areas go waste. I do not speak of increased productivity per £100 of capital invested at present, because probably that is already quite high, chiefly because of the under-capitalisation of agriculture. And, secondly (2) they must aim at reducing more and more the material costs of this increased production to which they look forward. I say "material costs"—for I do not, and rightly do not, include in "costs of production" the remuneration of the human factor of production, the remuneration of the farmer and his helping family or his employed men: that remuneration is not a "cost"; it is the whole end and meaning of production; and it is precisely to increase that remuneration, not to reduce it, that they aim at increasing productivity and reducing material costs by eliminating redundant and wasteful expenditure of labour, materials or time.

Co-operators believe that there are three essential means which must be applied and can be applied at once as a first step to achieving their two objectives. They are in order of importance and in order of application: (1) A more intensive and extensive agricultural and general education for the rural community, both youth and adult. (2) Better organisation of the farmers on strictly professional lines; an organisation, of course, of a co-operative form, but not solely or exclusively such. (3) Thirdly, a higher degree of capitalisation.

The Importance of Agricultural Education.

With regard to the first of these three means, there are two things of which I am convinced: (*a*) the expenditure on agricultural education, at least adult agricultural education, should be looked upon as a capital investment in any particular county—and the actual capital cost of buildings, farms, equipment, etc., provided for agricultural colleges and demonstration farms should be paid back from the rates of that county over a long period of years; (*b*) the only hope for agricultural education is a very large, almost complete, measure of decentralisation, making the county the unit, with a fully responsible director of education for the county paid by the county. The success that this method of organisation has met with in England, say, but in other countries as well, is proof enough that it is the sound method. I suppose some of you will have heard of Mr. Henry Morris, the Director of Education of the county of Cambridge in England, and the veritable revolution which he has, in a very short time and at a relatively small cost to the county, produced in rural education. He has set up four village colleges in his county, to give higher education to rural people. These are now places of pilgrimages for everyone interested in rural education. Cambridgeshire is a small county, it is only 320,000 acres and has only 130,000 of a population and has no big industrial concern in its area; it is, of course, a good dairying county as well as tillage and fruit growing. But it evidently is big enough and rich enough to need and make use of a full-time director

of education, as every county in England does. Cork County has an area of 1,850,000 acres, more than five times the size of Cambridgeshire, and a population of 287,000; Tipperary has an area of 1,000,000 acres and a population of 140,000; Limerick has an area of 680,000 acres and a population of 100,000. Why should not each of these have a Henry Morris as a director of agricultural education? I should certainly like to see the recommendation of the Vocational Commission accepted, suggesting the setting up of a central county agricultural institute in every county, with a demonstration farm attached, as well as all the offices required for the administrative side. In addition, Morris' idea of a village college for every ten or twelve villages, with a rural community centre attached, is still more desirable in Irish counties where the population is so much more scattered than, say, in Cambridgeshire.

Organisation for Co-operation.

After education comes the crying need for voluntary organisation of the rural community as a whole, but especially of the farmers. Naturally, this is very close to the heart of the co-operative movement. It must be admitted that, with one out of every three or four farmers in Ireland a member of a co-operative society, we have not done too badly; especially when we remember that the services of the movement are open even to non-members and that probably every second farmer in Ireland is benefiting from co-operation, even if he does not know it. But there is great room for further co-operative organisation—marketing, producing, processing, supplying, and various other needs.

Capitalisation of Agriculture.

Thirdly, and only after education and organisation, comes the question of capitalisation. Without education and organisation, cheap credit for capital purposes might only lead the Irish farmer into unprofitable debt and be a very doubtful blessing. After all, capital is nothing more than increasing, generally on credit, the potential productivity of either a man or a field or a beast. If you have borrowed a large sum of money to buy an expensive machine, and then find that you are unable to use it for lack of knowledge or education or unable to market its products for lack of organisation then you are in a worse position than if you had carried on on a smaller capital and kept out of debt. On the other hand, given education and organisation to enable you to use to the utmost such a machine and dispose of its products, then obviously it will have been worth your while to go into debt to buy it, that is, to increase the capitalisation of your farm. Capital, of course, is the chief way of increasing the potential productivity of a man or a farm; it makes a man's pair of hands produce in one hour the wealth which possibly the labour power of ten or twenty horses could only produce in eight hours.

Agricultural Credit

By R. BARTON
Chairman, Agricultural Credit Corporation

There is no quick turnover for the farmer as there is for the businessman or the industrialist. Harvest time comes but once a year and Nature won't be hurried. Nor can she be controlled. No farmer can make his agriculture immune from the very severe losses which vagaries of climate and weather may bring in their train, whereas, as Mr. Barton points out, the industrialist can protect himself against most natural catastrophes. It may take a tornado or "a juggle with the atoms" to affect his operations to a serious degree. These are some of the reasons why agricultural credit is so necessary. Mr. Barton, who is the head of the Agricultural Credit Corporation as well as being a practical farmer, can tell us as much as any man living about the part credit can and does play in Irish farming. Not only that, but he can tell it in a most readable and racy way. His descriptions of the background against which the Agricultural Credit Corporation works are as delightful as his account of its operations are instructive. Mr. Barton's views on the expansion of agricultural credit are most interesting and should be compared with those expressed by Fr. Coyne in his lecture on Agricultural Co-operation.

It should be noted that this lecture was delivered before the passage of the Agricultural Credit Act of 1947 which made some changes in the Constitution and practice of the Agricultural Credit Corporation.

* * *

BEFORE explaining the way in which credit is dispensed to farmers by the Agricultural Credit Corporation I deem it advisable to review the field of Agricultural Credit generally, and to indicate briefly some of the causes which give rise to differences in the manner in which capital is provided for agriculture as contrasted with the manner in which it is obtained by industrial enterprises.

You will have observed that whilst banks and other credit institutions cater for the farming community as part of their normal functions, there are in this country, as in most others, specialised organisations whose purpose is to finance agricultural interests exclusively. There must, therefore, be factors which make agriculture as practised in modern Europe economically distinct from commerce and industry.

Agriculture and Industry.

The very fact that we divide human endeavour in the field of production into agriculture and industry is in itself an indication that we recognise a fundamental difference between these two activities.

I think it is legitimate to consider industry, as we know it to-day, as being a development by mechanisation of the crafts of earlier eras. For instance, the buttons we use, now turned out by the million, are cheap and convenient substitutes for the hand-made brooches and pins used by our ancestors and perhaps handed down by them from generation to generation. Similarly agriculture, as we practise it now, is a more assured and cheaper means of providing an abundant supply of food for human sustenance than that which was employed by primitive man, leading a nomadic and pastoral life when he secured the greater part of his food by searching for it and by weapons of the chase. Modern agriculture might therefore be considered as a mechanised method of deriving human sustenance from the soil. Nevertheless, in spite of the fact that agriculture provides much of the raw material for industry, and in spite of the similarity of their evolutionary histories, we always keep the two very clearly separated in our minds and have developed differing ways and means of financing them. One of the fundamental reasons for this differentiation is the degree of control exerted by natural forces.

Greater Risks in Agriculture.

Industrialists have almost succeeded in eliminating the hazards of weather, and in recently constructed factories, in which the air is " conditioned ", all baneful climatic influences have been removed. On the other hand in agriculture natural physical conditions are still on top. Warmth, moisture, seasonal changes, mineral fertility, elevation, wind pressure, aspect and shelter, still dictate the kinds of field crops which farmers can grow with profit and the types of livestock which they can maintain. It is natural forces and circumstances that weave the pattern of agriculture in all countries and even in local areas within them. Over wide areas of the earth's cultivated surface the vagaries of climate and weather decide from year to year the measure of farming profit. It may need a tornado or a tidal wave or even a juggle with the atoms to wreck the industrial life and prospects of an area built over with factories, but a drought or an outbreak of foot-and-mouth disease may be responsible for the deaths of tens of thousands of animals; a few foggy nights between warm moisture laden days may so activate an atmosphere born fungus as to destroy a potato crop in spite of earlier spraying; a long period of rainfall may reduce the value of a magnificent crop of hay or grain to a figure that will not cover the cost of seed and harvesting or a late frost may destroy all prospect of a profitable fruit crop.

In industrial production man is virtually secure against natural forces; in agriculture the most up-to-date scientifically efficient farmer, even in a temperate climate such as ours is, cannot escape the law of averages nor the wayward finger of fortune.

It is true that in the conduct of industry there are fire and other

controllable risks that are of lessened import in the case of agriculture, but because nature still plays a major rôle in the control of profitable production and the duration of the growth of agricultural products and of livestock, legislators, bankers, merchants and gombeen men have adopted other methods for providing credit for agriculture from those developed for industry.

In addition to this physical factor there are two others to which I must make reference.

Farming as a Way of Life.

Farming is a mode of life as well as a means of livelihood. It provides for the parents and their family a home, subsistence, independence, freedom of choice, an absorbing interest and a high standard of physical health. But at the same time it demands that farmers shall possess and exercise almost every virtue in the whole gamut of virtues, if they are to be consistently successful and to remain solvent. A farmer has no forty-four hour week, no fortnight's holiday, no week-ends, he has no compensation for injury, no pension other than the old age and the blind varieties, no National Health Insurance scheme. A stock breeder or market gardener cannot for long succeed without a real and absorbing interest in his profession as an avocation as well as a vocation. A small farmer with a young family leads a Spartan existence. Now when a credit institution or a banker is asked to issue credit to such an applicant it is by subjective rather than objective standards that he weighs merit. An industrialist is prone to rely upon his balance-sheet, a farmer upon his reputation—upon his character.

Character of Capital Structure of Industry and Agriculture.

I shall refer to only one other factor which markedly differentiates agriculture from industry—that is the character of their capital structures and the manner in which each raises fresh capital.

Whereas in industry and in commerce the units of production are large and tending to become larger by coalescence, the units in agriculture are, for the most part, small and in many countries are tending to become even smaller or at any rate more uniformly small.

The average size of farms in Europe, excluding Russia, is about 20 acres. In one province of Yugoslavia the average is as low as $2\frac{1}{2}$ acres, but taking each country as a whole, the range is from $3\frac{3}{4}$ acres in Belgium to 81 acres in Great Britain.

In Ireland and Denmark practically all farmers are owner occupiers. Pre-war statistics show that roughly 50 per cent. of farmers large and small owned their land in Holland and Belgium, 75 per cent in France, 83 per cent. in Switzerland, and 90 per cent. in Germany.

In industry the subscribed capital is owned and distributed amongst a number of shareholders. Fresh capital can be obtained by the issue of new shares or debentures as an alternative to obtaining bank credit. These are very real capital advantages accruing to industrial units, advantages in which the much smaller agricultural units cannot share.

When a farmer dies or retires because of old age, the problem arises of making an equitable distribution of his property amongst his children. In some countries, notably in Eastern Europe and to a con-

siderable extent in France, Belgium, Holland and Switzerland, a solution is found by sub-dividing the land, and this in turn gives rise to new problems. In Ireland until some time after the Famine the practice of sub-dividing holdings was general, until the original farms were split into fractional units, and sometimes were widely separated.

The Inheritance Problem in Agriculture.

In present-day Ireland the Land Commission controls sub-division and prevents the multiplication of uneconomic holdings. The Irish farmer, for the most part, arranges to hand over his farm intact to one of his children. The claims of his other children, unless he happens to own several farms, are met by cash payments out of moneys saved or by educating and preparing these children for alternative occupations, or, alternatively, by creating mortgages on the land either to a credit institution or in favour of the children themselves. Here we have one important reason accounting for so much being heard about the shortage of capital in Irish farming. The credit administrator can never get away from the inheritance problem, and incidentally this is one of the most important reasons accounting for the low marriage rate and for deferred marriages amongst farmers. For instance, when a small farmer seeks a loan on the security of his land, it is not unusual to find that the title is in the name of his deceased father, because he has not been able, or has been unwilling, to find the money to settle the claims of other children; if a family settlement has been made, there may be mortgages on the land in favour of the new owners, brothers and sisters, which will prevent satisfactory security being given for a loan unless these other children are willing to postpone their claims. Once a loan is made, the borrower's means, and consequently his ability to meet his engagements, may be impaired by his efforts to meet the claims of his children or of his brothers and sisters out of his earnings.

Factors Tending to Depress Farmers' Incomes.

Because of the small size of farming units the economies to be effected by large-scale buying, selling and production are difficult to achieve. The Danes, however, have succeeded in overcoming this difficulty because of their unequalled capacity for self-organisation into co-operative societies and federations of societies. Our progress in this direction, in spite of its early promise under the inspiring leadership of Sir Horace Plunkett and Father Finlay, has been slight, except for the production of butter in the dairying districts.

Amongst other factors tending to depress the incomes of farmers are: (1) the relative inelasticity of the demand for foodstuffs under normal trading conditions; (2) the competition of newly-developed regions with fertile virgin soils and low overhead costs; and (3) the ever-growing onslaught of the synthetic products evolved by chemists to take the place of such live-stock products as butter, wool, hides, eggs and feathers. Comparisons with other countries are always difficult to appraise accurately, and are sometimes misleading, nevertheless it is of interest to note that the countries which make the most exten-

sive use of agricultural credit are those in which farming efficiency attains its highest level.

In Denmark a Commission set up in 1937 to make a survey of agricultural debt found that farmers' mortgage indebtedness amounted to 60 per cent.—65 per cent. of the sale value of Danish holdings. Interest on these mortgages averaged £1 per annum on every acre of farm land in the country.

In Holland, the Ministry of Agriculture estimated in 1936 that borrowed money represented 57 per cent. of the total capital owned by farmers.

In Switzerland in 1937 borrowed money comprised nearly 55 per cent. of the estimated value of farmers' capital and required an annual payment equal to an average of £3 per acre to meet the annual interest charges. One quarter of the entire farming occupiers were paying £4 per acre per annum in interest.

In all these countries competition for the limited amount of land available forces up the price per acre to a level which makes the percentage return on capital unduly low.

Borrowing on a scale so extensive as this must, of course, create its own risks and crises. Even before the financial depression which commenced around 1930, farmers in these countries found it difficult to meet their engagements and to maintain their standards of living. In many cases the State authorities had to come to their assistance.

Indebtedness of Irish Farmers.

There are no comprehensive figures setting out in detail the extent to which Irish farmers are indebted. Some categories of debt we can appraise accurately, others can only be very roughly estimated.

The first and largest liability is that to the Land Commission which has advanced £126,000,000 for land purchase. £126,000,000 was the original amount advanced and does not take into account annual payments since made into the sinking fund, or annuities redeemed or the halving of annuities under the Land Act of 1933. We know from the Banking Commission report that indebtedness of farmers to Joint Stock Banks amounted to £12,593,000 in January, 1937. This figure has, however, been substantially reduced during the world war.

The latest balance sheet of the Agricultural Credit Corporation shows that the total of loans owing to that institution is £794,000.

In addition to indebtedness to these three sources of credit there is the large and fluctuating debt owing to shopkeepers, auctioneers, hire-purchase companies and others. It is certain that the aggregate of this indebtedness has also been considerably reduced during the war and it is impossible to estimate what the total may be to-day.

I analysed 1,000 of the applications for loans made to the Agricultural Credit Corporation during a part of the year 1938. Of these 1,000 applicants 401 stated that they owed debts to shopkeepers amounting to an aggregate of £9,000 and equivalent to 3/9 per acre

of the area they occupied. That piece of information has, of course, no real statistical value, but it gives you an indication of what was the indebtedness of a certain class of farmer to shopkeepers at that date.

The other considerable form of indebtedness by farmers is that of family mortgages and the claims of next-of-kin in cases where administration has not been taken out of the estates of deceased persons. Let us try to examine this item a little further.

The Farmers' Assets.

Professor Joseph Johnston, Fellow of Trinity College, in a paper read to the Statistical Society in 1942, estimated that the real property capital value of farms in 26 of the counties of Ireland, at 1939 values, was £368,000,000 (ignoring the capitalised value of land annuities). He put the value of live stock, machinery and other forms of working capital employed at over £98,000,000. Now, let us ignore the value of working capital and take the figure of £270,000,000 as being the value of all these farms for the purpose of inheritance assessments, after deducting bank and commercial debts. Let us assume, further, that between one-fifth and one-third of the value of each farm, on an average, has to be paid by the incoming owner to legatees, and that farms change hands by inheritance on an average once in every 35 or 40 years. This gives us a figure of between £1,300,000 and £2,500,000 per annum which must be met out of savings or remain as indebtedness on the farms. Again, in this instance I make no pretence to statistical accuracy, but at the same time I think the estimate is probably sufficiently close to reality to give an idea of the dimensions of this burden. You will appreciate that in a slump period when savings are absent or are but slowly amassed, the amount of inheritance indebtedness which can accumulate is large.

The Banking Commission gave the figure of farmers' deposits in the banks as £35,600,000 in 1937. Without doubt this figure has been considerably increased during the six years of warfare and to this sum must be added a proportion of the sum of over £40,000,000 which is deposited in the Post Office Savings Banks and in Savings Certificates belonging to farmers.

It is perhaps surprising that, in the light of these figures, Irish farming should be under-capitalised in comparison with our principal competitors, but it must be kept in mind that a large proportion of these savings are earmarked, so to speak, for dowries and portions for children, and that thrifty Irish farmers will often prefer borrowing as an alternative to spending their savings. I have come across cases in which farmers have applied for loans who have large sums deposited in banks. I have come across others in which they have applied for loans to build new dwelling-houses and their children have objected so vehemently that they have turned the parent from his purpose. The reason the children gave was that the erection of a new house on the land would increase the difficulty of sharing up their father's property on his death, because whichever of them got

the farm would be cashing in on too large a proportion of the total assets to be distributed.

Before I leave the subject of inheritance, in its relation to credit, I should like to dwell shortly on the nature of the settlements which are often drawn up by farmers, when reaching the age of 60 or 70 years and before handing over the farm to a son. The settlement usually provides that the farmer and his wife retain as a charge on the land a right of residence and support "in the manner to which they have been accustomed". Sometimes this charge is extended to cover other children still domiciled at home. They frequently charge the land also with an annuity in their own favour of some small sum—usually about £12 a year. When they are very cautious, the settlement provides in detail for various perquisites.

All these rights appear registered on the title, so that if the new owner wants to borrow money on the security of a mortgage on the land, the intending lender must reckon with them, and must make up his mind whether their nature is such as to prevent him from getting a satisfactory mortgage. If the owners of these rights are aged persons, the lender is usually safe in going ahead with the loan, as when the old people die in the ordinary course of nature, the rights disappear. However, when the rights are in favour of persons who are still in the prime of life, there is sometimes a difficulty unless the owners of the rights are willing to postpone them in favour of the lending institution, which they are not always willing to do.

Forms of Credit.

We come now to consider the forms which agricultural credit takes, as administered by credit institutions. There are two kinds of credit instrument in general use, the mortgage on land and the bill or promissory note. So far as the Agricultural Credit Corporation is concerned, the bulk of its business is on the security of land mortgages, whether it is dealing with large or with small farmers. Of a total of £2,307,000 lent since its inception in 1927 up to 31st October, 1944, £1,748,000 has been advanced on the security primarily of mortgages. The residue has been on the security of personal guarantors, stock exchange securities, life assurance policies, chattel mortgages and so on. Of these loans, 24,059 have been for amounts under £500, 277 for sums between £500 and £1,000 and 170 for £1,000 and upwards. As these figures indicate, the greatest part of the Corporation's business is with medium and small farmers.

The Corporation uses a special type of mortgage deed, rather like those employed by building societies, and known technically as a "Table Mortgage". It is so called because it provides for repayment by equal half-yearly instalments of principal and interest worked out on an actuarial basis, and contains an actuarial table to enable a calculation to be made at any time of the amount of principal owing. The advantages of this type of mortgage, from the farmer's point of view, are that he knows exactly how much he is expected to pay each half-year, and that if he meets these payments, there is no risk that the loan will be called in. At the same time, he

is not tied to the half-yearly instalments if he wishes to pay off the loan in a lump sum, or even to pay it off by larger instalments than he has contracted to do.

Loan Terms.

You will have gathered from the foregoing that the Corporation's loans are on a long-term basis. Actually, the term of years allowed for repayment varies with the purpose for which the money is borrowed. For instance, a loan for machinery is usually repayable over a five-year period, for live stock in seven years, for drainage or minor improvements in fifteen years, for funding of debts in twenty years and for construction of permanent buildings in thirty-five years. The half-yearly instalment varies, naturally, with the period of repayment. For instance, at the Corporation's present interest rate of $4\frac{1}{2}$ per cent. the half-yearly instalment on a £100 loan is £13 16s. over a five-year period. On a thirty-five-year loan the corresponding figure is £2 17s. 1d. These figures include both interest and sinking fund.

For loans on personal security, where a land mortgage is not taken, the Corporation rarely allows more than five years for repayment, irrespective of the purpose. This form of security is often used for small loans if the farmer for some reason, such as a defective title to his land, is unable to give a satisfactory mortgage; sometimes because he prefers to offer sureties rather than a mortgage, and sometimes in connection with special loan schemes where the amounts are comparatively small and it is specially desirable to adopt a cheap and simple procedure. On the whole, farmers are averse from seeking sureties when they want credit; partly because they have a natural distaste for asking their neighbours to guarantee them, or because they dislike having their business known by their neighbours, and also because they may be expected to return the compliment in ways which are sometimes inconvenient and embarrassing. For these reasons, it will often be found that they prefer to ask only persons who are related to them by blood or marriage to act as sureties for them.

So far as my observation goes, banks in their dealings with the larger farmer depend mostly on the land mortgage, sometimes reinforced by personal guarantors, and where small farmers are concerned, they make comparatively little use of mortgages, but give accommodation by discounting bills, usually with one or more sureties. These bills generally have a tenure of three months, and when due may be reduced by a payment on account and renewed by means of a fresh bill for another three months, and so on.

Chattel Mortgages.

I mentioned chattel mortgages a little while ago. This form of security was introduced to this country by the Agricultural Credit Act, 1927, which abolished the Bill of Sale so far as farming chattels are concerned. Briefly, there are two forms of chattel mortgage—the specific chattel mortgage which, as its name implies, covers specific chattels, such as a threshing machine or a tractor, which are

described in the document in such a way as to be identifiable, and the floating chattel mortgage, which constitutes a floating charge upon all the stock and chattels on a farm. Chattels subject to a specific chattel mortgage are not supposed to be sold or otherwise disposed of without the consent of the lender, who may, if he wishes, make it a condition of such consent that the loan or part of the loan be paid off. When a floating chattel mortgage is taken, the farmer is free to buy and sell his stock without reference to the lender, but the Act creates an obligation on the farmer to maintain his stock at the same level as it was when the loan is made. You will readily see that this provision is little better than a pious hope. If a farmer is going downhill by the pressure of economic circumstances or for any other reason, the lender cannot in practice prevent him from disposing of his stock, unless he takes the drastic step of calling in the advance, and using the legal remedies open to him to recover his money. Chattel mortgages can only be taken by the recognised banks and the Agricultural Credit Corporation. They are not a very useful form of security in this country, partly because of the movable nature of chattels, partly because they offer no protection against sheriffs' seizures for unpaid rates or land annuities, and also because of technical defects in the Act. Any of you who are interested in pursuing this subject will find in Appendix No. 19 of the Report of the Banking Commission, 1938, an analysis of the defects in the existing legislation and some proposals for its amendment.

Tenure of Land.

Agricultural land in Ireland is held under various kinds of tenure. First and most important is land registered under the Local Registration of Title (Ireland) Act, 1891. Next comes land which is the subject of purchase proceedings in the Land Commission but has not yet been registered. Freehold land is met with comparatively infrequently, and land held under a fee farm grant or a lease is seldom encountered. Under the provisions of the Land Purchase Acts, land bought out under the Acts is subject to compulsory registration in the Land Registry. When the purchase of an estate has been completed by the Land Commission, particulars of the individual tenants' holdings are furnished to the Land Registry. The Land Commission, however, does not investigate the titles of the tenants, but merely names as owner the person whose name has been given to them by the landlord as the tenant of a particular farm. To cover the possibility that persons other than the tenant may have rights or interests in the land, the Land Registry when opening a folio for the farm put a note thereon to the effect that the registration is subject to the rights or equities which any parties other than the person named as owner may have to the tenant interest in the land.

The net result of this is that anybody seeking to take a mortgage on such land is not safe in accepting a certified copy of the folio as proof of ownership, but has to investigate the title. When the Agricultural Credit Corporation commenced operations, it was faced in

many hundreds of cases with this situation, which threatened to bring its work to a standstill before it had well begun. When the position was put before the Government, the Agricultural Credit Act of 1928 was passed, giving the Corporation power to take mortgages in such cases for amounts not exceeding £400—in priority to any rights which might be covered by the note as to equities.

A similar situation arose in connection with the land which is the subject of uncompleted land purchase proceedings, and the difficulty was got over in an analogous way under the provisions of Section 14 of the Agricultural Credit Act, 1929. These powers may seem drastic, from the point of view of legal theory, but in practice they operate without injustice. In most cases, any equitable claims which originally existed have disappeared with the passage of time, and I cannot recollect any instance of an equitable claimant who suffered loss because of the existence of a priority charge in the Corporation's favour.

Credit Worthiness.

Now we come to the factors upon which applications for credit are judged.

The first concern of a credit institution when considering an application for a loan is the personal character and standing of the customer. By personal character, I do not mean that the lender looks for all the virtues in his customer. A farmer may be a man of beautiful qualities, and yet be a poor credit risk. I once knew a most excellent man, but a very poor farmer, who fed super-phosphate to his calves and scattered calf meal on his crops. On the other hand, the best borrowers are sometimes rather unattractive persons. The qualities a lender likes to see are competence, common-sense and commercial honesty.

Credit could be described as " anticipated saving ". I do not say that this definition would cover all cases, but, in general, when a farmer gets a loan, he expects and hopes to be able to repay it out of his profits. If he can only repay it out of his capital, and is so much the poorer at the end of the transaction, then the loan has failed in its legitimate purpose. Credit institutions dislike transactions which are likely to have that result, and therefore try to avoid the type of man whose record suggests that he is thriftless and a poor manager.

Starting from the principle that a loan should be repaid out of profits, it is necessary to form an estimate as to how much the farmer's net income is likely to be, taking into account his character, the means at his disposal, as well as the expenses he has to meet, including the payments he must make for principal and interest on his existing debts.

A lender can also safeguard himself by limiting the amount he lends according to the man he is dealing with. Often a farmer who lacks the business ability to manage a large sum of money successfully is safe enough for a modest sum.

Nature of Security.

The next factor is the security offered. For loans on personal sureties, this factor is bound up to some extent with the question of character. The sureties, who are usually neighbours of the borrower, are better able than anybody else to decide what kind of man he really is, and their readiness to guarantee his payments is a useful yardstick for the lender, both as to the borrower's character and as to the wisdom of the transaction he proposes to undertake.

When loans are secured by land mortgages, it might be suggested that the lender is safe in lending up to the value of the land, less a prudent margin for possible depreciation in value, as he could do on the security of city house property or stock exchange securities. The practical position is quite different. Land which is badly farmed because of financial difficulties or for other reasons can easily go down in quality. Fences, buildings and drains may be neglected, or the fields may be over-cropped and under-manured. The rates and annuities may fall into arrear, when they will accumulate as a charge in priority to the mortgage. Furthermore, although the law gives mortgagees certain rights of sale if a debt gets into default, the incidental legal proceedings are expensive and sometimes tedious. Last, and most important, it is not enough to have the power to offer a farm for sale. A purchaser has to be found and this is not always an easy matter. In most districts, there is still a residue of the old tradition against the dispossession of farmers. Even when a farmer is entirely to blame for his own downfall, sympathy for his dependents and a feeling of solidarity among the local community may operate in his favour to discourage a prospective purchaser. If farming conditions as a whole are depressed, the difficulty is increased due to the fact that nobody is particularly eager to buy land, because of the argument that the debtor cannot be blamed for his inability to meet his engagements. In prosperous times, opposition from the community is much reduced, especially if the farm is large, and the owner by selling or letting part, could, if he wished, redeem his debts and still remain with a competency.

In these circumstances, credit institutions have to provide for a substantial margin between the open market value of land and the amount advanced on its security.

Under its Articles of Association, the Agricultural Credit Corporation is debarred from advancing more than 50 per cent. of the value of the land offered as security. This limit can only be exceeded if additional security of some kind (other than a chattel mortgage) is forthcoming.

Credit institutions also have to be prepared in periods of depression, to exercise a good deal of patience and understanding of their customers' difficulties.

Effect of Depressions.

In the depression of the 1930's, Ireland shared with Great Britain the distinction of being about the only countries in the world where the Governments did not find it necessary to pass special legislation

to enforce moratoria over the farmers' debts, to reduce the rate of interest, or, as happened in some countries, to force the lenders to write down the debts owing by substantial percentages. The situation of many of our farmers was serious enough at the time, particularly in the cases of those farmers who had borrowed largely during the boom at the end of the last war in order to buy land. These loans subsequently became frozen in many instances, due to the fall in the price of land and agricultural produce, but by a process of negotiation in individual cases, and the lenders' willingness to make sacrifies where the circumstances warranted, the great majority have been cleared up. In a good many instances, the Agricultural Credit Corporation played a part in effecting settlements.

As I mentioned just now, the large farmer can generally liquidate his indebtedness, if the worst comes to the worst, by selling or even letting some of his land, and still retain his home, but this expedient is more difficult in the case of the small farmer. On the other hand, I think it is true to say that the small man is less affected by slumps and booms. He does not make a great deal of money in good times, but on the other hand does not lose so much in a depression.

To take the third element in the assessment of credit—the lender's estimate of the general outlook. When the credit sought is purely short-term, say, a loan to buy cattle in the spring, to be repaid when they are sold in the autumn, the problem is comparatively simple. Long-term credit is rather different, and the lender has to pay more attention to those ups and downs known as the trade cycle. If one is to go by past experience, I should be inclined to say that the best time from the point of view of the borrower and the lender to use credit is at the bottom of a slump and during the earlier part of the subsequent recovery, and the time to be cautious is when trade is booming.

Loans for Permanent Improvements

Prior to the establishment of the Agricultural Credit Corporation, the Office of Public Works used to make long-term loans to farmers for such purposes as the erection of hay-barns, cow-byres and other buildings, and to carry out other works of permanent value, such as field drainage. This function was taken over by the Agricultural Credit Corporation, which makes loans for periods up to 35 years for these purposes. In the course of the Corporation's existence, a very considerable number of loans of this type have been made, with very satisfactory results. A certain standard of workmanship and materials is insisted on, particularly if the loan is for a term exceeding 12 years. Where loans for dwelling-houses are concerned, most of the houses are erected with the aid of Government grants, and must pass the requirements of the Department of Local Government's engineer. Thus inspection by the Corporation is unnecessary.

Unfortunately, the great depression of the 1930's considerably affected the demand for improvements of this nature. Prudent and go-ahead farmers (and applicants for permanent improvement loans were nearly always of this type) would not in the prevailing condi-

tions take on the burden of the half-yearly instalments. In the years immediately before the outbreak of the war, the demand showed signs of revival, but since the war it has either been impossible to obtain the materials, or else the price has been too high.

The question of price-levels is all-important. Experience both at home and abroad shows that when farmers' incomes are depressed, they rarely try to improve them by adopting more modern methods which entail outlay of capital on buildings and equipment. On the contrary, they are more likely to revert to more primitive systems.

The Financing of Agricultural Credit.

It may be desirable to give some account of the method by which the Agricultural Credit Corporation has raised the money with which it operates.

The Corporation's capital structure was determined by the Agricultural Credit Acts of 1927 and 1929. It is a public limited company, with an authorised capital of £1,000,000. Its paid-up capital is £500,000, and the uncalled capital is capable of being called up only on a winding-up. Of the total paid-up capital, £292,118 10s. was subscribed by the Minister for Finance, £200,000 by the banks and £7,881 10s. by members of the public. The Acts provide for a State-guaranteed dividend at the rate of 5 per cent. per annum on the paid-up capital, which must be paid by the Corporation so far as it has profits available, any shortage to be made up by the Minister for Finance. The capital itself, as well as the dividend, is guaranteed by the State.

The Acts also empowered the Corporation to borrow money up to a limit of £7,500,000 outstanding at any one time, on the security of the Corporation's assets, and power was given to the Minister for Finance to guarantee repayment. The 1927 Act provided that individual mortgages held by the Corporation should be transferred to trustees as security for moneys so borrowed. Two series of 5 per cent. State-guaranteed mortgage bonds, each for a total of £250,000, were issued in this way. The 1929 Act permitted the creation of floating charges on the Corporation's assets, a much simpler and less laborious method, under which one issue of £1,000,000 of 3 per cent. State-guaranteed mortgage stock has been made. Of this issue only £500,000 has so far been offered for subscription and taken up. Both series of 5 per cent. bonds have been repaid.

All these borrowings have been on a long-term basis. For instance, the 3 per cent. stock, which was issued in 1942, is redeemable not earlier than 1st March, 1957, and not later than 1st September, 1967.

The Corporation is precluded by law from taking deposits, except from co-operative societies.

For the Critics !

I have now given you a very brief outline of the work of the Agricultural Credit Corporation, but let me remind you of one or two facts which may help you to appraise the value of any criticism you may hear of that institution.

1. In all the long annals of farming no very large fortunes have ever been amassed. Agriculture has never produced a Henry Ford or an Andrew Carnegie.
2. Loans advanced to farmers must be repaid either out of future production or out of past savings.
3. Borrowers who are successful farmers are never vocal.
4. Eloquent Dempseys are more eloquent about their inability to get opportunity to spend other people's savings than they are about anything else.

Possible Developments.

Mr. King has asked me to express some personal views on possible developments in the field of agricultural credit and the ways and means of increasing its usefulness to farmers. Well, I am not very satisfied regarding my qualifications as a prophet, experience has led me to believe that I lack a measure of infallibility. I will, therefore, preface what I have to say by asking you to regard my opinions as being entirely personal and "off the record".

It seems to me that agricultural credit is most usefully employed and most eagerly sought after by the farmers of those nations which have developed a keen sense of commercial values in their business undertakings. I do not know where you would place our countrymen in the scale of commercial experts, but it appears to me that the great bulk of our farmers are more concerned about producing the commodities and grades of produce which they find it easiest to produce than those which the trend of foreign markets renders most popular and remunerative. Our production consists almost exclusively of primary goods of a non-specialised character.

The Business Instinct!

Of the farming communities of to-day, the Danes have perhaps the most highly developed sense of commercial values. Judging by what I have read and have heard from Irish farmers who have visited that country, the general standard of diet and amusement enjoyed by medium and large farmers here is much higher than it is in Denmark. Danish farmers are much more inclined to sell all their prime products and to consume inferior substitutes or grades of produce than our farmers are.

Irish farmers rarely if ever sell all their butter and consume margarine. The consumption of eggs here is higher than in Denmark. Very few farmers here economise on their home consumption of milk in order that they may send larger quantities to the creameries. The general opinion has been expressed by some members of farming delegations that have visited Denmark that Danish farmers submit themselves to a kind of slavery that would not be acceptable here. This all rather bears out what I said earlier that farming here is a mode of living—when our farmers can afford to live well they do not refrain from doing so or from enjoying a considerable measure of both leisure and pleasure, and who would condemn them on that score? One rather illuminating comparison illustrating the difference

in outlook of the two nations is the fact that in all Denmark there is only one racecourse. Again, our farmers show little desire to make meticulous study of the requirements of overseas markets, a subject to which both Danish and Dutch farmers have paid the most careful attention. Here investigations and reports are made by civil servants, not by farmers' organisations.

In order to popularise Danish bacon and to give it a retail or cut-up value that renders it particularly attractive to shopkeepers, the Danes have developed and standardised a type of pig that has a longer side and a lighter shoulder than the typical Irish pig; this means that the London retailer gets a bigger profit out of a Danish side of bacon than he does out of an Irish side. In a Danish side there is a greater proportion of rashers which are saleable at a high price and a lesser proportion of shoulder which sells at a lower price.

Now it seems to me that unless our farmers show greater interest in the sales values of their products and in the production of regular supplies of uniform quality, there will not be a demand for credit commensurate with that in Denmark or Holland or Switzerland. We require more staff work in the direction of our industry.

Rates of Interest.

The rates of interest and the terms for loans have not been more onerous here than elsewhere, they are in fact much lower here than is the case in most European countries. Co-operative credit societies, which have been so popular in Germany and Denmark, have not prospered here because credit has been easily obtainable by even the smallest farmer who was credit-worthy and on terms that have not been unreasonable if you consider that the rates of interest in Roumania and Greece have at all times been nearer to 10 per cent. than to 6 per cent. and that farm mortgages in Canada frequently carried interest at 8 per cent. Speaking generally, and again on the least audible of records, I should say that Irish farmers have access to all the credit which they can use profitably and to which they are commercially entitled, having regard to the standard and extent of organisation which they have developed, and that until our farming community absorbs higher technical training and demonstrates a greater capacity for organisation on co-operative and commercial lines leading to increased output and lower costs very little can be done to assist them by pumping in more credit or lending at uneconomic rates of interest.

Danish Capacity for Organisation.

This is an agricultural country in which 50 per cent. of the inhabitants derive livelihood directly from the land and the remainder are very largely dependent upon the welfare of the farming industry. In Denmark only 30 per cent. are directly dependent upon agriculture, but the Danes elected a Farmers' Government as long ago as 1901. They have organised their industry so that all the profits derived from the processing of pigs, milk, and poultry flow, not to a variety of middlemen, as they do here, but into the pockets of those who are

primary producers. Danish farmers own not only the butter and bacon factories and the egg-grading and packing plants, but they own also the wholesaleing concerns and the shipping companies and the London distributing houses. Credit is obtainable by these great trading federations and it filters down to the individual in the form of improved marketing facilities and marginal economies. It seems to me that if we are to maintain or increase production for export markets against such formidable competitors, we shall have to raise the standard of agricultural education and technique and to improve our marketing organisation to compare more favourably with those of other peoples who are making such tremendous efforts to oust us from preserves that were at one time ours and on which we have been steadily losing our grip in recent years.

A standard of lowered costs and greater efficiency will have to extend to all those engaged in ancillary activities whose services are in any degree reflected in farmers' costs. Transport workers and professional classes, as well as industrialists supplying the many articles necessary in agricultural production and for farmers' needs, will have to increase their efforts in this direction if Irish agricultural produce is to retain a place in the world's export markets.

Demand for Credit.

It is not possible to expand credit unless there is an effective demand for it and there cannot be any great increase in the demand for credit unless increased production is profitable. Production of our staple products, in excess of our pre-war output, could not be absorbed in our own country; it is, therefore, to the export market that we must turn for the realisation of greater prosperity. When farmers realise this fact and succeed in expanding the sales of exported products they will seek for credit on an increased scale. When they do there will be no difficulty in providing ample funds to meet the demand. The Agricultural Credit Corporation itself has power to float mortgage bonds for millions more than it has issued; it would have no trouble in obtaining authority to treble its authorisation. If, however, output per man and per acre proves to be low and lack of enterprise, out-of-date technique and poor organisation keep the profit margin down, no amount of advertisement or advice will induce farmers to borrow. They will bank their own savings and refuse to expand their operations.

To sum up—credit will flow to the farming industry in the measure that farmers are capable of making continuous profitable use of it and at rates of interest equivalent to the risks involved in lending. Its flow can only be accelerated by assurance of improved prospects and future progress and these depend very largely upon subjective factors—upon the character and ability of farmers and upon their initiative and common sense, and upon the extent to which the farmers' efforts are supported by economical and efficient production and administration in the country generally.

Our Agricultural Problem

By HENRY KENNEDY, D. Sc.
Secretary, I.A.O.S.

In this lecture Dr. Kennedy approaches one of the most fundamental aspects of our national administration, how to get the best out of our agriculture. Agriculture is the base of our national economy and it is not possible to build a system of Irish public administration without understanding the terms of our agricultural problem. Dr. Kennedy sets the subject before us in clear and unambiguous style. He treats it with vigour and enthusiasm and leaves us in little doubt that his confidence in the capacity of our agriculture to expand to an almost sensational extent is justified. He puts forth some valuable suggestions as to the means to be employed to bring about such an expansion. This is an interesting, hopeful and stimulating lecture.

The Statistics given in this lecture are somewhat out of date owing to the change in the value of money and other causes since they were recorded.

* * *

Our Dependence on Agriculture.

IN the first place, it may be well to give some consideration to the purpose of our agriculture, to the function that it can fulfil in our national life.

Our agriculture must provide food for our population, and as we live in a country not blessed with the raw material of industry, agriculture must provide the means of importing the things which are essential if our population is to enjoy a reasonable standard of life. In the long run they can only be paid for by exports, and these exports must in the future, as in the past, be mainly agricultural products. The more things are brought in for better housing, better clothing, greater industrial production, better transport, or even greater amenities of life, the more agricultural goods must be sent out to pay for them. It is largely true to say that the more people are employed here, and the higher the standard of life, the greater will be the need for imports and, consequently, for more agricultural production for export.

I do not see how this country can escape from the alternative of exporting goods—and these must be mainly agricultural products—or exporting human beings. So that agricultural production is not merely something that concerns the farmer alone. It equally concerns every citizen in the State, and, above all, it concerns the young

generation, for on it depends mainly their chances of employment in their own country. Agricultural development and agricultural prosperity is—or should be—of vital interest to town as well as country.

It is, of course, fundamental for agricultural development that the man on the land should get a reasonable living from the land. If he does not get that reasonable living, there will be no agricultural development and there obviously will be no agricultural prosperity.

What the Farmer Gets Out of the Land.

Let us examine for a moment how the farmer has fared in recent years. The data is limited, but as far as it goes, it is excellent. An independent investigator of great ability, Mr. M. Murphy, of University College, Cork, has published the results of two surveys, one carried out in 1937-38 on 98 farms in North Cork. These farms were far larger than the average for the country—they averaged 74 acres—and the land is considerably better than the average. Milk production is the main form of activity in the area. The survey showed that if 4 per cent. were allowed as interest on capital, the labour reward to a unit of non-hired labour averaged 16/- per week. In 1940-41 Mr. Murphy made a survey of 61 farms in West Cork. These were smaller farms, averaging 28 acres. It is a tillage area, 23 per cent. of the land being under crops. Again allowing 4 per cent. on capital, the labour reward for a non-hired unit of labour was about 19/- per week. These are facts ascertained by an economist of great ability and the highest integrity with no axe to grind. They are very depressing facts. And here again the urban and industrial population are—or should be—gravely concerned; for farmers are consumers are well as producers. Those deriving a livelihood from the land represent about half the total population. They are a market for the products manufactured or distributed by industrial and urban interests. They constitute a very poor market, indeed, because of their low purchasing power.

I say again that it is of primary importance to the non-agricultural section of our community to make whatever contribution they can by sympathetic consideration of the economic problems of the countryside. These problems of low income, low purchasing power, resultant discontent, and depopulation of the country cannot be spirited away by wishful thinking. The problems must be faced and the solutions found if prosperity is to return.

It is, indeed, true that this country has with other agricultural countries suffered its share from the catastrophic fall in prices from 1930 onwards. Here that fall in prices was accentuated by the economic war. As a result of both, serious inroads have been made on the farmer's capital, a factor which delayed recovery when better economic conditions were restored.

Stagnation in our Agriculture.

But there is another factor which, in my opinion, is of paramount importance in examining the decay of our agriculture, a factor which we must face boldly and honestly if we are to plan a better future.

That factor is that we have lagged seriously behind more progressive countries in efficiency and economy of agricultural production. To make this quite clear I shall make a comparison with two countries, widely separated by geography and widely different in farming methods. The first of these is Denmark, where, as you know, the farming is based mainly on cultivated crops, and the second New Zealand, where the farming is based mainly on grass.

The most striking fact of our agriculture is that production has remained almost stationary in the last 40 years. Table I gives the number of live stock and Table II the acreage under the main crops in the years 1901, 1911 and 1938:—

TABLE I

	Horses	Milch Cows	Total Cattle
1901 ...	435,345	1,177,825	3,867,891
1911 ...	486,080	1,188,050	3,949,718
1938 ...	441,970	1,281,852	4,056,209
	Sheep	Pigs	Poultry
1901 ...	3,981,329	1,014,828	14,084,458
1911 ...	3,542,974	1,160,191	19,009,678
1938 ...	3,196,601	958,805	19,630,230

TABLE II

	Corn Crops	Root and Green Crops
1901 ...	923,897	814,620
1911 ...	902,707	775,424
1938 ...	920,892	635,696

The number of cows has slightly increased and the number of sheep has diminished—both movements being probably a natural development as a result of land settlement. The number of pigs has remained about stationary, and the number of poultry has appreciably increased. The total acreage of cultivated crops has substantially diminished. No figures are available for the utilisation of fertilisers during the period, but the total utilisation is so small over the whole acreage in crops and pastures that it is unlikely that there has been any appreciable increase in the total food units produced on our own soil. In the absence of figures for the utilisation of imported feeding stuffs, it is impossible to attempt an accurate comparison between production at present as against that in the earlier years, but the picture shown is such as to justify the general conclusion that there has been no appreciable increase in net production since the beginning of the century.

Progress in Denmark.

In contrast with the relative stagnation in this country progress in Denmark is very striking. The agricultural acreage of that country is approximately two-thirds of the agricultural acreage of Éire. The population is approximately 3,500,000. Table III gives the Danish live-stock figures in various years:—

TABLE III

	Milch Cows	Total Cattle	Pigs	Poultry
1903 ...	1,089,073	1,840,466	1,456,699	11,555,332
1914 ...	1,310,268	2,462,862	2,467,822	15,140,072
1923 ...	1,339,357	2,523,080	2,854,854	20,028,775
1933 ...	1,799,687	3,184,784	4,886,296	26,664,787

Since 1903 milch cows have increased by 65 per cent., total cattle by 70 per cent., the number of pigs have more than trebled, and the number of poultry more than doubled.

Table IV shows the progress in exports of the principal agricultural products:—

TABLE IV

	Butter	Bacon	Eggs
	(tons)	(tons)	(scores)
1900 ...	61,275	62,217	16,661,000
1910 ...	88,475	96,778	20,363,000
1925 ...	122,777	191,510	20,334,000
1934 ...	149,826	223,337	56,278,000
1937 ...	152,971	181,741	80,646,000

The export of butter in 1937 was two and a half times the export in 1900, the export of bacon almost three times and the export of eggs almost five times the figures for 1900.

Table V gives the exports of butter, bacon and eggs from this country in the years 1925, 1934, and 1937:—

TABLE V

	Butter	Bacon	Eggs
	(tons)	(tons)	(scores)
1925 ...	20,078	22,695	24,800,000
1934 ...	25,396	18,871	23,300,000
1937 ...	18,996	26,595	14,700,000

The statistics show clearly the amazing development in Danish agriculture since the beginning of the century. In 1937 the exports of butter were, approximately, eight times; of bacon seven times; and of eggs five times the quantities from Éire in the same year.

Table VI gives for various years the total value of Danish agricultural exports, the value of Danish agricultural imports, including bread grains, and including fertilisers and agricultural machinery. The net value of exports is given in the third column:—

TABLE VI

	Agricultural Exports	Agricultural Imports	Net Exports
	£	£	£
1900 ...	13,575,000	4,999,000	8,576,000
1910 ...	24,170,000	8,388,000	15,782,000
1925 ...	64,155,000	24,378,000	39,777,000
1930 ...	53,639,000	14,060,000	39,579,000
1933 ...	41,980,000	10,079,000	31,901,000
1934 ...	40,306,000	9,698,000	30,608,000
1935 ...	39,996,000	7,876,000	32,120,000
1936 ...	44,000,000	9,680,000	34,320,000
1937 ...	49,632,000	12,320,000	37,312,000

Table VII gives the value of agricultural exports from Éire since 1925 and the value of the agricultural imports, including wheat and flour, but not including fertilisers and agricultural machinery:—

TABLE VII

	Agricultural Exports	Agricultural Imports	Net Exports
1925 ...	31,484,344	18,665,855	12,818,489
1926 ...	31,452,520	17,471,669	13,980,851
1927 ...	34,041,533	17,067,784	16,973,749
1928 ...	36,051,648	16,221,754	19,829,894
1929 ...	35,777,320	16,959,355	18,817,965
1930 ...	32,871,130	14,490,848	18,380,282
1931 ...	27,672,522	12,394,902	15,277,620
1932 ...	18,572,958	10,820,355	7,752,603
1933 ...	12,975,450	6,526,391	6,449,059
1934 ...	11,932,669	6,985,688	5,036,981
1935 ...	13,934,124	6,213,840	7,720,284
1936 ...	16,437,341	6,882,676	9,554,665
1937 ...	16,938,153	8,790,826	8,147,327

In 1925 the net value of the agricultural exports from Denmark was three times the value of the net exports from Éire.

While the land in the Danish islands is on the whole fertile, the greater part of the land in Jutland is naturally poor and sandy. Much of the agricultural land has been reclaimed from barren heath. As regards fertility of soil, Denmark has certainly no natural advantage over this country. The achievement of Danish agriculture is the

result of high technical skill in the adaptation of production and production methods to the special conditions of soil and climate peculiar to the country, and in directing production towards the output of products of the highest quality and uniformity to suit the markets available. In Denmark almost the entire agricultural area is under the plough, the proportion of the area under the main crops being approximately: Cereals, 44 per cent.; root crops, 16 per cent.; clover for grazing and hay, 33.5 per cent.

There is a widespread misunderstanding with regard to the basis of Danish production. It is very generally believed that it is mainly based on the conversion of imported feeding stuffs into animal products. The truth is very far removed from this conception. In the years 1935-37 of all the food units used only 15 per cent. were imported. In those years the average net imports of oil cake and corn, including bread grains, wheat and rye, amounted to approximately 1,700,000 tons. In the year 1936 the total imports to this country were approximately 600,000 tons. In proportion to the population needs for bread grains and to the production of agricultural products the imports are relatively far higher in this country.

Progress in New Zealand.

I now consider the development of production in New Zealand, a country basing its production of live-stock products mainly on grass as contrasted with the tillage crops of Denmark. Table VIII gives statistics of the number of cows in various years:—

TABLE VIII.

	Cows
1919/20	893,000
1924/25	1,323,000
1929/30	1,441,000
1930/31	1,602,000
1931/32	1,702,000
1932/33	1,846,000
1933/34	1,933,000

The number of cows has more than doubled since 1919-20. Table IX gives the killings of sheep and lambs:—

TABLE IX.

	Sheep	Lambs
1916/17 ...	4,200,000	3,480,000
1921/22 ...	4,900,000	5,150,000
1928/29 ...	3,500,000	6,200,000
1932/33 ...	4,360,000	9,850,000

Table X shows the progress in wool production:—

TABLE X.

1924/25	233 million lbs.
1929/30	273 ,, ,,
1933/34	300 ,, ,,

Table XI gives the total production of New Zealand butter and cheese since the year 1919-20:—

TABLE XI.

Season	Butter (tons)	Cheese (tons)
1919/20 ...	33,327	68,172
1920/21 ...	45,990	59,094
1921/22 ...	65,504	66,502
1922/23 ...	81,855	62,297
1923/24 ...	77,710	75,454
1924/25 ...	82,325	72,190
1925/26 ...	91,315	78,766
1926/28 ...	94,647	77,553
1928/29 ...	102,323	89,191
1929/30 ...	116,901	88,766
1930/31 ...	119,246	91,484
1931/32 ...	126,522	90,651
1932/33 ...	150,303	103,455
1933/34 ...	164,163	106,288

The statistics show that while production has substantially increased in New Zealand's other major products, namely, lamb, mutton, and wool, there has been an extraordinary increase in the output of dairy products. The output of butter in 1933-34 was almost five times that in 1919-20, and in the same period the production of cheese increased by almost 60 per cent. The increase in dairy production has been due not appreciably to an increase in the area of land supporting the dairy herd, but mainly to better utilisation of that land.

The extraordinary growth of production in two countries supplying the same markets, and operating under such different conditions of climate and technique as contrasted with the relative stagnation in this country provides *prima facie* evidence that our agriculture has failed to develop a technique of production and an organisation of productive methods suitable and adequate for the realisation of the possibilities of our soil and climate. It is essential to examine the shortcomings of our farming methods in relation to our conditions of soil and climate, and if possible suggest solutions of our special problems.

Grass Production and Utilisation Neglected.

It would, of course, be an overstatement to say that we have made no improvement from the beginning of the century, but the facts as set out show clearly that whatever improvements have been made have had no real influence on the total of agricultural production. I think it is fair to say that improvement has been mainly confined to a limited number of cultivated crops. In normal pre-war years the total of cultivated crops was limited to approximately 1,500,000 acres, leaving some 10,000,000 acres in grass and hay. It is mainly because of the lack of progress in the production and ultilisation of grass that the output of our agricultural land has not progressed. And there has been in the last 20 years a veritable revolution in the methods of production and the methods of utilisation of grass. That revolution in grassland technique must be accepted here as the basis of agricultural development and prosperity. Grass is far and away our most important crop, greatest by far in acreage, and potentially most prolific in food units per acre devoted to it. Agricultural production in any country is dominated by conditions of soil and climate, and wise agricultural planning should be directed mainly to those crops which give the greatest yield of food units per acre at the lowest cost. Our soil is reasonably fertile. Our main climatic feature is high rainfall, more or less uniformly distributed throughout the year. That feature is of the first importance for the production of grass, and there are few places on the earth's surface where that feature of high rainfall is so favourable for grass production as here.

But if we are to use the advantage of climate for grass production, we must seriously concern ourselves with grass as a crop, not as a gift of nature. We must learn the new technique of grass production. It is true to say that in the rich grassland areas the application of fertilisers and proper management will produce an enormous increase in production, though probably far from the maximum possible. It is certain, however, that the full possibilities of grass production all over the country cannot be achieved without the use of the plough. The land has got to be limed where lime is needed, fertilisers have to be applied, and proper seeds mixtures—and simple ones—have to be sown either directly after ploughing or following on a rotation of crops.

In England, and in a few instances in this country, truly astonishing results have been achieved by direct re-seeding. Italian rye grass is sown in the seeds mixture in order that the land may be grazed early after sowing, and for a proper establishment of the sward; the newly sown grass should be grazed the first year at any rate. The length of time that the newly sown lea can be laid down will depend on the fertility of the land, and on the management, for to quote from a recent writer on the subject, " By good or bad management it is possible to make a sward which is matted and poor to be a carpet of clover, or to turn a valuable rye grass turf into a wood-ridden worthless sward." On most of our farms, owing to inadequate supplies of winter feed, pastures are overgrazed during the winter and spring. The result is that the most valuable grasses, and especially perennial rye grass,

which is the first to grow in the spring, get killed out, leaving the field to inferior grasses such as bent and Yorkshire fog. There is one very interesting aspect of management which in recent years has received wide attention, namely, the division of fields into small plots, which are grazed in rotation, the pasture in each plot being rested until fit for grazing again. A German experiment showed wide differences in production per acre, in one case as great as 100 per cent., depending on the size of the plots in relation to the number of stock.

Conservation of Grass for Winter Feeding.

I now come to the most important question of all—the conservation of grass for use in winter in the feeding of farm animals. *That is, to my mind, the fundamental problem of our agriculture, and until it is solved there can be no real progress in our farming conditions.*

The problem is how to enable the farmer to produce on his own farm at the minimum cost winter fodder for his cattle in adequate quantities and of such high nutritional value as to ensure that his young store cattle will grow and increase in weight during the winter; that his cows will milk for some months longer into the winter; and that when in spring they calve they will be in such good condition as to produce healthy calves and that after calving they will be in such condition and have such adequate food supplies available as to enable them to give milk to their full capacity, instead of, as at present, having to repair in their bodies the wastage of the winter, and to put on their backs the fat that should go into the milk pail.

Anybody who travels through this country in the late spring cannot fail to be impressed—or should I say shocked—at the very poor condition of store cattle passing along the roads to and from fairs, and even more so at the emaciated condition of the cows as they go to the pastures. In some years there are very serious losses of cattle as a direct or indirect result of malnutrition. The truth is that in this connection our agriculture is merely primitive. Production as regards milk and live weight increase is vigorous during the few short summer months from the time when the animal has recovered from winter starvation until the grass ceases again. During the winter the animals starve.

The cow when she goes on the grass after calving in the spring has to repair the wastage in fat and tissue on which she had drawn for sustenance during the winter. She cannot do this and at the same time realise the maximum milk production, of which she would otherwise be capable. In addition, there is a dead loss of food units which would correspond to the production of an extra 150 gallons of milk. When the grass ceases in the autumn, for all practical purposes the milk production ceases, and during the winter the food supplies are not such as to enable her to maintain her bodyweight. She has to draw upon her own substance to survive. As a result, she produces a delicate calf with low powers of resistance to disease.

What then is the solution of the winter fodder problem? Young grass is the ideal food for cattle. Our problem of winter feeding could be solved if that perfect food which our climate enables us to

produce in such abundance could be preserved for winter use without serious loss. We cannot do that by haymaking.

Is there any method of preserving such grass? There are two alternatives. The first is artificial drying, and much interest has been shown in various processes of artificial drying in many countries in recent years. It does not offer a solution in its present stage of development on account of the high capital cost and low output of the plant. It is dangerous to speculate on the future, but a solution on these lines for our farmers—individually or collectively—does not seem very hopeful.

The other alternative is the preservation of the young grass or clover in cheaply constructed silos to suit the pockets of our farmers. I have made a serious study of this problem, and I am satisfied that by the adoption of the process developed by Professor Virtanen and the Valio Co-operative Butter Export Association of Finland—the so-called AIV process—grass can be preserved for winter use with a total loss of food value of not more than 10 per cent., with a negligible loss of protein, and that weight for weight of dry matter the silage so preserved is as valuable for feeding to farm animals as the original grass from which the silage was made. In other words, by the use of this process it is possible to feed dairy cows on pasture grass or cultivated grass the whole year round. I emphasise, however, that for the process it is essential to have rich young grass, which can be grown by proper manuring on good or medium grass lands, or rich young clover which can be grown in abundance on the lighter lands. In 1936, Professor Virtanen's process was being practised by some 15,000 farmers. I have seen it on farms from two cows to 200 cows. The material used is a mixture of clover and timothy, yielding about fifteen tons per acre in two or three cuts. Careful costings kept on many farms and especially on large estates leave no doubt whatever as to its economy.

Standards of Production.

I have at the beginning referred to Mr. Murphy's survey of farms in North Cork. The average yield of butter-fat per acre was less than 40 lbs. The New Zealand average is 117 lbs. per acre. I have made a calculation of the alteration in income to these farms, at the then existing price level, if the New Zealand average output were reached, and in the calculation I have made what I regard as very liberal provision for the extra cost of the increased output. The result is that on the basis of the New Zealand output, instead of £7,000 odd actually available to the family labour on these farms, the figure would have been somewhat more than £35,000. That the New Zealand output is possible I have no doubt whatever. Unfortunately, we have little data as to what output is possible from grass in this country, produced and managed according to modern ideas. It is a matter of the greatest urgency that that knowledge should be provided as soon as possible.

This is a country of relatively small farmers. It is not possible to increase the area horizontally, but it is possible to increase it verti-

cally, by which I mean to produce enormously more food units per acre. In a recent report of a New Zealand 90-acre demonstration farm an average production of 270 lbs. of butter-fat per acre was shown. This would correspond to the yield of a 750-gallon cow with average butter fat 3·6 per cent. Even with the limited data available, I think it is safe to say that similar production on our good land is possible here.

The new method of grass conservation for winter use makes it possible now without any doubt to provide the means of cheap winter production, whether of meat or milk. In Finland, where the cows have to be housed for eight months, average yields of 900 gallons have been obtained where the cows got no concentrated food unless giving over three gallons of milk. On at least one farm in this country similar results have been obtained. Much has been said and written about so-called winter dairying here. The normal lactation period of a cow is 45 weeks. It is impossible to compress this into 26 weeks. If there is to be modern dairying on a competitive basis, there must be winter production. There can only be winter production on the basis of adequate and cheap supplies of nutritious winter feed. First-class grass preserved for winter use according to the latest technique will provide the essential cheaply produced winter feed, and in the conditions of this country there is no other way to produce it. The feeding of cattle intended for beef presents the same problem in the main as the feeding of dairy cattle, and the same solution must be applied. There is, or should be, no conflict whatever between the advocates of the plough and the advocates of grass as the main source of agricultural prosperity. The plough over the greater part of the country is an essential element in the production of grass. I would lay the emphasis on grass as the primary object of the plough, with the production of cereals as a by-product of the efficient production of grass.

Potatoes and Pig Production.

When we come to consider food for the production of pigs and poultry products, we must again look to the crop which will produce the most food units per acre at the lowest possible cost. In my view that crop is the potato. The climatic conditions of the country specially favour the potato.

In no country can such high yields be obtained. Over a number of years the average yield in the Department's variety tests, carried out all over the country on all types of soil, averaged about 15 tons. In the special competitions sponsored some years ago by Imperial Chemical Industries, Ltd., yields of over 20 tons were quite common. A 15-ton crop of potatoes gives a yield of food for pigs equal to 3¾ tons of barley. An acre of potatoes will yield as much as three to four acres of barley, and the potato flourishes on every variety of soil. The methods of husbandry for high yields are now well understood, but much too seldom put into practice. Disease-free seed, now freely obtainable under the Department's certified scheme, is the first essential. After that come good cultivation, generous manuring and efficient spraying. One difficulty in the use of potatoes has now been overcome. I refer

to the limited periods of utilisation, the losses in pits, and the labour involved in minimising these losses by turning the potatoes in the pits. These losses can be avoided by cooking the potatoes, packing them tightly in simple concrete silos, and covering them with a layer of clay to exclude the air. In this way the potatoes are preserved indefinitely with negligible loss, so as to provide a cheap home-grown food for pigs and poultry the whole year round. In Germany this system has been widely practised for many years. Its growth was facilitated by the design and construction of plants consisting of boiler, washing machines, and steaming vessels mounted on a truck for transport from farm to farm. Before the war about 8,000 of these plants were in operation. In Germany also was worked out the technique of maximum feeding of potatoes to pigs. With about 2¼ lbs. of meal, containing adequate protein and minerals, pigs fed with potatoes and *ad lib.* make gains as good as on any other method of feeding. This is indeed very similar to what has been traditional practice on many an Irish farm. In this country there has been in recent years a good deal of experience of potato silage, and there is a growing realisation of its advantages.

I have emphasised the two crops, which, in my view, offer the most immediate scope for intensification of agriculture by the production of most food units per acre at the lowest cost.

Estimate of Productive Capacity.

In making any plans for the future it is well to have an idea of what can be produced on the land. In endeavouring to make an estimate one is faced with two major difficulties. The first is the very limited information we have of the possible yields of grass according to modern technique which can be reached in this country. The second is that the statistics do not give adequate information to enable an estimate to be made of how much land is really available to produce any postulated grass yields.

I make the following assumptions:

(*a*) Land raised to a high degree of fertility;

(*b*) Adequate technical skill on the part of the farmer;

(*c*) Adequate inducement for the farmer;

(*d*) Adequate capital resources.

I further assume the following production per acre: one ton of wheat, oats and barley; twelve tons potatoes, with comparable yields of roots and forage crops, and a yield of grass—fresh rich young grass—of (*a*) nine and a half tons, and (*b*) fourteen and a half tons. The first yield is certainly feasible, the second is, I believe, quite practicable. I assume not 11.5 million acres of agricultural land, which is the figure of the statistics, I assume 9.5 million acres.

Estimate of Export Surplus.

I first take the land necessary to provide the existing population with their total food requirements, including wheat and beet. That

does not necessarily mean acceptance of the view that in peace conditions their production is in accordance with the best use of the land. On this basis, the area sufficient to feed the population, without the import of any food for man or beast, would be 3,000,000 or 3.5 million acres, according to the assumption of grass yield. On the assumption of 9,500,000 acres, there is a balance of 6,500,000 and 6,000,000 acres respectively. On the two assumptions for grass yield, the surplus acreage would make possible the production of—

(*a*) 550,000 fat cattle at 10 cwts.;
550,000 store cattle at 5 cwts.;
3,500,000 cwts. butter;
4,400,000 pigs at 2 cwts.;
16,000,000 great hundreds eggs.

(*b*) 750,000 fat cattle;
750,000 store cattle;
4,800,000 cwts. butter;
6,000,000 pigs;
20,000,000 great hundreds eggs.

On the basis of the prices ruling from 1910-1914, the value of the export surplus would be:—

(*a*) £75,000,000;

(*b*) £100,000,000.

The net exports in the year 1925 reduced to the same price level amount to about £9,000,000.

The figures represent an objective, the realisation of which can be more and more nearly approached in proportion to our capacity as a people to mobilise our energies of mind and body towards the full use of our land and climate.

Our Markets.

A very obvious question will at once present itself to many of my audience. Even if it were possible to achieve or even approach the objective of production set out, where are the markets? On that question I can give no answer, for to attempt an answer would need a knowledge of the future vouchsafed to no human being. I think, however, that the disastrous condition in the world of the 1930's, with surplus food and starving people, with surplus goods and no buyers, has created an undue pessimism with regard to the future. When the nightmare of war is over, when people will again prefer butter to guns, the human family will have to be fed. Quite recently the American Secretary for Agriculture has stated that never in human history has there been enough food for all the people. It will be a long and formidable task to go a substantial distance towards reaching our objective, and, in the meantime, not all the omens are unpropitious. It is worth while setting out where we stand in relation to the supply of food to our neighbour. Here are the percentages of Great Britain's imports supplied by us in 1937:—

Beef and Veal	8 per cent.
Mutton and Lamb	1·3 per cent.
Bacon and Hams	6·9 per cent.
Eggs	7·9 per cent.
Butter	3·4 per cent.
Cheese	Negligible
Poultry	20 per cent.

There is one point worth considering with regard to the past, as possibly affecting the future. It is not yet a hundred years since in the United States colonists moving westward from the timbered regions of the East paused on the edge of the unfamiliar prairies with their rank vegetation of flowers and prairie grass. Since then the agriculture of Europe has been influenced by the cheap produce arising from the exploitation of the accumulated fertility of these lands. The movement spread further West to the semi-arid lands with the resultant creation of the "dust bowl." While speculation is dangerous, there does not seem to be available for settlement new lands so fertile and so easily exploited. While in the future, following a great war, there will in all probability be times of great difficulty, taking the long view, the only sound reason for pessimism would be an acceptance of the view that we could not produce at a price which would win the market. In my view, with our very favourable climate, there are no grounds for pessimism in this respect.

The Choice Before Us.

We have two alternatives: To continue as we are with the same low production—and, therefore, costly production—the same unemployment or under-employment, the same low population, the same low national income and the same emigration; or to bend our energies towards increased production, cheaper production, an increase in population, a higher national income, and a higher standard of life. We may fail, through world convulsions, if we adopt the second alternative, but we will at least have deserved to succeed.

In considering the effect on employment and population growth of an intensification of agricultural production, it is a cardinal error to look to a great increase of employment on the land itself. Economic history shows that as economic development proceeds, the percentage of the population directly employed on the land diminishes—at the same time the absolute number so employed may increase. The history of Denmark is interesting in this respect. The Danish population doubled from 1870 to 1930. In 1870 about half the population was employed on the land, as with us at present. In 1930 only about one-third were employed on the land. The greater opportunity arising from the vastly increased production showed itself not in a greatly increased number on the land, but in the greater field of employment in secondary and tertiary occupations.

New Methods Needed.

Let me return to my primary assumptions. To raise the fertility of the soil and to bring to the farmer an opportunity of seeing by demonstration a more modern technique will need a new and bold departure in national planning. No progress can be made towards the achievement I have outlined without the full co-operation of the farmers, based on the conviction that there are new things to learn, the practice of which can bring them real advantages. As regards capital resources, in my view the realisation of the production which I have outlined will need a new investment in agriculture of not far from £200,000,000—for modern housing, modern equipment, for refitting the land and for working capital. The programme presents formidable problems—to demonstrate in practice what is feasible, to provide the necessary scientific and advisory services on a far more elaborate scale and to provide the finance necessary to effect the change.

The task is formidable, but on its achievement lies the hope of the economic future of the country to provide greater well-being for more people.

The Work of the Land Commission

By COMMISSIONER KEVIN O'SHIEL, S.C.

The Irish Land Commission is the instrument by which the agriculturists of Ireland have been lifted from the misery and despair of a condition bordering on serfdom to the dignity of peasant proprietorship. This revolution, one of the most radical in recent history, has been accomplished peacefully, thoroughly and finally, according to due process of law in the course of a single lifetime. Commissioner O'Shiel explains the legal and administrative steps by which this great reform was achieved. That is was not carried through without an occasional touch of humour is obvious from the Commissioner's account.

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WHEN the Civics Institute, through Mr. King, did me the honour of inviting me to address you this evening, I had a big initial difficulty in preparing my material:—how to relate intelligently the vast extent and complexity of my theme to the limited share of time at our disposal. I have decided that, in the circumstances, it would be best to divide my talk into two main parts or sections. The first of these parts will deal shortly with the pre-1923 legislation of the British Parliament, and the second, more fully, with the 1923 and post-1923 legislation of the Irish Oireachtas, the whole being prefaced by a few preliminary remarks on the conditions obtaining in the country prior to, and leading up to, the birth of the Land Commission, which to-day is a vigorous old lady of some 63 Decembers and still going strong.

It follows from this and from the fact that there are over 40 statutes included in or affecting the Land Code, that the utmost I can attempt this evening is to give you, to the best of my ability, a tolerably clear outline, or sketch, of the Land Commission; what brought it into being, its constitution and how it works. In so confining my remarks I know I run the risk of " sketchiness ", but anything more might only send you away with a confused jumble of statutes and statistics in your minds. Indeed, the financial side alone of the Land Commission work is so much a vast complicated world of its own that, for the better securing of my limited objective, I have considered it advisable to make where necessary no more than a passing reference to it.

Landlords in Ireland Before the Land Reform.

The Ireland of 70 years ago was not only different from the Ireland of to-day but so different that it would be singularly difficult to recog-

nise it as the same country. And, in no way was this truer than with regard to land. At that time the 20,000,000 odd acres of Irish land were mainly in the hands of a few thousand owners, who rented it out to about 500,000 tenants. Now, I do not propose to depict for you the typical landlord or the typical tenant of those days, much less to attribute or apportion blame. Anyhow it would be redundant, seeing that there is available in any good library a vast literature on the subject. And, at all events, as a result of the enactments and proceedings I am about to describe for you, landlordism in Ireland has vanished, leaving behind it scarcely a vestige of its former power, influence and wealth. Had it become " sui generis " with the country and the people, as once or twice in its long career it threatened to do, its fate, in all probability, would have been a very different and a happier one. But, whatever about the sins and shortcomings of landlords as a class, or, for that matter, tenants as a class, most authorities agree that the system, as it existed in this country, was definitely defective, and, in many respects, gravely inequitable, rendering its collapse and abolition inevitable.

Most of the landlords were, as we know, persons of great power, influence and social prestige, and many were very wealthy, possessing tens of thousands of acres and annual rent-rolls of up to £10,000, £15,000 and £20,000 a year. As an example of what this meant in terms of money let us look at the rent-rolls of those days. At that time the annual rent-roll for all agricultural holdings in Ireland was variously estimated at the gigantic sum of from £12,000,000 to £15,000,000, the proportion for the 26 counties being about £10,000,000 to £12,000,000. But having regard to the fact that the purchasing power of the £ was more than three times what it is to-day, the contrast in money values is even more striking and the effects of the great agrarian revolution more significant when we realise that the total amount of the terminable unrevised annuities here is considerably less than £5,000,000, the aggregate revised annuities now payable being only about £2,250,000. That contrast—a reduction of rent burden in less than 70 years of approximately 80 per cent. in the 26 counties where the annuities have been halved—shows more eloquently than words the magnitude of the revolution effected in Irish rents during the comparatively brief period.

Condition of the Tenants.

To come now to the tenants. In the year 1870 (which I am regarding more or less as a starting point) there were in the whole country about 500,000, of whom the vast majority belonged to the class of yearly tenants. Now, the yearly tenants enjoyed none of the ordinary rights and privileges that tenants like them were naturally entitled to, and did enjoy, in most progressive and well-governed countries. To begin with, they had no right to fixity of tenure. Whether they paid the rent or not, out they went, bag and baggage, on six months' notice any year their landlord wished, in which case, they had no right to sell their tenants' interest, always excepting those lucky ones who lived on estates governed by the Ulster Tenant Right Custom.

This tenants' interest in Ireland was a very valuable property indeed. Unlike England, where the landlord was solely responsible, in Ireland all the improvements on the holding, from the erection of the home itself down to drainage, reclamation and the general conditioning of the lands, were done by the tenant, and when he was ejected from the holding all these improvements became the property of the landlord without the passing of a penny of compensation. Finally, the tenant was not entitled to a fair rent, or even to a fixed rent. Every year the rent could be, and often was raised arbitrarily by the landlord, and the tenant had either to pay or clear out, and make in effect, a present of his home and improvements to the landlord. The average Irish tenant was in those days, " a chattel, and nothing more ", as Dr. Moritz Bonn, the eminent German economist, graphically described him. If he improved his little home the chances were that his rent would go up, as he was, apparently, " prospering " in the eyes of landlord's agent and could bear an increase. Or, if his rent went up too high, or times were bad and he couldn't pay it, he was evicted and his homestead, on which he had expended so much labour and energy, passed to a stranger. And because land was practically the only means of living in Ireland in those days, there were always plenty to take the cleared holding, even at an exorbitant rent, though ultimately many of the so-called " grabbers " met, in turn, with the same fate. Remittances from the countless American exiles that the Famine had created had much to do with making the demand for tenancies keen. For example, in the period from 1848 to 1864 American remittances reached a figure of £13,000,000 sterling, which gave a great fillip to competition in land and greatly inflated its price. How extravagantly the value of land rose is reflected in the universal rise of rents. Take one instance alone—the Dillon estate in the West. The rent of this particular estate rose from £5,000 to £26,000 in eighty years, every shilling of that five-fold increase being paid for by the tenants, in the improvements and the work they put into their respective holdings.

Naturally this condition of affairs did not make for harmony on the land. Indeeed, for generations, if not for centuries, a chronic state of warfare between land-owners and land-occupiers existed in the country, rising to periodical acute outbreaks and doing untold harm to property as well as gravely undermining human character. A wave of evictions was inevitably answered by a wave of agrarian outrages extending to anything from the assassination of unpopular landlords, or their agents, to the driving and maiming of cattle and stock. Statistics are highly informative on this aspect of affairs. In the thirty years succeeding the Famine, more than 500,000 people were evicted from their homes and this was answered by over 20,000 agrarian outrages. Sad and cruel as many of these evictions were, they were not without their humorous side. An old solicitor related to me the following incident of those days which I record as he told it to me. It had been decided by the courts that an eviction was not legally effective unless every single human being had been duly removed from the premises within the required time. On one occasion a baby was left

behind—forgotten—and in the subsequent proceedings the court held, on the decision, that the eviction was a nullity, and the family that owned that enterprising baby had to be restored to their homestead for a further six months at any rate. Which all goes to show that babies, even before the present time when they are in very high favour, had their uses.

The Objects of Land Reform.

Clearly this lamentable state of affairs could not continue forever and the " Mother of Parliaments " was at last compelled to turn her mind away from the many pressing affairs on her far and vast horizons, and address herself to the solution of the grave problem that was festering on her flank.

I come now to review the various attempts of the British Parliament between the years 1870 and 1909 to settle the Irish land question. Many of these enactments, certainly most of the principal ones, followed closely on periodic violent agitations in the country. In this great tenants' war for the statutory redress of their grievances there are three distinct stages, or landmarks, which I propose to consider briefly, and which I would ask you to bear in mind whilst you listen to me, as they are the framework, the skeleton, into which my observations are built. They are:

1. *The fight for the " Three F's "*, or the conceding of a dual ownership in land;
2. *The conceding of a tenant proprietary*, or a return to unitary ownership with, this time, the tenant, and not the landlord, the owner;
3. The granting of powers for the *relief of congestion* and kindred statutory purposes.

The " Three F's " which, in the beginning, were the sum-total of tenants' demands, were as follows:—

1. The right of *Free Sale* of their interests in their holdings;
2. The right to *Fixity of Tenure* so long as they paid their rent;
3. The right to have *Fair Rents* fixed by an independent tribunal.

In short, Free Sale, Fixity of Tenure and Fair Rent—the " Three F's ", the granting of which amounted to the recognition of the principle of dual ownership in land.

The Land Acts of 1870 and 1881.

The Land Act of 1870, the first beneficial Act for Irish tenants passed by the British Parliament, conceded these things—

1. It gave compensation for disturbance,
2. It gave compensation for improvements, and
3. It legalised the Ulster custom.

The first two of these virtually conceded the first of the " Three F's ", that is, free sale. The Ulster custom, thus legalised, had two characteristics—the right of the tenant to security of possession so long as he paid his rent and the right to sell his goodwill in the holding on leaving it. This Act failed because of its inadequacy and, stimu-

lated by the activities of the Land League which had invented, and was using, the powerful weapon of the " Boycott ", the Grand Old Man passed the famous Gladstone Act of 1881, which definitely accepted the " Three F's " and created the Irish Land Commission, endowing it with large judicial and administrative powers to hear applications from the tenants and fix fair rents. It was claimed, with more than a semblance of truth, that the real father of this measure was not Gladstone so much as the Land League. With its unrivalled authority throughout the country and its new technique in attack, its name was in everybody's mouth in those days, so much so that, when the first sitting of the new Land Commission was opened, the unfortunate crier announced, to the horror of some, and the amusement of others of the assembled legal gentlemen, that " the court of the Irish Land League was now open ". The fair rent functions of the Land Commission continued, with varying but gradually attenuated achievements, as the need grew less, down to the Hogan Act of 1923. Sub-commissions went throughout the country hearing landlords and tenants, their agents and valuers, and making their decisions which could be appealed from to the main Land Commission in Dublin. And I need hardly tell you that there was some champion swearing in those Fair Rent Courts. In one case there was strong conflicting evidence given by the two parties about a certain field. The evidence of the landlord was that the field was good and dry and well capable of bearing the rent he had put on it. This the tenant stoutly denied, saying that it was a damp, wet, marshy field good for little more than some light summer grazing. Now, a recognised test as to the dampness of a field was whether or not there were any snipe in it, because, as you know, that bird is pre-eminently a denizen of damp places and, it is claimed, that there is hardly a marshy piece of ground in this country without its snipe. The tenant, pressed hard by counsel, was compelled to admit that there never were any snipe shot on it. " Does that not prove," asked the court, " that the field is pretty dry?" " Not at all, your Honour," replied the witness, unabashed. " Sure if a snipe was to light on that field, he'd catch bronchitis!" The Act, so far as it went, worked pretty well though there was an initial tiff between Glandstone and Parnell because of the latter's advising tenants not to accept the Fair Rent Courts until some test cases had been put through the courts. This rather mild and not unconstitutional advice so infuriated the Grand Old Man that he went to Leeds and accused Parnell of " standing against the Act, as Moses stood between the living and the dead ", but not, as Moses, " to arrest, but to spread the plague ", and he thereupon uttered his classic threat to the recalcitrant gentlemen that " the resources of civilisation against its enemies were not yet exhausted ".

The Ashbourne, Balfour, Wyndham and Birrell Acts.

But after some years' trial, and though an enormous number of cases went through the Fair Rent Courts, it became clear that this effort to improve and reform an effete and unworkable system had come too late. More and more, not alone Nationalist and Liberal,

but sober Conservative opinion of unimpeachable vintage, was hardening to the view that landlordism in Ireland, even this "dual ownership" compromise, had to go and be replaced by a peasant, or tenant, proprietary, which meant the devising of a scheme whereby with State assistance, the tenant would be enabled to become ultimately the landlord, the absolute owner in fee-simple of his own tiny demesne. Manifestations of this then revolutionary departure had already appeared tentatively in the Church Disestablishment Act of 1869, in the Bright clauses of the 1870 Act, and in the purchase clauses of the Gladstone Act of 1881—all liberal measures. But it was left to the Conservatives to take this particular bull boldly by the horns, and the credit is certainly theirs for opening wide the legislative doors to admit the once abhorrent principle of a tenant proprietary, the keystone of their contention theretofore being that unionism and landlordism stood or fell together. This they did in four or five notable measures. The three Ashbourne Acts of 1885, 1888 and 1889 sanctioned an initial sum of £5,000,000 to be advanced to the Land Commission to enable sales to be carried out between landlords and tenant by agreement, and also authorised the Land Commission to purchase estates in the Landed Estates Courts for the purpose of reselling them to the tenants. The two Balfour Acts of 1891 and 1896 introduced a novel method of financing land purchasers, under which the landlord was paid in a specially created 2¾ per cent. guaranteed land stock equal in nominal value to the purchase money. When Mr. George Wyndham became Chief Secretary for Ireland he resolved to enlarge and hasten the progress of land purchase, and, accordingly, he passed the Land Act of 1903, which ordained that future sales were to be carried out by "estates" and not by "holdings"; and the landlord, in addition to the purchase money in cash, was given a 12 per cent. bonus on its amount. The tenant's annuity was, at the same time, reduced from 4 per cent. to 3¼ per cent. and the "zone" system, created by the Act, enabled landlords and tenants to effect an immense number of sales on their own initiative. A new body within the Land Commission, the Estates Commissioners, was charged with responsibility for carrying out the Act. The exceedingly attractive purchase terms were a strong inducement to the landlords to sell, and, though definitely stiff where the tenants were concerned, within five years, sales exceeding £80,000,000 were entered into. But the terms were too attractive and ultimately broke down, as it was found impracticable to float sufficient stock at 2¾ per cent., except at great loss to the community generally.

Accordingly, in 1909, Mr. Birrell introduced an Act designed to relieve the ratepayers by transferring to the Imperial Exchequer the loss on flotation. It was also provided that future sales should be met in 3 per cent. stock and that the tenants' annuity should be varied from 3¼ to 3½ per cent. to enable such stock to be issued. A bonus, averaging about 10 per cent. but graduated in inverse ratio to the number of years' purchase, was substituted for the fixed 12 per cent. bonus of the Wyndham Act.

Now, to sum up. The land purchase work achievements in the

26 counties under all the dozen or so Purchase Acts prior to the passing of the Hogan Act of 1923 were as follows:

Over 316,000 holdings, comprising an area of over 11,000,000 acres were bought by the tenants from their landlords under the various State-aided schemes of land purchase for the total inclusive price of £110,000,000, or thereabouts.

The Congested Districts Board.

I come now to the third and last of the great landmarks, or stages on the tenant's road to better conditions—the granting of land acquisition powers for the relief of congestion. Holdings are either economic or uneconomic. When a holding is at least of sufficient size and strength to support, within its boundary hedges, a man and his family in frugal comfort, it is regarded as economic; when it falls below this level, it is uneconomic. As to the area of land, poor law valuation, etcetera, that should comprise such a holding, we are without either a statutory or a court decision to guide us, and opinions differ very considerably but most experts will, I think, agree that a holding with a poor law valuation under £20 is, generally speaking, uneconomic. Area by itself is not a reliable test as 500 acres on the Lugnaquilla Mountain might well be uneconomic, whilst six or seven acres near a town or city might be fully economic. Look at the prosperous little holdings of scarcely more than three or four acres each in Rush, County Dublin. At any rate, according to the generally accepted test of £20 poor law valuation, there are, even to-day, over 280,000 holdings, i.e., 75 per cent. of all agricultural holdings that are presumably unecomonic and have a claim to be considered for enlargement. Even if holdings under £2 poor law valuation be excluded, the percentage of uneconomic holdings will still be 70 per cent. Whilst the holdings are scattered all over the country, there are, because of historical and economic reasons, numerous thickly concentrated pockets of them in the counties that line our western seaboard, where they present an acute problem of their own. For example, of the total quoted about 100,000 are situated in the nine counties scheduled as congested. A typical pocket of congestion in those areas would consist of, say, a few hundred miserable little holdings of from £1 (or less) to £4 or £5 poor law valuation, hardly more than potato-patches, huddled together on the edge of a moor or bog or mountain-side. In many places the problem is further accentuated by the system of rundale that prevails, that is, the intense sub-division of these little patches, sometimes a few acres being divided into 20 or 30 small plots belonging to, perhaps, a dozen small tenants. And all this is crowned by a great final obstacle—the land to relieve this wretched state of affairs is hardly ever in its vicinity, but generally miles and miles away in the eastern counties.

Having recognised the existence of this special problem, the Balfour Act of 1891 created the Congested Districts Board, endowing it with considerable powers and income for its statutory purposes. The Board's work was by no means confined to land; it had many other activities, from establishing local industries, and the improvement of

transport facilities down to the care of the sick. But this evening we are concerned solely with its land settlement work. Subsequent Acts extended its powers. But though the principle of compulsion had been already conceded by the Evicted Tenants Act of 1907 it was not till the passage of the Birrell Act of 1909 that compulsory powers of acquisition generally were put at the disposal of any statutory body. By that Act a considerable exercise of such powers was vested in the Estates Commissioners, who could apply it to congested estates and untenanted land within their particular jurisdiction, or, on the requisition of the Board, to estates within the Board's particular jurisdiction, subject to a right to apply to the judicial commissioner by an aggrieved party, with a further right of appeal on legal points from his decision.

Though, of course, this side of the work could not, in the nature of things, have advanced as rapidly as the greater work of land purchase, nevertheless we find that, when the Irish Government took over affairs in 1922, there was the following substantial achievement in this particular line by the bodies concerned: Over 900,000 acres of untenanted land had been acquired by them, either by agreement or compulsion, and disposed of to over 46,000 individuals either by way of enlargements of uneconomic holdings or by the creation of new holdings, and of this total more than 770,000 acres were divided in the "congested" counties, affecting over 39,000 allottees.

Under the provisions of Section 46 (1) of the Land Act, 1909, the congested districts are declared to be as follows: The whole of the Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Kerry; and part of the Counties Clare and Cork. In the County Clare the six rural districts of Ballyvaughan, Ennistymon, Kildysart, Kilrush, Scariff and Tulla, together form one "Congested Districts County". In the County Cork the four rural districts of Bantry, Castletown, Schull and Skibbereen form together one "Congested Districts County". As regards area these congested districts comprise over 7,500,000 acres, or well over a third of the area of all Ireland, and something under a half of the area of the 26 counties.

The New Land Code.

I have now completed the first part of my paper dealing with the old part of the land code, and have reached the gates of the new era and the new part of the land code.

Whilst the work under the old order was certainly great, there yet remained for the new a highly formidable task—no less than the vesting in the tenants of over 100,000 holdings, comprising over 3,000,000 acres and the acquisition, for the relief of congestion and kindred purposes of anything from 1,000,000 to 1,500,000 or 2,000,000 acres of untenanted land and large retained holdings.

On the 9th of August, 1923, the first statute of the latter-day land code became law, and, though it has been followed by at least twelve others, it is still the principal Act and the pivot of the new series; the others, though two or three of them are of major significance, being mainly concerned with the amendment, extension and adaptation of the original. Apropos our three landmarks, it abolished dual owner-

ship entirely, thereby wiping out the fair rent jurisdiction of the courts and put the Land Commission machinery for dealing with the other two on a definitely compulsory basis. For its ends it divided the land of the country into two great classifications—tenanted and untenanted land—into one or other of which all the land had automatically to fall. And it went still further and gave to these terms a completely artificial definition hitherto unknown in law. It said that "tenanted land" was to mean any land which was, on the 9th day of August, 1923, held under a contract of tenancy of less than 60 years, excepting agistment, conacre and other kinds of temporary convenience lettings. And any land that was not covered by this definition of "tenanted land", even that held under leases for lives and long leaseholds, was deemed to be "untenanted land". Furthermore it decreed that, with certain exceptions (1) all tenanted land thus defined wherever situated, (2) all untenanted land situated in a congested district county, and (3) such untenanted land situated elsewhere that the Land Commission declare they require for their statutory purposes shall automatically vest in the Land Commission on the appointed day, fixed by them for that purpose. In a nutshell, the central design of the Act was threefold—(1) to complete tenant ownership, (2) to help heal congestion in the congested district counties by the compulsory and automatic acquisition of all untenanted land therein and the using of it for that purpose, and (3) to relieve congestion elsewhere by declaring certain untenanted land essential therefor and acquiring it, if necessary, compulsorily. Side by side with the automatic transfer of tenanted land to the Land Commission was provided an automatic method of fixing the price payable to the landlord. Such payments were made in $4\frac{1}{2}$ per cent. Land Bonds, equal in nominal amount to the purchase money and carrying interest as from the date when the purchased land is vested in the Land Commission. Unlike all previous Acts where price, in these transactions, was the result of agreement or barter, here the "standard price", as it was called, became in every case an automatic sum, the interest on which at $4\frac{3}{4}$ per cent. was to be equal to the new standard purchase annuity, and that annuity was, itself, to equate a reduction of 35 per cent. of the judicial rent fixed before 16th August, 1911, and a reduction of 30 per cent. of the judicial rent fixed on or after that date. In the case of non-judicial holdings, where the landlord and the tenant failed to agree, the annuity was fixed by the Commissioners, subject to a right of appeal to the Appeal Tribunal. Under the Land Act, 1929, however, for yearly tenancies not then dealt with, an automatic figure of 65 per cent. was adopted for standard purchase annuity, also subject to appeal. Legislation in recent years has given power to revise annuities fixed on judicial rents that are too high and thereby endanger security for the advance. To show how beneficially these provisions affect the tenants let us take an example—that of a tenant who, before the Act, paid a judicial rent of, say, £30, fixed before 16th August, 1911. On his holding vesting in the Land Commission this rent is automatically reduced to a sum amounting to 65 per cent. of the rent, viz., a statutory payment of £19 10s. or thereabouts, of which he now pays only half, that is about £9 15s., in two

half-yearly instalments of £4 17s. 6d. each. So, from paying annually £30 rent, he now pays in most cases a terminable annuity of £9 15s. towards discharging the advance made to him by the Government to buy out his landlord.

Supposing that that rent of £30 had been judicially fixed after 15th August, 1911, the corresponding figures would be: A sum amounting to 70 per cent. of the rent, viz., £21 for which he would be only liable for half, viz., £10 10s., payable in two half-yearly instalments of £5 5s. In the case of an allottee of a parcel of land which was purchased under the Irish Land (Provision for Sailors and Soldiers) Act, 1919, and was on the 28th day of June, 1933, vested in the Land Commission, the amount of the reduction of the annuity is 55 per cent. under the provisions of Section 19 (2) (*a*) of the Land Act, 1933.

Reconstituted Land Commission

The Congested Districts Board and the Estates Commissioners were both dissolved and their powers, functions, duties and property vested in a reconstituted Land Commission, which is a body corporate with a common seal that the courts must accept, and is furnished with wide judicial, discretionary and administrative powers for its purposes, and can hear and determine all matters of law and fact within its special jurisdiction.

At present the Land Commission is composed of seven members—a Judicial Commissioner, who must be a High Court judge, and six lay Land Commissioners, who are appointed by the Government. Two of the latter, with the Judicial Commissioner, form the Appeal Tribunal, which in addition to the original jurisdiction vested in it, hears appeals from the judgment of the other Commissioners. The lay Land Commissioners have a special statutory tenure and their removal is controlled by the Oireachtas. The two lay Appeal Commissioners have, in addition, the tenure of Circuit Court judges.

The Land Act of 1933 defined the relationship of the Land Commission with the Minister for Lands, who is the member of the Government in charge of it, and Section 6 of that Act put the following important matters within the exclusive jurisdiction of the Commissioners: The determination of the persons from whom lands are to be acquired and to whom they are to be allotted; the price to be paid for such lands and the price at which they are to be resold to allottees; the new holding to be provided for a person in lieu of his acquired holding; and whether or not a holding has been used in accordance with the proper methods of husbandry. The Minister, under his sealed order, regulates and assigns the work of the Land Commission amongst the six lay members thereof but, in excepted matters " not so as to allocate any particular case or land to any particular Commissioner ". Over the functions of the Judicial Commissioner or the Appeal Tribunal there is of course no Ministerial control of any kind. All the various matters that the Land Commission has been assigned by statute to deal with must find their way ultimately to the Commissioner or Commissioners for decision in accordance with the Minister's sealed order, when they become the acts of the Land Commission.

In non-excepted matters the Minister may over-rule such a decision when it has been made, when his decision thereupon becomes the act of the Land Commission in that particular event. Before coming to the important matter of staff, I would like to refer briefly to the salient features in recent land legislation.

The Act of 1931, largely an administrative Act, was necessitated by the limitations of the statutory machinery and was designed to provide for the early vesting of holdings in the purchasers. And here let me draw your particular attention to the novel, but effective, methods whereby statutory land purchase transactions are accomplished. The basis of the scheme is a two-fold transfer. First the landlord's fee-simple interest in his lands is bought from him and vested on the appointed day in the Land Commission by the simple plan of publishing in the *Iris Oifigiúil* lists of tenanted land in respect of which particulars have been furnished by the landlord in pursuance of Section 40 (1) of the Land Act, 1923, and the Land Commission thereupon step into the landlord's shoes for all practical purposes, so far as the tenant is concerned. This is followed, generally some years later, by the second transfer, when the Land Commission, by vesting order, vest the fee-simple of the lands in the tenant, thereby abolishing him as a tenant, and raising him to the dignity of the landlord or owner of his little farm.

The Land Act of 1933 made, as I have pointed out, important amendments in the constitution of the Land Commission, and it also halved the standard purchase annuities that the tenants were liable for, whilst the two last Acts, those of 1936 and 1939, made several useful changes and amendments, rendered necessary by the experience gained in the working of the code and by certain court decisions.

The Staff and Organisation of the Land Commission.

The staff of the Land Commission, like that of all Civil Service departments, work through the secretary under the control of the Minister. I should mention that the present secretary is also a member of the Land Commission, as are also the present chief inspector and one of the assistant secretaries. In normal times its personnel would average round about 1,000 or so, and it is thus amongst the larger departments of State. It is organised in some 12 or 14 branches of sizes varying according to the importance and pressure of the work charged to the particular branch. There is the Secretariat that, with the Establishment Branch, supervise generally the staff, and deal with the vast volume of correspondence that pours in every day from all over the country. Others are the Accountant's Branch, responsible for the financial end of things; the Collection Branch, charged with the collection and putting to credit of the annuities and arrears. The revised annuities and annual sums accruing due that fall to be dealt with by this branch amount to about £2,250,000, affecting over 470,000 payers, which indicates the dimensions of the branch's work. The Purchase Branch, dealing with tenanted land, and the Acquisition and Resales Branch, dealing with untenanted land affairs are, as would be expected, two of the largest and most important of the indoor

branches. The Sub-division Branch deals with applications for permission to sub-divide holdings covered by land purchase annuities. The Registrar's Branch deals with proceedings before the Judicial Commissioner and the Appeal Tribunal, and the Examiner's Branch, a legal branch, has the duty of passing title and dealing with questions arising on the distribution of purchase money and other matters coming before the Judicial Commissioner. The Keeper of the Records does what his name connotes: and, by the way, there are some exceedingly interesting old documents in his custody. The Solicitor's Branch deals with all the many legal matters connected with proceedings by or against the Land Commission, a great share of its work being taken up with the recovery of arrears of annuity.

The Inspectorate Branch, in charge of the chief inspector, is one of the most important of these branches. It is comprised normally of up to 140 inspectors who have been recruited because of their technical knowledge and skill in their own specialised field, and who are graded from senior inspectors and resident inspector to Grade I, II, and III inspectors. This is primarily an outdoor staff, many of its members being headquartered in the rural districts, and all of them, from the seniors downwards, having to make constant visits to estates throughout the country.

The Duties of an Inspector of the Land Commission.

The duties of an inspector of the Land Commission are many and varied and, as this office is quite a unique one in our Service or, indeed, any other that I know of, I will try to give you a rough idea of its duties and of the kind of work that is expected from one who holds it. If the inspector happens to be stationed in a busy and contentious area he certainly has not much time to " chew the cud of sweet and bitter fancy ". He will probably receive a large postbag most mornings but not exactly the sort of postbag that any ordinary individual would welcome. When he goes through this postbag he will probably find himself called upon to attend to a host of different matters, from sending in reports to headquarters in Dublin on such things as applications to sell or sub-let holdings, applications for grants to build, or reconstruct dwellinghouses or out-offices, applications for turbary plots, or for rights-of-way, to the investigation of complaints about the usership of allotments, a defective flue in a chimney, a defective wall in a house, a defective fence or drain, a leaking roof, down to that standard element of rural discord, a non-functioning pump. And, talking about pumps, I am reminded of an incident that happened years ago in the British days and concerned another department, not the Land Commission. The destinies of a certain Rural District Council were presided over by a pompous and exceedingly corpulent chairman who had made several complaints to Dublin, in vain, about a village pump in their bailiewick that had not been conducting itself properly for years. Finally, in desperation, he sent the following ultimatum to the secretary of the Department in Dublin:

" Dear Sir: Re the village pump, I write to inform you that, at its last meeting, the Rural District Council unanimously resolved

that if said pump is not mended within one month from the date hereof, the said council will resign ' in globo '. And, even if the said council does not resign, I, the said chairman, will certainly resign ' in globo '."

Threats nearly as awful have been made to inspectors of the Land Commission. But, amongst the most important and most interesting work of an inspector is that of the valuing of lands for acquisition by the Land Commission, for its statutory ends, and the division and allotment of such lands when they have been acquired. The valuation of land is entrusted to an experienced senior inspector, who walks the lands, valuing each field, or section, separately. On this valuation he builds his aggregate price which, in the case of untenanted land, must have regard to the fair value of the land to the Land Commission and to the owner, respectively—two interests that are not easy to reconcile.

The lands having been acquired, instructions are then issued to prepare a scheme which generally falls to a more junior inspector. But before he starts on his scheme, the junior man and his senior together walk the lands again, usually for the purpose of apportioning the price in its relation to the quality of the different fields, or parts thereof; in other words for the purpose of grading the land so as to secure the ultimate creation of balanced holdings. At the same time they have to keep a sharp look-out for all potential factors such as access to the lands, the contour of the land and the extent and situation thereon of its water-supply, and such-like matters, to enable the lands to be striped or divided with the greatest economy possible to the State, and in the best interests of the allottees. From this stage onwards the job of preparing the actual scheme passes into the hands of the more junior inspector entirely. And this is a task, I can assure you, that not infrequently calls for the tact of Machiavelli and the patience of Job; for he has to deal with the relationship of human nature to the commodity of land in a nation whose face, according to Gladstone, " is more seamed with variety than any other agricultural country in the world ". The inspector starts his job by examining the file of applicants for the lands, which has been accumulating for some considerable time during the process of acquiring the lands and which often contains several times the number for whom there is land available. These applicants, provided they live within a reasonable distance of the lands, the inspector has to visit personally, and question them as to their circumstances in life. The first information he must get from them is the area and value of land they already possess, for, if that happens to be above the economic level, that will, *ipso facto,* disqualify them from getting more at the State's expense. If the area is under that level, then further particulars are obtained as to the number in each family, the amount and description of stock, as well as evidence of capital to enable them to work additional land. When the inspector is going his rounds at this work he inevitably hears the whole truth, for the competition for land is so keen that each applicant will see to it that his neighbour will not get away with his particular story. Say the inspector enters Seán Murphy's house and says he has just come from Séamus Kelly's, Seán is bound to remark " I hope he told you everything. Did he tell you

of the two holdings he has at Ballymore and of the grand holding his wife has at Ballybeg?", and so on. So, between everything, Truth generally emerges in her pure and naked beauty, resulting ultimately in a fairly water-tight scheme which generally succeeds in weathering the barrage of criticism from the Dáil down to the local tavern.

But, though like most callings, an inspector's job has, as we have seen, its onerous and responsible side, it is, unlike most vocations, inspired and vitalised by its close and constant association with Mother Earth and human nature, and I doubt if any inspector could be persuaded to leave it for any other job of parallel rank in the State service. And no wonder, for to him falls the enviable task of helping to solve the riddle in terms of land, flesh and blood and not in terms of paper, ink and files.

Now I think I should warn you that the Land Commission, because of the exceptional problem it was called into being to solve, is a unique and highly specialised organism and, both in its structure and in its work, very different indeed from the general Civil Service department. In most departments there is, fundamentally, a good deal in common in these respects and a man, passing from one to another, is not long in getting into the swing of the new work. Were he to cross over to the Land Commission, he would find himself, for some considerable time, in a very different and perplexing world. A good officer of the Land Commission has to be moderately well furnished with knowledge on a number of technical sides if he is to get anything like a sound grasp of his work. He should have, at least, an elementary knowledge of legal principles and definitions applicable to land law. Having acquired that, he should make himself thoroughly acquainted with the main clauses of the Land Code, particularly the series of Acts from 1923 to 1939. Then he should know something about agricultural values and measurements, and be able to read a map and scale on it; for there will hardly be a file passing through his hands without a map of some sort attached to it. And I need scarcely add that a sound knowledge of mathematics and facility in calculating will certainly not do him any harm. In short, he is expected to make himself a bit of a Samhail Darach. But the effort made to so equip himself will be amply repaid by the interest and clarity such equipment will give him in his work, and by the cognisance that he is making a definite contribution, however small, to the solution of one of our State's biggest tasks,—the effective establishment of our farming community on the land as the basic factor in any sound reconstruction of our rural life.

Work Accomplished and Tasks Ahead.

Let us now have a glance at the work done and remaining to be done. Under the entire Land Code up to date over 440,000 holdings, comprising over 15,000,000 acres, have been bought for over £128,000,000; and parallel with that vast proceeding some 1,800,000 acres of untenanted land (including tenanted land surrendered by migrants and others) were acquired for a total purchase price of £14,000,000 or thereabouts and divided amongst some 103,000 congests, migrants, former employees of estates, evicted tenants, turbary

trustees, etc. In connection with this great work over £9,000,000 was expended in improvements, of which, within the past twenty years, over £3,000,000 was in respect of buildings, including the construction and reconstruction of dwellinghouses and out-offices. So you see that, in addition to its other work, the Land Commission is a great house-builder, and if you go through the country you cannot fail to see numerous examples of its serviceable, if not very artistic, specimens of architecture. But, inartistic as the houses may be, they are an incredible improvement on the appalling hovels that, in very many cases, they have replaced.

Now, though all this is, indeed, a truly colossal achievement, there still lies in store for the Land Commission a task of considerable magnitude. On the tenanted land side there are over 136,000 holdings that await vesting in their tenants; in other words there are about 136,000 tenants awaiting the act of the Land Commission that will raise them to the level of full landlords, full owners of their lands. And here may I remark that one of the many illusions entertained about the Land Commission is that it has destroyed landlordism. On the contrary, I think it would be truer to say that it has increased and multiplied the number of land-owners at least a hundred-fold for, in place of a few thousand owners, it has created over 400,000, which, by the time its work is accomplished, will probably be over the 500,000 mark. Well, of these 136,000 holdings no less than 28,000 will, in all probability, require drastic rearrangement involving extensive migrations, being, as they are, in bad rundale. And all of the remainder will require surveying and checking, for the Land Commission must make sure of what it is selling and the tenant of what he is getting, in the second or final transfer.

We have seen that there are, on the most conservative estimate, over 280,000 presumable congests (not to mention the thousands of landless men) and, although the views of experts differ on the exact area of land remaining available to meet this serious problem, which, of course, cannot be solved by land alone, all are agreed that there is still a very substantial area in the country that could be used towards that end.

Just a few further observations before I close.

Most people are naturally tempted to regard their own particular daily work as being of exclusive importance, and we in the Land Commission are no exception to that universal temptation. But, whatever about our work, there can be no doubt at all that our subject-matter, Land, is of paramount importance. Ireland, and her traditions, are founded on Irish land from which we have all sprung and to which, inevitably, we shall all one day return, even though it be to a very small estate. Without land we cannot conceive a nation, and without people on the land there would be nobody to conceive anything; and this great city of Dublin, and all our other cities and towns, would be but memories. "As a general 'principle', declared the Agricultural Commission in 1924, it cannot be disputed that the larger the number of people living in comfort and decency on and from land, the better the country." And nobody, I think, anywhere will gainsay this axiom,

though our great neighbour went dangerously near forgetting it prior to this war when unchecked industrialism was pouring over her lovely valleys and countrysides in hideous and unkempt lava-like floods of brick and mortar and factory-stacks, wiping her people off the land and breaking their rural and natural tradition. In those desecrated countrysides it would be impossible to imagine a Shakespeare, a Marlowe or a Ben Jonson existing, and indeed the glorious plays of their " Merrie England " have been replaced by fittingly dismal productions like *Love on the Dole* and *How Green was my Valley.*

However, England is to-day keenly alive to the peril, and is taking determined and drastic steps to avert and prevent any further decay of her countrysides, and to re-knit and re-build her rich and ancient rural life. And this also is an axiom that we, more almost than any other country in the world, cannot afford to forget.

The Industrial Relations Act 1946

An Outline of the Act by R. T. P. MORTISHED
Chairman of the Labour Court

Mr. Mortished is a life-long exponent of conciliation in industrial relations and his experience in the International Labour Office and as Chairman of the Labour Court enables him to speak with unique authority on the subject. The Industrial Relations Act 1946 marks a new departure in Irish Labour legislation. It has its weak points which are in a degree inseparable from any democratic treatment of this thorny problem. The weaknesses in the Act do not necessarily imply that it is ineffective. They do, however, place on both sides of Industry the responsibility of co-operating with each other and with the Labour Court in a spirit of good citizenship to secure the maximum of unity in their industry and the minimum of inconvenience to the public while pursuing their search for absolute justice in the relations between employers and workers. The absolute is of course unattainable in this imperfect world and in consequence a spirit of compromise is needed to secure working results—Mr. Mortished's lecture gives an idea of how far these results are being achieved.

* * *

THE Industrial Relations Act, which was introduced and enacted last year with the general approval of both employers' and workers' organisations and of all parties in the Oireachtas, is not a very lengthy measure, but it is very comprehensive and it makes some important changes in the rôle of the State in industrial relations in this country. I shall try in this paper to give a brief exposition of the provisions of the Act. . . . I shall not try to discuss every detail of the Act; in particular, I shall not deal at all with Part VII of the Act, which is transitional and temporary and could not be treated at all adequately here without risking a distortion of the general picture. It will, of course, be understood that I am not speaking as Chairman of the Labour Court and do not profess to give an official or authoritative interpretation of the intentions or effect of the Act.

The Scope of the Act.

The Act provides machinery for the regulation of the conditions of employment of workers over the age of fourteen years, and

a worker is defined as a person working under a contract, whether of service or apprenticeship, with an employer, but there are very large groups of excepted workers. Agricultural workers, persons employed by or under the State or by local authorities, and teachers in national and secondary schools, are all excepted. The Census of 1936 showed a gross total of just under 613,000 persons working as employees, about 105,000 working as employees in agriculture and about 86,000 working as employees in central and local government and education. About a third of all employees are therefore outside the scope of the Act. In the case of agricultural workers machinery for the regulation of wages (but not of hours of work or other conditions of employment), has been set up under the Agricultural Wages Act, 1936, and their exclusion from the Industrial Relations Act is not quite complete, for they are specially included in the scope of Part VI of the Act, which deals with trade disputes.

It should be noted that for the purposes of the Act no distinction is made between manual and clerical or other workers, and that no worker is excluded by reason of his rate of remuneration.

Joint Labour Committees.

The Act repeals and replaces a number of statutes that we inherited from the British régime; the Conciliation Act of 1896, the Industrial Courts Act of 1919 and the Trade Boards Acts of 1909 to 1918. The Trade Boards Acts are doubtless not unfamiliar to you and it will be convenient to deal first with Part IV of our new Act, which replaces them.

Trade Boards were established originally to enforce the payment of something approaching a decent wage in four trades where the conditions in which the work was done, the intensity of competition and the lack of trade union organisation among the workers had resulted in " sweated " wages. The Act of 1909 was somewhat cumbrous in operation and limited in scope, and an amending Act of 1918 accelerated the procedure and empowered the competent Minister to set up a Board in any trade " if he is of opinion that no adequate machinery exists for the effective regulation of wages throughout the trade and that accordingly, having regard to the rate of wages prevailing in the trade, it is expedient that the Act should apply to that trade ". As a result the number of Trade Boards in the Three Kingdoms rose by the end of 1920 from 8 to 57, of which 15 were in Ireland. Just before the passage of our new Act there were 15 Trade Boards operating in the Saorstát area of Ireland.[1] The new Act rechristens these as Joint Labour Committees and makes some further changes in procedure, but it does much more than that.

[1] The trades affected, with the years in which the Boards were set up, were as follows: 1909, tailoring; paper box; sugar confectionery and food preserving; 1913, hand embroidery; shirt-making; 1919, tobacco; aerated waters; boot and shoe repairing; brush and broom making; rope, twine and net; women's clothing and millinery; button making; 1920, general waste materials; reclamation; 1934, packing; 1935, handkerchief and household piece goods.

It transfers from the Minister for Industry and Commerce to the Labour Court (1) the power to set up a Joint Labour Committee (though the Minister may still apply to the Court for an establishment order); (2) the power to appoint the members of a Committee representing employers and workers (though the Minister still appoints the chairman and other independent members); and (3) the power to confirm a Committee's proposals for an employment regulation order which, when confirmed, becomes legally binding on all employers of workers covered by the order. The enforcement of the orders of Committees by inspection and prosecution still remains the responsibility of the Minister. The Act has also enlarged the scope of the system. The Court may establish a Committee in respect of any "class, type or group of workers" on any one of three grounds: (1) expediency, having regard to existing rates of wages or conditions of employment; (2) the inadequacy or breakdown of existing machinery for the regulation of wages and other conditions of employment; and (3) agreement between employers and workers. Further, the new Committees are no longer restricted to the fixing of minimum wages but may also regulate other conditions of employment.[2]

The new Act thus opens up very wide possibilities for the regulation of conditions of employment through joint committees of employers and workers assisted by appointed independent persons, the decisions of which (decisions that may in effect be those of the independent members acting as arbiters between the two sides) if confirmed by the Court become legally enforceable by inspection and prosecution by the State.

In this connection it will probably prove advisable—not immediately perhaps, but later—to give some consideration to the developments that have taken place since the old Trade Boards were set up. In some cases the conditions that justified the establishment of the Board still exist, or would quickly reappear if the Board were to be abolished; but in others the operation of the Board has helped to change those conditions materially. Wages have been fixed which, if not high, are at any rate well above the sweated level; the workers have organised themselves in trade unions; the employers have become habituated to collective action; the trade as a whole has put its house in order. Where this is the case, is the trade justified in relying so largely on the assistance of the State to maintain order as it did in the past? I raise the question without presuming to offer an answer.

The characteristic features of a Joint Labour Committee are: (1) its establishment by the Court; (2) the inclusion in its membership of independent members appointed from outside the trade; (3) the deciding voice given to these appointed members; (4) the power of the Court to control the decisions of the Committee, which are subject to its confirmation, and (5) the enforcement of the decisions,

[2] In Great Britain the Wages Councils Act, 1945, renamed Trades Boards as Wages Councils and made a number of other changes which have a parallel in Part IV of our Act, but the powers of the Councils are limited to fixing wages and holidays.

when confirmed, by State inspection and prosecution. A Joint Labour Committee is a piece of machinery for the regulation of wages and working conditions in which the State exercises considerable influence, though the political organs of the State play only a limited part.

Joint Industrial Councils.

Joint Industrial Councils, which are dealt with in Part V of the Act, are bodies of a very different kind. They owe their development, though not their origin, to the report of the Whitley Committee on the Relations between Employers and Employed set up by the British Government in 1916. That Committee recommended "the establishment for each industry of an organisation, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community". The intention of this recommendation was stated by the Committee thus:

> A permanent improvement in the relations between employers and employed must be founded on something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected. . . . We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way.

The Councils were intended to provide for *regular* meetings to discuss such matters as—

> the better utilisation of the practical knowledge and experience of the workpeople, the settlement of the general principles governing the conditions of employment, means of ensuring to the workpeople the greatest possible security of employment, methods of fixing and adjusting earnings, piecework prices, etc., technical education and training, industrial research, improvement of processes, etc., and proposed legislation affecting the industry.

Between January, 1918, and December, 1921, no less than 73 Joint Industrial Councils were established. Quite a number proved not to be viable and in some important industries, where collective bargaining machinery was well established, no Council was set up; but in mid-1944 there were about 100 Councils in Great Britain, covering employments ranging from the Civil Service and Government industrial undertakings to silica moulding sands and British ball clay. In this country industrial conditions were, of course, not comparable, and from 1916 on we had other things to think about. We have a number of bodies that are called Joint Industrial Councils,

but in fact these are not much more than negotiating committees for the discussion of wages and working conditions in the narrower sense, whereas the Whitley Committee's proposals were much wider in scope and several of the Councils in Britain do not discuss wages at all.

One characteristic feature of a Joint Industrial Council which distinguishes it from a Joint Labour Committee is that the Council is a creation of industry itself. The Act does not provide for the setting up of Councils either by the Labour Court or by the Minister or by any other State authority. All it does is to provide for formal recognition of Councils which have already been set up by voluntary action. The Labour Court can register a Council, but there is no obligation on a Council to apply for registration. It can also assist a Council by appointing the chairman and the secretary, but only if the Council so requests.[3] It does not control the Council at all.

The Act imposes three conditions for registration of a Joint Industrial Council. The Council must be substantially representative of the workers affected and of their employers, and its object must be the promotion of harmonious relations between those it represents. These conditions hardly call for comment. The third condition is that the rules of the Council must provide that if a trade dispute arises a strike or lock-out will not be undertaken in support of the dispute until the dispute has been referred to the Council and considered by it. This, of course, does not mean that there must be no resort to a strike or lock-out; it means only that there must be discussion and negotiation before the strike or lock-out takes place. It will be noticed that the dispute may not come of necessity before the Labour Court at any stage; the Councils are entirely free to conduct their business, including the consideration of disputes, in any way they please.

Another essential distinction between a Joint Industrial Council and a Joint Labour Committee is that the decisions of the Council, even if it is registered, have only so much binding effect as can be secured for them by the discipline that the industry is able to impose on itself; there is no statutory authority behind them and no system of State inspection and enforcement. It is true that an agreement reached by a registered Council concerning wages and conditions of employment can be made legally binding but the position of a Council agreement in this respect is exactly the same as that of an agreement concluded between employers' and workers' organisations where there is no Council.

[3] The Councils in existence when the Act came into operation and the dates of their establishment were: 1933, flour milling; 1934, Dublin printing and allied trades, Dublin newspaper industry; 1936, bacon curing; 1937, woollen and worsted, linen and cotton; 1938, sugar manufacturing, hosiery; 1941, rosary beads; 1944, tanning. In all but two cases, the chairman was an official of the Department of Industry and Commerce, appointed by the Minister; in one case the Council selected its own chairman from outside the industry; in the second case, the chairman was appointed by the Minister from outside the industry. In all cases the secretariat was provided by the Department.

Registration of Employment Agreements.

This brings us to Part III of the Act, dealing with the registration of employment agreements. This applies a principle which first appeared in our legislation—though not very effectively—as recently as 1936[4] and which has had only a very limited and hesitant application in British legislation, but which is well known in the legislation of a number of other countries.

Under Part III of the Act a collective agreement concluded between employers and workers can be made legally binding, and binding not only on the parties to it but also on others who are not parties to it. This conversion of a voluntary collective agreement into a binding legal contract is effected by registration by the Labour Court and is, of course, subject to conditions. The agreement must relate to wages or conditions of employment, and be made either between a trade union[5] of workers and an employer or trade union of employers or else between the workers' and employers' members of a registered Joint Industrial Council. The application to the Court for registration may be made by any party to the agreement, but registration will not be granted unless the Court is satisfied that both parties consent or, if there are more than two parties (for example, several workers' unions or several employers or employers' unions), that there is substantial agreement on registration among the parties representing workers and employers respectively. The Court must also satisfy itself on a number of other matters. The agreement must have a defined scope, which must be general and not individual or unduly sectional; in the words of the Act, it must be "expressed to apply to all workers of a particular class, type or group and their employers where the Court is satisfied that it is a normal and desirable practice, or that it is expedient, to have a separate agreement for that class, type or group". The agreement must also be concluded between parties who are substantially representative of the workers and the employers whom it affects. The agreement must further be "in a form suitable for registration"; this requirement is not further defined by the Act, but obviously an agreement that was vague or ambiguous would not be in suitable form.

It is important to note that the Court does not exercise any control over the content of an agreement submitted to it for registration, except in two matters with which I shall deal in a moment. The parties can please themselves about rates of wages, hours of work, annual holidays and all such matters, and the Court has neither to approve nor to disapprove.

The Court is, however, required to satisfy itself on two important elements of the substance of the agreement. Firstly, the agreement must not be intended to restrict unduly either employment generally or the employment of workers of a particular class, type or group,

[4] See the Conditions of Employment Act, 1936, s. 50 of which is repealed and replaced by the present Act.

[5] Throughout the Act, "trade union," whether of employers or workers, means a trade union which holds a negotiation licence granted under the Trade Union Act, 1941.

nor to ensure or protect the retention in use of inefficient or unduly costly machinery or methods of working. Some such condition is clearly desirable in the public interest, but its effect will be seen only when the Court has applied it in particular cases. An agreement restricting employment in a trade to workers with red hair would doubtless not be registered; but what view would the Court take of one that limited the proportion of apprentices to journeymen to one in twenty?

Secondly, the agreement must provide that in the event of a trade dispute between workers and employers covered by the agreement there will be no strike or lock-out until the dispute has been submitted for settlement by negotiation. The method of negotiation may be whatever the parties please; it does not have to be approved by the Court and it need not include any reference of a dispute to the Court; all that is necessary is that it should be specified in the agreement.

Before an agreement can be registered, the parties must publish notice of the application to register as directed by the Court and the Court must hear and consider any serious objection by any interested person. But an objection would be ineffective unless it showed that the conditions for registration were not complied with; an objection merely on the ground, for example, that the wages fixed by the agreement were too high or too low would be irrelevant.

These are the conditions of registration of an employment agreement. What are the consequences of registration?

On the one hand, all employers are required to comply with the provisions of the agreement concerning wages and conditions of employment, whether or not they were parties to its conclusion. Since the agreement would not have been registered at all unless the parties concluding it were substantially representative of both the employers and the workers to be affected by it, this consequence might be regarded as simply an application of the principle that the minority may be required to abide by the decision of the majority; but the words of the Act are " substantially representative ", which does not necessarily mean the same thing as " representative of a majority ". If two or three employers in a trade employ a thousand workers in all, while there are six other employers who have together 500 workers, are the two or three to be regarded as substantially representative?

Enforcement of the provisions of a registered agreement may be effected in either of two ways. Contracts of employment are deemed to have been amended to comply with the agreement, so that if an employer pays lower wages or gives less favourable conditions of employment than the agreement requires his workers would have the ordinary civil remedies for a breach of contract. But the Act also provides for enforcement through workers' trade unions and the Labour Court. A union may complain to the Court that an employer has failed to comply with the agreement. If the Court is satisfied, after hearing all persons interested, that the complaint is well founded, the Court may direct the employer to comply. If the

employer fails to obey the Court's direction he is guilty of an offence and renders himself liable on summary conviction to a fine of up to £100 with a further fine of up to £10 for every day during which the offence is continued. The offence is prosecuted by the Minister for Industry and Commerce in the ordinary courts of law.

On the other hand, the registration of an employment agreement puts certain limitations on the freedom of action of the trade unions of workers affected by the agreement, even if a particular union was not itself a party to the making of the agreement. As in the case of the employers it must be remembered that the agreement would not have been registered at all unless the parties to it had asked for registration and had been found to be " substantially representative ". Employers and their unions have a right of complaint to the Labour Court corresponding to the workers' right. If the Court is satisfied that a workers' union is promoting or assisting out of its funds a strike which " is in contravention of the agreement and which has for its object the enforcement of a demand on an employer to grant to a worker remuneration or conditions other than those fixed by the agreement ", the Labour Court may make an order directing the union to refrain from continuing to use its funds in maintaining the strike. If a person to whom this direction is given fails to obey he is guilty of an offence and is liable, on summary prosecution by the Minister and conviction, to the same fines as an offending employer. The Court may also go further than this in the case of an offence by a workers' union; it may cancel the registration of the agreement, which thereupon ceases to have any legally binding effect.

Although there is a limitation to the extent indicated on the exercise of the right to strike, registration of an agreement does not entail abandonment of the right. There is nothing to prevent either the workers or the employers who are parties to an agreement from terminating it in accordance with its terms. The Court then cancels the registration and all parties regain complete liberty of action. Even if the agreement is not terminated, it is still possible for the members of a workers' union to go on strike—possible, but difficult, because they will not be able to count on strike pay.

The registration system offers certain advantages to both workers and employers: protection against unfair competition by non-union workers and employers, the help of the law in securing the observance of conditions fixed by agreement, a discouragement of " lightning " strikes, and a considerable degree of assurance, though not of course an absolute guarantee, that it will be possible to settle their disputes by negotiation. As the price of these advantages both sides must accept some limitation of their freedom of action, but—except in so far as they may be " minorities " required to abide by the decisions of the " majority "—their acceptance is entirely voluntary and the limitation cannot be continued indefinitely against their will.

Trade Disputes.

I turn now from agreements to disagreements, to the trade disputes which are the subject of Part VI of the Act. (This, it will be remem-

bered, is the only part of the Act which applies to agricultural workers.) Under Part VI the Labour Court is empowered to take the initiative in seeking the settlement of trade disputes which it thinks are likely to lead to a stoppage of work, and it can do so without awaiting an invitation from either party to the dispute or from any other authority.[6] But unless there is a likelihood of a stoppage of work the Court's initiative is restricted in such a way as to prevent it from intervening in cases where there is other machinery available. If the dispute is between persons represented on a Joint Industrial Council the Court can intervene only at the request of the Council. Similarly, if the dispute is between persons and concerns matters covered by a registered employment agreement, the Court cannot intervene unless at least one of the parties to the agreement requests it to do so. Finally, if a trade union, whether of workers or employers, concerned in a dispute shows that there is an agreement which is in force between itself and the other parties to the dispute and which provides for another method of settlement, the Court cannot intervene, and this applies whether the agreement is registered or not. But it should be emphasised that these limitations on the Court's power to intervene do not apply if the Court is of opinion that a stoppage of work is likely.

The definition of a trade dispute is "any dispute or difference between employers and workers or between workers and workers connected with the employment or non-employment, or the terms of the employment, or with the conditions of employment, of any person". This covers not only the usual case of a dispute over wages or hours of work, but also disputes over many other questions arising between employers and workers and disputes such as "demarcation disputes" arising between workers' unions. The Court has power to investigate whether the dispute actually exists or is only apprehended, and it should be realised that parties can be in dispute even though neither of them has any intention at the time to call a strike or lock-out. There is no necessity to serve strike or lock-out notice to enable the Court to intervene, and even if notice is served the Court may intervene or refrain from doing so at its own discretion.

Before the Court itself takes action in a dispute the Chairman of the Court can appoint a member of the Court's staff as "conciliation officer to act as mediator in the dispute for the purpose of effecting the permanent settlement thereof or such temporary settlement as will ensure that no stoppage of work shall occur pending the investigation of the dispute" by the Court. This procedure enables the parties to come together and, with the assistance of an experienced neutral, to try to reach agreement directly between themselves without any further intervention by the Court. The conciliation officer has no power to do more than act as a friendly chairman and go-

[6] There is one exception. If a dispute affects manual workers employed by the Electricity Supply Board and comes under Section 11 of the Electricity Supply Board (Superannuation) Act, 1942, the Court can investigate the dispute only at the request of the Tribunal set up under that Act.

between, but to say that is not by any means to minimise the value of his services.

If the Court decides itself to investigate a dispute, it may do so in any way it thinks fit, for—except in one special class of case—the Act does not prescribe any particular procedure. The Court may make any inquiries it considers appropriate and in any way, either as preliminary or supplementary to a formal sitting, and any formal sitting it holds may be either public or private. It is thus free to proceed with as much or as little formality and publicity as it considers desirable in the circumstances of each case, but it is also empowered to summon witnesses, to examine them on oath and to compel them to produce documents.

When the Court has investigated a dispute the Act requires it to make a recommendation "setting forth its opinion on the merits of the dispute and the terms on which, in the public interest and with a view to promoting industrial peace, it should be settled, due regard being had to the fairness of the said terms to the parties concerned and the prospects of the said terms being acceptable to them". Unfortunately for the Court it may not be easy to reconcile all four of the considerations which it has to bear in mind; a settlement acceptable to the parties might be against the public interest, and one which was not acceptable to the parties would hardly promote industrial peace. The Court must solve this problem as best it can in the circumstances of each dispute; it cannot take the easy course of applying a hard and fast rule to all sorts of cases.

The Court's recommendation does not bind the parties to the dispute. If there is to be a settlement, it must be made by the parties themselves. All that the Court can do is to help them to reach agreement, by clarifying the issues, creating an atmosphere of reasonableness and goodwill, reminding them if need be of their obligations to each other and to the community, endeavouring to establish certain standards of common sense and good conduct, and on occasion providing for one or other or both parties a means of dignified retreat from an awkward or untenable situation. But if the Court's efforts should prove unsuccessful, the parties are quite free to decide their future course of action; the Court cannot compel them to do what it thinks right or impose any penalty on them if they decline to take its advice.

Although the Court's powers in relation to trade disputes are in general only conciliatory, Part VI of the Act does include provision for arbitration and for binding awards in certain cases. If, but only if, all the parties to a dispute agree on arbitration, the Court may appoint one or more arbitrators or may itself arbitrate.

A binding award is also possible in the case of a dispute which has already resulted in a stoppage of work and which is not being promoted or assisted by a trade union of workers—for example, a strike by unorganised workers or an "unofficial" strike by organised workers. The Court is not bound to investigate such a dispute, but if it does it must follow a prescribed procedure of public announcement of a sitting and hearing of evidence. The Court has then three

courses open to it. It may decide to take no further action, or it may make a recommendation as in any other dispute, or it may make an award for the settlement of the dispute. If an award is made it remains in force for three months only, and while it is in force no employer may, without the consent of the Court, employ a worker on conditions inconsistent with the award; an employer who does so renders himself liable on summary conviction to a fine of up to £100. There is no compulsion on the workers to resume employment, except the facts that the employer cannot give them any other terms than those of the award and that they have no strike pay since no trade union is assisting them. The obvious alternative for them is to take advantage of the three months during which the Court's award is in force to organise themselves in a trade union, or if they were organised, to put themselves right with their union, and so enable themselves to negotiate with their employers and settle their conditions of employment in the ordinary way.

The Labour Court.

The Labour Court itself is the subject of Part II of the Act. It will be clear from the account I have given of its functions that the Labour Court is very different from the ordinary courts of law. It has one feature in common with them, in that it has power to summon witnesses, take evidence on oath and require the production of documents. In certain cases the Court can consider a complaint and give a direction thereon; but it can do so only if jurisdiction has been given to it by the voluntary action of employers' and workers' organisations and it cannot itself impose penalties for failure to comply with its directions. The Court does not function as a court of law does, finding facts and, when it has found them, applying to them a set code of rules, exercising its discretion, if at all, only in accordance with precedent. It has to deal, not with legal rights but with human interests, emotions, and prejudices, at work in circumstances that vary from case to case and from time to time. The Court does not enforce existing law; rather, by a process of inquiry and conciliation, it helps to create a kind of voluntary law or common rule.

It is clear that since the Court has only the necessary minimum of legal power there needs to be widespread understanding not merely of the functions of the Court but also of the nature of the problems with which it has to deal. The public must be able to follow the work of the Court intelligently so that it can, if it thinks the circumstances so warrant, give to the Court's decisions the authority of its support. Such an informed and intelligent public opinion cannot be created by legislation; it must be the work of the Press, the pulpit, the radio, our educational institutions, our political parties, and all the agencies—including especially the organisations of workers and employers—that help to mould opinion.

So far as the Court is concerned, the legislation has done what legislation can do to give the Court the required moral authority. The Court consists of five members. All of them are appointed by the Minister for Industry and Commerce, and they are all paid out

of public funds; but they are not Civil Servants and they do not act under instructions from the Minister. The Chairman, who must devote all his time to the Court, is appointed by the Minister, and the only restriction on his choice is that his nominee must be ordinarily resident in the State. The other four members are also appointed by the Minister—two employers' members and two workers' members—but on the nomination of the trade union organisations of employers and workers. They hold office for a term of five years, and can be removed only for stated reasons, and then only with the consent of the nominating organisation. But while they are nominated by trade union organisations they may not, after appointment, hold office in a trade union. The members of the Court are thus representative, reasonably secure in their tenure of office, and independent in the exercise of their functions. Their immunity from the possibility of pressure from outside is further guaranteed by the fact that their decisions are collective and not individual, and no differences of opinion among them may be revealed.

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REVIEW OF WORKING OF ACT

The foregoing explanation of the Industrial Relations Act was based on an examination of its text; the following comments are based on experience of its working.

Registration of Agreements.

Part III of the Act is short and apparently simple, but its application has been found to present a number of difficulties. The effect of registering a collective agreement between employers and workers is to give legally binding force to its provisions, but the Part is so drafted that it applies to what are in reality two very different classes of agreement. Where the parties to an agreement wish to bind only themselves, no special difficulty arises. But where they wish to bind not only themselves but also other workers and employers who are not parties to the agreement very great care must be taken to ensure that the agreement is so worded that it will, when registered, have exactly the effect intended. It is not always a simple matter to define the scope of an agreement and to frame its detailed provisions so that they will cover all those, and only those, to whom they are meant to apply and so that they will be workable as between employers and workers who have taken no part in the conclusion of the agreement. The Court has tried to avoid being "pernickety" about the wording of agreements submitted to it for registration, but it has been obliged to require a certain degree of precision, especially in agreements intended to be applied to persons other than the parties to them. Not many agreements have been submitted for registration, though the number is slowly increasing. Those that have been submitted have often been

worded, quite naturally, in the way that has been customary in the particular trade in the past, and consequently they have often not been models of lucid and accurate expression. One useful by-product of the registration provisions of the Act will no doubt be an improvement in the drafting of collective agreements, and this may be of great importance if eventually we should decide to take the step that has been taken in other countries and distinguish between disputes over rights under the terms of an agreement, i.e. disputes over interpretation, and disputes about interests.

The application of this Part of the Act has also emphasised what is perhaps its most remarkable feature, namely, that the Court can exercise no control over the content of an agreement submitted to it for registration (except to the very limited extent indicated above).

Joint Labour Committees.

Joint Labour Committees have continued to operate in the same way as the Trade Boards used to do, but two questions may require consideration at some stage in the future. The proposals of a committee are subject to some degree of control by the Court, since the proposals may be referred back to the committee by the Court before they are published and they have to be confirmed by the Court before they become operative. But it is perhaps doubtful whether the present technique is always adequate to ensure that a committee gives full weight to all the factors affecting its proposals or that the proposals are properly correlated with the wages and conditions prevailing in employments outside the scope of Joint Labour Committees. The second question is whether all of the existing committees need to be maintained or whether in some cases organisation has not reached a stage where conditions of employment could be left to be regulated by the ordinary processes of collective bargaining, supplemented perhaps by the registration of the resultant agreements.

Three new committees have been set up by the Court, dealing respectively with creamery workers, law clerks and boy messengers (the last for Cork City only). The two latter committees are of special interest, since they are an attempt to deal with classes of workers of a type not hitherto covered by machinery of this kind.

Wages Orders and Variation Orders.

The actual working out of Part VII of the Act has been very different from what was apparently intended. Relatively very few Wages (Standard Rate) and Bonus Orders were recorded—only 280 out of a total of 1,472. On the other hand, the right to apply for a Court Wages Order, which was perhaps intended to be used only in rare cases, has in fact been very freely availed of. Very many applications have also been made for Variation Orders, even in cases where it might have been expected that alterations in wages would be secured by the normal process of negotiation between organised bodies. The multiplicity of applications, coupled with the necessity for holding sittings in the localities affected, has placed a very heavy burden of

work on the Court. The total number of Orders made in the first year was 151; in 11 cases the Court refused to make an Order. Of the Orders made, 103 were accepted by the workers concerned, and 11 were rejected. Of the total number of workers affected, one half were engaged in the bakery and distributive trades, and but for the special case of an Order for the leather footwear industry the proportion in these trades would have been much higher. The explanation of this high proportion is the imperfect state of organisation on both sides in these trades and, especially in the case of the bakery trade, the very direct connection between wages costs and price controls and subsidies, since it was easier for the employers to make their case for alterations in prices and subsidies if wages were altered not by mere voluntary agreement but by Compulsory Order. One important effect of the operation of this Part of the Act has been to establish more order and better organisation in these trades and so to facilitate the transfer to more normal methods of wage regulation upon the expiry of Part VII (in September, 1948, the original period of validity having been prolonged by one year).

Trade Disputes.

The number of trade disputes reported to the Court in its first year was very large; as was to be expected in the circumstances of the time. The tact, patience and skill of the Court's Conciliation Officers resulted in the settlement in the first year of 130 disputes affecting 18,000 workers, and only 36 disputes had to be referred to the Court as a result of failure of conciliation. In addition to these, many cases were dealt with by the Court without a previous attempt at conciliation, because of their urgency or importance or for some other special reason. In the first year 121 cases were investigated by the Court, and by the end of that year the Court had made 100 Recommendations. Of these, 74 were accepted by the employers and the 23,000 workers affected; but 26, affecting 16,000 workers, were not accepted (though in some cases the ultimate settlement was clearly influenced by the Recommendation).

Whether this result can be regarded as satisfactory depends on one's expectations, and also on the view one takes of what might have happened if the Court had not been in operation. Our experience in the number and gravity of trade disputes resulting in open conflict by strike action does not compare at all unfavourably with that of other countries in the same period. In any case, what is the alternative to the method provided by the Act for the settlement of disputes? No democratic country has yet discovered an absolute preventative of strikes and lock-outs.

The experience of the first year of working has revealed certain important difficulties in the way of satisfactory settlement of trade disputes, or rather, it has focussed attention on them, for they were known already to exist. Organisation is defective on the side of both workers and employers, but more particularly on the workers' side, on which there is a multiplicity and overlapping of organisations. Another defect, again much more noticeable on the workers' side though it

exists on both, is the lack of a central body capable of formulating a general policy and armed with sufficient authority to control or, at least, effectively influence the policy and actions of the constituent trade unions. Experience has also called attention to certain latent problems concerning the relations between union executives and the rank and file of the membership, the security of tenure of union officials and the structure of trade unions. On the other hand, the investigation of disputes by the Court has probably helped to encourage the settlement of differences by genuine argument and establishment of facts rather than by a mere trial of strength. This is an important development which would have been greatly aided if the newspaper reports of investigations had been more adequate and intelligent.

Joint Industrial Councils.

There was virtually no development under Part V of the Act during the first year of the Court's working. The explanation is that both the Court and the trade unions were overburdened with immediately pressing work. Nevertheless, it remains true that this Part of the Act will probably prove eventually to have laid down the most useful line of future development.

The Statistics Branch

By STANLEY LYON, F.S.S.
Late Director of the Statistics Branch

Mr. Lyon introduces his lecture by telling us that statistics act as signposts pointing the way to things to be done or happenings likely to occur, and he adds that there is no aspect of public administration which can be properly and safely conducted without their use. He goes on to indicate the great variety of information which the Statistics Branch collects, tabulates and serves up to the Government. His lecture is of great assistance to students of public administration, who can learn from it what statistical information is on record and where and how it can be obtained.

The use of statistics by government is growing year by year. The more government commits itself to planning and socialistic enterprise, the greater will be the need of statistics. Just as in the practice of medicine, temperature charts, cardiographs, blood pressure records, etc., are indispensable to the doctor watching the health of a patient, so statistical graphs and tables are invaluable to the administrator nursing the body politic back to health or, alternatively, calculating how much more blood-letting it can stand—just too as the patient sometimes derives a morbid interest from his medical charts if he is permitted to see them, so may the citizen look with curiosity over the shoulder of his political leaders to study the effect of the political and economic treatment he is receiving. The chart may sometimes surprise and alarm him, as, for instance, when he sees himself swept upwards in a whirlwind spiral of inflation. His greatest consolation will be when he sees a steady level graph indicating no fever and no treatment. He does not often get this consolation nowadays.

* * *

THERE is no aspect of public administration which can properly and safely be conducted without the use of statistics. Those who are placed in positions of responsibility and are called upon to give decisions, sometimes of far-reaching importance, must be aware of the effects of their legislation and at the same time be able to judge the probable results of any future legislation which is contemplated. Statistics are a record of things done or of happenings in the past, and

act as signposts pointing the way to things to be done or happenings likely to occur. In modern times, with planning occupying a good deal of public attention, the use and importance of statistics has become more and more appreciated.

Statistics is a science, and the statistician, like every other scientific investigator, has a deep-seated belief in the continuity and orderliness of affairs. The grasp of large numbers, the methodical arranging of figures and the recording of events would in itself be of little use were it not for that fundamental assumption—belief in a general order, in a recurrent regularity or slow but continuous change and orderly development of the things and events of the world. In his history of statistics John Koren states, " That which everywhere oppresses the practical man is the great number of things and events which pass ceaselessly before him and the flow of which he cannot arrest. He is always and everywhere met by the crowd of facts, by the relentlessly hurrying stream of events. What he requires is the grasp of large numbers, leaving to the professional man the knowledge of detail. Thus has arisen the science of large numbers, or statistics, and the many methods of which it is possessed."

Frequently, to the uninitiated, statistics mean simply keeping a record of facts or transactions, making a total, and calling the resulting figure a statistic. No doubt that is true, but only in the most elementary sense. The subject embraces far more than just keeping a record of transactions. Even the planning of a schedule for a particular inquiry is an expert piece of work as well as the drafting of the instructions to ensure that all who are called upon to furnish the information asked for will do so in such a way that the figures furnished will in all cases mean the same thing and be strictly comparable. Most of you are familiar with such expressions as the " average " or " mean " of a series of measurements and can easily work them out, but it should be remembered that statistics also deal with much more advanced concepts such as the variability within a series as indicated by the standard deviation or the mean deviation, the frequency distribution from which medians, quartiles and other percentiles are determined and so on. Then there is a whole branch of the science dealing with the relationships between several series; the commonest measure of relationship is the correlation coefficient, invented a century ago by Bravais. Of vast importance for such matters as testing the relative values in given types of soils of different seeds and fertilisers is the division of statistics known as " the analysis of variance " based on a mathematical discovery of fundamental significance by the late W. S. Gosset (for many years statistician to Messrs. Guinness) and developed by Professor R. A. Fisher.

The Evolution and Scope of Statistics Branch.

Prior to the beginning of this century when the Department of Agriculture was set up, the statistical information relating to Ireland, was, with the notable exceptions of the census of population and of agricultural and vital statistics, meagre and dispersed. A Statistics and Intelligence Branch was part of the organisation of the Depart-

ment of Agriculture and Technical Instruction established in 1900. That branch compiled and published the annual reports on agricultural statistics, statistics of banking, railways and shipping, agricultural prices, migratory agricultural labourers, exports and imports at Irish ports. The work of the branch continued without much change up to 1923. It also issued a monthly statistical statement in March, 1919, which survived up to 1923. This publication, while mostly devoted to statistics of trade in certain commodities, was used as a medium for prompt publication of other statistics such as prices of agricultural produce, live stock, etc., compiled by the branch, which otherwise would not have appeared before publication of the annual reports.

In 1919, when an Irish Department of the Ministry of Labour, London, was created, a Statistics and Intelligence Branch formed part of the plan of organisation. That branch collected statistics relating to (1) the working of labour exchanges and the working of the Unemployment Insurance Act, (2) trade disputes, (3) changes in rates of wages and as agent for the Ministry of Labour, London, (4) retail prices for the compilation of a United Kingdom cost-of-living number. No statistical reports were published by the Irish Department of the Ministry of Labour, but the monthly journal of the Ministry in London contained the summaries of statistics compiled in this office. The office had very little freedom, as almost everything concerning statistics was planned and ordered from the headquarters of the Ministry in London. When the Irish Free State was established in 1922 the Statistics Branch of the Department of Agriculture and Technical Instruction and the Statistics Branch of the Irish Department of the Ministry of Labour were merged into one and the joint personnel formed the nucleus of the present Statistics Branch of the Department of Industry and Commerce. The compulsory registration of births and deaths dating from the year 1864 provided material from which vital statistics were regularly compiled in the office of the Registrar-General for Ireland. The taking of the decennial censuses of population was a task also performed by that office as well as prior to the year 1900 the collection of the annual agricultural statistics. The functions of the Registrar-General were transferred in 1923 to the Department of Local Government and Public Health where vital statistics are still being compiled, but agricultural statistics and the taking of censuses of population form part of the work of the Statistics Branch of the Department of Industry and Commerce.

Shortly after the Statistics Branch as at present constituted was formed the Minister for Industry and Commerce appointed a special Committee (Professor Bastable, Dublin University (Chairman), Professor Busteed, National University, and Mr. John Hooper, Director of Statistics) to advise him on economic statistics and on the publication of other information of an economic nature. The Committee reported in 1925 and advised *inter alia* that the Government should introduce a Statistics Bill. Accordingly, in 1926 a general Statistics Act for the Irish Free State was passed by the Oireachtas.

The Statistics Act, 1926, gives powers to the Minister for Industry and Commerce for the collection, compilation and publication of statistics relating to any matter affecting the general economic and other activities of the Irish Free State and in particular all or any of the following matters: (*a*) population, (*b*) vital social and education matters, (*c*) local government, (*d*) employment and unemployment, (*e*) emigration and immigration, (*f*) agriculture, (*g*) sea and inland fisheries, (*h*) industry, (*i*) commerce, (*j*) banking, insurance and finance, (*k*) railways, tramways, shipping and other forms of transport, and (*l*) ancient monuments. Before the powers conferred by the Act can be brought into operation it is necessary for the Minister for Industry and Commerce, or other Minister in case a transfer of powers under the Act has been made to that Minister, to make an Order specifying the subject matter, scope and periodicity of the inquiry to be undertaken and to have such Orders laid on the Table of the Oireachtas. Notwithstanding the wide scope of this field of inquiry the powers conferred by the Statistics Act have so far been used only in connection with census of population, register of population (for rationing purposes), census of industrial production, census of distribution, the collection of the annual agricultural statistics of extent of area under crops and number of live stock (June each year), statistics of animals slaughtered for food and statistics of fresh fish captured. There are several other Acts on the Statute Book which provide compulsory powers for obtaining statistics relating to the following subjects: Workmen's compensation under the Workmen's Compensation Act, external trade under the Customs Consolidation Act, shipping and migration under the Merchant Shipping Act, road motor services under the Road Transport Act.

There is no inspectorate attached to the Statistics Branch, but use is made of other officials (employment exchange managers, factory inspectors, agricultural instructors, Gardaí) for the purpose of collecting returns and a considerable amount of direct querying is done by the branch itself.

Principal Sections of Statistics Branch.

The following are the principal sections of the Statistics Branch:—

TRADE	External—Imports and Exports. Internal—Distribution.
AGRICULTURE	Annual Agricultural Census (1st June)—Crops and Live Stock. Agricultural Output. Crop Produce. Winter Live Stock Census. Miscellaneous statistics.
TRANSPORT	Railways. Road Transport. Shipping. Travel Permits.

PRODUCTION	Industrial, Annual Value and Volume. Persons engaged Protected Industries. Wages and Salaries paid. Quarterly Volume of Production.
DEMOGRAPHY	Decennial Census of Population. Register of Population.
LABOUR	Unemployment. Wages, Earnings and Hours of Work. Trade Disputes. Changes in Wages rates.
PRICES	Retail—Cost of Living. Agricultural Produce at Fairs and Markets. Wholesale Prices.
TECHNICAL	Balance of International Payments. Development and improvement of statistics. Analysis and preparation of Reports on all branches of statistics. All new statistical work. Dáil Questions. Liaison with other Departments.
INTELLIGENCE	Library. *Irish Trade Journal and Statistical Bulletin.* Press Cuttings. Special memoranda.
GENERAL	Civil Service Census. Banking Statistics. Hire Purchase and Instalment Buying. All miscellaneous inquiries. Establishment work. Registry and Typists.

External Trade.

In most countries the returns from which the trade statistics are computed are obtained under fiscal system regulations. When the Irish Government as from 1st April, 1923, took over control of the customs, there automatically were made available data for a full system of trade statistics based on "declared" quantities (net weight) and values. It is generally known that the law requires importers and exporters or their agents to complete and certify documents on which are inscribed particulars of the article imported or exported, according to descriptions in the official import and export lists of net weight, the value (c.i.f. in the case of imports and f.o.b. in the case of exports), the port or place on land frontier in Ireland through which the goods entered or left the country; and the country of origin (imports) or of final destination (exports). From the information on these documents the trade statistics are compiled. The Accountant-General's Department of the Revenue Commissioners

compiles the statistics of imports of goods liable to customs duties and of certain exports of excisable articles and also most of the statistics of goods in transit and transhipment and forwards summaries each month to the Statistics Branch of the Department of Industry and Commerce where statistics for all other imports and exports are compiled. The latter office is responsible for the analysis and publication of the trade statistics reports.

Publication has been by means of monthly summaries (20 pages) and a fully detailed annual report (300 pages). The annual report gives particulars of the imports and exports in accordance with the Official Import and Export List (Imports, 2,648 descriptions and exports, 484 descriptions). It also contains separate tables for the trade with each country in which the figures for the particular commodities are shown separately. Effect has also been given to the recommendations of the Statistical Committee, set up under the auspices of the League of Nations by the International Convention on Economic Statistics (1928), by the inclusion in the report of a table in which imports and exports are classified in accordance with the Minimum List of Commodities laid down by the League as a step towards the general adoption of an international customs nomenclature and another table in which the goods are classified by stage of production and use (*a*) crude, (*b*) simply prepared, (*c*) more elaborately transformed.

Publication of details of external trade was, in the public interest, suspended after the outbreak of the war in 1939 but publication of the figures in summary form has been resumed with the issue of the monthly pamphlet for December, 1944, which contains the figures for the years 1943 and 1944. A special supplement issued at the same time gives the corresponding figures for each of the years 1939 to 1942, inclusive.

Census of Distribution.

A census of distribution covering retail and wholesale trading in the State was taken for the year 1933 by means of a postal enquiry addressed to each establishment (shop, warehouse, etc.). The information asked for on the questionnaire referred to descriptions of establishment; description of business; persons engaged, salaries, wages and commission paid distinguishing whether members of proprietor's family and sex; value of sales of merchandise or turnover; rent and rates; and value of stocks of goods on hand for sale at (*a*) the beginning of the year and (*b*) at the end of the year.

For a first inquiry of its kind the results of the census were regarded as satisfactory. No business of any importance failed to furnish a return; those which did not comply were mostly small one-man establishments run without assistants or with family labour only. Over 80 per cent. of all the questionnaires issued were returned completed in all respects and the results, which were published in a special report, were of considerable value. It is of interest to state that at a meeting of the International Institute of Statistics at Athens in 1936, this report was brought specially by the Council before the

Plenary Session and a resolution was passed recommending all countries to make an inquiry on similar lines.

It is now over ten years since the first inquiry was made and in normal times a second inquiry would be due but on account of the period of Emergency and the taking of a census of population in 1946 this has had to be postponed. The records of the Department of Supplies no doubt contain much statistical information similar to what would be obtained at a census of distribution.

AGRICULTURAL STATISTICS.

Method of Collection.

Ireland is almost unique amongst the countries of the world in the matter of the thoroughness of its agricultural statistics. This fortunate situation is due to two factors, the relatively small area (17,000,000 acres) and the extraordinarily large number (3,000) of the members of the Garda Síochána (Civic Guards) who act as enumerators and who visit each farm each year and collect the information from the occupier in the greatest detail. These enumerators are eminently fitted for the purpose as they are mostly recruited from the farmer class and are very fully acquainted with the agricultural situation in their respective districts and have had the experience of very many years in making the inquiries (the annual enumeration of crops and live stock has gone on almost without interruption since 1847, when it was instituted).

The returns from which the statistics are compiled were up to the year 1923 furnished to the Statistics Branch of the Department of Agriculture, in which Department they were compiled and published. When the compilation of these and other statistics was transferred to the Department of Industry and Commerce in that year, the staff engaged on the agricultural statistics continued their functions in the latter Department and have continued to be guided and advised by the Department of Agriculture in reference to the nature of the inquiries that are to be made. Conferences are held regularly each year between representatives of the two Departments for this purpose.

Crop Areas and Numbers of Live Stock.

The main collection of agricultural statistics is that made in June and July of each year, when the enumerators visit each farm. The country is divided into some 3,000 district electoral divisions, each of which constitutes an enumeration district, for which a Garda Síochána enumerator is responsible. He carries with him a bound book (enumeration book) of forms, in which he takes down the particulars of the extents under the different crops and other divisions of land (Form A) and the number of each description of live stock (Form B) as given him by the occupier. These forms, which are in the greatest detail, provide for a return of the acreage under each description of cereal crops, of root and green crops, flax, fruit, hay, pasture and other areas, and for the number of each description of horses, cattle, sheep, pigs, goats and poultry.

While these complete and fully detailed returns enable the statistics for the year to be compiled in the utmost detail, a special early estimate is prepared for the Department of Agriculture by obtaining in advance of all the returns those for each of the 800 district electoral divisions in which a Garda Síochána barracks is situated. This sample, which covers 25 per cent. of the country, enables a very accurate estimate of the crop areas and numbers of live stock to be ready by the middle of July.

Agricultural Output and Other enquiries.

Opportunity is taken at the time of the mid-summer inquiry to obtain returns from each farm of a great deal of other miscellaneous information which is of special use in the estimation of the agricultural output (that is, the amount of crop produce, live stock and live-stock products sold by the agricultural community or consumed by persons on farms excluding any part of the produce which goes back into further agricultural production). Inquiries of this kind relate to the number of persons having meals on farm, yield of milk, numbers of eggs laid, animals slaughtered on farms, sales of butter, eggs, poultry, etc., etc. Other information is also obtained, *e.g.* number of males under and over 18 years of age, whether members of family or not, permanent or temporary, engaged in farm work, stocks of bees, honey produced, varieties of potatoes, breeds of sheep, etc., etc.

It is not, of course, possible to include all of these special inquiries regularly each year, as the forms of inquiry would be too large and the work could not be done in the time, but the majority are included each year and all of them are collected in the course of a period of years sufficiently short to enable any substantial changes to be noted.

Crop Produce.

As regards the produce of the crops, returns of the estimated yield of the different crops are collected by the Garda Síochána enumerators from the farmers at harvest time. These returns provide some 15,000 individual estimates of yield for each crop. In addition, numerous estimates of yield, as well as many returns of actual weight, are furnished for each county by the agricultural instructors of the Department of Agriculture. An independent source of information in reference to crop areas and production is provided for by a postal inquiry made directly of some 10,000 farmers. From this large mass of information reliable estimates of crop production are compiled.

Winter Live Stock Census.

While the result of the complete enumeration of live stock on farms, made in the middle of each year, gives the numbers of each description as at 1st June, at which time, owing to the presence of the spring-born animals, the numbers tend to be a maximum, it is very desirable to have information for the time of minimum stocks, which coincides with mid-winter. Accordingly returns are furnished by the Garda Síochána enumerators in respect of the different descriptions of live

stock at 1st January on each farm in each of the 800 district electoral divisions for which advance information is obtained for crops and stock at the time of the summer collection. From the returns for 1st January a reliable estimate of the numbers of live stock at the beginning of the year is ready by the middle of February.

TRANSPORT AND COMMUNICATION.

Railways.

The statistics include summaries of the accounts of capital and of revenue, receipts and expenditure; mileage of lines, numbers of rolling stock of each description, quantities of the different descriptions of merchandise and of numbers of passengers carried; number of each grade of staff employed with average weekly salary or wage and average weekly earnings. The railways statistics have been published in an annual volume, but publication has been suspended during the war years.

Road Transport.

In accordance with regulations made under the Road Transport Act, 1932, monthly returns are obtained from each licensed road motor passenger service. Monthly returns provide information from each licensed road motor (passenger) service showing numbers of passengers carried, vehicle-miles run, total gross receipts (including any receipts from the carriage of mails and goods). At half-yearly intervals statistics of the numbers employed in connection with the road motor (passenger) services are obtained as well as rates of wages paid to those employed in each occupation classified according to a specified list of occupations.

In addition to monthly returns for road passenger services, weekly returns of receipts from passengers and merchandise carried on road by railway companies, and for passengers carried on trams and tramway omnibuses are obtained.

Shipping.

The Customs authorities furnish monthly returns of vessels that arrive at and depart from ports in Ireland, showing name of vessel, port from or to which vessel came or went, net registered tonnage of vessel, whether arrived or departed " with cargo " or " in ballast," and a general description of the cargo. Vessels which do not load or unload cargo or mails are recorded as " in ballast " although they may have cargo or mails on board. While a general description of cargo carried is given, no figures for the weight loaded or discharged are returned. Separate statistics are available for coasting trade and foreign trade. Not only vessels arriving or departing directly between Ireland and foreign ports, but vessels calling from port to port in Ireland, are deemed to be in the foreign trade so long as any of the cargo loaded at a foreign port or intended for a foreign port remains undischarged.

Half-yearly and yearly summaries of canal traffic are compiled and used Departmentally.

Passenger Movement From or To Ireland.

Statistics of passenger movement by sea are compiled from monthly returns furnished by the shipping companies and from the manifests of ships carrying passengers directly to and from Ireland and countries other than the United Kingdom. Statistics of persons crossing the land frontier in either direction by rail are compiled for each month from returns of tickets issued which are furnished by the Irish Railway Clearing House and for those crossing by omnibus, from returns furnished by the road transport companies. The number of passengers carried by air-service are obtained through the Customs officers by arrangement with the Revenue Commissioners.

Prior to the outbreak of the war, statistics were also compiled for the number, sex, age and country of future or last residence of migrants between Ireland and places outside Europe.

Travel Permits.

The movement of passengers during the war emergency period has been controlled by the system of travel permits. Statistics are compiled from returns furnished by the Department of External Affairs, grouped according to sex, occupation, county of last residence, and purpose of journey, showing the numbers of persons to whom travel permits have been issued.

Census of Industrial Production.

In this country the first census of industrial production was for the year 1926, and the results were published for each industry in the form of preliminary reports. No general report for that year was published until the results for the next inquiry in 1929 were available and a full report with analysis was then published covering production in the two years 1926 and 1929. The next inquiry was in respect of the year 1931 and it was then proposed to repeat the taking of a full census at quinquennial intervals. In the interim what are termed partial inquiries were made. These covered the production of transportable goods only and did not refer to industries such as the building industry or services or to the manufacture of bread and flour confectionery. Since the outbreak of the world war in 1939 the absence of complete census of industrial production figures has been felt, and since 1943 the inquiry has been on the full scale.

These inquiries provide information respecting the industrial production of the country classified according to 35 industries or industry groups (including services such as laundries, construction and maintenance work done by employees of, and maintenance work on, railways, harbours, etc., local authorities and Government Departments). The tables compiled relate to the following matters (*a*) gross output (quantities and values) of each principal article manufactured; (*b*) quantities and values of principal raw material; (*c*) quantity and value of fuel, electricity, gas, etc.; (*d*) packing material; (*e*) personnel; (*f*) seasonality of employment; (*g*) salaries and wages; (*h*) capacity of engines; (*i*) location of the industry; classification of wage earners according to ranges of earnings.

Census of Population.

The taking of a census of population is one of the most important tasks of any Government. The information collected and compiled forms the background against which all happenings in the State are to be measured.

The first mention of a census of population having been taken in Ireland was the inquiry made by Sir W. Petty in 1672; this inquiry was followed by other efforts at intervals until an Act of Parliament was passed, in 1812, providing for the taking of a census in Ireland. A further Census Act of 1815, under the provisions of which the 1821 census was collected and compiled, marks the establishment of the first reliable population figures for Ireland. From 1821 to 1911 a census was taken every 10 years, and in 1921 preliminary arrangements had been made for such an inquiry, but, owing to the political situation in the country, the collection of census particulars was postponed until 1926.

The censuses of 1821 and 1831 were compiled from returns completed by each enumerator in respect of the persons residing in the enumeration district. In 1841 the use of a householder's schedule was initiated and the personal particulars relating to the household were inserted on the schedule by him. This system of household schedules has been maintained from that date.

The compilation of census results was shown for areas, *i.e.* counties, baronies, parishes and townlands, for the period 1821 to 1891. In 1901 district electoral divisions were introduced as a unit, and the results of the enumeration were published by counties, poor law unions, district electoral divisions and townlands for 1901 and 1911. Thus, up to and including 1911, particulars for each separate county were shown together, *i.e.* numbers, conjugal conditions, occupations, etc. The results of the 1926 census were published by *subject* volumes and not by *county* volumes. Information relating, for instance, to the occupations of the people in each county, urban and rural district, etc., of the Irish Free State has been shown in one volume.

The scheme of publication by subject volumes is described later on in the paragraph relating to statistical publications.

Up to and including the census of 1911 the authority under which each census was taken was a special Act of Parliament for each occasion. The censuses of 1926 and 1936 were taken under powers conferred by the Statistics Act, 1926, and specifically covered by the Census of Population Orders, 1926 and 1936. The distribution and collection of the forms for the previous censuses had been carried out by the Royal Irish Constabulary, and in 1926 and 1936 this important work was carried out by their successors, the Garda Síochána.

Statistical machinery for census compilation was introduced for the first time in Ireland for the 1926 census. No modern type of census is possible without the use of these machines, of which there are two systems, Power-Samas and Hollerith, and either of which can be used for census compilation. The principal feature of the machine process is that all the particulars or attributes given on the census schedule for

each person in the State who was alive on census night are transferred by means of punched holes to special cards which can be sorted and counted automatically for all types of information, the wide range of which can be learned from a perusal of the census report volumes. These special cards contain space for a limited number of columns of figures, and accordingly there is a limit to the amount of information that can be transferred to the cards. This fact has a bearing on the amount and kind of information asked for on the householder's schedule. For instance, in previous censuses information has been collected and published relating to such subjects as the numbers of afflicted persons, *i.e.* blind, deaf and dumb, lunatics and paupers, etc., but on account of the inclusion in 1926 for the first time on the census form of some new inquiries, such as " out of work ", industrial classification, etc., certain types of information formerly collected had to be omitted from the schedule.

Register of Population.

When during the state of emergency consequent on the outbreak of the World War the Government decided, towards the end of 1941, to institute a system of rationing of certain commodities, particularly foodstuffs, it was necessary to compile a list of the name and address of each individual in the State for the purpose of the distribution of ration books to each man, woman and child. The work of compiling the register was assigned to the Statistics Branch and the machinery for collecting the schedules for the census of population was put into motion and provided the desired information. The ration books were available for a period of two years and consequently when the second distribution of ration books was coming due a register on similar lines to that of 1941 was compiled by the Statistics Branch. It may be noted *en passant* that each ration book had certain code letters and figures which could have been used for the provision of identity cards. For legal purposes these two registers of population are not regarded as a census of population. From the first register, *viz.* that for 1941, a short report was compiled showing the age distribution of the population according to single ages up to 5 years of age and by quinquennial groups from that on.

Labour Statistics.

This section comprises a miscellaneous group of subjects, each of which has a sort of independence of its own. They relate principally to unemployment, trade disputes and rates of wages and hours of work. Unemployment statistics are continuous and are derived from the working of the Labour Exchanges Act, Unemployment Insurance Acts and the Unemployment Assistance Acts.

The principal statistics relating to unemployment are (1) number of persons registered at the exchanges for employment (live register), (2) number of persons having current claims to unemployment insurance benefit, (3) number of persons having applications current for unemployment assistance, (4) number of vacancies notified, filled and remaining unfilled, (5) number of individuals to whom unemployment

benefit and unemployment assistance were paid and amounts paid in unemployment benefit. An article on unemployment among persons insured under the Unemployment Insurance Acts is published in the March issue of the *Irish Trade Journal and Statistical Bulletin*, with tables showing (*a*) the estimated number of persons insured under the Acts in the previous October and the numbers and percentages of insured persons on the live register at the middle of each month, classified by industrial groups, and (*b*) a detailed analysis of the numbers on the live register for the month of December, classified by individual industries, exclusive of agriculture, fishing and domestic service.

Statistics are compiled of the numbers on the live register classified by (*a*) occupational groups, and (*b*) by area of residence; of the applicants for unemployment assistance classified by area of residence and conjugal conditions, and of the numbers disallowed under the Employment Period Orders. A special record is kept of turf workers and agricultural workers. Statistics of wet time books exchanged and issued in the building trade (Insurance (Intermittent Employment) Act, 1942) are compiled six times a year. At the request of the Parliamentary Secretary to the Minister for Finance a census is taken in January of each year of male applicants having applications current for unemployment assistance according to area of residence. Statistics of the employment experience of male applicants for unemployment assistance and unemployment benefit are collected periodically. Statistics of factory accidents are compiled and published in the reports on factory inspection.

Two reports are furnished by the managers of employment exchanges and branch employment offices in reference to each trade dispute, one when the dispute commences, setting forth name and address of firm or organisation involved, cause of dispute and numbers of work people directly affected, and the second report on the termination of the dispute, stating the terms of settlement. A short annual report on trade disputes is published in the *Irish Trade Journal and Statistical Bulletin*, classifying by industrial groups the number of disputes, causes of dispute, numbers of persons directly involved, man-days lost, methods of settlement and results of settlement.

Among the sources from which statistics of changes of wages are obtained are the following: *Industrial* (*a*) Lists forwarded each year by the employment exchanges of current rates of wages and hours of labour for some 32 different occupations in towns in which the exchange or branch employment office is situated, (*b*) the wage returns entered on the census of production schedules, (*c*) two half-yearly inquiries covering the wage changes resulting from increases to meet the cost of living of persons engaged in protected industries, these returns cover about 80 per cent. of the total persons engaged in those industries, and (*d*) schedules published by the Stationery Office of minimum time rates and piece work basis time rates of wages as fixed by the trade boards under the Trade Board Acts of 1909 and 1918. *Agricultural*: Prior to 1937 particulars of weekly earnings in July and half-yearly earnings were received from the Gardaí in respect of agricultural wage earners in the Twenty-Six Counties. Since 1937 rates

of agricultural wages have been affected by the passing of the Agricultural Wages Act, 1936, under which the Agricultural Wages Board fixes by Order minimum wage rates for various districts. *Transport*: Returns of wages for a week in March of each year furnished by the railway companies relating to all employees whose depots or headquarters are situated within the State, and returns for the wages of the road passenger service (omnibus) furnished for the last pay day in the months of February and August each year under the provisions of the Road Transport Act, 1942 (Section X).

Two special brochures on " Some Statistics of Wages and Hours of Work " in 1937 and in 1941 with comparative figures for certain previous years have been published, dealing fully with these statistics. In the Statistical Abstract each year also tables are published showing the wages of agricultural workers, index numbers of wage rates for three groups (industrial occupation, transport and agriculture); weighted average hourly rates of wages in 11 principal towns for a number of occupations; distribution of personnel in industrial production according to weekly earnings; average earnings of, and hours worked by, wage earners in industry, 18 years of age and over (in some years, according to the scope of the census of industrial production, these figures relate to wages in a limited number of industries or to industries producing transportable goods only), and index numbers of weekly earnings and weekly rates of wages in protected industries.

In the *Irish Trade Journal* a more detailed table is published twice yearly showing the index numbers (base September, 1939=100) of employment wages and earnings in the protected industries producing transportable goods for each industrial group, and also in the September issue a table showing the weekly salary or wage and average weekly earnings of the staff employed by railway companies during a week in March.

Price Statistics.

The price statistics which are compiled specially are average prices of live stock at fairs, market prices of certain kinds of agricultural products, retail prices of feeding stuffs, agricultural seeds and fertilisers, and retail prices of certain commodities which enter into the family budget used for computing the cost-of-living index numbers as well as a set of wholesale prices. The returns are furnished voluntarily.

Prices of live stock are collected on a different basis from prices of other agricultural produce. The former are furnished by important persons in the live stock trade who reside in or about the towns at which fairs are held. The other agricultural items dealt with comprise crops (wheat, oats, barley, potatoes, etc.) and live-stock products (butter, eggs, wool, etc.). Prices at *weekly* intervals are received from market reporters, who reside in the principal towns at which such market prices can regularly be obtained. The average prices are compiled *monthly* and are published at quarterly intervals.

The *retail* prices obtained for the compilation of the quarterly cost-of-living index numbers are only for a representative number of items of food, clothing, fuel and light, rent, etc. The report on the cost of

living (June, 1922) explains fully the procedure according to which this series of price index numbers is compiled. The list comprises 34 items of food, 23 items of clothing, and 6 items in the fuel and light group and 3 of specific sundries, comprising in all 66 different items.

Wholesale Prices.

A monthly wholesale price index number (to base October, 1938= 100) for Éire was inaugurated in 1938. For the computation of the index number there were available for a great number of years agricultural prices collected by fair and market reporters of this Department. From these prices have been calculated the national average prices compiled monthly and published quarterly in the *Irish Trade Journal and Statistical Bulletin,* which average prices are used in the calculation of the monthly agricultural price index numbers. The problem of obtaining the other series of prices required was complicated by the fact that in this country there are very few wholesale commodity markets and there is little or no publication of satisfactory prices in the public Press or in trade journals. The latter are the principal sources of information in other countries. It was, accordingly, necessary to make special arrangements with upwards of 80 wholesalers, manufacturers and trade associations in this country to supply regular monthly prices of a predetermined list of the most important home-produced industrial and imported commodities; the exact trade specifications of the commodities were arranged in consultation with these " correspondents." The new index number has been compiled from about 1,050 price quotations of 289 different commodities received from 114 correspondents.

Technical Section.

The more scientific side of the Branch's work falls within the province of the Technical Section. Mathematical processes used in statistical practice range from simple arithmetic to the most sophisticated branches of modern algebra. In the latter connection it will, perhaps, suffice to mention small sample theory in several attributes, to which it is necessary to have recourse for the solution of many problems of great practical importance in which inferences have to be drawn from small numbers of observations. Less difficult are the mathematical problems raised in the construction of index numbers and life tables. These and cognate branches of statistical technique raise, however, some subtle problems of economic and demographical theory for some of which, indeed, a satisfactory solution has yet to be found. Half a century ago some mathematical statisticians were accused (usually by their non-mathematical brethren!) of using mathematics where ordinary commonsense would have done as well or better. Such an accusation would have no justification to-day. Mathematics are used because they are essential for the solution of statistical problems. There is no doubt that the science of statistics will tend to become even more mathematical as time goes on.

The Technical Section constantly reviews the Branch's activities with a view to extension and improvement, and for this purpose keeps

closely in touch with all other sections. It studies statistical methods used abroad and keeps abreast with all fresh developments, and regard is always had to these in planning fresh departures. The section is responsible for the launching of all new inquiries undertaken; it directs the scope and methods employed, with particular reference to the preliminary work, including the drafting of questionnaires, etc., involved.

Two new inquiries recently conducted under the supervision of the Technical Section might be mentioned. It was decided to compute a series of quarterly index numbers of the volume of production in industries producing transportable goods, the first results of this inquiry being published in the March, 1943, issue of the *Irish Trade Journal and Statistical Bulletin*. An inquiry was also conducted into the number and retail value of new hire purchase and deferred payment transactions in the years 1938 and 1942. A statement showing the results was published in the March, 1944, issue of the *Journal*.

The section handles all regular and special inquiries in which methodology of a more technical kind is necessitated. As an example of this the Balance of International Payments statement might be mentioned.

Reports, analytical statements and memoranda based on the results of the Branch's inquiries are prepared and drafted by the Technical Section, both for publication and for the Government's information. The drafting of the reports on the censuses of population is a major task of this character. The section has supervised particularly all mathematical processes involved as, for instance, in the computation of life tables. A report was also recently prepared on statistics of the ages and conjugal conditions of the population, based on the returns of the Register of Population, 1941. An analysis of the resulting data was published in the report and life tables for the State and for urban areas separately were computed.

A considerable amount of correspondence is handled by the section, particularly in dealing with queries from Government Departments and from the general public which require technical treatment. A special feature also of the Branch's technical work is the assistance afforded to Departments and others, particularly medical men, by way of scientific analyses of data submitted.

Intelligence Section.

The statistics library, formed mostly as a result of exchange of official publications with other countries, contains, as well as these official statistical publications, many text books and books of reference. During the past year approximately 440 publications in addition to periodicals were received in the library. The publications in the library are being constantly made use of by the Technical Section, and scarcely any report or memorandum of importance can be compiled without reference to some of the publications contained therein.

The Intelligence Section is responsible for the publication of the *Irish Trade Journal and Statistical Bulletin*, which is issued quarterly. It contains articles dealing with the various aspects of national economy, summaries of official Orders and announcements, particulars

of Government contracts, etc. A detailed index of the contents of this publication is issued annually.

Information is supplied to the various branches of the Department of Industry and Commerce and to the Department of Supplies by means of daily circulation of folders of Press cuttings and the issue from time to time of special notes such as monthly statements in reference to the developments in the rationing position in Continental countries. The section is responsible for all Departmental notices of publication. Much written and verbal information based on the material available is supplied on request to the officers not alone of the Department of Industry and Commerce, but to the other public Departments as well.

General Section.

The General Section is responsible for the compilation of certain regular statistics as well as for the collection and compilation of statistics for the many *ad hoc* inquiries which the branch is called upon to make from time to time. As an example of this type of work I might refer to a recent summarisation of returns dealing with the family conditions of a large sample of tuberculous patients in Dublin compiled for the Department of Local Government and Public Health.

At the request of the Department of Finance a special compilation is made each year showing, in summary form, in a number of tables particulars relating to the staff of the Civil Service on the 1st January of each year. A record is furnished in respect of each official showing particulars of Department in which serving, year of birth, sex, whether established, unestablished, whole time or part time, grade, salary at beginning of year, bonus payable, special allowances, children's allowances, overtime payments, subsistence and travelling allowances, etc., etc., and the terminations in each Department during the past year. The summaries are compiled by means of punched cards and the use of sorting and tabulating machines. Special expert temporary staff are recruited for the machine work.

The General Section is responsible for the compilation and publication of the annual *Statistical Abstract,* which contains in addition to summaries of the statistics compiled in the branch, statistics furnished by other Departments. The Abstract is divided into ten sections each of which is prefaced by a short explanation of the principal contents with some illustrative graphs and diagrams.

Returns are prepared monthly for the League of Nations and the International Labour Office and periodically for other international bodies. Material referring to Ireland in many other foreign year books, such as the *Statesman's Year Book, Moody's Investors' Manual, Whitaker's Almanac,* etc., is revised and supplied. A quarterly statement entitled "Economic Indicators", comprising 51 charts with notes relating to trade, prices and supplies, finance, transport, social and vital statistics is prepared and forms a regular feature of the *Irish Trade Journal.* Special memoranda relating to the economic

and social development of the country are compiled each month for circulation to the Government.

The section is responsible for the general establishment work of the branch and includes the registry and copying room staffs.

Statistics Compiled and Published by Other Departments.

The only branch of statistics compiled by another Department which is not merely a by-product of its administrative work is vital statistics. They are compiled from returns furnished by the local registrars of births, deaths and marriages to the Department of Local Government and Public Health. There is a fund of other useful and important statistics which emerge as by-products in the administrative work of a number of Government Departments. These mostly appear in the appendices to the Annual Reports on the work of the several Departments.

Perhaps the most important set of statistics published in this manner are those which appear in the annual reports of the Revenue Commissioners. They show amounts of revenue received from each principal source of revenue—customs, excise, income tax, death duties and estate duties, licences, etc. Statistics relating to amount spent on education, numbers of schools, numbers of teachers, numbers of pupils classified by type of schools and by locality are to be found in the annual reports on education. The Department of Local Government publishes the local taxation accounts, and the annual reports of the Department contain a considerable amount of miscellaneous statistical information. The Department of Finance publishes estimates for public services, finance accounts, and periodical statements of receipts and expenditure.

Machines.

The equipment of a modern Government statistics office will include a variety of machines from the simple hand-worked comptometer to the electrically-driven calculating machines and the elaborate punching, sorting and tabulating card machines. The Statistics Branch with its present staff could not possibly get through half the work it does were it not for the use of these machines, of which 13 are comptometers and adding machines and 9 are calculating machines of several makes; practically all these machines are in constant daily use. The " card " machines are used for compiling the census of population and for occasional work such as Civil Service census and other work involving a number of classifications and cross-classifications of recorded events. There are also in use several statistical books, such as *Crelle's Calculating Tables, Cotsworth's Direct Calculator, Barlow's Tables of Squares, Cubes and Reciprocals, Pearson's Tables for Statisticians*, etc., etc.

I propose to end this lecture with a quotation from the inaugural address of the President of the Royal Statistical Society in March, 1944.

" The place of statistics in the field of administration provides a

fertile subject for discussion and for varying views. Administrators themselves are widely diverse in their attitude to statistics and statisticians. Within my experience they range from the man who calls at short notice for 'any statistics, however rough, which will support a case,' to the man who thoroughly appreciates the value of sound statistical foundations and arranges with competent statisticians to survey the field and provide systematic statistics on the subjects likely to come within his scope of action before that action is called for. But the statisticians are as variable as the administrators, ranging from those who refrain from providing any material until they are satisfied that it is practically 100 per cent. perfect however long it may take to reach that state, to those ready to take some risk and provide in a relatively short time some approximation to the required result. In war-time an answer likely to contain, say 90 per cent. of truth but available in a few hours may be of much greater value than one containing 99 per cent. of truth but not available for days. As in many other matters, the striving for the last few degrees of perfection in statistics may be very costly in time and effort. The supply of accurate, comprehensive but not over-detailed information should be considered fundamental for sound administration, and in the ideal world the man or woman responsible for it would be held in high esteem. To those equipped with powers of judgment and ability to weigh evidence, administration depends to a very large extent on the nature and form of the material available for forming a judgment. The statistician should bear to the administrator much the same relation as does the advocate to the judge. In each case the one provides the other with the material for decision or judgment. The status of the statistician should accordingly be of great concern to the administrator. The former should be as valuable to the latter as the skilled advocate is to the High Court judge. War problems have demonstrated the great need for those endowed with the kind of skill enabling them to put before the administrator a clear picture of the problem to be solved."

(Read March, 1945).

The Port of Dublin

By DENIS A. HEGARTY
General Manager, Dublin Port and Docks Board

The Dublin Port and Docks Board is one of the most important and, at the same time, one of the best known of the country's public authorities. Mr. Hegarty's lecture will help to make it better known and appreciated. His account of the great achievements already to the credit of the board and its projects for future development makes interesting reading. His lecture describes the composition of the board, the scheme of administration adopted and the functions of the various officers and committees connected with the port. The work of the board is of particular interest as an experiment in economic democracy. It is a statutory corporation in charge of an important national undertaking. Most of its members are elected on a vocational basis and represent the principal bodies which use the port. The board is large and perhaps unwieldy, but it is genuinely representative. The division of functions between the board, the general manager and the principal officers appears to have solved some at least of the problems associated with the statutory method of control of public undertakings.

* * *

Historical.

FROM the earliest times man has ventured his life and his possessions on the seas in pursuit of trade. Who was the first man to do so and who were his companions? What was the voyage and in what primitive craft was it undertaken? What was the cargo and how did they fare? These are interesting, but I am afraid idle speculations for the commerce of the sea goes back beyond recorded time and we find that in all ancient people of whom we have any knowledge it had already been developed to an advanced stage. The Phœnicians were a great trading nation, the ancient Egyptians built mighty ships on the Nile. The Greeks engaged extensively in trade by sea and it was developed to such an extent by the Romans that the Justinian Laws contained provision even for a form of marine insurance. The Italian Maritime States were the leading sea traders of the 15th Century. They were followed by the Dutch, and sea trade received a great impetus with the discovery of the New World and the creation first of the Spanish and later of the British Empire. In the

beginning of the 19th century a revolution took place in sea transport with the introduction of steam power, and this within less than 100 years made a greater change than had taken place in 2,000 years before that. Thus about the beginning of this century the odd sailing ship which still existed was merely an interesting survival of the past, and shipping organisations were competing in the building of mighty ships, those vast power houses and cargo carriers for which the modern port must cater.

In the earliest days before artificial ports came into existence men made use of those natural bays, creeks and river mouths to take shelter or to load or discharge cargo. With the growth of trade and military enterprise the necessity for improvement suggested itself and engineers began to plan ways and means of consolidating, extending and improving the natural advantages of their harbours.

The Port of Dublin—History.

The early history of the Port of Dublin was much the same as that of any other port, and the River Liffey had known the Milesian trader and the Danish raider. It is perhaps not generally realised, however, that up to the beginning of the 18th century the port was for all practical purposes in its natural state and undeveloped. The Liffey was then a very different river from what it is to-day, as it was not contained between any well-defined banks. It flowed at low water in streams through winding and shifting courses to the sand bank at the bar, and at high water reached the present site of the Bank of Ireland and Merrion Square on the South side and Amiens Street and the North Strand on the North side. At that period the largest vessels which came up the river were of 100 tons dead weight, and even these had to lie on the mud at low water.

The early 18th century, therefore, saw the beginning of the modern Port of Dublin. In 1707 a committee of the Dublin Corporation was entrusted by Parliament with the responsibility of erecting a ballast office, and the duty of maintaining and developing the port was vested in them. The headquarters of the present Dublin Port and Docks Board is still called the Ballast Office and derives its title from the primary duty of that committee, which was the provision of ballast for the sailing ships of that era. The principal works of improvement which this committee carried out were the straightening and widening of the river channel between O'Connell Bridge and Ringsend, the construction of the greater part of the great South Wall, Ringsend to the Poolbeg, and the erection of the Poolbeg Lighthouse. The quay walls which enclosed the river channel, however, were founded on the existing river bed and the berths alongside the quays were completely stripped at low water. The Great South Wall or Bull was in its day a work of vast proportions and measured from its western extremity in the city about $5\frac{1}{2}$ miles in length. It was said to be the longest mole in Europe in its time.

In 1786 the port was entrusted to "the Corporation for preserving and improving the Port of Dublin"; this was known as the Ballast Board. It functioned from 1786 to 1867. It was in this period that

the true foundations of the modern Port of Dublin were laid. The North, South and East Walls were rebuilt on lower foundations, the channel was dredged, the great North Bull Wall was constructed, No. 1 and No. 2 slips were built, the present graving dock was completed and transit sheds were erected on the North Wall. During this period also the Government completed the construction of the Custom House Docks and warehouses which adjoin the Custom House, and which shortly afterwards passed into the ownership of the Port Authority.

It would be quite impossible in the short space at my disposal to do justice to the very remarkable work carried out by the port's chief engineers in the past, but some indication of its quality may be given by a reference to that of George Halpin, who was responsible for some of the greatest improvements to the port.

The bar of any port or harbour is the shallowest point in its approach channel. At the beginning of the last century the depth at the Dublin bar at low water was only 6 feet. This depth was quite inadequate and the Port Authority of the period devoted much time and thought to proposals to remedy the situation. Many eminent authorities on harbour construction were consulted, and one such suggested that a canal should be constructed leading from the deep water at Dun Laoghaire Harbour to the Liffey, so as to circumvent the bar. The Port Authority eventually accepted a suggestion put forward by George Halpin. This was that they should construct the North Bull Wall stretching from the Clontarf shore and converging on the South Bull Wall at a point near the Poolbeg Lighthouse. This had the effect of enclosing a huge reservoir of water, which with each tide filled and emptied through a narrow outlet just on the Liffey side of the bar. The forces of nature were thus harnessed to scour a channel through the bar at each tide. The idea at the time was considered to be both brilliant and revolutionary and probably the foremost port engineering work in Europe. The effect of the work was remarkable, as it deepened the channel from 6 feet to 16 feet at low water.

In 1867 the port was entrusted to the Dublin Port and Docks Board: between this and 1898 the river channel was deepened and widened, additional timber wharves were constructed, deep water quays of concrete were built on the north and south sides of the river. The North Wall Extension was begun and deep water berths were constructed at the East Wall and the south side of Alexandra Basin. In this period also Dublin led in many aspects of port engineering. The deep water quays were built on an entirely new and original principle and a new class of dredging plant was employed which was the largest of its kind and which Dublin was the first port to use. The channel was dredged to a depth of twenty feet from the Dublin Bay to the city.

In 1898 the Dublin Port and Docks Board was reconstituted and, between this date and 1946, considerable improvements were effected to the port, especially in the matter of plant and port installations. These included the installation of an up-to-date electric generating station, the equipment of the port with electric portal cranes, electric capstans, good quay and shed lighting, and a 100-ton crane of

modern design for handling heavy machinery, etc. In 1946, the Dublin Port and Docks Board was reconstituted under the Harbours Act that year.

Requirements of a Modern Port.

Any great modern port is a highly technical and complicated organisation, but in all the essential principles are the same. Such a port must first have a deep and safe approach channel. As the modern economic unit of sea transport is a large vessel of deep draft, the channel must be of sufficient depth to enable her to enter or leave the port at nearly all stages of the tide. A vessel such as that may cost as much as £500,000 and if she is detained through lack of water at the bar for four or five hours or more, her owners will have been prevented from employing her profitably during that period and will, accordingly, have suffered substantial loss. Just imagine what would happen if a factory costing £500,000 had to close down for four or five hours during ordinary working hours with full pay for all hands and all the machinery still working.

The port must maintain a pilot vessel in the bay and a pilotage service so that pilots may board visiting vessels to conduct them up the channel. The channel must be buoyed and lighted and provided with fog signals. It must be regularly surveyed and dredged. Ample berths must be provided at which vessels can be securely moored so that they may load or unload cargo. Loading and unloading devices of all kinds must be available from large cranes capable of lifting 100 tons, or a grain elevator, to a small stacking truck. Transit sheds must be provided at berths so that the goods may be moved into them for customs examination. Provision must be made for customs examination. Provision must be made for cargoes of great bulk like coal, timber, grain, artificial fertilisers, and for highly inflammable cargoes such as petrol. The port must be planned so that ample provision is made for road and rail facilities, with wide approach roads and great marshalling yards. Accommodation must be provided for passengers, and suitable arrangements must exist for the export of live stock. The duties of the Port Authority do not, however, end with those which are directly entrusted to it, and it must so plan and develop the whole port area that sufficient land is made available to public utility companies and to private enterprise to enable them to discharge their special functions in relation to the port. I have already mentioned the great marshalling yards of the railway companies, equally important are the warehouses of the port authority and of merchants at which goods for import or export are packed, blended, sorted and warehoused pending distribution through the ordinary trade channels. Industries which import vast quantities of raw materials or fuel and to which proximity to the port is of paramount importance, must be specially considered, and indeed not the least of the problems of a great modern port is the equitable distribution of land, accommodation and services between competing interests such as these. Facilities must exist also for ship repairs.

Control and Organisation of the Port of Dublin.

The Minister for Industry and Commerce.

The Harbours Act, 1946, entrusts to the Minister for Industry and Commerce the general supervision of harbour authorities in the discharge of their functions, but his control is directed to matters of broad principle, such as general regulations relating to the method and conditions of appointment of senior staff and sanction to borrowing, rates of charge for port services, bye-laws, &c. The Act gives the Minister power in extreme cases to remove one or more members of a port authority or to dissolve the whole authority and to appoint a commissioner to discharge its functions.

The Port of Dublin is controlled by the Dublin Port and Docks Board, subject to the general supervision of the Minister for Industry and Commerce, which under the Harbours Act, 1946, is constituted of 23 members, five are appointed by the Dublin Corporation, four by the Dublin Chamber of Commerce, two by the Livestock Associations, two by the Federation of Irish Manufacturers, Ltd., two by Labour organisations, four are elected by owners of Irish registered ships, which make use of the port, and four members are nominated by the Minister. The Board is thus constituted on a widely representative basis. The scope of authority exercised directly by the Board is very much wider than that of a local authority, as the port authority directly exercises the executive functions of the port. In a large port such as Dublin, however, it would as a matter of practice be quite impossible for the Board to take all the executive decisions, and decisions on executive matters which do not involve general policy are frequently made by the General Manager on his own initiative on the implied or delegated authority of the Board, or after consultation with the Chairman of the Board or *ad hoc* committees, but these are subject to review by the Board and it is important to note, therefore, that the General Manager's authority, save in one respect only, derives from the Board. The Board meets twice a month, also the Finance and General Purposes Committee and the Custom House Docks Committee. Other committees, such as the Works and Traffic, the Staff and Allowances and Gratuities Committee, meet as required.

General Manager.

The General Manager is the chief executive officer of the port and manages it under the general control of the board. I have already pointed out that his relationship to the Board differs from that of a county manager to his county council, but in one respect he is given by statute sole authority, i.e., in the engagement or dismissal of employees.

The position of General Manager is in general analogous to that of a managing director. He is entitled to attend all meetings of the harbour authority and to take part in the discussions at such meetings as if he were a member. He is not entitled to vote. He has the control of all officers and servants of the harbour authority, and all the officers and servants report to him or to the harbour authority

through him. The harbour authority may suspend him, but cannot remove him without the approval of the Minister, and the motion for such suspension or removal must be adopted by not less than a two-thirds majority of the Board after seven days' notice has been given to each member.

The Various Departments of the Harbour.

In Dublin there are five principal officers or heads of departments under the General Manager.

Secretary.

The secretary acts as secretary to the Board and its committees and is responsible for implementing in detail such administrative decisions of the Board and of the General Manager as are not dealt with by the heads of other departments. His department has important duties in relation to staff, property, records, &c. He is a very senior and experienced officer of the port.

Engineer-in-Chief.

The engineer's is by far the biggest department of the Board. He is responsible for the dredging of the channel on which some 14 vessels are permanently engaged and for the maintenance of miles of quays and acres of port buildings, the maintenance of port roads and railways and of cranes and other plant and machinery, the maintenance of dry docks and slipways, also survey of the harbour, bridges.

In dealing briefly with the history of the port I have already endeavoured to indicate something of the tradition of the engineer's department. Unlike most maintenance engineers, the engineer-in-chief of the Port of Dublin has always played a very big part in major works of improvement in the port. I shall refer later to some of the works at present in progress. Probably there is a greater variety of employees in the service of the Dublin Port and Docks Board than in that of any other employer. In all there are about 100 categories, and in the engineer's department especially nearly every trade is represented, and about 800 men are employed in this department. The department is one of the leading schools in Ireland for the training of graduate engineers, and each year the graduates of the two Dublin University Colleges, who take the highest places in their respective examinations, are given the privilege of entering the Board's service as pupil engineers.

Harbour Master.

The Harbour Master, who is a highly qualified and experienced professional seaman (i.e., extra Master Mariner) controls the movement of all shipping in the port. His department allocates berthage and transit shed space, dock and dry dock facilities, tugs, cranes, &c. He controls the harbour police and is also superintendent of pilots. He directs the activities of the traffic department. He is responsible for the enforcement of import bye-laws and has wide discretion and authority under statute. He has a very responsible

office and may at times be called upon to take important decisions of vital importance to the safety and good working of the port.

Manager, Custom House Docks and Warehouses.

The Board maintains as an auxiliary service to the port a very large warehouse department, which has its headquarters in the original Custom House docks. A manager is the head of this department. Some idea of its size and of the magnitude of its operations can be gained from the fact that the plus duty value of the commodities warehoused by the Board at present would probably be as much as £20,000,000, e.g., nearly all the tobacco consumed in the country is held in the Board's bonded warehouses until required for manufacture by the tobacco companies. Many of the wine and spirit importers warehouse their goods with the Board and this year, following a decision of the Indian and Irish Governments to ship tea direct to this country, the Board is undertaking the task of warehousing the millions of pounds of tea which must be stored under the scheme pending distribution to the trade. The magnitude of this undertaking can be appreciated when it is understood that in pre-war days this tea was shipped from India to London, where it was warehoused and sent to this country as required in small lots. To meet this new problem the Board will have to provide warehousing accommodation equal to an addition of nearly 50 per cent. to its pre-war accommodation.

In addition the Board warehouses an unending variety of commodities and undertakes in relation to the commodities warehoused such operations as gauging, sorting, packing, blending, &c.

The Accountant and Collector of Rates.

The main financial operations of the Board are under the control of the Accountant and Collector of Rates. The Board's main income is derived from two sources—the assessment of dues on ships, which are paid according to the tonnage of the vessel and the assessment of dues on goods imported or exported. These are based on a schedule of charges approved by the Minister for Industry and Commerce. Other income is derived from warehousing, quay and transit shed rents, towage, haulage, cranes, tugs, leases of port property, graving dock dues, &c.

Audit.

The accounts of the Board are audited by an auditor appointed by the Minister for Industry and Commerce. At present the work is done by a Local Government auditor by arrangement between the respective Ministers.

Loading and Unloading of Ships.

I should make clear that functions of the Port Board are limited to making available berthage, transit shed, quay space and cranes, &c. The goods are actually transported and handled by the ship-

ping companies and agents and are in their custody, and the actual organisation of loading and unloading is a matter for the agents and their stevedores, though for that purpose they may, of course, hire cranes and other appliances from the Board. The port authority is empowered to exercise a general supervision, and it is the duty of the Board's traffic department to see that the steady stream of commodities through the port area is not blocked by the failure of importers to remove their goods in time from the transit sheds or the quays.

Pilotage Service.

The Dublin Pilotage Service is not controlled directly by the Board, but by a Pilotage Committee consisting of representatives of the Board and of the pilots. The decisions of the committee on financial matters are subject to the approval of the Board. The committee derives its income from fees charged for pilotage services and after providing for the upkeep of the pilot vessel and other expenses, the pilots are remunerated on a share basis. This has been modified to some extent under amended bye-laws during the past year.

Recruitment of Staff.

Under the Harbours Act, 1946, the Local Officers and Employees Act, 1926, which created the Local Appointments Commission, is made applicable to certain senior officers in the harbour service at the discretion of the Minister for Industry and Commerce. The Minister's policy in general appears to be to confine the application of the 1926 Act to senior officers and to other offices which require technical qualifications. It is not, of course, in every case necessary to apply to the Local Appointments Commissioners as the Minister has authority under the 1926 Act to authorise the harbour authority to promote a suitable officer if such is available. Clerical officers are recruited by competitive examination. There are also many senior and responsible grades amongst the employees and these positions are normally filled by promotion from the existing staff. In many cases the Port of Dublin service would be the only suitable training ground in this country for such men.

Change in the Trade of the Port.

Prior to the war a certain amount of trade arrived at the Port of Dublin direct from overseas, but the greater part of the port's imports arrived in coastal vessels from British ports, where the goods from overseas had been transhipped, or warehoused, pending dispatch to this country. During the war this trade was interrupted and this country was compelled to ship direct from overseas. This development has continued in the post-war years and consequently to some extent the centre of gravity of the port may be said to have changed from the shallow to the deep-water berth necessitating considerable development in the latter.

To meet this new situation, the Dublin Port and Docks Board has taken certain temporary measures, but permanent improvements

have been planned and are already well under way. These improvements will cost about £3,000,000 and the Government will contribute grants totalling about a quarter of the cost.

The following are the main improvements.

Piers and Jetties.

New piers and jetties are under construction which will cost about £600,000 and will increase the deep-water berthage of the port fivefold.

Transit Sheds.

The Board is making a considerable addition to its transit shed accommodation by constructing many new transit sheds and reconstructing existing ones at a cost of £700,000.

Warehouses.

Two new warehouses have been planned which will cost over £500,000 and will provide 100 per cent. increase on the Board's pre-war warehouse accommodation.

Graving Dock.

Plans have been completed for the construction of a new graving dock which will provide the port with facilities for the repair of the largest ships which use the port. This will cost between £750,000 and £1,000,000.

Deepening of the bar.

The bar of the approach channel is being deepened by a further two feet. This will make it possible for the largest vessels to make use of the port with the minimum restriction on their movements in and out.

Oil Zone.

The Board is creating on reclaimed land east of Alexandra Basin a new oil zone which will provide transit storage accommodation for the increased imports of petrol and oil, and which in accordance with modern port practice will isolate from the other activities of the port the work of loading and discharging of petrol and oils thus reducing the fire risk and achieving the maximum economy in installations and operations.

Harbour Plant.

Considerable expenditure is also being incurred on the purchase of new cranes and of other harbour plant.

It is anticipated, therefore, that the next five to ten years will mark a further important stage in that work which was commenced in 1707, i.e., the improvement of the Port of Dublin.

The Relations of Statutory Corporations with the Government and the Oireachtas

By P. O'DONOGHUE, S.C.
Legal Assistant to the Attorney General

Statutory corporations are attracting a great deal of attention at present in view of the extent to which they are being used by Governments for the control and management of nationalised concerns such as the E.S.B., the Central Bank, the Tourist Board, Bord na Móna, etc. We are inclined to regard them as a novel instrument of socialisation whereby the Government escapes from the rigidity of its own Civil Service procedure and from the restrictive effect of Parliamentary control and whereby it acquires the liberty necessary to manage socialised industries and undertakings in a businesslike manner. Such a view ignores the existence of some celebrated statutory corporations which figured prominently in past history, such as the South Sea Company (the company of the South Sea Bubble), the companies associated with the name of the notorious John Law (the Mississippi Company, etc.), the East India Company, etc. Two at least of the companies mentioned came to a sticky end, and the third, the East India Company, had a somewhat chequered career. They were very similar to our statutory corporations in many ways. They, too, were formed by statute (or royal charter) to operate trading monopolies and to carry on other functions for the State. They exercised enormous powers for good or evil over the life of the community. The modern statutory corporations likewise wield enormous power, but despite the extent of their powers, they are, like their predecessors, remarkably free from democratic control even in this age which prides itself so greatly on its democracy.

The statutory corporation method of State action fell into disrepute in the 18th century after the South Sea Bubble burst and after Law's schemes collapsed. The system became decidedly unpopular as a result of these catastrophes and was buried for nearly two centuries. Now that the

system has been dug out again it should be carefully studied and reformed with a view to securing as many of its possible advantages and as few of its drawbacks as may be.

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THE student who may be interested in the philosophical theories underlying the nature of corporate personality will find a fruitful field in which to conduct his enquiries. The numerous schools of thought ranging from the fiction theory of Savigny to the realist or organic theory associated with the name of Gierke and supported by Maitland might prompt him to conclude that the field had been thoroughly explored. Notwithstanding that a great deal has been written, one must not be discouraged by finding that much divergence exists between theory and practice. The many problems which the legal treatment of modern corporate persons has raised have been tackled without the conscious support of any particular theory. Indeed, you will easily be persuaded that the philosophical explanation of personality in beings other than human individuals has a certain remoteness when you come to consider the practical solution applied to the many questions arising from modern taxation, property transactions and the devices employed by parent and subsidiary companies to obtain advantage or escape the full brunt of onerous legislation.

Characteristics of a Corporation.

In law, however, whatever the schools of thought may propound the corporation has an existence distinct from and independent of that of the sum of its members. The distinguishing characteristics of a corporation are (these apply irrespective of the means by which incorporation was effected):—

(1) Unity; by which is meant personification of the group of changing and transitory individuals who might for the time being make up the corporation.

(2) Perpetual succession, which is sometimes explained by the statement that a corporation never dies but is endowed with a measure of legal immortality. This feature is also illustrated by the distinctive corporate name and the seal. The existence of a corporation created by statute may, of course, be terminated by the same means, as witness section 5 of the Land Law Commission Act, 1923, which ended the corporate life of the Congested Districts Board and section 3 of the Agriculture Act, 1931, which dissolved the corporation known as the Department of Agriculture and Technical Instruction for Ireland.

We are struck at once by the development that has taken place in our time by the ever-increasing creation of joint stock companies and industrial and provident societies. A process of amalgamation, the formation of parent and off-shoot companies, holding companies and so on goes on in an ever-increasing ratio, and these operations are

generally undertaken with some hope of obtaining tax relief although expressed euphemistically to be for the purpose of providing better organisation and direction.

Types of Corporation.

The joint stock company—though the commonest form of a corporate body—is the product of only one of the methods of incorporation recognised by law. There is first the corporation sole, which Maitland colourfully described as a juristic abortion, and bodies incorporated by charter. The former in this country consists chiefly of Ministers of State whose incorporation was effected by the Ministers and Secretaries Act, 1924. The incorporation of a body by charter was fairly common in older days and to a greatly diminishing extent it is still employed in England. It is, of course, a prerogative right of the Crown in that country, and consequently is in law exercisable still in this country by or on the authority of our Government by virtue of Article 49 of the Constitution. It is of interest to note, however, that no single instance of the grant of a charter can be found since 1922 and I think the prevailing feeling is that this method is inappropriate in the modern democratic State where the same end may be attained through the Oireachtas in the form of a private or a public Bill.

Statutory Corporations.

Side by side with the growth of public companies of the joint stock variety there has also been an increase in the creation of statutory corporations. By statutory corporation proper I mean a body or person who is expressly declared to be a corporation on the face of the enactment. We will also see that there is a class of corporation which I may describe for purposes of distinction as a quasi statutory corporation. Our freedom to legislate on this matter is not fettered to any extent in the Constitution. There is a general declaration in Article 40 as to the right of citizens to form associations and unions subject to any laws controlling this right in the public interest, but which laws may not contain any political, religious or class discrimination. It will be observed that the restriction refers to the regulating laws and not to the purposes or objects for which the associations or unions may be formed.

The Corporation Sole—Ministers—.

To return for a moment to the Minister for State who is a corporation, we see that his responsibility to the Dáil is the collective responsibility of the Government. During the consideration of the matters to which I will invite your attention in the course of my remarks this evening I must ask you to keep before your mind the following simple but fundamental provisions of the Constitution:—

> Article 28, 4, 1°—The Government shall be responsible to Dáil Éireann.
>
> 2°—The Government shall meet and act as a collective authority, and shall be collectively responsible for the Depart-

ments of State administered by the members of the Government.

3°—The Government shall prepare Estimates of the receipts and Estimates of the expenditure of the State for each financial year, and shall present them to Dáil Éireann for consideration.

Article 17, 1, 1°—As soon as possible after the presentation to Dáil Éireann under Article 28 of this Constitution of the Estimates of receipts and the Estimates of expenditure of the State for any financial year, Dáil Éireann shall consider such Estimates.

So far, therefore, as we need to concern ourselves with the relation in law between the Ministerial corporation sole and the Government on the one hand and the primary House of the Oireachtas on the other the picture is completely filled in by reference to the Articles of the Constitution which I have just stated.

Commissioner of Public Works and Irish Land Commission.

Passing from the corporation sole to the next example of a statutory corporation we naturally turn, in the first instance, to those bodies engaged in functions closely related to Government administration. Two bodies claim attention as the principal corporations in this connection, the Commissioners of Public Works in Ireland and the Irish Land Commission.

The Commissioners of Public Works in Ireland were first established by the Public Works (Ireland) Act, 1831, but not until 1869 were they incorporated for the purpose of holding, taking or acquiring land. The Commissioners are appointed and removable under the statutes at the instance of the Executive, which in its adapted form means the Minister for Finance, who is responsible for this branch of administration as one of the services of his Department of State. The position of the Land Commission is somewhat different, but the distinction is a slight one and is occasioned by reason of the functions of that body comprising determinations of a judicial or quasi judicial character. The Judicial Commissioner is a Judge of the High Court and there is, of course, no Executive control over the discharge of a judicial function. At the same time, the Lay Commissioners are appointed by the Executive and removable by them for cause shown. So far as the functions of these bodies corporate are part of Government administration—and that is in both cases the entire of their activities save only the judicial decisions in the case of the Land Commission—they are both under the general control of the Government through the appropriate Minister of State.

Electricity Supply Board.

When in the course of time the activities of Government branched out into matters undreamt of a century ago it was found that the statutory corporation was an appropriate agency through which to function. A good example is afforded us by the Electricity Supply Board, created

by Part I of the Electricity Supply Act, 1927, sections 2 to 34, which will give you in an extensive form the relations between the Board so established and the Executive. The members of the Board are appointed by the Government and are removable by the same authority when it is considered necessary in the interests of the effective and economical performance of the Board's functions under the Act. They are appointed for a period not exceeding five years, but are eligible for reappointment. The normal functioning of the Board is, however, a matter for the Board itself, and it appoints its own officers and servants. In this respect it enjoys wider powers than the Commissioners of Public Works, whose staff, being civil servants, are recruited in the way appropriate to that service The staff of the Electricity Supply Board do not form part of the Civil Service. The finances of the Board are also dealt with in Part I of the Act of 1927 and the original provisions have been amended and extended by later Acts. Briefly, the advances were made by the Minister for Finance out of the Central Fund up to the statutory limit, as and when requested by the Board, and provision for repayment of interest and sinking fund contributions and charging repayment on the assets of the Board, was contained in the Act.

The Electricity Supply Board is a very good example of a statutory corporation proper, by which I mean its incorporation has been effected by the terms of the enactment itself. At the same time, compared with the Commissioners of Public Works, we observe that there has been a strengthening of the authority of the Board in the matters entrusted to it under the Acts. While it would be open to any Deputy to put down a Parliamentary question as to any act or omission on the part of the Commissioners of Public Works, such a course would not be open in respect of the Electricity Supply Board. It will not require very much consideration to see the reason for this distinction. The functions of the Commissioners of Public Works form a part of the Government administration. The Electricity Supply Board is a public utility company and from the nature of its undertaking would not lend itself and could not be expected to lend itself to a process of having every day to day action open to public explanation in Parliament. At the same time, the accounts of the Board are published and presented together with the annual report, and on the occasion of a Vote for a further advance of public moneys the proposal may be discussed in Dáil.

Local Government Bodies.

In the elaborate fabric of local government administration you will find numerous statutory corporations—county councils and urban councils to mention the principal ones; not forgetting that many old boroughs can relate their incorporation to an ancient charter. All these bodies have in the carrying out of their functions to accord in numerous matters with the directions of the Minister for Local Government and Public Health, who is the Minister for State charged with surveillance over the field of local government. The Minister's functions and powers are varied in this respect. Chiefly he is con-

cerned with making regulations as to appointment, remuneration and superannuation of the staffs of the local bodies, approving bye-laws and sanctioning many steps in the process of giving effect to the local action. He also sees to the method of accounting, and appointment of auditors. The Minister is also endowed with judicial functions in dealing with appeals from decisions of local authorities in certain matters. The power of removing members of such bodies and of inquiring into their administration is also vested in the Minister, as well as the steps to carry on their functions when removed from office.

Quasi Statutory Corporations.

We now come to consider a type of body which we may style a quasi statutory corporation. It possesses in the main the features of a joint stock company and is incorporated under the Companies Acts, but the conception of it is to be found in a statute providing for any peculiar features of the company and, if necessary, carrying out modifications in the company's code. One of the first of these is the Agricultural Credit Corporation, Limited, the special aspects of which will be found in Part II of the Agricultural Credit Act, 1927; another example is the Industrial Credit Act of 1933. The long title of the Industrial Credit Act, 1933, is expressed as an Act " to make provision for the formation and registration of a company having for its principal object the providing of industrial credit and for the acquisition by the Minister for Finance of share capital of such company and for other purposes connected with the matters aforesaid." As in the case of the Agricultural Credit Act, 1927, the Act of 1933 did not incorporate the Industrial Credit Corporation. That company was formed under the Companies Acts, but the Minister for Finance was the person on whom the statute imposed the obligation of taking the necessary steps to procure its formation and registration. The statute, however, laid down the special conditions under which the company was to be formed and administered, and the schedule to the Act sets out in more detail the features with which the structure of the company had to conform. The share capital was to be £5,000,000 and no shares were to be issued save after the Minister for Finance had authorised the same, having consulted the Minister for Industry and Commerce. The Minister for Finance was empowered to agree with the company to take up any shares not taken up by the public. All moneys required in respect of payments made by the Minister for Finance to the company in respect of shares taken up by him were charged on the Central Fund. There were the usual borrowing provisions and power to create and issue securities. The articles of association were required to provide that so long as the Minister for Finance holds not less than half the nominal value of the issued capital he should nominate the chairman as well as the majority of the board. The power of the company to raise money by means of debentures was subject to the limitation that the amount so raised should not exceed the paid-up share capital of the company, and this power should not, without the Minister's consent, be exercisable at any time while the Minister holds more than one-fifth of the nominal value of

the shares issued. Moreover, so long as the Minister for Finance holds any shares in the company his approval is necessary to the nomination of a person to act as the company's auditor.

It is not possible in the time available to deal in any detail with the varying provisions contained in the enactments concerning these quasi statutory corporations. I want to call attention to one point, however, namely that a perusal of any one of these Acts will convey a fair idea of the purpose the Executive had in mind in the enterprise for which they had secured legislative confirmation. To cite just one instance by way of illustration—the Sugar Manufacture Act, 1933—which follows in the main the scheme of the Agricultural Credit Act and the Industrial Credit Act but which contains a schedule setting out the special conditions with which the company envisaged in the Act would have to conform. In Clause 3 of the Schedule the following occurs:—

> "The articles of association of the company shall provide that so long as the Minister holds not less than one-tenth of the share capital of the company, or so long as any debentures of the company guaranteed by the Minister under this Act are outstanding, or so long as the rate of customs duty chargeable on sugar imported is higher than the excise duty chargeable on sugar manufactured in the country four of the seven directors shall be nominated by the Minister."

The reference here to the customs and excise duties will indicate that this particular enterprise was associated with the furtherance of Government policy in general on industrial development. I think it is a fair inference that if conditions arose which enabled this company to carry on without State aid by capital investment, the Government would probably withdraw from the scene.

Parliamentary Control over Statutory and Quasi Statutory Corporations.

The conception of parliamentary control by question and discussion over executive action was formed in an age when Governments did not engage in the commercial pursuits of manufacturing or buying and selling. To-day, however, when apparently certain commercial and industrial activities if they are to be carried on at all will only be done with considerable financial resources, and if the Government of the day makes available in whole or to a considerable extent the necessary money, it raises a question of some nicety. How precisely this is to be carried out is a matter upon which critics of administrative methods hold varied views. Two somewhat divergent viewpoints can, I think, be taken as the poles in the discussion. One would have every new commercial enterprise financed by Government aid administered by an extension of the Civil Service. The other would hand the money over to the company concerned with the ordinary provision for charging repayment of advances on the profits and assets of the company. I doubt if the first view would find any considerable measure of support. It has to be recognised

that the Civil Service was never designed or developed on lines which make it a suitable organisation to engage at large in commercial or competitive business. The second view is open to the objection that the Government would probably have to select the members of the board in the first instance and then be prepared to stand over a rather complete abandonment of control after launching the project with public moneys. This would be sure to attract severe parliamentary criticism. It would also leave the company without any very satisfactory means of recruiting new and representative members of the board of directors. So far as existing companies in being are concerned, where financial aid cannot be otherwise obtained there is, of course, the provisions of the Industrial Credit Act. In the long run control over the directorate of statutory as well as quasi statutory corporations must be justified on the elementary rule that he who pays the piper continues to have some say in the musical programme to follow. The extent of the control will be determined by the circumstances of each case and the experience of this legislation so far points to the conclusion that the executive does not wish to intervene any more than is necessary. The Government in turn have their responsibility to the Dáil who votes the necessary funds. At the same time the initiation and shaping of policy is the prerogative of the Government. The very nature of a commercial business is such that the day-to-day transactions of contracting and planning and buying and selling could never be subject to the system of constant parliamentary surveillance by question and answer and critical discussion. Some middle course has had to be adopted and we see the result in the Statute Book to date.

The varying degrees of Government control will be seen to be related to the nature of the undertaking and the proportion of public money contributed to the undertaking. Where the capital subscribed has been entirely obtained from the Exchequer, naturally the control has been fairly complete. When private citizens or outside companies have taken a substantial share of the financial commitments the control is correspondingly less. There is also another consideration to be mentioned. More than one of these statutory corporations have come into being as aids to the carrying out of Government policy—agricultural credit and sugar manufacture might be cited as two out of many others—and it seems elementary that a Government would require to keep a control over the destinies of an agency called into being to foster and develop the ideas underlying its creation. Every penny voted by the Dáil for the aid of any corporation is open to discussion in that Chamber. In the case of all these corporations their accounts are audited and published, but are not subject to the Comptroller and Auditor-General or the Public Accounts Committee of the Dáil in the same way as the voted moneys administered by State Departments. It is plain that the business of any one of these corporations is not Government administration in the ordinary sense but can be said to be more fittingly checked after the fashion of trading corporations.

Companies Established Under Emergency Powers Orders.

During the recent emergency prevailing conditions called into being a number of companies for which moneys were voted and conditions prescribed by Emergency Powers Orders rather than any ordinary enactment. These companies were formed by private individuals in the first instance and when public moneys were required and voted the control of the Executive was provided for under the authority of an Emergency Powers Order. The exigencies of an emergency period do not furnish very satisfactory material on which to consider the application of normal principles of public administration.

It must be a matter of concern to a Minister of State to watch the progress or otherwise of a corporation of which he is sponsor. The fact that he has not to be responsible to the Dáil for the day to day actions of the company does not relieve him from maintaining constant watchfulness over the general trend of the company's policy and achievement. It is little satisfaction to him to have to learn that due to one cause or another further monetary assistance is required, and if he is satisfied on this point to have in turn to carry conviction to his colleague, the Minister for Finance. Should a Vote be required, he will have to make the case for the granting of such additional aid to the Dáil.

I doubt if we can say that there is any obvious or facile alternative to the form of a statutory corporation or quasi statutory corporation, as we know it, that can be fashioned to carry out certain social enterprises to which Government policy is committed. Whether the Dáil relaxes in future cases the conditions under which a company is to carry on, or insists on more stringency in the measure of Executive control, that chamber cannot surrender its function of being supreme in affording or withholding the finances which may be sought from public funds. Between the Dáil on the one hand and the corporate agency on the other stands the Government, with its own inescapable position of power and responsibility while in office. They remain the initiator of policy and the constitutional organ for carrying it into execution.

The Organisation of the Post Office

By L. O BROIN
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This lecture affords an opportunity of comparing a commercial department of government run directly by the Civil Service, with other commercial departments, treated in subsequent lectures, run by the statutory corporation method. It is safe to say that few people realise what a versatile department is the Post Office and what a variety of functions it performs smoothly, efficiently, noiselessly. Much of the work, undoubtedly, is of a routine nature. Letters and parcels are collected in the same manner each day and despatched by the same routes. There are, however, some unexpected items in the Post Office schedule of duties. The true public administrator is not easily surprised and he reads without emotion that the Post Office supplies uniforms to practically every uniformed public servant in the country and has even met some of the requirements of the U.S.A. Army. He is unmoved to learn that the department are the recognised Government experts on running and maintenance costs of mechanical transport and on the composition of woollen and cotton textiles, but he does register mild bewilderment when he finds it was recently called on to supply a large order for baby food for the relief of Europe. The interesting portion of the lecture, which deals with the broadcasting service, comes as an anti-climax after this surprising evidence of the versatility of the Post Office.

This is a lecture which is full of instruction. It should be read and re-read by those who wish to get a grasp of the working of a big government department.

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THE Post Office is so much in the public eye that it is fair to assume that most of you know more about it than you would in advance about the subject of any other lecture in this series. It is easily the largest single Department of State and its ramifications are nation-wide. It is also, after Córas Iompair Éireann, the largest employer of labour in the country. It is possible that you may never have actually come in contact with a policeman, a soldier or any one

from the many groups into which public servants can be classified, but to avoid meeting a Post Office employee is, I believe, an utter impossibility. Their very number makes that certain, for there are no fewer than 14,000 of them, or nearly half the total personnel in the Civil Service, industrial workers and part-timers included.

Duties and Functions.

The Post Office is what is known as an ancillary service, from the Latin ancilla—a handmaid: thus in every art and part of the country, post offices, small and large, are to be found subserving the needs of the community in a wide variety of ways. Primarily those offices are communications centres, places through which you can post and receive letters or parcels or send telegrams or make contact by telephone; but secondarily, and not less importantly, nowadays, they are places where you can deposit your surplus funds for safe keeping, arrange for the remittance of money, draw your children's allowances, unemployment benefit or assistance or the pensions a benevolent State provides for you in your old age, widowhood or orphanhood, or in respect of your service in Army or police forces, get credit if you are a trader for the ration coupons and food vouchers you have collected, arrange for payment of dog, firearms and wireless licences, pay customs duty on goods carried to you by parcels post, and so on and so forth, the list of duties and services growing steadily as the Central Government plays an ever larger part in organising the lives of the people. Some of these duties and services are the natural offshoots of the original trunk, but others have no connection with communications and have fallen to the Post Office as the cheapest and most convenient agent for other Departments of State.

Head Offices and Sub-Offices.

The offices you see mainly throughout the country are known as sub-offices, and there are over 2,000 of them grouped round and subordinate to 55 head offices, which are classified 1 to 5 in order of importance, the most important being located in Cork, Limerick and Waterford and eight other of the larger towns. There is a 6th-class office at 34 towns of the size of Arklow and Greystones which has no outlying sub-offices to look after. There are two classes of sub-office, cash account and non-cash account offices. The former, situated in districts in which there is a demand for money order facilities, while supervised from the accounting angle directly by the Accountant's Branch of the Department, to which a cash account is furnished weekly, are also under the immediate control and supervision of the postmaster of the district, who supplies the funds and stamps necessary for the conduct of business and makes a surprise visit of inspection at least once a year. Non-cash account offices are, however, altogether under the surveillance of the postmaster of the district, the accounting being conducted on the credit and unclaimed payments system.

At each head office you find a postmaster, who is a Civil Servant, and a Civil Service staff working under him. The postmaster is

responsible to the Department for his district and his functions involve, as I have already said, more or less close supervision of the work of the sub-offices. He is the pivot of the entire postal system in his area. Under the co-ordinating direction of the Department he sees to it that the system stretches out to every house. Hours of collection and distribution are by him synchronised with train and bus services. He arranges " walks " for postmen, organises local and central sorting, provides staffs for counter duties and for telegraph and telephone working, maintains stocks to meet changing needs and circumstances and performs a hundred and one other jobs of widely varying character. Dublin City and a fairly extensive hinterland is specially catered for by the Dublin Postal District with a Controller at its head and a staff of close on 1,200. Telephone and telegraph services are, however, under separate control in the area of the Dublin Postal District.

Unlike the postmaster, the sub-postmaster is not a civil servant but a contractor remunerated on a scale payment basis related to the volume of work transacted in his office, which is usually a shop. He must be a person of competence, good local reputation and financial standing; his premises must be located centrally, and not used for certain business such as the sale of liquor; and he must be prepared to carry out the Department's regulations and to provide the necessary staff and office equipment for that purpose out of his remuneration. The competition for these sub-postmasterships is disproportionate to their direct remuneration value for it is recognised that to have a sub-office attracts the public to one's premises in a way that scarcely anything else does. The system has, on the whole, worked very satisfactorily. It certainly provides an efficient service for the community at a reasonable cost. Incidentally the country shop in which the post office is located has become a national institution and the sources of a certain amount of local pride if one can judge from the story of the man who, having seen the G.P.O. in Dublin for the first time, expressed his disappointment. It was not, he said, a patch on the post office in his own place, where, besides stamps and other postal items, you could buy anything from a box of matches to a suit of clothes.

Cheap Postage.

It is, of course, of great importance to the community that they should have a cheap postal service, and that has been the aim of the Post Office administration for a very long time. A little over 100 years ago postage rates were " unconscionably high " and " varied to every destination " and, moreover, " could seldom be assessed or even predicted until the letter reached the point of delivery ". (*The Post Office,* by Sir G. Evelyn Murray, K.C.B. (Putnam, 1927).) It cost over 1/- to send a letter from Dublin to London, and on behalf of the many thousands of Irish workers in Britain, Daniel O'Connell complained that to send a letter to Ireland and get an answer back cost more than one-fifth of a week's wages. Rowland Hill changed this when he pioneered the uniform prepaid penny rate,

irrespective of distance. This reduced the average cost of a letter by at least 8d. and made of the State Post Office an ancilla in the widest sense of the word in a world of expanding trade and personal relationships. This policy of cheapening the costs of communication went further with the State purchase of the telegraph and telephone systems from private companies and the introduction of ½d. rates for postcards and newspapers and printed papers. In time international agreement was secured at the Postal Union Congress for uniform low rates on letters addressed from one end of the earth to the other, in place of the high and varying charges previously in force. Currency fluctuations, consequent on the international disorder of the last thirty years, have, however, made some differentiation inevitable.

International Arrangements.

It will help us in the understanding of this matter to know that the regulations at present governing the carriage of international mails are those of the Postal Union Convention of 1939. These provide that correspondence exchanged between two Administrations involves no payment by these Administrations to each other, but is subject to certain prescribed transit charges to be paid by the country of origin to each of the countries traversed or whose services take part in the conveyance. The general accounting for these expenses is based on data obtained from statistics taken once in every 3 years. As between ourselves and Great Britain, the country with which we have necessarily the largest exchange of mail, the position is that the British and Irish Post Offices share, roughly in proportion to their outgoing letter mails, the contractual payment made under agreement between the British Post Office and the L.M.S. Railway, while for parcels the railway companies receive 40 per cent. of the postage on the parcels they convey. This payment is made through the Railway Clearing Office and is calculated by means of periodical returns of delivered parcels taken at delivery offices. As regards the recently introduced surcharge air mail between Ireland and Great Britain, it is intended that each Administration will pay separately for air conveyance on the basis of the weights of mail despatched.

Post Office Managed on Commercial Basis.

The next point I want to make follows in direct sequence from what I have been saying about a cheap postal service and is likewise one about which you know something already. The Post Office, unlike other Government Departments, is regarded as a commercial concern, that is to say, it is expected to pay its way. If over a limited period of years it is found to be making a loss you can expect steps to be taken to eliminate the loss. On the other hand, substantial profit over a number of years is recognised as a pointer that the public can be given a reduction in rates, either generally or in the particular branches of business that yield the profit. In order that the position may be seen clearly by everybody concerned, the Department publishes *Commercial Accounts* annually. These accounts are prepared

on the income and expenditure basis, *i.e.* they represent, as far as possible, the revenue earned and the expenditure incurred during the period to which they relate and not the actual cash transactions of the period. The latter items can be found in the relative Finance and Appropriation Accounts. Credit is taken for services rendered without charge to other Government Departments, at public rates where such exist, and at actual cost where they do not, and similarly debits are raised in respect of services rendered to the Post Office. Proper provision is included for interest on capital and depreciation of plant and pension liability. The surplus or deficit on the year's working is regarded as surrendered to or made good by the Exchequer and is not carried forward to the account for the next financial year. The "accounts" include a statement of the surpluses and deficits since the date of the transfer of services from the British Post Office in 1922. This indicates that while surpluses were earned in 12 out of 23 years, a net deficit of close on £2,250,000 was incurred over the whole period. In recent years the most profitable branch of the Department's business has easily been the telephone service, but even with the retention of the present rates of charge, similar surpluses are not likely to be achieved during the period of post-war expansion, as the revenue account will have to bear heavy charges for interest and depreciation on expensive equipment that will only gradually become revenue-earning. The telegraph service, due mainly to the encroachment of telephones, has consistently shown a substantial loss for many years.

One obvious factor in helping the Post Office to be a commercial success is the monopoly it exercises. Subject to certain unimportant exceptions, it possesses the exclusive privilege of carrying letters, of transmitting telegrams and of controlling the use of apparatus for wireless telegraphy and wireless telephony.

The fact that it is predominantly a commercial concern does not mean that the Post Office stands in any special relationship to the Oireachtas. Like other Departments, its policy is subject to the approval of Parliament. It works strictly within its statutory limits, it takes good care not to exceed the financial provision made for it by the Dáil and approved in detail by the Minister for Finance and supervised, as to the spending of it, by the Comptroller and Auditor-General. It does not pay its staff out of its revenue, but hands this over without deduction to the Exchequer, drawing, as I have said, on a Vote of the Dáil for its outlay. In this it behaves like any other revenue-earning Department, offsetting against the debit items of the Vote only the non-revenue types of receipts that are proper to an Appropriations in Aid sub-head. These are principally receipts from various sources for agency services. An interesting feature of the Post Office's financial arrangements is that the money for telephone development, in these times the heaviest single item on which capital expenditure is incurred, is borrowed from the Central Fund within limits determined by Act of Parliament and annuities to repay the advances set up which are duly and regularly provided via the Department's Vote.

Internal Organisation.

At the head of the Post Office stands the Minister for Posts and Telegraphs, whose position is defined in the Ministers and Secretaries Act, 1924, and to whom is there assigned the charge of the Department of Posts and Telegraphs and the functions formerly exercised in this country by the British Postmaster General. Immediately under the Minister is the Secretary, the Administrative Chief of the Department and its Accounting Officer, by whose office the day to day working of the huge machine is controlled and directed, and from which decisions of policy as laid down by the Minister and of general application emanate, and to which flow all questions that cannot be settled locally. The Secretary's Office is divided into four main branches, each under a Principal Clerk, whose titles roughly describe their functions. These are the Establishment Branch, the Telecommunications Branch, the Mails, Buildings and Supplies Branch and the General Correspondence and Survey Branch. It may be well to explain, however, that the Establishment Branch deals with all appointments to the postal service, promotions, conditions of employment, revisions of the unitary basis on which sub-postmasters are paid, as well as disciplinary matters. The Telecommunications Branch plans and supervises telegraph, telephone and wireless development, and maintains and controls the operation of the principal telephone exchanges in Dublin City and environs. Elsewhere, telephone exchanges and telegraph working fall into the province of the various postmasters' districts and are supervised by special outdoor officers of the Telecommunications Branch. Through a Controller this Branch is in close touch with the Central Telegraph Office in Dublin, which is the nerve centre of the country's telegraph system. All the main telegraph circuits branch out from this office and the cross-Channel circuits are terminated there. It is linked directly with the transatlantic cable stations at Waterville and Valentia and with the wireless stations at Valentia and Malin Head, and is the main forwarding and receiving centre for telegraph traffic exchanged between this country and Great Britain. All telegraph traffic exchanged with foreign countries is concentrated there, while it also handles all radio-telegrams.

The Mails, Buildings and Supplies Branch arranges, or oversees the arrangement of all inland and foreign mail services whether by rail, road, ship or air, involving contracts with railways and other carrying companies, postage rates, conventions with foreign States, the building, alteration and maintenance of Post Office premises generally and the supply of materials and services necessary for a large and widely scattered establishment. It also systematically revises postal delivery arrangements throughout the country, and arranges for the opening of additional post offices where these are warranted, aiming always at efficiency and economy. Expensive deliveries are reduced whenever possible and where, as in many isolated rural areas, they must be maintained at a loss, the loss is offset by the profit made in other directions. The General Correspondence and Survey Branch is concerned with the direction of certain miscellaneous Post Office

activities which fall outside the range of the branches dealing with mails, telecommunications and staffing. These activities include savings schemes (Post Office and Trustee Savings Banks and Savings Certificates), Postal and Money Orders, widows' and orphans', old age and blind pensions, children's allowances and food allowances, traffic accidents, accounting irregularities, loss of and damage to postal packets and designs for new stamps. The branch includes an investigation section and a survey section, staffed by a picked body of outdoor officers who are the eyes and ears of the administration. The survey officers are constantly "on the road", carrying out inspections of provincial offices, some at regular intervals and others when not expected, and clearing up difficulties that do not lend themselves to treatment by correspondence. This branch also controls the editorial section which looks to the revision and printing of forms and rule books and produces the weekly bilingual publication of the Post Office, *Iris an Phoist,* and the Post Office Guide, *Eolaidhe an Phoist.*

Legal and Medical Branches.

Within the Secretariat are also to be found the Department's solicitor and the chief medical officer, both established civil servants. The former advises on all legal questions arising out of the Department's work or affecting the Department's interest. With the assistance of the local State solicitors he covers all the Department's legal business, being guided by the Attorney-General in criminal cases. Temptation and opportunity for theft abound in a concern that carries hundreds of millions of packets in a single year so that, while losses are relatively very low, a considerable volume of work falls on the investigation section and on the solicitor in detecting crime and bringing those responsible to justice.

The chief medical officer supervises, from the medical and public health angle, the conditions under which the Post Office staffs work, examines personally such cases as are referred to him and, with the assistance of district medical officers employed on a capitation basis, provides free general practitioner treatment, including free medicine for all staff of the Departmental grades (other than temporaries) on salaries not exceeding £150 basic or about £6 a week. The chief medical officer acts, moreover, as the medical examiner for the Civil Service Commission and for the Prisons Service.

What I have so far said does not, however, complete the description of the headquarters of the Post Office, for alongside the Secretariat, and under its general supervision, are three other very important pieces of organisation. The first is the Accountant's Branch, the second the Stores Branch and the third the Engineering Branch.

The Accountant's Branch.

The Accountant's Branch advises on all financial matters affecting the Department, is responsible, as one would expect, for the accounting system in all branches and checks the accounts, periodically returned, of transactions at all offices, big and small. This

branch superintends the preparation of the Annual Estimates, the Appropriation and Commercial Accounts, and supplies such returns and other statistical matter as the Secretariat or other branches of the headquarters organisation call for. Within the branch is to be found a savings section which receives the funds and inspects the working and the accounts of the five trustee savings banks in Éire, looks after Savings Certificates and manages the poor man's bank—the Post Office Savings Bank—the popular appeal of which may be judged by the fact that it has at present approximately 600,000 depositors and a total liability to them amounting to nearly £33,000,000. Sums from 1/- up to a net £500 may be deposited in the bank to the credit of any single account in a calendar year and up to £2,000 in all, inclusive of previous interest. The rate of interest allowed to depositors has never varied from 2½ per cent. notwithstanding fluctuations in the earning capacity of the deposits, which are invested by the Minister for Finance in trustee securities. Recently the savings section established three new records: in one day it took in £100,000 in deposits, in one month £1,000,000, and in one year £10,000,000.

The Stores Branch.

The Stores Branch, which has a Controller of Stores at its head with a place on the Government Contracts Committee, has a responsibility that reaches far beyond the Post Office, for not merely is it responsible for the purchase, storage and issue of apparatus and material required for the Post Office services, the receipt and disposal of obsolete and condemned stores and marketable waste and the control during manufacture, examination and distribution of postage, revenue, insurance and other stamps, postal orders, Savings Certificates, etc., but it places contracts for a wide range of commodities for the whole Government service, i.e., for the Army, the Police, and Civil Service Departments generally. These contracts in a year may amount to as much as £2,000,000 and an interesting point in this connection is that in recent years it was found possible to place not less than 86 per cent. of their value with Éire manufacturers or assemblers. The interests of the Stores Branch are so wide that whenever you see a soldier, a member of the emergency services, a policeman, a postman, a Government messenger, a preventive or airport officer, or, indeed, any other *uniformed* public servant you can salute in them the handiwork of the branch. You can be pretty certain, too, that most of the equipment required for Government or semi-Government purposes, such as sleáns for turf-cutting, the bunting on Government buildings, cycles or motor cars, and field dressings for troops has come out of the vast resources of the Post Office Stores.

Even the clothing at short notice of a large number of German naval personnel rescued at sea and landed here was a job for the Stores Branch, which also assisted in implementing the Government scheme for the relief of Europe by providing substantial quantities of such items as socks, gloves, yarns, underwear and baby food to

the tune of approximately £68,500. In recent years the Stores Branch has also been entrusted from time to time with sundry other work of a more or less unusual character, such as the supply of special requirements for parades and other ceremonial functions, and the negotiation of the provision through Irish manufacturers of about 60,000 garments for the American Army. The Controller of Stores is also responsible to the Department of Finance and other Departments for expert and usually technical advice on a variety of specialised subjects ranging from textiles and tailoring, leather and timber to the running and maintenance costs of mechanical transport. As a matter of fact the Stores Branch is the only centre in Éire capable of furnishing certified test results as regards the composition of woollen and cotton materials.

The Stores Branch also maintains the Post Office factory at which certain parts are manufactured for, and repairs carried out to, telegraph and telephone apparatus. In addition, certain miscellaneous manufacturing orders are undertaken for the Army so as to utilise the factory machinery and staff to full capacity. Thus, in 1944 the factory accepted an order for 15,000 housewives (I mean the holdalls, not spouses), 4,000 tent bags, sleeping bags and despatch bags, 1,500 pairs of gaiters and fittings for 7,000 water bottles.

The Controller of Stores works upon certain general principles and within well defined limits laid down in a charter approved by the Minister for Finance. His proposals for the placing of particular contracts are, therefore, not vetted in the Secretary's Office, but in certain cases they require the approval of the Government Contracts Committee, whose chairman is the Parliamentary Secretary to the Minister for Finance. The vice-chairman is a representative of the Department of Finance, and the other members of the committee include, in addition to the Controller of Stores, representatives of the Stationery Office, the Office of Public Works, and the Departments of Industry and Commerce and Defence. By this device the supreme control of the Minister for Finance over the placing of contracts involving large expenditure is safeguarded, the purchasing policy of the State co-ordinated, and a close watch is maintained on prices and trade conditions.

The Engineering Branch.

The Engineering Branch has specialised interests: it is called upon to provide the Department, and indeed the Government Service generally, with an expert opinion on the latest technical developments in telegraph and telephone construction and in the comparatively new realm of wireless broadcasting. Its primary function, however, is to see that the necessary plant for these services is installed and maintained in good order. Most of the planning work is done at the Branch headquarters in Dublin, which, under the direction of the Engineer-in-Chief, maintains close contact with the Secretary's Office and particularly the Telecommunications Branch thereof, and directs the engineering operations of the five Engineering Districts into

which the country is divided. Our recent emergence as a civil aviation centre has considerably increased the demands on this branch which now carries responsibility for the erection and upkeep of the wireless apparatus at the Shannon and other airports and of representing the country's position on the technical side at International Air Conferences. The branch is, therefore, expanding rapidly and this process tends to be accelerated by the necessity for providing for great specialisation on telephone and wireless apparatus which is becoming more complicated every day. Voice-frequency automatic telephones, and the experimentation in ultra short-waves are two examples of the new and difficult avenues that are opening out before the Post Office engineers.

Statistical Review.

If you are sufficiently interested you can find in the *Statistical Abstract* published by the Stationery Office figures of the total volume of work of a strictly postal character performed by the Post Office in any given year. For instance, you will find that the total revenue from postal, telegraph and telephone services is round the £3,000,000 mark and the expenditure somewhat less. But the fact that these three services yielded £3,000,000 gives no idea of the service that has been given for it. Most of this sum has been received for transactions involving the sale of a stamp or two, a shilling telegram or a telephone call costing only a few pence. A better picture of the work done can be gathered from some other figures that I propose to give you now. Thus *payments* to a total of over £29 millions (an increase of 106 per cent. on 1924-25 and 77 per cent. over 1939-40) were made through the Post Office in 1944 for such things as postal orders, money orders, savings bank, Army and Navy allowances, widows' and orphans' and old age pensions, children's allowances and other social services. The biggest item in this was £13,700,000 for all money orders including those telegraphed for encashment here by Irish people employed in Great Britain. The *receipt* in 1944 of £19 million odd for postal orders, money orders, savings bank and savings certificates is also a striking figure which overshadows the sale of stamps (postage, health and pension, unemployment insurance, inland revenue, entertainment duty and savings, etc.), which amounted, nevertheless, to a very considerable sum. I shall not analyse these figures for you or burden you with a detailed account of the volume of letters and parcels, registered and unregistered, that are handled by the Post Office: it is sufficient to say that the annual total of the latter (*i.e.* the letters and parcels) is somewhere in the neighbourhood of 200 millions. Neither will I say anything about the 50 million and more effective telephone calls for which money passes annually. A point that must be stressed, however, is that every transaction, big and small, and most of them, as I have remarked, are small, is scrupulously recorded and subjected to a careful process of checking which is indissociable from the system of Parliamentary control to which the Post Office, in common with all Government Departments, is subject. The ordinary citizen will not complain of this, I think, for

its effect is to make the Post Office a more reliable institution to which to entrust the care of one's money, property or correspondence.

Economy Campaign.

At the same time it would be wrong for me to create the impression that caution is exercised to an unnecessary degree in the Post Office or, worse still, that the Post Office is unmindful of the need for practising economy. This is a charge commonly made against the Civil Service, but the contrary is most decidedly the truth so far as the Post Office is concerned. While mindful of its responsibility to Parliament and the public, the Post Office is constantly on the look-out for opportunities of simplifying its organisation and methods while improving the working conditions of the staff. It was by action of this kind that the deficit of £1,108,000 which was taken over in 1922 was gradually converted into a surplus. And the good work goes on steadily. Mechanisation has been introduced: wherever profitable, old types of plant are replaced by new; and there is a growing awareness of the importance of keeping office procedure under review with an eye to cutting out circumlocution, unnecessary checking, and the time-honoured game of "passing the buck." A special officer is employed to carry out a systematic overhauling of the technique employed in every section of the Accountant's Branch and the staff is encouraged to help with their own suggestions. This co-operative effort has so far proved very successful.

Mechanical Aids.

I have mentioned the use of office machines and it may interest you to know that in our Accountant's Branch we have 39 of them, apart, of course, from typewriters and duplicators. These include 28 adding machines used for long casts, posting and listing, 3 calculating machines, 7 perforating machines for mutilating paid orders, and one addressing machine. We would have had more machines by now only for the war; but you should understand that our practice is to ask ourselves first not "What machines can we get to do this work?" but "Is it necessary to do this work at all?" A tremendous volume of suitable work is required before mechanisation is possible. Some years ago investigation revealed that it would not be economical, because of the high cost of the machines, to introduce the machine sorting of money orders, even though we dealt at the time with 880,000 paid orders in a year. The possibilities of mechanisation or partial mechanisation are, however, kept under constant review in the light of modern developments.

Post Office Staff.

The staff of the Post Office is divisible into (1) the Administrative, Executive and Clerical, etc., classes, known as General Service classes because they are common to the Civil Service as a whole and interchangeable between Departments and (2) the strictly Departmental classes into which category fall all persons recruited specifically for Post Office work, such as boy messengers, postmen, Post Office

clerks, inspectors and other ranks right up the line to head postmasters. This category would also include the technical and industrial Post Office employees. The staff of both divisions consists of established and unestablished officers, the latter comprising mainly—in addition to scale payment sub-postmasters and their appointees—temporary employees of one kind or another, labourers and certain skilled workmen in the Engineering Branch, cleaners, charwomen, etc. Recruitment to all permanent positions is effected through the medium of the Civil Service Commission.

The Post Office can claim to have been a pioneer in affording opportunities to women to enter the public service on a large scale. Women have proved themselves highly adaptable in the Post Office and at some kinds of work, for instance as telephone operators, they are definitely better than men. They are, therefore, widely employed as telephonists, as counter clerks, and as telegraphists. In the Accountant's Branch at headquarters they are to be found in every section but especially in the Savings Bank, where the bulk of the work is done by them. Attention is paid to their welfare. Rest rooms and facilities for refreshments are provided; breaks are given in working time and periodic changes of duties arranged so as to relieve monotony and strain. The pressure of work in some of these services has been so great, especially in recent times when the Post Office had to make a contribution towards the staffing of the new Departments, that large blocks of staff, both men and women, are on practically continuous overtime.

More attention is being paid nowadays also to the education of the staff, it being recognised that this is desirable in their own interest and in the interests of efficiency. New entrants to the Accountant's Branch spend their first week or two in a specially staffed training school where short chatty lectures and practical demonstrations serve as an introduction to the complexities of official life. The whole idea of the scheme is to make the transition from schoolboy or schoolgirl to office routine as easy as possible for the new entrant. Periodical lectures are given so as to enable the staff as a whole to widen and deepen their acquaintance with the service. A beginning has also been made in sending officers of the Accountant's Branch out to provincial post offices for short periods where they will gain practical experience of ex-headquarter accounting work.

Social Work.

For a number of years boy messengers' institutes have operated at Dublin, Cork, Limerick and Waterford for the educational and recreational benefit of the boys. Libraries, provided by the Department, are supplied with books of an educational character as well as with good fiction. A gymnasium is attached to each institute and such activities as swimming clubs are fostered where suitable facilities exist. At towns where the Department is satisfied that suitable evening educational classes are available boy messengers are obliged to attend during the early period of their service. Youths-in-training (engineering apprentices) are required to attend vocational educa-

tional classes or take correspondence courses for Irish, Elementary Magnetism and Electricity, Telegraphy, Telephony and kindred subjects. Progress at the end of two years with a practical test determines whether a boy is regarded as fit for retention in the service. Junior mechanics are required to attend technical schools and to take certain approved courses in technical subjects, general education subjects and Irish. Their fees are paid by the Department until they reach the age of 18. Store boys are required to attend technical schools for general educational subjects and Irish.

Broadcasting Service.

At this point I turn to the Broadcasting Service, which, since its inception in January, 1926, has been a sort of ward in chancery to the Post Office. To discover how the care of a service designed to provide education and entertainment should have fallen to a prosaic institution like the Post Office you must look at the reports of the Special Committee of the Dáil on Wireless Broadcasting that were printed in one volume in 1924. It was certainly not the ambition of the Post Office that it should ever occupy such a rôle. Indeed, in a White Paper prepared in November, 1923, which you will find as an appendix to the reports, the Postmaster General of that time (he had not yet become a Minister) expressed the view that the business of arranging concerts and programmes of general interest was one which no State Department could undertake. He proposed instead that a private broadcasting company, operating under a Government licence, should be established to operate the service, the main capital to be provided by firms interested in the industry. The Special Committee, however, took the opposite view, being influenced first by a wholesome fear of permitting the transmission service to become a monopoly in private hands and, secondly, by the importance of retaining the new medium at the direct service of the State for the dissemination of national ideals and culture. They, therefore, rejected as unsound the objections to the establishment and working of the service by the Post Office, and their point of view was endorsed by the Government.

The second foundation document of broadcasting in this country is the Wireless Telegraphy Act of 1926. The Act is in two parts—the first providing for the regulation and control of wireless telegraphy on land, at sea and in the air, and for the regulation and control of such classes of visual and sound signalling stations, and the second providing for the establishment and maintenance of State broadcasting stations. This measure is the legislative basis for everything that has been done in the way of broadcasting in the last 20 years. By virtue of it Radio Éireann was set up with its medium wave transmitters at Athlone, Dublin and Cork, its small experimental short-wave broadcasting unit on which news bulletins are daily sent overseas.

The Broadcasting Service receives an annual vote of the Dáil, which is accounted for by the Secretary of the Post Office. This covers expenditure on staff, programmes, plant, light and power, etc. The cost of the work done by the Post Office for broadcasting in the realm of administration and in such important matters as collection of licence

fees is not recovered, but charged against the service in the Post Office Commercial Accounts, the only payment made being that in respect of expenditure on rentals for trunk and local lines. This payment is made in conformity with a general Finance instruction designed to enable Departments to control unremunerative or excessive expenditure on telephones. No adjustment with the Broadcasting Vote is made, either, in respect of the costs borne for the service on other Votes. These costs are, however, recorded and with the services rendered by broadcasting itself to other Government Departments (where reducible to figures) enable a picture to be framed of the final financial position of the service.

The Department of Finance would like the Broadcasting Service to pay for itself, like the Post Office. It probably does so at the moment. Certainly over the last twenty years the gap between total revenue and total expenditure has amounted to only £20,000, or an average of £1,000 a year, without credit being taken for what broadcasting does for other branches of the public service. Broadcasting revenue for the purpose of this comparison is reckoned to consist only of the licence fees paid by holders of wireless sets and the receipts from sponsored advertising programmes.

Administration of Broadcasting Service.

The set up of the Broadcasting Service is quite straightforward. It consists of a Director, an Assistant Director and a group of programme officers, an engineering staff, a studio supervisor, a few announcers, a part-time station orchestra engaged on a contract basis and a station accompanist. The closest daily contact on matters of policy is maintained between the Director and the Secretary's office. Similarly the engineers, who are members of the Post Office engineering staff, act under the immediate direction of the engineer-in-chief. The Minister is helped in the conduct of the service by a Radio Advisory Committee, appointed under the Wireless Telegraphy Act. This body consists of eighteen members and functions well. The members are selected generally for their interest in cultural activities or as representatives of the Ministers for Education and Agriculture, as provided for under the Act.

It would require a separate lecture to dilate on the sort of administrative problems that arise in broadcasting. Since 1926 the form of control best suited to an Irish Broadcasting Service has been a recurring subject of discussion and is still being discussed. Difficult questions also recur affecting finance, the suitability of the Civil Service Commission machinery for the rapid recruitment of the sort of specialised staff broadcasting requires, and the balancing of Irish and English in the programmes, while the station is labouring all the time with the problem of securing a higher standard of programmes while depending on artists that are for the most part amateurs or semi-professionals.

An American visitor recently said that the attitude of the station towards the big money that can be made out of radio advertising was monastic, judged by the standards of the U.S.A. In that

country, as you probably know, the Broadcasting Services are privately owned and a large part of their revenue is obtained by "selling" time. Advertising programmes were permitted here from the beginning of the Broadcasting Service but prior to the opening of the high-power station in 1932 the amount of business done was negligible and as advertisements tended to be of an international character they were not in many cases satisfactory. Time is now allowed only for programmes to advertise the products of Irish companies and organisations or services here like transport, tourism and newspaper production. Advertisements relating to the distributive trades (wholesale and retail), to patent medicines, cosmetics and alcohol are excluded. You may be interested to know the booking rates for sponsored programmes: these range from £15 to £21 per fifteen minutes on week-days and from £40 to £55 on Sundays, depending on the period of the booking. The revenue from these programmes reached a peak figure of £44,500 in 1937-38: it fell away during the war but with renewed interest in advertising they are "on the up and up" again and may reach £30,000 in the next financial year. Revenue from licence fees is also mounting again, having fallen away somewhat during the war years owing to the difficulty of getting sets and batteries. It amounted last year to £108,000, which, at 12/6 a time, meant that there were 172,700 licensees. This is a low figure relatively to the total population.

Tourism and the Tourist Board

By M. K. O'DOHERTY
Secretary, Irish Tourist Board

This lecture by Mr. O'Doherty contains a most interesting account of tourist traffic, the problems which arise in catering for it and the advantages which accrue from attracting it. Incidentally, the accepted definition of the term "tourist" as a person travelling for a period of twenty-four hours or more in a country other than that in which he normally resides, is worth noting. Under this definition the domestic holiday-maker would not qualify for the attention of the Tourist Board, though he might benefit indirectly from its operations. The Irish Tourist Board is a statutory corporation which was established by the Tourist Traffic Act, 1939. Its life has been comparatively short and has been lived in such an abnormal period that it is not yet possible to assess the results of the Board's policies.

* * *

I PROPOSE, at the outset, to indicate generally the steps which have been taken to organise international tourism and then to give, in greater detail, the developments which have taken place in this country.

The growth of international tourism in the years following the first world war, and the need for collaboration among national tourist organisations in order to deal with the new problems arising from this development, led in 1925 to the calling of an International Conference in Holland at which representatives of the national tourist organisations of fourteen European countries took part. Further conferences took place in succeeding years and, in 1934, an International Union of National Tourist Propaganda Organisations was formed and duly registered at The Hague. This body aimed at securing close co-operation between its members, with the object of overcoming obstacles to free international tourist traffic, and it established close contact with the Economic Committee of the League of Nations.

International Tourist Organisations.

With the outbreak of war in 1939 the union's activities came to a standstill and it was not until last year, 1946, that contact between the official tourist organisations in the various countries could be re-established. In October, 1946, the first World Conference of

National Tourist Organisations was held in London and attended by delegates from forty-one countries, including Ireland. The fact that harmony prevailed throughout this five-day meeting, at which problems of mutual concern were discussed, is worthy of comment. Ireland was again represented at the second World Conference held this year in Paris and from that conference has emerged a new organisation styled the International Union of Official Travel Organisations, of which Ireland became a foundation member.

The most important aspects of international tourism are, that it can promote friendship between nations and, at the same time, contribute materially to international prosperity.

Definition of "Tourist."

It is opportune here to define what is meant by the term "tourist." The League of Nations' definition, which has been generally accepted, describes a tourist as any person travelling for a period of twenty-four hours or more in a country other than that in which he usually resides. Tourists, therefore, are persons who travel for pleasure, health, business, education or for a variety of different reasons. The important fact is that while absent from his native country the tourist is a consumer rather than a producer—a buyer rather than a seller.

Restrictions on Touring.

The principal restrictions affecting tourist traffic to-day are the immigration and Customs controls, together with lack of accommodation, food shortages and transport difficulties. Not all of these restrictions apply in every country. In one country the tourist is hampered by passport, visa or exit permit formalities, in another these hindrances may be overcome quite simply, but your tourist may be unable to secure the required hotel or other accommodation, while in a third category we have currency restrictions to contend with.

Importance of Tourist Traffic.

There are several good reasons why in normal times the free movement of tourists should be facilitated.

1. Tourist traffic widens the field of employment at home, providing new opportunities for many.
2. It brings consumers to goods as well as goods to consumers, and gives added value to natural and man-made attractions, be they mountains, bathing beaches or ancient monuments.
3. From the economic standpoint, tourism is an important item in the balance of international payments.
4. It is the outstanding means for the promotion of understanding between nations.
5. Tourist traffic of the future should be composed not merely of business men and officials, but of the people generally, particularly family groups. Countries in which holidays for fami-

lies can be provided ought to be in a position to take full advantage of the immense volume of traffic which the holidays-with-pay legislation will eventually provide.

Before proceeding to discuss in some detail the position of tourism in this country, I propose to deal generally with present-day problems affecting the tourist industry in Europe.

With the exception of the States which escaped the ravages of war, the Continental countries have lost much of that which forms the basis of tourist traffic. It is remarkable, however, that except in areas which are still occupied or for various reasons are badly situated, the authorities have taken in hands the work of restoring the tourist industry with an intensity never before experienced. This, no doubt, is due to the fact that the economic, cultural and social interests connected with the tourist traffic weigh heavier in the scales than at any previous time. It is true that in the years prior to 1939 Europe was regarded as the natural centre of gravity in the sphere of international travel. It is reported that in the pre-war era 66 per cent. of all Americans going abroad came to Europe, but last year the percentage dropped to 47 per cent., and the present trend is towards Latin America and the Caribbean. (This falling-off is not due solely to transportation problems. It should be noted that certain European-owned liners are this winter forsaking their Atlantic runs to make cruises in the Caribbean.)

The importance of the tourist traffic to Europe can be realised when it is stated that before the war 500,000 Frenchmen obtained their livelihood solely in this industry and the value of tourist income in France for 1938 was estimated to be at least three milliard francs. Coming nearer home, it was reckoned that in London alone during the jubilee year, 1935, the income from foreign visitors amounted to £85,000,000. It can be said with safety that while hotels, restaurants and transportation services received a direct and immediate benefit from this expenditure the vast bulk of it was spent on the purchase of goods. In the long run, agriculture and industry generally receive the greater share of tourist expenditure.

"Floating Hotels."

Prior to the war Scandinavian countries, particularly Norway, derived considerable foreign revenue from what were described as "floating hotels." In the summer of 1938 forty-five steamers carried out 105 tours to the Norwegian fiords, conveying about 46,000 tourists. It will be many years before a reserve of such ships can be built up to carry similar traffic. Cruising holidays proved economic to all concerned—there was no waste of space or equipment—and for the traveller going abroad for the first time language difficulties were avoided and passport, customs and currency formalities were reduced to the minimum.

Transport and accommodation are the two essential services for tourism, and of the two transport has made the greater progress. Sea and surface travel facilities are recovering rapidly, while, of course, air transport at the present day puts the pre-war era completely in the

shade. Most European countries provide special facilities for the purchase of petrol by motor-tourists, but hired cars and motor coaches are not yet available in adequate numbers.

Hotel Problems.

The question of profit in relation to hotel operation is of prime importance in the development of tourism. Established hotels which have relatively little capital subject to the duty of earning interest are as a rule able to pay their way provided that they can obtain a certain minimum annual number of guests at a tariff which will ensure a reasonable return on the operation expenses. Many of these hotels, however, will have to be helped to acquire essential equipment and furniture as replacements become necessary. In practically every country the establishment of new hotels is far more difficult to-day than pre-war. In several States of which I have accurate information it would cost from two to five times as much to build a hotel to-day as in pre-war times. It follows, therefore, that a new hotel must have a far higher income than an old one in order to pay interest on the invested capital. A good hotel of, say, 100-bed capacity, which pre-war could be built for about £50,000, *i.e.* £500 per bed, including site acquisition, building, furnishings and equipment, might to-day cost about £150,000. In other words, such an hotel would be required to pay interest on three times the amount of capital and, of course, depreciation costs must be taken on a similar rate. If the capital is to be paid back in say 40 years the new hotel would have an annual outlay for interest and repayment of about £6,150, whereas the expense of another hotel, erected as recently as 1939, for the same items would be only about £2,900 per annum. If we take the turnover at £7,500 a year for a seasonal business, the new hotel must set aside 82 per cent. of its annual income for interest and repayment of capital, while the old hotel would be required to pay only 38 per cent. under the same heading.

If the new hotel is to show the same working profit as the older one it will need to have an annual turnover of £10,750, whereas the older hotel could carry on with a turnover of £7,500. The effect of this is that the clients of the new hotel must pay 28/6 a day for the same room and service provided in the older hotel for £1. As the guests might not be willing to pay this difference, the new hotel will have difficulty in competing with the old establishment.

Attempts have been made on the Continent to solve this problem by State assistance in the form of guaranteed second priority loans carrying a low rate of interest or free of interest until the business can bear such charge. I am not in a position to say whether, in view of the present level of prices, similar assistance would suit this country's requirements. The cost of building has, of course, increased everywhere and the general question now arises—how is it possible to provide additional accommodation to carry the increasing volume of traffic? The solution of this problem must soon be found. It appears likely that in the future the number of people who can afford to pay high hotel prices will tend to diminish, while the number of potential

tourists with modest incomes continues each year to grow larger. This is a factor in tourism which requires the fullest examination.

Workers' Holidays.

Before the First World War the tourist industry was equipped to cater mainly for the wealthy traveller, but now millions of workers throughout the world are entitled to annual holidays with pay, and in many countries there is a demand for low-cost group holidays. To-day there is an all-over demand for holiday travel never before experienced. Until the balance of payments between States can be adjusted to enable the present currency restrictions to be relaxed, *free* movement of holiday-makers between one country and another cannot be arranged. It should be noted that the present restriction might be overcome if sister organisations in any two countries agreed to an exchange of groups for holiday purposes. The possibility of establishing a clearing agreement for tourists among the various nations should not be ruled out.

Returning to the question of accommodation for holidays, it has been suggested that there are old buildings in most countries which could be adapted to meet requirements. It is true that many old buildings have been converted satisfactorily, but in a great number of cases the condition and lay-out is such that it would not be economic to reconstruct them, and even if that were found practicable the operating costs might be higher than the volume of traffic catered for would warrant.

Holiday Camps.

Unless a new hotel can be assured of fairly regular patronage throughout the greater part of the year it cannot pay. That is one reason why new hotels rarely appear in resorts which enjoy only a three or four months' summer season. One remedy in such places would be the erection of central buildings to provide recreational, dining and kitchen facilities for the use of holiday-makers who could be lodged in private houses having vacant rooms, or in what the Americans call beach cabins. Camping and caravan sites in the vicinity would also increase the number of holiday-makers. The large holiday camps which have been erected in recent years, particularly in England, have apparently proved quite profitable for their owners. The modern holiday camp, which is, in a sense, a self-contained holiday resort, can be effective only in dealing with very large numbers.

The question of hotel tariff is closely bound up with organised tourism. If an existing resort hotel of, say, 100-bed capacity can anticipate only 50 per cent. occupancy in the course of a season of 100 days it must fix a room price of 10/- per bed, per day, in order to get a gross income of £2,500 for the season. But if the same hotel could book 90 per cent. of its accommodation it could reduce the room price to 5/6 per day and the gross turnover would be the same.

Extension of Holiday Season.

The only way by which the income of a hotel can be increased without lowering the standard of service is by increasing the traffic and prolonging the season—in other words by utilising the capacity to the best extent possible. Apart altogether from the control of hotel charges, which is enforced in a number of countries, and the very desirable effect of competition in keeping prices keen, it must be obvious from what I have said that there is a minimum limit below which no hotel can continue to operate. Hotel operation is, at the best of times, a difficult job: it is work of an administrative character for which a long period of practical training is the best preparation. It may look simple and straightforward and some young people, perhaps after visiting a few large establishments abroad, think a hotel runs almost by itself. After very little experience they are soon disillusioned.

Any proposal having for its object the extension of the holiday season is of immediate interest to the tourist industry. Unfortunately, results to date have not been satisfactory. Publicity campaigns have been launched telling the public that spring and autumn are as beautiful as summer, that there is more and cheaper accommodation and that travelling is easier. But it is still broadly true that the holiday season is concentrated into the few weeks when the schools are closed during the summer. Even people who are not concerned with providing holidays for school-going children are not anxious to change from their usual fortnight or three weeks in July or August. Many of these people do not doubt that a spring or autumn holiday can be enjoyable but they do expect that it is going to be warm and perhaps unpleasantly so in the place where they live and work and it is from that that they wish to get away.

The matter will become really serious if millions of wage-earners are to enjoy holidays away from home. One solution appears to be to divide the leave period so that no one gets more than two weeks during the high summer months—the balance, if any, to be arranged at some other period of the year. Even under those conditions the number who will wish to travel is so great that employers of large numbers of workers must—as far as the requirements of the industry or service will permit—stagger holiday leave periods from May to September.

I have already referred to the definition of what constitutes a " tourist " and I now propose to say a word about the collection and presentation of tourist statistics.

Collection of Tourist Statistics.

There are two principal methods used to-day for measuring tourist traffic in the different countries. They are the frontier method and the hotels record method. In the first case, the frontier method, the tourists are counted when they cross national boundaries, whereas the hotels record system enables tourist movements inside the country to be ascertained. For statistical purposes the ideal arrangement would be to have both systems in operation at once. It must

be remembered, however, that statistics should be obtained with the minimum trouble to the tourist.

In Britain, for instance, the frontier check system is used, but in Switzerland the authorities rely on the hotel record system. The principal figures to be ascertained are:—

(1) The total number of tourists visiting the country.

(2) The chief countries of origin.

(3) The average lengths of stay.

In order to estimate the full economic effect of tourism in a country, however, further information is required.

(*a*) How much do visitors spend during their stay?

(*b*) What parts of the country do they visit?

(*c*) Reason for their visit, *e.g.* health, holidays, business, education or just to visit relatives and friends.

Different countries have developed methods of recording travel statistics best suited to their different geographical and other conditions. A uniform method would be ideal, but at present is not regarded as practicable. Much information can be obtained by co-ordinating the records of official frontier inspections—health, customs and immigration. In addition, a useful guide at the present time in European countries is the number of special ration documents issued to non-residents.

Importance of Tourist Receipts in the Balance of Payments.

Before the war certain information and statistics on travel and tourism were published annually in the League of Nations' *Balances of Payment Report* and in the *Survey of Tourist Traffic* published by the League's Economic Committee. These are no longer being issued and it has not yet been finally arranged that the I.U.O.T.O. will make itself responsible for the collection and distribution of statistical data. In this country the Statistics Branch of the Department of Industry and Commerce is giving the matter close attention, and in a recent announcement it was stated that the value of the tourist traffic to this country in the last year was between £16,000,000 and £17,000,000, an amount sufficient to pay for our total food imports. A country which is equipped to receive tourists, *i.e.* a " seller " country, has, in the travel industry, a valuable means of financing imports. For the " buyer " country the export of its currency in the pockets of tourists is the best guarantee that its industrial and other exports will be paid for.

Publicity.

Selling, at the present day, generally means publicity for the article or services offered. A Victorian is credited with having said, " All advertising is vulgar." It has, however, been computed that expenditure on advertising and publicity for all purposes in the seven countries comprising North-West Europe reaches the total of about £500,000,000 each year. Of this sum between £1 and £2 in every

£1,000 is expended on travel and tourist propaganda. This may be due to the desire of tourist organisations to avoid the implications of the Victorian spokesman referred to. It is more likely, however, that as tourist spending covers such a very large field—hotels and other forms of accommodation, restaurants, cafés, licensed houses, theatres, cinemas, sporting exhibitions of all kinds, cultural and educational displays, transport of every description, to say nothing of mere shopping expeditions—it would be difficult, if not impossible, to apportion to each unit or section deriving benefit from tourist expenditure a particular appropriation in a national tourist publicity campaign. It will, I hope, be clear from what I have said that tourism is really a big business. It is to-day a business of national importance in very many countries.

Here in Ireland, official recognition of the tourist industry dates from 1925. In that year a number of voluntary organisations were amalgamated to form the Irish Tourist Association. Provision was made in the Local Government Act of the same year to enable local authorities to contribute to the funds of the I.T.A. The support which the I.T.A. received led to the enactment of the Tourist Traffic (Development) Act in 1931. Under that Act the Minister for Industry and Commerce was empowered to grant a certificate of approval in respect of any duly registered company (*i.e.* the I.T.A.), the objects of which were wholly or mainly the encouragement and development of tourist traffic, including the advertisement of the advantages and amenities of places as health or pleasure resorts. Local authorities were empowered to pay to the I.T.A. a contribution not exceeding the equivalent of one penny in the £1 on the rateable value of the particular county or county borough, or a sum equivalent to 3d. in the £1 on the rateable value of the particular borough, urban district or town. Almost every local authority in the country made contributions to the funds of the association and still continues to do so. The powers provided by the 1931 Act were merely permissive and carried no guarantee of continuity.

Tourist Traffic Act, 1939.

The comparative success of the industry in this country and a more general recognition of its value as a factor in the national economy, together with the inadequacy of existing measures for its development led in 1939 to the passing of the Tourist Traffic Act. The 1939 Act provided for the establishment of the Irish Tourist Board, a corporation with wide powers to extend and develop accommodation and other amenities for holiday-makers from home and abroad. The Board is empowered to engage in these activities directly or to provide financial assistance to others for the same purpose. It may acquire land compulsorily, including fishing and sporting rights. It is also empowered to register as such hotels, guest-houses, holiday hostels, youth hostels and holiday camps. Furthermore, a more comprehensive scheme of registration can be applied in resorts or areas declared by the Minister to be "special areas". The 1939 Act also provided that the Minister for Finance, on the recommendation of the Minister

for Industry and Commerce, may advance to the Board from central funds moneys which it may require for works, investments or loans of a profit-earning character up to the limit of £600,000. Last year, by an amending Act, the limit of these advances was raised to £1,250,000. Advances received by the Board are, of course, repayable with interest. During the war years it was not practicable to proceed with the development of the tourist industry as visualised, and the Board was authorised to operate only in a limited way. The possibility that unemployment might become acute in certain areas led to the preparation of schemes with a high labour content, capable of being put in hands at short notice.

Registration and Classification of Hotels, Guest Houses, etc

In 1944 the provisions of the Act relating to registration and inspection of hotels, guest-houses, holiday camps, holiday hostels and youth hostels were put into operation. As a result of this there is in existence an effective control of graded holiday accommodation throughout the country. The Board controls the titles " hotel," " guest house," etc., and it is an offence to hold out or describe as such any premises which are not on the relevant Board register. Some misunderstanding appears to have arisen regarding the Board's functions in the matter of price control. The Act is quite clear on that point. The proprietor of each hotel and other premises must submit annually to the Board his fixed maximum charges. Details of the tariff are published opposite each entry in the Official List of Registered Premises which is distributed gratis every year. The charges which appear in this official list are those voluntarily submitted by the proprietors in all cases and may not be exceeded. The Board may impose the severe penalty of loss of registration and status. This year the Board initiated a scheme of grading for hotels and guest-houses. Three categories—A, B and C—were established. In deciding the category into which each premises should be placed, the following structural features were taken into consideration:—

(1) Proportion of bedrooms with running water.
(2) Proportion of bathrooms to the number of registered guest bedrooms.
(3) Lounge and dining-room space available in relation to the number of bedrooms and to normal casual traffic.
(4) Type and variety of kitchen equipment available.
(5) Ability by reason of its structural lay-out to give good service.
(6) Spaciousness of grounds for use of visitors.
(7) Presence of amenities such as electric light, central heating, lift, garage accommodation.

In addition to these structural features the grade awarded depended on the following:—

(1) General standard of cleanliness and comfort.
(2) Standard of furnishings in bedrooms and public rooms.

(3) Number and types of staff employed in relation to the number of visitors.

(4) Indoor and outdoor facilities provided.

(5) The general efficiency of management, which is, naturally, one of the most important considerations affecting the comfort and well-being of visitors.

In cases where the board found difficulty in deciding the appropriate grades, the prices charged in relation to the value given had a bearing on the final award.

A small number of the hotels in Grade A suffer by comparison with others in that grade by reason of the lack of certain amenities which should normally be expected in hotels of this class, e.g., running water in bedrooms, etc., but it was considered that other amenities justify their inclusion. The grading of an hotel or guest-house must be transient, depending as it does so much on management, and it is hoped that visitors will, by their comments, sent to the board, assist in ensuring that the grades allotted from year to year, are, in fact, a fair and up-to-date reflection of the service and value offered by registered premises.

It is the intention of the board to step up for 1948 its requirements for the premier grades, and it may be considered necessary to increase the number of grades.

Training of Hotel Personnel.

An increase in the numbers employed in the hotel and catering trades in this country is foreseen, but additional training schemes must be provided. It is hoped that with the co-operation of vocational education authorities this can be arranged. An experimental scheme of training for hotel personnel was undertaken by the board last year and its success is indicated by the fact that the majority of those who completed the course are at present in good employment in Irish hotels.

Travel Films.

Turning to publicity and tourist representation abroad, the board decided that the film should be given first priority as the most effective long-term medium. This year two film production units from the United States visited Ireland and, working in close co-operation with the tourist organisations here, have turned out effective travel films which will prove not alone commercially successful but will serve as good tourist publicity in U.S.A. for a considerable time to come. Last month marked the opening of an official Irish Tourist Bureau in New York and the production of maps, brochures and travel literature is being carried on with the aim of selling holidays in Ireland to Americans. The value of this dollar traffic can hardly be overstated in these days. The board is satisfied that Ireland's contribution to the dollar pool can be appreciably increased by our tourist earnings.

Future Prospects.

One of the impediments is the shortage of suitable accommodation. There is no doubt that for several years ahead the demand for holidays in Ireland will far exceed the capacity of the industry. Currency restrictions have cut off normal holiday movement to the Continent. The Irish tourist authorities feel that full advantage should be taken here to build up the industry generally. As an incentive to private enterprise five buildings were taken in hand by the board and converted to provide good-class hotels. The board does not propose to add hotel operation to its other activities and an interim company has been formed to carry on this work. It has been arranged that the board will dispose of its direct financial interest in these concerns at the earliest opportunity at which this can be done on satisfactory terms.

It is worth noting that an increasing number of Irish hoteliers have during the past two years carried out extensions and improvements to their properties. The control on building generally has, of course, delayed certain developments which would otherwise have been undertaken. Interior decoration, improved lighting and the installation of new furniture and equipment are all important matters which are being attended to these days.

It must not be thought that the efforts being made to develop the holiday industry here are intended solely to cater for foreign visitors. It is the Irish population which will be mainly facilitated by the extension of holiday facilities in this country. The improvement of seaside and other resorts will mean greater opportunities for Irish people to enjoy their own country. For the majority of people, thinking of a holiday does not necessarily mean thinking of a large hotel. They want, simply, cleanliness and comfort with good food at a reasonable cost, with the balance of their holiday savings to spend as they please. The establishment of suitable facilities of this nature is the most important feature of the whole industry and one to which the Tourist Board is giving its full attention. Private enterprise has been asked to put forward worth-while schemes, and, so far, any such scheme which has been submitted has been given the complete support of the authorities concerned.

It is inevitable that some time must elapse between the planning stage and the effective implementation of approved schemes for the development of tourism on a national basis in Ireland. Representatives of the hotel and catering industries are fully alive to the possibilities which exist in our country. The opportunities which present themselves to-day may not recur. A more widespread knowledge of what tourism means, and of what is required to develop it, is necessary. If I have added, even in a small way, to your knowledge of this subject I shall feel quite satisfied.

Electricity Supply

By J. J. DONOVAN
Assistant Secretary, E.S.B.

The Electricity Supply Board is a statutory corporation entrusted with a monopoly to produce and distribute electricity throughout the country. The members of the Board are appointed by the Government, and hold office for a term which may not exceed five years. They are eligible for reappointment. The Board is largely independent of the Government in its day-to-day administration, but has no power to borrow except from the Government.

The Board has passed a severe test by maintaining an efficient service through the difficult war years. It is now embarking on a period of expansion and rural electrification, which will prove costly, and may well increase the cost of electricity to the consumer. The power of the Board to fix rates is, however, limited by law. The price fixed must not be such as to involve a profit for the Board, though it may be such as to cover expenses, interest, etc., and to provide for the accumulation of reasonable reserves, depreciation funds, etc. Though the State limits the Board's profits, it would appear from Mr. Donovan's lecture that it does not disdain to make a profit for itself on the rate of interest charged on the loans it makes to the Board.

* * *

BEFORE considering the development of the administration of electricity supply in Ireland since the Treaty, I would like to illustrate the development of electricity supply generally. I have compared the consumption and cost in 1923 of eight towns and cities in Great Britain and Ireland whose population exceeded 100,000 and did not exceed one million persons.

Town	Population	Consumption in Units per head	Average cost per unit in pence
Coventry	130,000	267	0·67
Bolton	178,000	213	0·60
Oldham	145,000	205	0·71
Halifax	100,000	198	1·03
Birmingham ..	936,000	150	0·97
Bristol	418,000	103	0·97
Belfast	429,000	73	1·31
Dublin .. .. and in Pembroke ..	310,000 31,000	42 35	2·42 3·60
Rathmines ..	40,000	26	4·15

The average consumption per head in thirteen cities, of which eight are quoted above, was, in 1923, 150 units per head and the average cost per unit was 1d.

In considering these figures it should be recalled that the cost of coal in Ireland was greater than in Britain, but not so much more expensive as to account for the difference in cost of the unit of electricity.

It is evident that in 1920 to 1923, when the people of this country were about to take responsibility for their own development, they had not benefited from the British administration in the matter of electricity supply to the same extent as English, Scottish and Welsh towns of comparable size to Irish cities and towns.

Outside Dublin and Cork there were few generating plants of any consequence and all the larger plants generated supply from imported fuel—coal or oil. The State derived one advantage from this underdevelopment—it was free to plan future development unhampered by the development which had already taken place; there were no large generating stations and no extensive distribution or transmission networks to be fitted into the future development. Therefore, what had gone before did not hinder the engineer from bringing to the service of the Irish people the full advantages of sound technical development as experienced in other countries.

The Shannon Scheme.

In 1923 Dr. T. A. McLaughlin placed before the new Irish Government a proposal to develop the River Shannon for the purpose of large-scale electricity supply. At his suggestion Messrs. Siemens Schuckert, of Berlin, undertook to prepare plans for the development of the full capacity of the river, and for the construction of widespread transmission and distribution networks to convey the current to all the principal towns and villages in the country. They agreed to submit their plans to whatever expert examination the Government might think desirable, and to abide by the decision of the experts as to whether their scheme should be adopted or rejected. At the same time, other interested persons advanced proposals for supplying Dublin City and its neighbourhood from hydro-electric schemes to be constructed on the River Liffey and for the development of the Shannon in several stages, and, of course, those who were already engaged in the electricity supply business in private enterprise urged the desirability of continuing the development, as it had begun, on a localised basis. In the autumn of 1924 the Government appointed four experts to examine the proposals of Siemens Schuckert, and to consider and report not only on these proposals but on the whole problem of electricity development in Éire in all its aspects. In 1925 these experts—Waldemar Borguist of Sweden, Eugen Meyer-Peter and Arthur E. Rohn of Switzerland, and Thomas Norberg Schulz of Norway—submitted their report. They recommended the development of the Shannon on a national basis in line with the plans prepared by Messrs. Siemens Schuckert as modified or amended as required by them. At the same time they recognised the desirability of proceeding at a later stage with the development of the River Liffey. They adverted to the

fact that " With the exception of a few towns, from the viewpoint of electricity supply, Ireland in 1924 was in the same condition as was Norway, Sweden or Switzerland 15 to 25 years earlier." They suggested that " The electrification of Ireland must not be regarded as a purely business affair, but as a great national economic question," that the goal must be a supply of electricity for all under the best possible conditions at the cheapest possible prices, allowing for a moderate return on State-invested capital. They added that the research carried out by them had convinced them that the area of the Free State is suitable for a unified electrification plan, and that the development of water power is from the national point of view to be preferred to the development of steam power in a country poor in coal, as long as the energy from water power can be supplied to the user at as cheap a price as from coal. They concluded their report by expressing the hope that the State in conjunction with the towns will succeed in carrying through the electrification of the State. They estimated that the construction of the power station and the transmission networks for the partial development of the Shannon would cost £5,200,000.

The report did not deal specifically with the question of State enterprise versus private enterprise in the development of electricity supply on a national basis.

The Electricity Acts.

The Government adopted the report and placed a contract with Siemens Schuckert for the partial development of the Shannon, which, it was estimated, could produce 153,000,000 units in an average year. In July, 1925, the Shannon Electricity Act was passed by the Oireachtas. This is " an Act to authorise and provide for the production *by the State* of electricity generated by means of hydraulic power derived from the River Shannon and for the distribution and supply *by the State* of the electricity so generated." This Act represents a decision by the State to generate electricity on a national basis by means of State owned generating plant, and to transmit it to the towns and villages through a State owned transmission network. The Act did not prevent generation and sale by other bodies or persons. Under the powers conferred upon the Minister by the Shannon Electricity Act of 1925 the construction of the Ardnacrusha generating station for the partial development of the Shannon—and of the State owned transmission network—was begun. When the works were nearing completion a more comprehensive Act—the Electricity (Supply) Act of 1927—was passed. This Act deals with the administration of electricity supply in the 26 Counties. Its purpose—" To make provision for the reorganisation and regulation of the generation, transmission, distribution and supply of electricity throughout the State, and, in particular, to make provision for the generation of electricity in the works constructed by the State under the Shannon Electricity Act of 1925, and for the transmission, distribution and supply of such electricity, and for that purpose to make provision for the management, administration and control of the said works with a view to the efficient and economic operation thereof." Under the Act the Electricity Supply

Board was established. The Board was armed with very wide powers. In addition to generating, transmitting, distributing and selling Shannon electricity, the Board was empowered to extend the Shannon transmission system, to build distribution networks, and, in general, to control, co-ordinate and improve the supply, distribution and sale of electricity generally in the State.

Acquisition of Electricity Undertakings.

It was left open to the Board to sell electricity in bulk to companies and bodies or to supply it to individual consumers. To enable it to perform its functions under the Act, the new Board was enabled to acquire, either compulsorily or by agreement, any electricity undertaking. Privately owned undertakings could be purchased at prices either agreed upon or fixed by an arbitrator appointed by the Minister. Electricity undertakings owned by local authorities could be compulsorily acquired by special order of the Board, and on the date appointed by the order all the assets and the liabilities of any such undertaking vested in the Board. No consideration, by way of purchase price, passed from the Board to the local authority by reason of such acquisition. At that time, 1927-28, there were 181 undertakings selling electricity in 159 towns and villages. Of these, 23 were authorised either by Special Acts of the United Kingdom Parliament or by provisional orders granted under the English electric lighting Acts by the Board of Trade. Of these 23 authorised undertakings, 18 were owned by local authorities. The 181 undertakings had between them 44,000 consumers, and in 1928 they generated 78,000,000 units, of which 1,400,000 units were produced by water power stations; the balance of 76,000,000 units were generated from steam produced in coal fired stations. It is calculated that in 1928 about 2 per cent. of the electricity generated in Éire came from native resources.

The very great majority of the 181 undertakings supplied electricity for lighting purposes only.

It was open to the Board, as I have pointed out, to sell electricity in bulk to these undertakings, to be resold by the undertakings to the individual consumers, or, alternatively, it could decide to sell electricity itself to individual consumers, gradually acquiring the existing undertakings. The Board decided to sell electricity itself to individual consumers, allowing the existing undertaker to carry on as heretofore until such time as the gradual expansion of the national transmission and distribution network made it economically practicable to supply from the national system the area served by the existing undertaking. At that point of time the existing undertaking was acquired by the Board. In deciding on this course the Board considered that it would ensure that the supply would reach the consumer at the lowest economic price and that the capital invested in distribution would give a better return. It was a decision, in short, which eliminated the middleman. That the generation and transmission of electricity should be on a national basis was decided by the enactment of the Shannon Electricity Act of 1925. That the distribution and sale of electricity to the individual consumer should be on a national basis followed from the

decision of the Electricity Supply Board. That private enterprise was not completely extinguished is true, but as it could be absorbed in the State undertaking at the will of that undertaking, private enterprise became too precarious to encourage its development even in areas remote from the national network.

Electricity a State Monopoly.

In 1928, therefore, the administration of electricity supply in the 26 Counties had come almost exclusively into the hands of a State monopoly. How complete this monopoly is now is demonstrated by the fact that of 380,000,000 units of electricity sold in Éire in the year ending 31st March, 1946, 379,000,000 units were sold by the Electricity Supply Board (99.5 per cent.). The evolution of this administration can be traced in 18 statutes passed between 1925 and 1945 dealing with electricity supply, and in 19 annual reports issued by the Electricity Supply Board between 31/3/28 and 31/3/46. In the great majority of European countries the State, while taking a controlling interest in the development of electricity supply, has not eliminated private enterprise from the industry.

The Electricity Supply Board.

It is not intended in this paper to deal in detail with the administration of the Electricity Supply Board. I wish, however, to draw your attention to certain matters in regard to that Board which are peculiar to it. The Electricity Supply Board is a statutory corporation. In law it is almost completely independent of Government control in the discharge of its ordinary functions. Members are appointed by the Government for a limited period which may not exceed five years in any one period of appointment. They are eligible for reappointment. The Board is responsible to the Government through the Minister for Industry and Commerce for the proper discharge of its functions. The Board has no power to borrow for capital purposes. The large blocks of capital which it requires are advanced to it from the Central Fund by the Minister for Finance to limits fixed from time to time by the Oireachtas. At the 31st March, 1946, over £14,000,000 had been charged to the Board, including £6,000,000 for the cost of the Shannon works.

Save that the Board is required to submit its annual report and its annual accounts, duly audited, to the Minister for Industry and Commerce for the information of the Oireachtas, the Board is otherwise largely independent of the Government in the administration of its finances and the formulation of its policy. It fixes its rates of charge for electricity, collects its revenues, and, having made such provision for interest on capital, capital repayment, and other reserves normal to prudent business as is required by the Electricity Supply Acts, it may apply its revenues to the advantage of the undertaking without Governmental control. It appoints its own staff and workers and fixes their remuneration. There is a fairly widespread belief that the Electricity Supply Board is indebted to the taxpayer for its capital finances. This is not so. The money invested by the State in

electricity supply is advanced from the Central Fund to the Board, out of State borrowings, at rates of interest which involve no loss to the State; indeed, they represent a profit, and they are repaid to the State by the Board out of the moneys derived from the sale of electricity to consumers. There is not, nor has there ever been, any of the taxpayers' money invested in the Electricity Supply Board

Functions of the Board.

The Board has three broad functions:—

First, it administers electricity supply on behalf of the State; it makes statutory regulations governing the supply and use of electricity in the State; it advises the Government on the development of natural resources for the purposes of electricity supply; it authorises or permits persons or bodies to generate and sell electricity, and the sale of electricity without the permission of the Board is illegal.

Secondly, the Board is itself an electricity supply undertaking, supplying over 99 per cent. of the national demand.

Thirdly, the Board is a contractor. It designs and erects new generating stations, transmission systems and distribution networks.

To draw a comparison with administration in England, the Board, in the matter of electricity supply, discharges the functions of the Minister for Fuel and Power, the Electricity Commissioners, and the Central Electricity Board, and finally of the 500 to 600 electricity supply undertakings there.

Growth of Electricity Consumption and Supply.

Under this administration the electricity supply in Éire, starting, if I might say so, from scratch, has grown rapidly. Where the consumption per head of the population was less than 20 units in the early 1920's, by 1946 it had grown to 151 units per head. This figure compares with 1939 figures of Denmark, 316 units per head; Holland, 333 units per head, and Finland, 780 units per head. The number of consumers has grown from 44,000 in 1928 to 237,000 in 1946. You see, therefore, that we have at least to double our consumption per head before we can claim to have reached a stage of development comparable with that reached in other countries.

The increased demand for electricity has been met:—

1. By extending the Shannon works in 1933 by the addition of a fourth generating unit of 25,000 KVA, which increased the total capacity of the station to 90,000 k.w.
2. By reopening in 1932 and extending over the years to 1941 the coal-fired steam station acquired in 1929 from the Dublin Corporation from 21,000 k.w. to approximately 100,000 k.w.
3. By increasing the water storage capacity of the lakes on the River Shannon, particularly of Lough Allen. The storage capacity of the river and Loughs Allen, Ree and Derg is now 408,000,000 cubic metres.
4. By proceeding with the hydro-electric development of the River Liffey.

In an average water year the output in units of the three main stations is:—

Ardnacrusha	300 million units
Pigeon House	210 million units
Liffey	30 million units

Due to the industrial dislocation caused by the war it has been impossible for the Board to develop its capacity to generate supply to meet the potential demand. The significance of this can be more readily appreciated when you remember that the full output of the Poulaphouca scheme became available for the first time in the present financial year, and yet every daily paper carries appeals to you from the Board to restrict your use of electricity. In other words, the 30,000,000 units which come from Poulaphouca are not sufficient to meet the immediate increase in present demand.

Before the war it was possible to build a large hydro-electric scheme such as Ardnacrusha in four years or less. A fairly large steam station could be built in three years. Now it is not possible to say exactly how long it will take to construct such stations.

To meet this growing demand, orders have been placed by the Board for the following new generating stations:—

1. (*a*) Cliff Power Station, on the River Erne, with an output of 40,000,000 units per annum. It is expected to be completed in the spring of 1949. (*b*) Cathaleen Falls Power Station, on the River Erne, with an output of 80,000,000 units per annum. It is expected to be completed in the winter of 1950. (*c*) The final development of the River Erne, involving extension of both Cliff and Cathaleen's Falls Stations, will give an output of a further 30,000,000 units, which will be available in the winter of 1951.
2. A turf-burning generating station at Clonsast, near Portarlington, with an output of 90,000,000 units per annum. This station will be partially complete in the spring of 1949, when its output will be 45,000,000 units, and fully complete in the spring of 1950, when the full 90,000,000 units will be available.
3. A small hydro station on the River Liffey at Leixlip, with an output of 10,000,000 units per annum, will be available in the spring of 1949.
4. A new oil and coal-burning generating station in Dublin at the North Wall, with an initial output of 40,000,000 units per annum, will be completed in the spring of 1949.
5. A larger turf-burning generating station at Allenwood, in the County Kildare, with a full output of 134,000,000 units per annum, of which 67,000,000 units will be available in the winter of 1951, and the remaining 67,000,000 units in the spring of 1952.
6. A new coal-burning station in Dublin which will have an out-

put of 100,000,000 units per annum, will be completed in the summer of 1953.

7. The hydro-electric development of the River Lee will give an output of 60,000,000 units per annum and will be completed in the summer of 1954.

So far I have dealt with the administration of electricity supply on the assumption that it is to be a self-supporting industry, that it should allow for the extension of a fully satisfactory supply to the greatest number at the lowest economic price. The experience of many countries more advanced in the development of electricity supply than ourselves has shown very clearly that the number of people who can be supplied at an economic price within their capacity to pay is limited. As a broad generalisation, I can say that it is limited to persons living in cities and towns and villages—that is, in closely populated areas. In some countries the agricultural community lives in villages and hamlets centrally situated in the lands which they work. In some parts of Britain that is the case. In the Ukraine and in parts of Canada and the United States similar conditions obtain. In Ireland the farms are spread far and wide with farmsteads in the most remote places. They could not be supplied with electricity at economic prices which would be within the capacity of the farmer and the farm worker to pay.

Rural Electrification.

To allow of the extension of electricity to the rural areas at charges which the rural community can pay, the State has agreed to subsidise the capital cost of the extension to 50 per cent. of the total capital cost. Even with this substantial subsidy it will be necessary to restrict the cost of the rural networks to the minimum compatible with reasonable standards of safety and with reasonable security of supply. The completion of the scheme will involve the erection over the next decade of 75,000 miles of overhead distribution lines. When it is considered that in the past 19 years less than 4,000 miles of these distribution lines have been erected by the Board, the extent of this new development will be appreciated. In its early stages the development of this scheme will not increase the demand on the existing generating plant to any very marked extent. In its final stages it is estimated that the number of consumers connected will be between 300,000 and 400,000 and the consumption of electricity about 150,000,000 to 200,000,000 units per annum.

War Conditions.

In the years prior to 1939 one of the main tasks of the electricity administration has been to develop a nation-wide demand for the supply which it was in a position to develop. The war has changed many things, among them the task of the electricity administration here. The disappearance of coal from domestic use, and to a very great extent from industrial use, and the difficulty of replacing or renewing privately owned generating plants used by a number of industries have created an immediate demand which was not foreseen,

and for which satisfactory provision could not be made during the war. In addition, the normal annual growth of the demand for electricity could not be satisfied after the first three years of war. These factors taken together have created a position in which the immediate demand considerably exceeds the possibilities of supply. The electricity authority, anxious to make the fullest possible use of the available supplies, is aware that in Northern Ireland the development of supply on lines similar to our own through a widespread transmission network has also been undertaken.

Co-operation With Northern Ireland.

Generation of supply in the North has been confined to steam stations. It has long been considered that considerable economies could be achieved North and South if the networks of the Northern and Éire authorities were interconnected. Already supply to Lifford in Donegal comes from Northern Ireland. There are areas in the North which could more economically be supplied from the Éire network and there are places in County Donegal which the Northern network could more cheaply supply.

To develop the River Erne to its full capacity it is necessary to control the flow of the river and to improve its storage possibilities. Much of the necessary work must be done and maintained in Northern Ireland. If satisfactory interconnection and other working arrangements can be made between the Electricity Board for Northern Ireland and the Electricity Supply Board, much advantage can be gained by the communities which they serve.

The linking up of these two supply systems is not of itself a solution to the supply difficulties in North or South. The full development of the River Erne, the Leixlip development, the turf-fired station at Clonsast, and the turf-fired station at Allenwood, County Kildare, must be completed and in full operation before the Electricity Supply Board can meet the demand without restriction. When it has reached that position it will still find itself compelled to continue its intensive programme for the provision of new generating plants. There is, in fact, no likelihood of a respite from its intensive development programme in the next 15 years.

In 1928 less than 2 per cent. of the country's electricity requirements were produced from our own resources. From 1929 to 1946 70 per cent. of the electricity consumed has come from water power. In 1951 or 1952 95 per cent. of our requirements will come from water power or turf-fired stations.

Nature and Extent of Central Control over Local Government Administration

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Delivered on 27th January, 1948

The question of central control of local government is a very thorny one. Local bodies are an essential element in a democracy and it is most important that nothing should be done to kill or weaken the spirit of local democracy, as, if that should happen, national democracy itself would not long survive. On the other hand, it is axiomatic that the whole is greater than the part and it follows that the central government must always be the senior partner in its relation with a local authority. Mr. Garvin, in an interesting lecture, tells us how the problem has been treated in this country. He shows the stages by which central control has been consolidated and indicates that a stage has now been reached when decentralisation of authority through devolution may be expected.

* * *

THE Poor Relief (Ireland) Act, 1838, introduced a new conception of the relationship between the Central Government and the local authorities. In accordance with that conception all local authorities established or reorganised since then are dependent for their existence and their powers on the statutes by which they have been created. They have also been subordinated by the same statutes, in a greater or less degree, to the control and supervision of a Minister of State. It is held to be in the national interest that these bodies should be subject to the general direction and control of the appropriate Ministers and, through them, to the Oireachtas. According as the scope and complexity of local administration tended to increase there has been a corresponding increase in the extent and degree of central supervision. Some years ago a distinguished American diplomat coined the word "global" to characterise the problems of war economy. The problems of peaceful reconstruction and social and economic reorganisation have an equally global aspect. If, therefore, sovereign States find it necessary to surrender a portion of their sovereignty to the paramount interests of co-ordinated world action, it

is *a fortiori* imperative that local affairs should be so directed as to accord with general national policy and be so integrated that the progress of each local unit will contribute to the progress of all.

The Ministers responsible for the supervision of local administration are answerable to the Oireachtas for the performance of those duties of supervision which have been imposed on them by statute. They may be required to supply information to Deputies in reply to Parliamentary questions; or on special motions put down for debate in the Dáil or Seanad; or on the discussion of legislative measures affecting local administration; or when moving the adoption of the annual Estimates for their Departments. Their Parliamentary responsibilities, therefore, oblige these Ministers to maintain very close contacts with all aspects of local administration with which they are officially concerned.

These are the considerations which link local administration closely with the central Departments of State. On the other hand, it is also imperative that local bodies should possess sufficient freedom and discretion to enable them to work smoothly and progressively and to allow free play to the civic pride and interest of local representatives and the zeal of local officers.

Local bodies should not, for example, be required to achieve a dreary monotony in housing design or in the particular type of treatment which road construction should receive in relation to landscape. But, in the general national interest, substantially the same classes of persons should be rehoused all over the country for substantially the same social reasons; and when a person drives smoothly on a well-maintained section of road in one county he should not have to cross the boundary with a bump which testifies to over-developed bumps of misdirection in the heads of the adjoining road authority.

CONSTITUTIONAL DEPENDENCE ON OIREACHTAS AND GOVERNMENT.

The county councils, county borough councils, urban district councils and town commissioners are elected by adult suffrage. They are the primary local government bodies. All of them, other than town commissioners, are the rating authorities for their areas, and the medium through which other subsidiary boards and committees are selected for the administration of health and other specialised services. The Department of Local Government may, I think, be taken to be the Department mainly concerned with the primary bodies which I have mentioned, and I propose to concentrate on the relationships between them and that Department as the best illustration of the principles governing the whole system of central control.

These primary bodies are elected by virtually the same franchise and often on the same political affiliations as govern elections of representatives to the Dáil. It is, of course, a fact that in the normal course there is close and friendly co-operation between the various Parties represented on a local authority in the ordinary administrative and committee work which they conduct at their meetings.

There is seldom the same cleavage as between majority and minority Parties which naturally arises in a national Parliament, where the majority, or Government Party, normally exercise the initiative in legislative projects. Local affairs arising for discussion at council meetings are generally of an administrative or executive, rather than legislative nature. In fact, of course, legislative policy is normally determined by the Oireachtas, and the local body's function in this respect is to give effect to the decisions of the national legislature. Where, however, a law is adoptive, as in the case of the Town and Regional Planning Acts, the local authority may debate *de novo* the merits of the legislation so far as its application to its own administrative area is concerned. Local authorities have the same right as regards the exercise of the quasi-legislative powers delegated to them by the Oireachtas, for example, in the making of bye-laws relating to buildings, markets, and the various other matters which they are authorised to regulate in this manner.

On purely administrative functions the main part of the agenda is prepared for the council by its chief executive officers. It represents a cross-section of current problems involving the exercise by the elected bodies of functions reserved to them under the Management Acts or reviews of the manager's exercise of his functions in particular cases.

Management System.

Readers will already be familiar with the division of the functions of local authorities—the county and county borough councils, urban district councils, etc.—as between functions reserved to the elected representatives and the executive functions which are entrusted to the managers.[1]

The working out of the distinctions between the two and the development of an atmosphere of understanding and co-operation between the elected representatives and the managers is still in a state of organic growth. In many instances the system has already attained a high degree of elasticity and the relations between the two parts of the machine are extremely cordial. In other cases there are still complaints that councillors are not given sufficient information and that the managerial side of the organisation works in too much detachment from the local council.

In connection with the preparation and consideration of the annual estimates there is opportunity for an exhaustive review of the local financial policy and of the programmes of services to be adopted for the ensuing twelve months.

Thus the local rating authority, in considering and controlling the financial implications of local administration, is in much the same position as the Dáil is when it is dealing with departmental Estimates.

[1] "Reserved function" is defined in Section 16, read with the Second Schedule of the County Management Act, 1940. "Executive function" is defined in Section 17 of the same Act. "Executive functions" are exercised and performed by the county manager only. The council has no power to exercise or perform such functions.—ED.

There is, however, one important difference: the parliamentary body has, in the course of time, evolved an executive arm—the Government—which controls the acts of servants of the State and is responsible to Parliament. The parliamentary body, relating as it does, to the country as a whole, and having such a wide scope of functions and revenue, can afford to have a small proportion of their members thus selected and paid on a whole-time basis to supervise the administration. Local councils, on the other hand, have limited functions, limited revenue and a limited area of administration and it did not seem either practicable or economic, particularly in a small country like this, to devise a system of whole-time supervision of local officers by paid representatives of the local body.

At the same time, the growing volume and complexity of local business, even within the functional and financial limits which I have indicated, made it difficult, if not impossible, for direct executive administration by unpaid public representatives meeting only periodically to cope with it. Some system of day-to-day administration is necessary: the committee system is one, the managerial system is another.

Managers are officials, and, in so far as they are not subject to whole-time supervision by the local elected body, it may be said that the more important aspects of their work come under review by the Minister. This is particularly so in the case of local appointments and other staff matters in which the local councils do not intervene. The normal Ministerial contacts with local business are based on the precise statutory and financial powers of control possessed by the several Ministers concerned. They do not exercise these powers by the issue of direct orders to the manager as such. The correspondence of the several Departments with the corporate body comes up for consideration, where appropriate, by the elected council, as well as by the manager.

FINANCIAL CONTROL.

Now, to proceed to the principal methods of detailed Ministerial controls: these (apart from the control of officers) are based on the statutory functions of the Minister in the supervision of capital expenditure by local bodies and on the system of control always exercised by the State where the expenditure of State funds is involved. The growth of the system of grants in aid of local expenditure may be said to have coincided with the growth of the functions of the central authority in relation to local affairs.

Rates.

The cost of the local services is defrayed primarily from funds raised by way of rates, that is, contributions by occupiers of property based on the assessable valuation of their lands and other hereditaments.

In the early part of the financial year, before the rates begin to be collected to any considerable extent, and before instalments of grants for various services are issued by the Government, local bodies have to depend to some extent on overdraft accommodation for meeting

urgent commitments. Overdrafts are temporary borrowings and are subject to the sanction of the Minister for Local Government. They involve, of course, the payment of interest, and in any good financial system the need for recourse to overdrafts should be kept at a minimum. In considering applications for sanction to overdrafts, the Minister accordingly has to determine whether the local rate collection is proceeding as expeditiously as it should.

The funds raised by local authorities out of local rates are supplemented by the Central Government by way of State grants. These have grown up in a rather haphazard fashion, new grants being devised from time to time to meet portion of the cost of particular services.

Local Taxation Grants.

There is, however, one general grant which is made available for the relief of a class rather than towards any particular service, *i.e.* the Agricultural Grant, which is applied in relief of rates on agricultural land.

The Agricultural Grant is one of a number of grants which pass through the Local Taxation Account. Others are the Estate Duty Grant and the Exchequer Contribution. These grants are subject to withdrawals for the purpose of indemnifying the Land Purchase Account in respect of Land Purchase Annuities in arrear. This procedure is now of diminishing importance since the halving of the annuities. The liability of farmers to pay Land Purchase Annuities is now a relatively insignificant feature of their budgets. This is—or was—one of the few cases where a form of State (or rather statutory) control put local bodies indirectly into the position of exerting some influence over financial and social problems which primarily affected central administration. It was in their financial interests to use their influence to ensure that Land Annuities were paid punctually. Another instance is the rate levied to pay compensation awarded by a court for malicious injuries sustained by any person in any portion of the local administrative area.

The payment of some of the grants from the Local Taxation Account is specifically subject to the Minister being satisfied as to the efficiency of the manner in which the local services concerned are being performed. For example, before the grant in respect of mental hospital patients can be paid, the Minister for Health must be satisfied that the mental hospital authority has fulfilled its duty with respect to the accommodation, maintenance and treatment of the inmates.

Road Grants.

Another important series of grants, distinct from those which pass through the Local Taxation Account, are those allocated from the Road Fund. This is a fund maintained mainly from the proceeds of the duties on mechanically propelled vehicles. It is administered by the Minister for Local Government, subject to certain controls by the Minister for Finance. Grants from the fund are allocated to county councils, based on the annual local programmes for the improvement and maintenance of the more important roads in each county. Much of the planning of new roads and of the widening and other improvement works on existing roads has an obviously national aspect. The

Minister's control of road work programmes is mainly directed towards this aspect, towards the integration of the work of the several road authorities so as eventually to secure a uniformly sound national road system.

Loans.

The more permanent and costly undertakings of local authorities are generally financed outside their annual revenue budgets by way of borrowing. The Minister's prior sanction is necessary for the raising of a loan by the local authority, and in practice this means that the Minister must have the project fully examined before he assents to the loan. There is also an element of State subsidy in the financing of many of the undertakings for which loans are raised, either by way of grant in reduction of the capital amount to be borrowed by the local authority or annual subsidies towards the cost of loan repayments.

Employment Grants.

The Employment Schemes Vote is utilised for making grants towards waterworks schemes, sewerage schemes and works for the provision of various local amenities such as parks, swimming pools, etc. The amount of the loan to be raised by the local authority for the financing of a work is thus at the outset reduced by the amount of the grant.

Housing Subsidies.

In the case of housing schemes, the whole capital cost was borrowed by the local authority in the first instance. Then the State comes to their assistance in the matter of repayment and a certain proportion of the loan charges is recouped to them annually. The proportion varies, according to the nature of the housing work undertaken. Two-thirds of the annual loan charges, subject to a specified maximum, are paid in respect of a slum clearance and re-housing scheme. On account of increased building costs, an additional capital grant is now made from the Transition Development Fund towards the cost of housing schemes.

Supervision of Works.

Either by virtue of his control over borrowing or because of the extent to which the State assists in the financing of many of these works, the Minister's prior sanction is required for their execution and this, in practice, means that the local authority has to submit plans and other details of the proposals in advance of the scheme being approved. The Minister's technical advisers report on these documents and where a scheme is found to be faulty in design or otherwise in need of revision it is referred back to the local authority accordingly. This practice of detailed examination of local schemes in the central department has the advantage of placing at the service of the local authority the technical knowledge and experience of persons who will be acquainted with similar problems elsewhere and with the manner of their solution. It thus provides a valuable pool of technical advice for local areas and it ensures a salutary uniformity

in the application of general principles of design and construction, regulation of contracts, and so on.

Another example of work done by the central department on, so to speak, an agency basis, on behalf of the local authorities, will be found in the system of Combined Purchasing.

CONTROL OF OFFICERS.

A considerable part of the statute law in relation to local administration is concerned with the mode of recruitment, payment, retirement, superannuation or removal of officers of the local authority. The statutory system of Ministerial control in these matters has had an interesting and complex development from the period when the central authority exercised no clear-cut powers in relation to local officers as such, down to the time when central control in this respect was initiated under the old Poor Law Acts, and extended under the Local Government (Temporary Provisions) Act, 1923, the Local Government (Officers and Employees) Order, 1924, and the Local Government Act, 1925. The whole system has been recast and rationalised in the more recent Acts which I shall mention in a few moments. First, however, I should mention

The Local Authorities (Officers and Employees) Act, 1926.

This Act provided for the establishment of a body, called the Local Appointments Commissioners, through which the selection of candidates for all the more important executive posts under a local authority and for all technical and professional posts, is arranged. Prior to the passing of this Act, local appointments generally were made by the local authorities themselves and, in most cases, there was no regular system of competitive examination. The Act of 1926 requires every permanent professional or technical post and every chief executive post under a local authority to be filled either by a candidate recommended to the local authority by the Local Appointments Commissioners or by the promotion to such post (with the sanction of the Minister) of a person holding an analogous permanent pensionable post under a local authority. This means that every new entrant to the local service in the classes I have mentioned has to satisfy the Local Appointments Commissioners as to his suitability before he is appointed. It also means that in the course of time every person holding posts of these kinds will have entered the service in this manner. Promotions from existing staff to posts of the classes mentioned are, in practice, confined mainly to appointments to the post of dispensary medical officer. A doctor must present himself, in the first instance, before the Local Appointments Commissioners in order to secure a dispensary district. When his probationary period has expired in his first post, he is then free to seek promotion under Section 5 of the Act of 1926 to a vacancy in another district.

Recruitment of Other Officers.

The Minister has made regulations ordering the procedure to be observed in the appointment of officers belonging to classes to which the Local Authorities (Officers and Employees) Act, 1926, does not

apply. (Articles 26 to 30 of the Local Government (Officers) Regulations, 1943.) Those regulations provide for advertisement of the proposed appointment and selection of a candidate by competitive examination or some other specified procedure. Provision is made for appointments in order of merit from a panel maintained by periodical examinations and also for promotion of permanent officers to vacant posts.

Local Government Act, 1941.

The following provisions of the Local Government Act, 1941, are of importance as regards the control, etc., of officers:—

Section 10 (2) gives local officers the right of appeal to the Minister if aggrieved by any decision of the local authority affecting their status, remuneration or conditions of service.

Section 19 enables the Minister to make regulations determining remuneration, conditions of office, procedure for recruitment, etc., of local officers.

Section 21 empowers the Minister to declare qualifications as to character, age, health, education, training, experience, etc., of persons to be appointed to local offices.

Section 23 gives the Minister power to declare age limits on the attainment of which local officers shall cease to hold office.

Sections 25, 26 and 27 lay down the procedure for suspension and removal of local officers. This procedure is elaborated in Article 31 of the Local Government (Officers) Regulations, 1943. Briefly, the position is that either the Minister or the Manager may suspend an officer; the Minister only may remove the suspension; and either the Minister or the Manager, with the consent of the Minister, may remove an officer from office.

Local Government Act, 1946.

Part III of the Local Government Act, 1946, contains further provisions regarding offices and employments under local authorities, including provisions as to amalgamation of offices and the retention of office by a married woman.

Section 38 regulates the performance of the duties of an office by a deputy. An order of the Minister is required to authorise this course. Such order may not authorise the performance of duties in this manner for a longer period than six months, after which a new order is necessary if the officer in question wishes to have the period extended and if the Minister decides in favour of this course.

Section 42 deals with the remuneration of servants and minor officers and provides that such remuneration may not be increased beyond the rates applicable on the 26th August, 1942, save with the sanction of the Minister.

APPELLATE JURISDICTION AND LOCAL INQUIRIES.

The several Ministers responsible for the supervision of local administration possess important functions as regards the determination of various matters which may be in dispute or doubt as regards the legal powers of local authorities, the rights of local authorities as

against private interests, the propriety of particular items of local expenditure or the grievances of local officers. I shall give a few examples to illustrate the nature of these cases.

Surcharges.

The accounts of local authorities are subject to audit by local government auditors who are empowered to disallow and surcharge payments contrary to law and to charge against an accounting person deficiencies or losses in local funds incurred by his negligence or misconduct. Persons thus surcharged have a right of appeal to the Minister unless they exercise the alternative right conferred on them by the Local Government Act, 1925, of appealing to the High Court. On appeal being made to him, the Minister inquires into and decides upon the lawfulness of the reasons stated by the auditor for the disallowance, surcharge or charge and either remits it or upholds it or finds the reasons stated by the auditor not to have been lawful.

The conduct of the audit system and the exercise by the Minister of the appellate functions vested in him in relation to surcharges bring the whole of local government administration under a kind of periodical spot check by the central departments.

Town Planning.

The exercise by a planning authority of their powers of interim control under the Town and Regional Planning Acts during the period between the passing of a planning resolution and the making of a planning scheme involves the grant or refusal of permission for the erection of buildings. Such permissions or prohibitions are subject to the right of appeal to the Minister.

Housing.

An instance of provision for an appeal to the Minister under the housing code will be found in the Housing (Amendment) Act, 1948, which provides for appeals by persons refused permission by the local authorities to demolish habitable houses or use them otherwise than as dwelling houses.

Officers.

I have already referred to the right of appeal to the Minister given by Section 10 of the Local Government Act, 1941, to officers who are aggrieved by decisions of local authorities in relation to their remuneration, duties, or conditions of service. In regard to pensions, they have similar rights of appeal, under Section 44 (6) of the Local Government Act, 1925, and Section 73 of the Local Government (Superannuation) Act, 1948.

Local Inquiries.

The Minister has power under Section 83 of the Local Government Act, 1941, to cause such local inquiries to be held as he may consider necessary or desirable for the purposes of any of his powers and duties.

Local inquiries usually are held in connection with the suspension of a major officer for serious negligence or misconduct; in con-

nection with the administration of a local authority where it appears that its duties are not being satisfactorily performed; in connection with the proposed acquisition of land or other proposals affecting private rights; in connection with applications for extension of local boundaries or other proposals affecting the status of a local authority; and also in connection with capital works or other projects, the cost of which would be likely to involve considerable addition to local debt and added burden to the rates.

CENTRAL CONTROLS AS A WHOLE.

It will be seen, therefore, that central control is exercised primarily to achieve a better and more uniform standard of local administration throughout the country and to bring that administration, where necessary, into conformity with national standards and with the general line of national policy which the Minister and the Government are prepared to recommend to the Oireachtas as the proper national policy in these matters.

Secondly, and arising out of the first, these controls are exercised in pursuance of statute.

Thirdly, the financial assistance provided for local bodies out of central funds carries with it the obligation on the part of the recipients to satisfy the central authorities that the moneys thus being made available will be expended economically and in accordance with the conditions governing their allocation.

Finally, in the consideration of appeals and of the evidence tendered at local inquiries, the Minister is exercising functions of a judicial or semi-judicial nature. He is, as it were, holding the balance between the local bodies, who are acting in what they conceive to be the local interests of their ratepayers as a whole, and the property-owner or other person whose private interests are affected by the local authority's decision.

DEVOLUTION.

Having spoken of all these far-reaching controls exercised by the central authority, you may wish to know within what limits the local authorities are left free to function at their own discretion and what the present policy is as regards further devolution in the future.

The position in this respect is perhaps best explained by stating that the 25 years since the advent of a native government here have been largely a transition period. Before 1922 there was little or no uniformity in local conditions. The standards of local service varied as between one county or town and another and the salaries, qualifications and conditions of service of local officers in commensurate grades were similarly out of line with each other.

These inequalities had to be smoothed out, standards had to be fixed and a general process of rationalisation had to be undertaken which could not be effected by any organ other than the central authority which was familiar with all the existing inequalities and which was competent to fix the datum line of service which all local bodies were expected to maintain for the future.

The first item in the programme of rationalisation was to devise for each area an organisation capable of efficiently carrying out the tasks imposed on it. Because of the haphazard way in which these organisations evolved during the last century the job of building a well organised and efficient staff for each of them has been very difficult and prolonged. The manner in which this task has been undertaken illustrates not only the development and consolidation of the relations of the central authority with the local authorities: it also shows that there is inherent in the consolidation a contrary trend that is becoming more and more evident, namely, towards a looser central control and a devolution of responsibilities to the local authorities.

In 1922, when the new State was established, it became evident that there was a striking contrast between the strict central control exercised over the officers of the numerous poor law authorities dating from 1838, and the loose control exercised over the larger and fewer local government authorities established mainly in 1898. It had long been one of the planks of Sinn Féin policy—announced in the early years of this century—to have " a local Civil Service ", recruited by competition of merit rather than by competition of votes, remunerated on rational lines and available for service in any part of the State. This was a far cry from the system then prevailing under which officers were appointed and remunerated on the most haphazard lines (certain local officers earned notably large sums, others were wretchedly paid) and were usually restricted to the service of very small authorities: the system of appointment by vote and the fact that pensionable service with one local authority could not be linked with that of another meant that there was no such thing as a general local service and that men of merit could not be attracted into the service with the expectation that, having gained experience in the smaller posts and with the smaller authorities, they could secure advancement to higher paid posts with other authorities, thus finding the level of activity and remuneration which accorded with their talents. This lack of mobility had a serious effect on the average level of ability in the local services.

Hence in the years 1923 to 1926, side by side with the changes that were made in the structure of local government, changes were made in (*a*) the relationship of local officers to the central authority, and (*b*) conditions of service of those officers. The first step, in 1923, was to bring all, except the most minor officers, under the same central control as was already exercised over officers of poor law authorities. The second step, in 1925, in the Local Government Act of that year, was to provide not only a comprehensive superannuation scheme for officers but also to regard continuous service with a number of local authorities as being valid, for superannuation purposes, as continuous service with one. This removed the first obstacle to a general local service, and the second obstacle was removed in the following year (1926) when the Local Appointments Commission was established. As I have explained, it was not essential that all appointments to the principal offices under local author-

ities be filled through the Commission—promotion could, with the sanction of the Minister, still be made—but in practice almost every important office was filled through the Commission.

In 1941 the Local Government Act was passed codifying and consolidating the powers of the Minister in relation to staff matters. In January, 1943, the Local Government (Minor Officers) Order removed a large number of minor employments, such as those held by nurses, cooks, rent collectors, tradesmen, and the like, from the detailed purview of the Minister, and the trend is to add substantially to the number of these minor offices, as they are called, which will no longer be under detailed central control. In the same year the Local Government (Officers) Regulations were made. The regulations embody the fundamental principle of Part II of the Local Government Act, 1941, namely, that relations between the local officer and the local authority and the central authority will normally be governed by general regulations applicable to *offices* and that intervention by the central authority in matters affecting *officers* personally will be the exception. In the spirit of these regulations, other steps have since been taken to lay down rules for systems of grading, scales of remuneration, methods of recruitment and the like, so that the central authority will interfere less and less in the day-to-day administration of the local authorities. The change that has occurred may perhaps best be exemplified by a recent Act, the Local Government (Superannuation) Act, 1948. Hitherto, under the Local Government Act, 1925, every pension given to a local officer on retirement had to be referred to the Minister for sanction. Under the latest Act, pensions can be given, according to specified conditions, by the local authority without any reference to the Minister, except in exceptional circumstances. There you have the process at work: the gathering in of control to the centre, the formulation, as a result of the experience gained in the exercise of that control, of certain general rules, and then the devolution to local authorities of full freedom of action within those rules.

These instances of devolution in the sphere of the control of officers may be taken as indicative of a general tendency on the part of the Minister not to intervene unnecessarily in local administration. Once local administration is properly and fairly uniformly operated under general regulations there will be no further need for Departmental intervention in the normal routine of local business, nor for applications from local authorities for the Minister's sanction to such things as minor works chargeable to local revenue and so on. It has, for instance, been found possible to devise general specifications, for works of maintenance and repair and other similar undertakings, on which tenders may be sought and contracts entered into locally without reference to the central Departments.

The co-operation between the State and the local bodies will then remain on the higher levels where the national interests must inevitably continue to link the central and the local administrations closely together in all major public projects and in matters of policy or principle affecting the well-being of the community or the rights of the individual.

Constructive Town Planning

By SIR WALTER GURNER
Ministry of Town and Country Planning, Great Britain

Sir Walter Gurner has raised some very interesting points in this lecture, which is based on several years' experience in town planning in India and more recent experience in Great Britain. Amongst interesting topics discussed are, (a) the necessity of formulating a long-term constructive plan and providing in our legislation for some positive constructive machinery for carrying it out instead of relying on the negative method of restrictive regulation; (b) the need of an adequate system of finance to back up the plan; (c) the suitability of a statutory corporation linked with, but separate from, the local authority as an instrument for carrying out a long-term constructive plan, and (d) the importance of securing public support for the plan by the creation of public amenities such as parks, playgrounds, etc., as interim dividends pending the full realisation of the plan and all its benefits. Sir Walter illustrates his points by reference to the operations of the Calcutta Improvement Trust. He also refers to recent changes in British Town and Country Planning Law. His views on town planning are progressive and enlightened and should prove very valuable if any revision of our Town and Regional Planning law is undertaken.

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My subject this afternoon has been described as that of constructive town planning. Before defining these terms, however, I should like to explain the scope of my lecture. It will not be a general historical or theoretical disquisition. My object is rather to illustrate administrative methods of constructive planning from the experience of a statutory authority engaged in this task with which I was associated for many years in India, the Calcutta Improvement Trust.

Constructive Planning.

Let me, however, at the outset deprecate any idea that I feel inspired to teach any particular lesson or jauntily to throw out the suggestion that Calcutta can show Dublin the way. Nor have I come *litoribus procul advena nostris*, a stranger from distant shores to narrate an irrelevant adventure in urbanism. There are three reasons for

approaching the topic from this angle. In the first place we have reached a point in the 20th century where unless we can get on with constructive planning, get back to the 18th century, and do something to give effect to preconceived ideas on practical and consistent lines, planning theory will be unfructuous. In the second place, it is in British India rather than Great Britain that there has been a record of continuous achievement during the last 50 years in this field of constructive urban planning. In a handbook on the redevelopment of central areas, published only last month by the Ministry of Town and Country Planning (an important new publication which had a good deal of relevance to the subject of my lecture) it is stated that " Only very rarely has the central area of a British city ever been developed in a radical way, and then only by the most cautious stages "; but the redevelopment of central areas is exactly what has been going on for many years in Calcutta and in a few other metropolitan cities in India. In the third place there does happen to be a certain resemblance in the early development of Calcutta and modern Dublin, as I shall mention in a moment, a community of Georgian spirit which draws the two cities nearer together than one would imagine. I am hopeful, therefore, that the attention I am drawing to work done in Calcutta may excite your interest in the whole problem of constructive planning in metropolitan cities and perhaps suggest administrative ideas which at one time or another may prove applicable to such a task.

Use of the Word " Planning."

Before, however, I particularise further I must clear the ground by saying a few words about the meaning of the word " planning ".

To begin with we must distinguish quite clearly between the conceptions of economic or social planning for the welfare of a community or area, and that of locational or physical planning to control and promote the use of land. It is only the latter function which we are considering to-day. Economic planning must, of course, in a sense precede physical or locational planning; many of the admitted blunders in town planning in Britain in the last thirty years are due to the reversal of that order. You must have some preconceived ideas of the economic purposes, which a region or town to be covered by physical or locational planning is to serve, and serve variously in its various localities, before you can properly make the physical plan at all. But these two functions are in themselves essentially distinct, and in general I think it is true to say that the smaller the area for which a plan is designed the more absolute that distinction becomes. It is difficult in dealing with a wide region entirely to separate one conception from the other; when you reduce the size of the target the two objectives fall more easily apart. The economic purposes of a town and its physical adaptation to those purposes are distinct and separate fields of study. The latter only is the subject of " town planning " in the sense with which I shall be dealing with it this afternoon.

Constructive or Restrictive Planning.

Again, town planning in its more restricted sense of locational or physical planning comprises two different aspects, namely, positive or constructive planning, and restrictive, I would not say negative but restrictive planning, by exercise of control without construction. In the former case the planning authority is itself responsible directly or indirectly for constructional work necessary to bring the plan into effect. In the latter case the function of the planning authority is limited to prescribing what use may or may not be made of land within each area.

This distinction between negative and positive or constructive planning is not merely an ideological antithesis. It corresponds to two different phases in the whole tradition of the art. Broadly speaking it is true to say that up to the end of the 18th century town planning meant constructive planning whereas when the conception reappeared after the dark ages of Victorian industrialism it reappeared in the guise of planning by control.

There were spasmodic essays in the reconstruction of built up areas during the 19th century, the outstanding example being of course Haussmann's work in Paris. The Londoner would point to the construction of Kingsway in the 'nineties and one does not live long in Birmingham without learning what Joseph Chamberlain did for the centre of that city some twenty years earlier. But when powers for town planning were first legislated for in post Victorian England, they were essentially powers for planning by control. The hesitant Housing and Planning Act of 1909 set the course unmistakably in this direction. The building of Letchworth and Welwyn City under the influence of Ebenezer Havard had had little bearing on the problems of existing great cities and failed entirely to divert the main current, which set with increasing strength in the channel of control up to the Act of 1935. It was only towards the end of the last war, when "D" Day was in sight but "V" Day still hidden beyond it, that legislation reverted to the principle of constructive town planning in the Act of 1944 which gave powers to local authorities to acquire blitzed or blighted areas for reconstruction, and to undertake development themselves. This principle has now fully and finally asserted itself in the New Towns Act of 1946, establishing corporations for the building of new towns and in the Town and Country Planning Act of 1947 which re-establishes the powers created by the Act of 1944 on an entirely new financial and administrative basis.

Calcutta and Dublin.

The City of Calcutta itself passed through this phase of 18th century or Georgian constructive planning. The history of the modern city begins from its recapture by Clive in 1757 and its zero hour in point of planning is marked by the impressions of a Mrs. Kindersley, who visited the town ten years later, a woman of true Georgian spirit, as her reactions reveal. She writes in 1768:

"Although it is large, with many good houses in it it is as awkward

a place as can be conceived; and so irregular that it looks as if the houses had been thrown up in the air and fallen down by accident as they now stand. People keep constantly building and every one who can procure a piece of ground consults his own taste and convenience without any regard to the beauty or regularity of the town."

The conception of planning had supervened, however, before the end of the 18th century and remedial measures were taken which are curiously reminiscent of contemporary activities in Dublin. The Dublin Commissioners for the widening of streets had been established in 1757 (the very year of the battle of Plassey) and it was some time in the 'seventies I think that they carried out the improvements of Sackville Street, as it then was, which in conjunction with work south of the river gave Dublin its north to south axis. In Calcutta a body known as the Lottery Commissioners operated in much the same manner and by the end of the first quarter of the 19th century had made Calcutta something of a Georgian town with rectangular layout: squares, a new axial road from north to south, and a circular road on the line of old fortifications which has stamped the shape of the city since that day. When one remembers that the Governors General during this period included Lord Cornwallis, who had been Lieutenant Governor in Dublin, and Lord Wellesley who was equally familiar with this city and was the moving spirit in the development of Calcutta, and later Lord Hastings, also a Dubliner, it is natural to speculate whether influences from Dublin, directly or indirectly, affected early development in the City of Calcutta.

However that may be, this early phase of constructive planning petered out in India, as indeed it did in Great Britain, somewhere about the year 1825, to be revived at the end of the century in the shape of improvement trusts such as that for Calcutta, which I am now about to describe. The conception of planning by control, on the other hand, only gradually extended to India as a result of advances in Great Britain and is, in fact, still in its infancy. The tendency in India, therefore, has been the very reverse of that in Great Britain and it is only within the last few years that negative or restrictive planning by powers of control has come to be thought of at all.

My method of approach to problems of constructive planning in the modern sense will be firstly to state, rather dogmatically perhaps, the four main problems with which a planning authority is confronted, and secondly, to give a brief narrative account of the methods of the Calcutta Improvement Trust, bearing on these four problems but not digressing into analytical detail. Thirdly, if time permits I would propose to add a few words on recent developments in the direction of constructive planning in England.

Problems of Constructive Planning.

The four essential problems of constructive planning in a metropolitan city I would take to be as follows:

(*a*) To ensure continuity in the execution of a master plan over a long period of years through a series of piecemeal self-contained operations.

(*b*) To secure financial resources which will in the first place not be affected by waves of economic depression, but permit operations to be accelerated rather than retarded when these occur, and in the second place will cover a long term programme of improvement without annual anxiety over a fluctuating impact on the rates.

(*c*) The third problem is while respecting the control of Government in all major questions of policy to preserve the independence of the planning authority from political or personal influences which might deflect its development from the long-term objective.

(*d*) To excite and preserve the goodwill of the public and the co-operation of property holders affected, notwithstanding the fact that operations must involve extensive expropriation of land and disturbing effects on business interests.

These then are the four main problems, if you will bear them clearly in mind I think you will find these four threads running through the account of the operations of the Calcutta institution which I am now about to give, though it would be tedious to point the moral in each paragraph.

Calcutta Improvement Trust.

This statutory authority is known as the Calcutta Improvement Trust and by way of more formal introduction, I may recall its appearance with all becoming modesty in an Appendix to the Report of the Royal Commission on the Distribution of the Industrial Population (the Barlow Report) of 1940. On page 315 of a memorandum printed as an Appendix to this Report, it is stated that: " There are in the Eastern part of the Empire Agencies for positive planning, namely, Improvements Trusts, the operations of which may be of particular interest to the Royal Commission. The best known is the Calcutta Improvement Trust." There follows an excellent technical summary for which, however, I would now substitute my own account bearing more particularly on the administrative features I wish to illustrate.

I would stress the words " positive planning " in the memorandum this representing, of course, the conception of constructive planning which I have just described.

The earliest of these urban improvement trusts was that established for Bombay in the year 1898, which completed its cycle and was merged in the Municipal Council in 1933. It was in many ways the model for the Calcutta Improvement Trust, but as my own experience lies entirely with the latter, I will pass on to that mentioning now only one point of some historical interest. Bombay is above all a port, and it is clear that the conception of the corporate authority as an agency for urban planning was derived from the constitution of the port authority in Bombay. It is worth remembering that the principle of the independent corporation as an authority shaping the growth of a town, which may seem novel and strange in the sphere of planning, is a well-established means of administration for large ports with widespread interests not vesting in a railway.

The Calcutta Improvement Trust, like its predecessor and its successors founded on the same model, is essentially a corporate authority charged with the reconstruction and development of urban areas on planned lines and not, except in so far as necessary for that purpose, with negative powers of control over construction. This intention will be apparent at once from the preamble of the Act of 1911 which established the Trust:

"Whereas it is expedient to make provision for the improvement and expansion of Calcutta by opening up congested areas, laying out or altering streets, providing open spaces for purposes of ventilation or recreation, demolishing or acquiring buildings, acquiring land for the same purposes, and for the rehousing of persons of the poorer and working classes displaced by the execution of improvement schemes, and whereas it is expedient that a board of trustees should be constituted and vested with special powers for carrying out the objects of this Act."

It is a far cry from this cumbrous phraseology to the elegance and adequacy of the definition of the planning in the Irish Town and Regional Planning Act of 1939 as "a scheme for the orderly and progressive development of a particular area whether urban or rural in the best interests of the community and of preserving, improving and extending the amenities of such area", but this preamble does indicate how far the conception of planning was in advance of that prevailing at the time in Great Britain, when local authorities were just beginning to feel their way under the embryo powers of control in the Act of 1909.

Effect of the Plague on Planning.

There was one very definite reason for this positive attitude in legislation in Calcutta as in Bombay. In both cases the incentive to action had been not high-brow theories about town planning, but the immediate menace of the Plague. The Bombay Act was the direct result of an epidemic in Bombay in 1896. A similar scare was the motive force which induced the passing of the Calcutta Act in 1911 although, in point of fact, the Plague never was the same terror in Calcutta that it had been in Bombay. But the scare served its purpose in getting this very unpopular authority (as it was then) for urban planning and improvement established. There could be few more striking instances of an administrative phenomenon which will evoke many parallels. An institution accepted reluctantly by public opinion in the interest of one compelling purpose ceases before long to have any immediate relation to that purpose, but is accorded growing acceptance as it is found to discharge a public service of a far wider character than that foreseen, when it was first brought before the Legislature.

(If any of you happen to have read extracts from the reports of Patrick Geddes on Indian cities in 1914 and 1915 published last year by Lund Humphries under the title of *Patrick Geddes in India*, you will appreciate how the whole outlook on urban planning was influenced by the menace of Plague, in these early years in India.)

Composition of Calcutta Improvement Trust.

The Calcutta Improvement Trust then is a corporate body consisting of a chairman and ten trustees formed by a specific Act for the purpose of discharging the functions explained in the preamble. While operating primarily in the area of the Calcutta municipality it is not in any way derived from or dependent on the Municipal Council but functions as a co-ordinate local authority in relations which I will explain later. The chairman and four other trustees are appointed by the Government, three are elected by the Municipal Council, two by Chamber of Commerce; and the executive, not the titular, head of the Municipal Corporation is an *ex-officio* member. From the very beginning the Trust has had an Indian majority but has always included two or three trustees from European business circles. The two principal officers of the Trust are its engineer and valuer while the other two wheels of the coach are the estates officer and chief accountant. A peculiar feature of the organisation which is outstanding in India and well worth attention at home lies in the important functions assigned to the valuer in preparation of schemes and control of the disposal of land. I am struck on coming in contact with the town and country planning system in Great Britain, by the back seat assigned to the valuer in the theatre of urban planning. When you are planning for a wide region as Sir Patrick Abercrombie did for the London area or Mr. Longstreth-Thompson for Merseyside then the valuer may be out of place till the broad lines of the picture are sketched in. But when you are planning for a limited and densely occupied area such as a specific town, then the whole business is meaningless unless planning carries with it and is conditioned by a close estimate of the financial implications involved.

The Calcutta Plan.

In the early years of its operation the Trust adopted a master plan for the development of Calcutta, to which in the main it has adhered throughout its subsequent operations. Nothing in fact is more remarkable than the continuity with which a body of trustees, subject to frequent change of personnel and unrestricted by any overruling powers on the part of the chairman has in fact steadily adhered to the original conception and carried it out piecemeal year by year through peace and war (or rather two wars and half a peace) in accordance with the original design.

I do not wish to distract your attention from administrative questions, but a glance at the plan will give concrete shape to my talk. The numerous side and development streets were introduced as each section of the main roads was taken up. Where an attempt was made to include them in the original master plan it was quite frankly a mistake.

When the communal riots in 1946 following the war clamped down on further progress for the time being the swing over had just begun from a residential area in the south to an industrial area in the east and the heart of the city had been laid bare for a new artery at a cost

of £2,000,000. One figure alone will serve for a volume of statistics. The distance from bridge to bridge is seven miles.

The road scheme is determined by functional conditions. Calcutta is a riparian city with the river on the west and marshes on the east. In conformity with the usual pattern of riverside terrain in the alluvial area of Bengal, levels tend to slope slightly, but very slightly, from the river bank; and the construction of a protective ditch in 1842 on the border of the marshy land determined the shape of the city. All subsequent development has inevitably served to accentuate the natural tendency to linear chess board development, to add a few squares to what Patrick Geddes describes as " the great chess board on which the manifold game of life is in active progress."

There is nothing dramatic, nothing heroic, in this type of reconstruction; no trace of the grandeur in the planning of new capitals on virgin soil for which New Delhi offered so great an opportunity. It is purely a functional basis for the adaptation of a rapidly growing town to the developments of the last fifty years and to the prospects of the next fifty. But I do invite you to compare this achievement in preconceived and consistent urban construction with the spasmodic and unrelated efforts at constructive planning in Great Britain during the same period.

Missing Features in Calcutta Plan.

On the other hand it must be freely admitted that, originating as it did in the manner described, the scope of this Calcutta authority has not broadened adequately to include features which must now be regarded as essential to any conception of urban reconstruction. These are:—

(*a*) The zoning or allotment of specific areas for preconceived and pre-controlled purposes such as for public buildings, offices, shopping centres, and residences; and the delimitation of an industrial area apart from all these.

(*b*) The control of density of building, except in so far as this is provided for by archaic bye-laws administered by the municipal authorities, and too often honoured in the breach. (The latest method of this control now coming into vogue, at least, for central areas, by limitation of total floor space in proportion to the area of the building plot, described at great length in the manual I have quoted, is, of course, quite unknown to the old-fashioned building controls in India.)

(*c*) The third essential feature in urban planning, not adequately appreciated in Calcutta and, perhaps, still more a matter of theory than practice in England, is the distinction between different road purposes in a town, and in particular the segregation of shopping and residential centres by purely local roads inaccessible to through traffic. You will, however, notice signs of this tendency in the south of the city.

One other shortcoming inherent in these operations until recent years (but avoided to some extent by the younger improvement trusts in India) has been the lack of attention to the rehousing of persons dis-

placed, with the result that congested and sub-standard housing cleared from the centre only reproduced itself on the outskirts of the city. It is this which influenced Patrick Geddes to condemn what he described as " surgical operations " and to say, as he did in a report on Madras, that the policy of sweeping clearances should be recognised for " one of the most disastrous and pernicious blunders in the chequered history of sanitation."

I noticed a letter in the *Irish Times* in September last complaining that " the theoretical planner does not worry about what happens to people who are put out of their homes or business to enable a scheme to be carried through "; and that, to some extent, would be fair criticism of the operations described until recent years.

Fundamental Principles in Carrying Out The Plan.

After touching, quite frankly I hope, on these limitations in the scope of the Calcutta Authority, I would now illustrate two fundamental administrative principles in operations of this magnitude. In the first place, while an authority entrusted with the development of a great metropolis must concentrate on essential features and resist sectional and localised pressure from the wards, it must at the same time preserve some kind of general balance in its programme. From the very beginning our operations have proceeded simultaneously for the purpose of opening out the overcrowded built-up area, and of rendering fit for building the undeveloped land on the fringe of the town. One hand tore down obsolete structures in the crowded north and the centre of the city, while the other hand laid the paving stones and turfed the parks for the extension of the town on jungle-ridden soil to the south.

In the second place it is essential that such operations should proceed in a series of self-contained projects which, while forming parts of a preconceived whole and committing the authority at the outset to the completion of that whole, individually serve an effective purpose of their own and produce results which make each stage acceptable and effective on its own merits. So it was that this central road through the city, now seven miles in length, was constructed in a series of detached projects, begininng with the most vital commitment in the centre. Unless this principle is observed then, on the one hand, financial problems will become unmanageable and, on the other hand, it is impossible to effect the reconciliation of public opinion to the upheaval involved, which can only come from early appreciation of visible results. In fact, as a measure of practical diplomacy I would go further and say that if public goodwill is to be aroused and preserved and the sanction of higher authorities readily obtained in plans for the reconstruction of a crowded city, there must be some disguisal of the ultimate objectives in the self-contained pattern of the contributing elements. Otherwise both the public and the Government, for the time being, are liable to recoil from the magnitude of the task in view.

Financing the Plan.

On the financial side the essential feature is an assured and independent revenue, an advantage which even the New Towns Corporations

in England, who are dependent on the Treasury, do not possess. The revenues of the trust depend on two entirely different sources, namely, assignments on rates and taxes and recoupment from the sale of land and betterment charges. The most important of the fixed assignments of revenue is an annual contribution from the municipality equivalent to 2 per cent. of the annual rateable value, which operates to meet working costs and loan charges and thus to transfer to the ratepayer some part of the cost of the long-term improvement and expansion of the city, without annual fluctuations. This contribution, corresponding to a rate of 4·8 pence in the pound, has amounted to as much as £150,000 a year in recent years and was maintained throughout the war. The other main sources of revenue are a tax on the export of jute from Calcutta fluctuating between £60,000 and £70,000 in recent years and, in descending order of importance, a small terminal tax on all passenger traffic passing through the two main stations in Calcutta and a special duty on transfer of property in the city. On the security of these assured revenues, debenture loans have been raised as required to meet capital charges year by year on acquisition of land and engineering work. This intricate financial basis elaborated to redistribute the liability between all interests benefiting from the developments of Calcutta, the jute trade, the railways, the landowner, is something of a museum piece built up for a special environment. But it does illustrate the important truth that the authority entrusted with constructive planning of an urban area must be provided with established financial resources adequate to cover the changes which that process will involve and cannot be expected to make a paying proposition out of its own operations. Large-scale redevelopment of a built-up city cannot be carried out without State aid, a fact always difficult to drive home in India and only recently recognised in Great Britain. Secondly, if the authority is to adopt a long-term and consistent policy it must be unhampered by annual worries as to the effect of the expenditure on the rates. This Calcutta system of crediting a fixed percentage on the rates year by year to the funds of such an authority does provide a solution to this particular problem, which is such a handicap to long-term constructive planning at home.

In the older cities of India this financial backing has taken the shape of free transfer to the Improvement Authority of State Lands (often land forfeited after the mutiny), on the fringe of the city, with high development value. But this has proved to be no real substitute for the assured annual revenue providing the guarantee for loan charges on which the Calcutta Improvement Trust operates.

Payment for Betterment.

Another main asset of the trust is in powers of recoupment by sale of surplus lands and recovery of betterment fees. Up to the end of the year 1945-1946, in fact, out of £20,985,000 spent on the purchase of land and buildings, no less than £15,000,000 had been recovered through these means. The recovery of betterment charges is derived partly from powers of compulsory purchase, land being released from this liability on payment of a fee by the owner representing 50 per

cent. of its estimated increase in value as the result of the scheme in progress, when the plot fits in with the layout either as it stands or after adjustment with adjacent plots. Direct betterment fees are also levied on property benefited, but not acquired, under a special provision of law. It is remarkable how smoothly these recoveries have worked notwithstanding the misgivings of the Uttwatt Commission. There are three reasons for this. The first lies in the technically high standard and universal good repute of the valuation department. The second is that the assessment fixed automatically becomes a charge or mortgage on the property. And the third reason for the smooth working of this system lies in the spirit of compromise. Not only in this respect, but in all relations with the public, compromise has been the golden word. Whatever the principles underlying a negotiation, such as retaining 50 per cent. of the improved value, it has always been the policy of the Board to adjust the margin of interpretation rather in favour of the party than the Trust. Hence the universal goodwill which it has undoubtedly met with after the hostility of the first few years. Except for the residual core of irreconcilable disputes about basic land values, the whole system is worked by a process of negotiation and agreement, the planning authority being willing always to settle at a shade below its full legal claims so that the owner is left with no advantage in recourse to the courts and no occasion for a public outcry. The only party who has begun to grumble in recent years is the auditor, who wants to know why a party has been more lightly let off than the mathematical abracadabra of valuation seem to an accountant to justify.

You will appreciate the relevance of these comments to the criticism so often levelled in the last few months against the English Town and Country Planning Act on the ground that no principles are fixed for assessment either of compensation for loss of development values or for payment for licences for development. The gist of it all is that with the two assets of expert skill in the valuation staff and commonsense on the part of the trustees, the Board has in fact realised values from unearned increment in land amounting during these 30 years to the general satisfaction and with no yardstick but its own corporate judgment.

On the other hand, the policy of disposal of surplus land by sale rather than lease, consistently adhered to in order to accelerate the tempo of operations by maximising financial resources stage by stage, has probably been a mistake in the long run and is entirely contrary to the trend of practice and legislation in Great Britain.

Use of Public Corporation as Planning Authority.

I will now turn to the status of the planning authority as a quasi autonomous corporate body in its relation both with Government and the municipality. The fact that the authority for urban planning is a corporate body distinct from the municipal council, functioning on a co-ordinate level and not in dependence on the latter is a feature, of course, remote from the whole tradition of planning in Great Britain, where this function is essentially that of the local authority through its

appropriate committee. In recent years the public corporation has been playing a rôle of increasing importance in the constitutional framework of public affairs; and an important extension of this principle towards the sphere of urban planning occurred when corporate bodies were formed for the construction of satellite towns under the New Towns Act of 1946. *Ex Oriente lux.* This Act was a step towards this conception of constructive urban planning as the function of an *ad hoc* corporate body which prevails throughout British India and has been adopted by Indian States. But the corporate bodies under the New Towns Act will only create new towns relatively small in size or enlarge still smaller existing towns. The peculiar feature of the India system is that the trustees for urban improvement exercise their powers within the municipal boundaries and concurrently with the municipal authority of great metropolitan cities. The trustees are not created to make a town: the town council has been there all the time and the new body comes into existence to take over and expand an old city which the municipal authority continue to govern in all other respects.

At the same time in its relations to Government, the latitude in formulation of plans and priorities allowed to the corporate body, the simplicity of procedure in obtaining Government sanction to a scheme and elasticity of its operation form a marked contrast to the closeness and complexity of controls under the English Town and Country Planning Acts.

The immediate justification and compelling reason for this system under Indian conditions lies in what can best be described as the administrative immaturity even at the present day of municipal councils in India. Calcutta is no exception. I am only repeating what will be read in criticism of the Calcutta municipal authorities day by day in the Indian Press if I suggest that, unwieldy in numbers as it is, with the councillors as a whole subject to triennial elections and individually exposed and too often subservient to influence or pressure from the ward constituency and other interests, the municipal authority lacks the stability and continuity of purpose essential to the framing and execution of a policy of urban improvement extending over a long period of years. There is no getting away from the conclusion that in India, at least for the present, long-term reconstruction and development of a metropolitan city must be the function of a corporate body not under the direct control of the municipal council. And I have sometimes wondered whether in the sphere of long-term constructive planning the same principle would not apply even in countries with a long tradition of local government.

Relations of Public Corporation and Local Authority.

But how, many of you will ask, can such a system possibly work. Do not the two co-ordinate authorities find themselves in continual conflict both as regards long-term plans and the technical routine of construction. The jealousies of technical experts are only exceeded by those of the public authorities they serve; how can two sets of both work together on a common terrain?

Admittedly there is the danger of this friction; it is very acute in some towns. Factors which safeguard against it are, firstly, a certain interlocking of personnel in the constitution of the two bodies, each of which has members on the other; and, secondly, insistence on consultation between the technical officers of the two authorities at every step. Without this it would be impossible to obtain the formal concurrence of the municipality which is required for each stage of the operation. But, of course, behind all that must be the spirit of compromise, commonsense and goodwill on the part of the planning authority to which I have already alluded in another connection, the willingness to surrender their own predilections on matters of less importance to satisfy, as it often seems, no more than the whims and prejudice of the co-ordinate authority. When two co-ordinate authorities negotiate in matters of planning, the one that has the longest term job in hand must be readiest to make concessions on short-term details which will facilitate carrying it through.

It is moreover a factor of cardinal importance that the individual trustees and members of the corporate body, even when elected by the municipal council or other constituents, should not regard themselves as representatives of specialised local interests, but sink their representative capacity in the status of the corporate administration. It is in this respect above all that administration by the independent public corporation differs from the government of a local authority. The members of a town council must, within reasonable limits, be conscious of their representative responsibility to the ward which elected them. The members of a small corporate body with specific functions for urban improvement must surrender this localised loyalty in a common enthusiasm for the long-term interests of the city. Nothing has been more remarkable and more welcome in the history of the Calcutta Improvement Trust than to see reputedly extremist politicians, elected by the municipality as a thorn in the side of this quasi official body, tacitly drop their partisan mentality within the four walls of the Trust's board room and approach the problems of long-term planning in this new corporate capacity with unprejudiced outlook and judgment.

Provision of Parks and Playgrounds.

Finally, by way of illustrating the freedom of action which this status facilitates, I would like to add a few words about the policy of opportunism in the provision of open spaces, especially temporary parks and playgrounds to which it gives scope.

No feature of the Improvement Trust's work in Calcutta has won the admiration and goodwill of the public more than its success in seizing every opportunity to create the amenity of a park or playground. These have their preconsidered place, of course, in every formal improvement scheme, but the lessons I am trying to inculcate now is not so much their inclusion in formal planning—necessary as that is—but the value of taking every chance to create parks and playgrounds in a crowded city even though the opportunity does not present itself in what is theoretically the best place for the purpose.

The outstanding success has been *the conversion* of a large area in the south of the city required for the excavation of earth (so necessary to raise the building levels of this low-lying alluvial land) into a lake and surrounding park some 200 acres in extent. The process is instructive to look back on. First we bought the land to have the earth and then, as the scope for amenities became apparent, we left large segments of our dearly bought soil as islands to beautify the resultant lake. And on a much smaller scale in recent years we have discovered other expedients. The powers of the Trust naturally include prohibition of building on the alignment of proposed future streets, provided that the Trust accepts the obligation to purchase the plot on which permission to build is refused. Such plots of land can often serve no purposes for years to come. It is now the accepted policy immediately land required for future streets comes into the possession of the Trust in this fortuitous manner to convert the plot into some kind of local park or children's playground, according to its situation, size and shape, irrespective of whether the master plan contemplates an open space at this point or not. Eventually the temporary playground may be absorbed in the new street scheme, but perhaps not for many years, and meanwhile at infinitesimal cost in planting and equipment the land is converted from a dust heap to a public asset. The expenditure involved is so small in relation to the benefit derived that it is never wasted money to turf a vacant plot of land, plant a few trees, and put in playground appliances if there are children nearby, even though the park or playground will only have a life of ten or twenty years.

Even A.R.P. precautions have contributed to these opportunities, for fire lanes cleared so as to give access and check fire in the crowded and inflammable quarters of the poorer classes have now been perpetuated as playgrounds for the children living around.

Certainly no feature of our work has done more to promote general goodwill and excite public interest in urban improvements. As Lord Shaftesbury confided to his diary after the appalling experience of a visit to Glasgow over 100 years ago, " In large open spaces there is more health, more air, more cleanliness and more observation; and public opinion comes in with the light."

I have now briefly described the main features in the working of a corporate authority entrusted with urban improvements in India. I should like to tell you something about similar movements in the large towns of India, for while they all follow this model each has distinctive characteristics of its own, but it will be of more interest perhaps if in the few minutes left I give some indication of the steps taken towards constructive planning in recent legislation in England.

Constructive Planning in England.

As I said, the only corporate authority created for this purpose is the " Development corporation established for the purposes of a new town " in the New Towns Act of 1946.

In accordance with the usual practice of Parliament in constituting statutory corporations in recent years, the chairman, deputy chairman

and seven members will be appointed by the Minister, the only specific qualification being that one or more of them shall have special knowledge of the locality. They may draw remuneration.

The corporation is far more closely under the control of the Ministry than its archetype in India; but it has, if anything, still wider powers for compulsory acquisition of land within the area designated as the site of a new town, or adjacent thereto, which may be required for purposes connected with the development of a new town, or even at a distance for the provision of services.

While exercising powers of control over development a development corporation is itself essentially charged with the construction, and for this purpose has full powers for building, provision of services, and generally to do anything necessary for the purpose of the new town. Its operations will be financed by advances from the Treasury and it has the powers to raise funds independently in stock or debentures.

In the few months during which the corporations have been in existence their method of working has received little publicity, and partly through the time necessary for the preliminaries of planning, partly as the result of the restrictions on all construction it will be some years before the results of their labours become apparent.

So much for the new towns corporations. Meanwhile local authorities have acquired powers for constructive planning through an entirely separate channel of legislation. A brief Act passed during the war in 1944 entirely revolutionised their position in this respect. At one stroke they were given powers for the compulsory acquisition of land and its subsequent development in a variety of circumstances which I will not attempt to express in their legal form, especially as this Act is already largely superseded by later legislation. For practical purposes they amount to this, that a local authority may obtain orders for the compulsory purchase of land required for three main types of urban development. The first is commonly known as a blitzed area, land which has received such extensive war damage that it should be laid out afresh, and these powers cover adjacent or contiguous land required for this purpose, an extension somewhat narrowly interpreted in practice.

The second type of case has become known by a term introduced in American planning books as the " blighted " area (I must apologise for this jargon; but England during the war, less sensitive than the sister island to the virtues of a national tongue, has borrowed her official planning vocabulary with complete impartiality from friend and foe, " blight " and " blitz "). A blighted area is in fact a slum, and is described as " Conditions of bad layout and obsolete development such that the area with contiguous or adjacent land will be laid out afresh and developed as a whole," and a planning authority has precisely the same opportunity of obtaining a compulsory purchase order covering such an area as in the case of a blitzed area. Though it must proceed under a section of the Act of 1944 which has nothing to do with war damage, the only practicable difference is that the grant-

in-aid payable from the Treasury for operations in this category is not quite so high as for a blitzed area.

The third object for which powers of compulsory purchase under the Act of 1944 are used in practice is the layout of industrial estates in the course of planning for diversified industry. Action under these last powers relates, of course, essentially to open land rather than built-up land, and so forms an entirely different and far easier sphere of constructive planning. The acquisition of land for open spaces and for the construction of the local authorities' own housing programmes completes the general range of these constructive activities.

The English Town and Country Planning Act, 1947.

All this activity goes on at present under the Act of 1944 and, of course, the Housing Acts, but within a few months, on an " appointed day," powers under that Act will be absorbed by those created under the Town and Country Planning Act of 1947, and from that point the legal basis of constructive planning becomes extraordinarily simple. Every local planning authority must draw up a development plan within three years. This development plan may define as an area of comprehensive development, " Any area which should be developed or developed as a whole for the purpose of dealing satisfactorily with extensive war damage or conditions of bad layout or obsolete development or for the relocation of population or industry or the replacement of open space or (the final words crown all) for any other purposes specified in the plan." And once an area is so defined in a plan approved by the Minister then the whole or any part of it may be designated as subject to compulsory purchase. The actual powers of construction are derived partly from a provision of the Act of 1944 still remaining in force, and partly from the statutory powers of the county councils and county boroughs under other Acts, such as the Housing Act and private Acts of their own. So far as legislation goes the scope for constructive planning in the hands of an energetic and enterprising planning authority has at one stroke attained a breadth and range which only a few years ago seemed an unattainable dream.

In practice, of course, for the immediate present physical progress has met with a severe set-back as a result of the economic blizzard. Even in normal times there will be manifold limitations arising both from the limited resources and differences in character of the planning authorities and from the powers of control which rest in the Ministry of Town and Country Planning and the Treasury. But into these I cannot enter; many of them, in fact, have not yet taken shape. The doorway to constructive planning is open wide for all local planning authorities in England, though the exact paths which they will have to tread beyond it remain undiscerned. But I trust you may find some inspiration for urban planning in Éire from this comprehensive legislation across the Channel, and perhaps some ideas about the nature and administrative methods of an independent corporate authority for constructive planning, should such a development lie in the spirit of the Constitution of this country, in the example from India which it has been my privilege to introduce to you this afternoon.

Hospital Service in Ireland

By T. G. MOORHEAD, M.D.
Chairman, Sir Patrick Dun's Hospital

The Irish Hospital Service is in a state of unstable equilibrium in which it is unlikely to rest for long. It is not a truly voluntary service nor, on the other hand, is it for the greater part, a paid or mercenary service. The more important hospitals are nominally under private management but in reality they are dependent for their existence on the State. The funds which support our hospitals are not derived from taxation. They come largely from legalised Sweepstakes. Government has taken control over the disposal of these funds and it is largely through this control that it has brought the hospitals into subjection to its authority. The whole system is a hybrid between State and voluntary control with the voluntary element sinking into more absolute dependence on the State. Dr. Moorhead's lecture shows clearly how the change has come about.

* * *

THE word Hospital is derived from the Latin " hospes ", a guest, and, as the derivation suggests, it conveys the idea of a guest house where the patients admitted within the doors are looked on as welcome visitors to whom cordial hospitality is extended. This is the ideal which still animates both our Voluntary and our Public Hospital Service.

The Three Functions of a Hospital.

The functions of a hospital are three-fold, namely, (1) the cure of the sick, (2) teaching, and (3) research. The first of these functions is so obvious that it is unnecessary to stress it, but it is necessary to say something about the importance of hospitals as teaching institutions. This is often overlooked by the public, but a little thought will show its importance, as, if teaching were not carried out, there would be neither trained nurses nor trained doctors for succeeding generations. It is often said that it is objectionable to have patients made the object of teaching, but as a matter of fact very few patients object to being lectured on, and many of them are extremely interested and proud of being the subject of a demonstration. If any patient does object, his request to be left undisturbed is at once agreed to.

Research in hospitals is also important, as without research there can be no advance. Our present knowledge of medicine is largely built up by observations made in hospital wards, and it is essential

that this method of research should be continued, although work done in laboratories now contributes more to the advance of medical science than that carried out in hospitals themselves.

The Development of Hospitals and Medicine.

Hospitals have existed in Ireland from the earliest days, and there are many references to them in the Brehon Laws. It was, for example, laid down that all hospitals must be situated in the neighbourhood of running water and that they must have doors at each point of the compass. From the time of St. Patrick onwards most of the hospitals were attached to monasteries, and in addition there were leper houses scattered in various parts of the country. Leopardstown in County Dublin owes its name to the fact that it was formerly the site of a leper or lazar colony, while Spiddal in County Galway, and Hospital in County Limerick, bear evidence of the fact that large hospitals existed in the vicinity of these small towns. The great esteem in which the hospitals attached to religious orders were held is strikingly borne out by some lines from Spenser's "Faerie Queene":

> "Their gates to all were open evermore,
> That by the wearie way were traveiling;
> And one sate wayting ever them before,
> To call in comers-by that needy were and pore."

In the time of Henry VIII, however, the monasteries were swept away, and from that time on till early in the 18th century there was practically no public hospital or domiciliary provisions for the sick. The profession of medicine was, however, still a flourishing one, and physicians were held in great esteem. The profession tended to be hereditary, certain families of physicians being attached to important clans, as for example, the O'Lees to the O'Flaherty's of Galway, and the O'Hickeys to the O'Briens of Thomond. In Dublin especially the physicians held a high position, and their importance was greatly added to by the establishment of the College of Physicians in 1654. A Guild of Surgeons also existed, known as the Barber Surgeons, for in early days barbers performed, at any rate, some simple surgical operations, such as bleeding. The red pole which is to be seen outside certain barbers' shops was originally intended to call attention to the fact that the operation of bleeding could be performed within. As early as 1446 the Barber Surgeons received a charter from Henry VI, but already at this date the surgeons were emerging as an independent profession, although it was not until 1784 that the College of Surgeons was established.

Establishment of Modern Hospitals.

Early in the 18th century a wide humanitarian movement in England and in this country led to the foundation of many hospitals. In Dublin, a Dr. Steevens, who had practised in the city, left by his will money to found a hospital after the death of his daughter, Madam Grizel Steevens. He died in 1710, and so Dublin had the honour of making a move for the foundation of a hospital before the earliest English hospitals were established. Madam Steevens, realizing the

great importance of the project, determined to have the work carried out in her own lifetime, and so the work was commenced in 1719, and the hospital was opened in 1733. The next hospital to be opened was Mercer's in 1734. The foundress of this was Miss Mary Mercer, the daughter of a Fellow of Trinity College, Dublin, who had been deprived of his Fellowship owing to the fact that he had married. Miss Mary Mercer was a friend of Madam Steevens, and doubtless this friendship suggested to her the idea of founding a hospital. It is interesting to note that the first performance of Handel's *Messiah*, which took place in Fishamble Street, Dublin, in the year 1742, was given partly for the purpose of raising funds in support of this hospital.

The building of other hospitals followed in quick succession, but special reference need be made to one only, namely, Sir Patrick Dun's Hospital, which was opened in 1808. Sir Patrick Dun died in the year 1713, and left his estate in trust for the purpose of establishing certain professorships in the School of Physic in Trinity College. As time went on the rents of the estate increased greatly in value, and the Irish Parliament, realizing the necessity of establishing a teaching hospital, determined to divert a considerable portion of Sir Patrick Dun's funds for that purpose. Under the Act of the fortieth of George III, the last Act, but one, of Grattan's Parliament, the building of the hospital was begun in 1800, and the central portion and east wing were completed by 1808.

In the present year (1947) there are ten general clinical hospitals in Dublin, containing between 1,900 and 2,000 beds. It is calculated that for hospital service in any community eleven beds are required per thousand of the population, and this is almost the exact number in Éire. With a population of roughly three million, there are in Éire 31,964 beds, of which 25,000 are in either Municipal or State Hospitals, while 6,000 are controlled by Voluntary Agencies. For the most part, chronic cases are admitted to and treated in Municipal Hospitals, while acute cases are dealt with in the Voluntary Hospitals. In addition, however, certain voluntary institutions exist for the purpose of dealing with incurable cases, or patients in a terminal stage of a severe illness. These include the Hospital for Incurables, which has 245 beds; the Hospice for the Dying, Harold's Cross, and the Rest for the Dying, Camden Row.

Establishment of Bed Bureau.

The pressure on the available beds is very great, especially in Dublin City. In consequence, some years ago it became necessary to establish a Bed Bureau to facilitate the finding of accommodation for urgent cases. In addition to admission through the agency of the Bed Bureau, patients are also admitted directly from the Out-patient Departments on the order of a member of the medical staff, or, in the case of country patients, on the order of the local health authorities of the various counties. Further, special provision has been made recently for the admission of patients sent by the National Health Insurance Society.

Finance.

The question of finance is becoming yearly more difficult for the Voluntary Hospitals, but, before discussing the subject, it is necessary to understand what is implied by the term—a Voluntary Hospital. A Voluntary Hospital is one in which (*a*) the hospital is maintained by voluntary subscriptions; (*b*) the medical staff give their services free, and (*c*) the hospital is managed by a Board of Governors who give their services without remuneration. Almost all Dublin hospitals conformed to these criteria up to the year 1914, but since then a great change has taken place. When the first World War broke out, and when, as a result, prices began to rise, it was found it was no longer possible to maintain the hospitals as purely charitable institutions, and it became necessary to demand some payment from those patients who were able to contribute to their maintenance. The re-distribution of wealth which began in 1914, and which has continued ever since, rendered this change in the hospitals' finances a comparatively easy one. The extent of this change is shown by the fact that the average sum obtained from paying patients by one Dublin hospital annually prior to 1914 was £400 a year. This was increased twelvefold to £4,800 a year by 1926, and has since then risen to well over £10,000 a year. In spite of this, however, the rising cost of hospital maintenance and equipment had rendered the financial position of the Dublin hospitals most precarious by the year 1930, and it was only the advent of the Hospital Sweepstakes that saved them from either closing down or being taken over by the State.

Hospital Sweepstakes.

The idea of maintaining and re-equipping the voluntary hospitals by means of sweepstakes is not a new one. Some years ago, sweepstakes on a comparatively small scale were successfully carried out, but, when about the year 1929 some private individuals suggested that sweepstakes on a larger and more general scale might be inaugurated, it was found that sweepstakes were illegal and could only be established if permitted by Act of Parliament. Accordingly, a Bill was prepared which received the blessing of the Government, and the first Sweepstake Act was passed in the year 1930. It was administered in the first place by a Committee of Reference appointed for the purpose. From the very beginning the sweeps proved far more successful than was expected by even the most sanguine of the promoters, and in consequence the Government decided to exercise greater control over the Sweepstake Funds than had been granted in the first Act. Accordingly, a second Act, entitled the Public Hospitals Act, was passed in the year 1933, and a Hospitals' Commission was appointed. Since then, the members of this Commission have advised the Minister for Local Government regarding the distribution of the funds. By the year 1944—the last year for which a detailed report has been published—a sum of no less than £14,351,778 had been obtained. Of this, £2,762,501 had already been paid out to the participating

hospitals; while a sum of £1,159,184 had been paid to the Minister for Local Government and Public Health for the municipal hospitals; while £10,400,287 remained in the hands of the Hospitals' Trustees appointed under the Act. A large portion of this last-named sum has been set aside in order that the interest obtained on it could be used in the payment of the hospital deficits. These deficits have increased year by year. In 1933 they amounted to £54,868, and by the year 1944 they had reached £222,466. At the present date it is probable that the actual annual deficits amount to nearly £300,000. From this, the importance of the Sweepstake Funds in relation to the maintenance of the Voluntary Hospitals will be seen.

Coincident with the advent of the sweep, voluntary subscriptions to the hospitals almost completely disappeared, so that inasmuch as the hospitals are now maintained almost entirely by the payments made by patients and by the sweepstakes, they no longer comply with the first of the three criteria in the definition of a voluntary Hospital.

Payments to Medical Staffs.

Prior to 1914 the members of the medical staff practically never received any payment for work done within the hospital. Since that date there have been many changes. In the first place, the British Government during the war insisted that some of the money paid to hospitals for wounded and sick soldiers must be allocated to the hospital staff. Later, arrangements were made whereby either the State or local authorities should pay for the treatment of venereal disease, for certain operations on children, such as tonsillectomy, for dental work, etc. The practice also grew up amongst the members of the medical staffs of making small charges to those patients who were paying for hospital maintenance. This practice is condemned by some old-fashioned governors who fail to realize that our hospitals are now thrown open to a very different class of patients from those who occupied them thirty years ago. Medical services are still freely given to those who are unable to pay, but it is only fair that those who are able to pay should do so. The re-distribution of wealth previously referred to has greatly diminished the number of the very poor, and has greatly increased the number of those who can pay moderate fees. It will be seen, therefore, from what is here stated briefly that the hospitals no longer conform fully to the second of the three criteria in the definition of a Voluntary Hospital.

Boards of Management.

The so-called Voluntary Hospitals are still managed by Governors who give their services absolutely free. Their work is now perhaps less difficult than in the past, as they are no longer compelled to hold bazaars, whist drives and the like in the hope of raising money for the hospitals' funds. On the other hand, they are hampered by the fact that any large disbursement must obtain the sanction of the Hospitals' Commissioners and the Minister for Local Government.

Nursing.

In a single lecture it is impossible to deal adequately with hospital nursing services. The beginning of modern nursing followed the Crimean War, but it was not till well on in the 'eighties that the systematic training of nurses was placed on a sound footing in Dublin. In 1884, a Miss Margaret Huxley, niece of the great Thomas Henry Huxley, was appointed Matron to Sir Patrick Dun's Hospital. She brought with her all the modern ideas of nursing which had developed during the last twenty years in the London hospitals. To her must be given the main credit for establishing the training of nurses in Ireland on a sound footing. For many years she played a prominent part in the nursing world in Dublin, and she also took an important part in persuading the Government of that day to establish a register for nurses. In 1884 only one year's training was demanded. This was soon increased to one and a half years, then to two years. Now, most hospitals require four years, while for State registration not less than three years' training is required. Modern nursing has now become highly specialized—some nurses devoting themselves entirely to surgical work; others to medical work; others to tuberculosis, diseases of children, or to the treatment of fevers. With this development, a gradual improvement in the conditions of a nurse's life has been effected. It is now almost universally recognized that nurses should only be required to work a 96-hour fortnight, and should have at least one month's vacation annually. Remuneration has also been improved of late. For many years nurses were paid most inadequately, but now, following the Report of the Rushcliffe Commission in Great Britain, a great advance has been made, though as yet no plan has been devised for the establishment of a pension scheme. Such a scheme is much to be desired.

Almoners.

A more recent addition to hospital services is the almoner's department, or, as it is sometimes called, the department of social service. Most Dublin hospitals now have one or more almoners, and provincial hospitals are beginning to follow suit. The importance of an almoner service is recognized by the Hospitals' Commissioners, who have appointed an almoner as a member of their own staff. It is most important that the public should have a correct view of the functions of an almoner. Many people, not excluding some hospital governors, seem to regard them as merely money collectors, and it is quite true that in most hospitals one of their duties is to assess the contribution which a patient may be asked to make towards his maintenance. This, however, is generally done on an equitable basis, indeed, on a basis which is generous so far as the patient is concerned. If undue demands for payment are made, it may be taken for granted that the governing body of that hospital is exerting pressure on the almoner to increase the amount of money she collects. The real work of an almoner is sociological, and any almoner who understands her real function places much more stress on her social work than on her work of collecting money. The latter duty is indeed regarded by

most almoners as a painful necessity. A well trained almoner is invaluable both in preventing disease and in helping patients to co-operate in their treatment. I regard the establishment of almoners' departments as one of the greatest advances in the management of the sick that has taken place in my life time. Their duties include the helping of patients to get sickness benefit, unemployment benefits, to obtain aid from various charitable organizations, etc., etc. Every almoner is familiar with the various charitable institutions in the city, and will suggest the one most suitable to aid a particular patient. An almoner will help a patient to obtain splints or other appliances. She will visit the patient's home and give advice in the carrying out of treatment. She in fact becomes the patient's familiar and trusted friend, and is enabled as such to smooth out and explain many difficulties.

State and Municipal Hospital Services.

The story of State and municipal hospital services is quickly told. Prior to the year 1765, no public hospital service existed in this country. In that year, an Act was passed which established county infirmaries, and to these were added at a later date small fever wings or fever hospitals. Since their establishment these county infirmaries continued to do excellent work, and many of them exist and continue to do good work to-day. In some counties their place has been taken by new hospitals for the building of which money was provided from the Sweepstake funds. In spite, however, of the good work done by these infirmaries, it was realized early in the 19th century that there was quite inadequate provision for the institutional treatment of the sick poor. Accordingly, in 1838, a Poor Law Act was passed, modelled on the English Act of 1834, by which the system of workhouse relief was established. Under this Act, nearly 160 workhouses were built, to each of which was attached an infirmary and a small fever hospital. Into the workhouses the poor and decrepit were admitted in large numbers, in spite of the unpopularity of the institutions. But this Act made no provision for attendance on the sick poor in their own homes, or for the treatment of minor ailments.

Experience soon showed that the workhouses were thoroughly unsatisfactory. Young and old, unemployed and unemployable, blind, and lunatics, were often herded together with the most demoralizing results. Public opinion was slowly aroused, but no steps were taken until 1921, after the signing of the Treaty, when the whole system was swept away, though some of the workhouses indeed were remodelled either as hospitals or county homes. As stated above, neither the county infirmaries nor the workhouses made any provision for the domiciliary treatment of the sick poor. In consequence, in 1851 the Public Charities Act was passed which established the dispensary system. The whole country was divided up into 810 dispensary districts, each of which was provided with a dispensary doctor whose duty it was to attend regularly at the dispensary building where out-patients were treated, and also to attend to the poor

in their own homes. The dispensary system is still in existence, but it is to be hoped that before long it will be greatly improved. The dispensary buildings as a group are out of date and inefficient. It is essential that new premises should be erected and properly equipped, and that there should be at least one nurse in regular attendance. Facilities for *x*-ray examination should also be provided in those dispensaries which are remote from hospitals where such services are available.

Special Services.

Following the passing of the Public Charities Act, few advances took place for about half a century. But after that, great strides were made. In 1908, in 1914 and in later years, Acts were passed rendering the notification of pulmonary tuberculosis compulsory, and empowering the county councils to make provision for the treatment of that disease.

The Venereal Diseases Act passed in 1917, prohibited unqualified people from treating venereal diseases, and also prohibited advertisements concerning the cure of venereal diseases, and, incidentally, gave power to the local government bodies to approve a scheme for the gratuitous treatment in any area of persons suffering from such diseases.

In 1919, an Act was passed providing for the medical inspection of school children, and in the following year regulations were made under this Act making it compulsory for the various counties to make arrangements for such inspection. Since then, school children are inspected at regular intervals from the age of five years to the age of fourteen years.

About the same time, a maternity and child welfare scheme was established providing for the pre-natal and post-natal care of mothers, and the medical care of children up to the age of five years.

In 1925, an Act was passed enabling the county councils to appoint a full-time county medical officer of health. Under this Act every county has now appointed such an officer. In many counties there is, in addition, an assistant medical officer of health, whose duties include those of tuberculosis officer and school inspector. Further, there is now appointed in each county a full-time county surgeon who works in the county hospital, while quite recently a full-time county physician has been appointed in some of the counties.

Finally, in 1925, a Local Government Act was passed, bringing all these medical activities under the control of the Minister for Local Government.* It will thus be seen that there is now a well co-ordinated scheme for medical services in Éire, covering almost every branch of curative and preventive medicine. Further, the scheme is capable of expansion and development, and it is expected that before long many changes consequent on the advances of modern medicine will be effected.

Any attempt to deal with hospitals for the treatment of special

* Since transferred to the Minister for Health.

diseases is impossible in the time at my command, but it may be mentioned that the first step in the treatment of tuberculosis was taken just fifty years ago by the opening of Newcastle Sanatorium in 1896. Since then, two other sanatoria have been opened, namely: in 1912, Peamount, in County Kildare, and Doneraile, in County Cork, while in most counties provision is made for the housing of advanced cases.

The first hospital for the treatment of diseases of the eye and ear was opened by Sir William Wilde in the year 1841. It has been replaced by the splendid Victoria Eye and Ear Hospital which was opened in this century in Adelaide Road, Dublin.

Lastly, in Dublin there are now three large maternity hospitals—the Rotunda, which was founded by Bartholomew Mosse just 200 years ago. This was later followed by the Coombe Hospital, and by Holles Street Hospital. The last named has lately been re-conditioned, and is now one of the most modern and best equipped of its kind in the world.

Origin, Growth and Development of Courts of Justice and Legal Procedure

By H. MOLONEY, S. C.

Mr. Moloney's lecture deals very fully and clearly with a very technical and complicated subject, which is of great importance not only because the courts of justice hold a foremost place in the scheme of national administration but also because every citizen is liable to find himself enmeshed in the judicial machinery in some capacity some time or other. The subject has a long history, longer, perhaps, than any other branch of national administration, and Mr. Moloney, very rightly, has given us some of that history. Though our present judicial system takes a good deal from the past, its development has been constantly in the direction of greater simplicity and speed in judicial work. The ordinary citizen who is very conscious of the law's delays and intricacies may not appreciate the force or even the existence of this trend towards speed and simplicity. It may be obscured from his view by an opposite tendency resulting from the greatly increased mass of complicated new legislation which is being turned out by the Oireachtas every year. The question of legal reform; simpler and, if possible, fewer laws is, of course, of great importance in the administration of justice, but this is a very big question which would need another lecture to itself.

* * *

THE functions of Government are threefold:—

1. *Legislative*—the making of laws.
2. *Executive*—the carrying out of the law and the administration of the affairs of State.
3. *Judicial*—involving the interpretation, application and enforcement of the law.

This evening we are going to examine the machinery whereby the judicial functions of the State are exercised and the origin and growth of our judicial system.

What is a Court?

The judicial functions of the State are exercised in courts by judges. The term court has the original meaning of the king's palace, but it has acquired the meaning of the place where justice is administered, and thence again the meaning of the persons who exercise judicial functions. All tribunals, however, are not courts in the sense in which I use the term, namely, to denote such tribunals as exercise jurisdiction over persons by reason of the sanction of the law: thus arbitrators. The committees of clubs and societies, although they may be tribunals exercising functions of a judicial character, are not courts in this sense of the term. On the other hand a tribunal may be a court in the strict sense of the term, although the chief part of its duties may not be judicial, for instance a court of investigation, like the coroner's court, is a court. The distinction appears to be not so much whether the particular tribunal is a court of justice, but whether it is a court of law.

Many bodies are not courts although they have to decide questions and in doing so have to act judicially in the sense that the proceedings must be conducted with fairness and impartiality, such as the General Medical Council, when considering questions affecting the position of a medical man, or a Minister exercising semi-judicial functions vested in him by the legislature. It has been held that a county council, in dealing with an application for a labourer's cottage, under the recent Labourers Acts is exercising judicial, or quasi-judicial functions although it is not a court. It has been laid down by the House of Lords as a principle of law, a decision followed by the Supreme Court in this country, that a Minister or other public authority, exercising judicial or quasi-judicial functions, must act judicially and give each party an opportunity of being heard and of answering the case that is being made against him.

As a general rule all courts must be open to the public, although in certain cases a judge may for good and sufficient reason order that the public or a section of the public should be temporarily excluded, and in connection with income-tax and surtax appeals before the High Court the taxpayer has the right to have the case heard "in camera" if he so desires.

Historical.

It will be of considerable help if we preface our examination of the machinery of justice with a short historical sketch of the growth and development of courts of justice in these islands. When the Irish Free State was established in 1922 we took over the existing system of law which was English law, and we also took over the judges and the machinery of justice that had been established here by the Parliament of the United Kingdom.

The laws in force in this country in 1922 were a composite growth comprising in part English Common Law, in part Roman Canon Law, in part Statute Law and in part what was known as Case Law. The major portion of the Statute Law represented laws made by the

Imperial Parliament since the Act of Union, but there was also in force in this country a number of statutes passed by the old Irish Parliament of pre-union days.

English law is based on the theory that the king is the fountain of justice. This had its origin in the fact that in early English history the King of England was an absolute monarch and, as such, he was the final arbiter of all disputes between his subjects. In time the king delegated the function of deciding disputes to persons who were styled His Majesty's judges. And later on it was found desirable to send these judges through the country to save litigants the trouble and expense of coming to London, and thus bring the king's justice to the doors of the people. This was the origin of Assizes, and the judges who went on Assizes were described as going on Circuit. The first judges were known as judges of the King's Bench and the king was entitled to sit with the judges. The last record of such an occurrence was in the reign of Henry III.

Law Reporting.

In the course of time the lawyers who practised in the courts found it convenient to keep notes of the decisions of the judges, and these notes were used to remind the judges of previous decisions, and thus the practice grew up of the judges following precedent, so that when a case arose in York where the facts were similar to a case which had previously arisen in Lancaster, the judge in York decided the case in the same way as it had been decided in Lancaster. While different customs and habits prevailed in different parts of England this following of precedent and going on Circuit tended to uniformity in the laws and customs of the whole country. The earliest record of these reports is the notebook of a lawyer named Bracton, who flourished in the 13th century. This was the origin of the system of law reporting, which grew and developed until now lawyers have available a vast mass of law reports containing the decisions of judges on all sorts of questions over a period of several centuries, and to this day the principles laid down in some of these old cases are followed by our own judges.

When this system of administering justice was first established, population was small and the laws were most elementary, and in respect of many disputes which arose for determination by the courts there was neither law nor precedent and the judges who decided them had to lay down the precedents. When questions arose which had never been previously decided the judges dealt with them in accordance with the customs of the country and the principles of Christianity. It is consequently correct to say that the principles of English Common Law are to be found in the law reports, that they are based on the habits and customs of the people of England and are in accordance with Christian principles.

In addition to the King's Courts there were local courts such as Courts Leet and Courts Baron. Every English manor had a Court Baron exercising a limited jurisdiction within the manor.

Common Law and Equity.

In the course of time the judges of the King's Courts administering the Common Law tended to become technical, and if a plaintiff did not state his claim correctly or a defendant failed to set out his defence correctly he might be defeated notwithstanding the justice of his cause. Hence the custom grew up of appealing to the king from the decisions of his judges where the Common Law had become too strict or technical. The king referred these appeals to his lord chancellor, who was styled the " Keeper of the King's Conscience." The chancellor in those early days was a churchman and prior to the Reformation was a Roman Catholic Prelate, and he dealt with these questions in accordance with the Canon Law, which was based upon the Roman Law. This was the origin of what is called the equitable jurisdiction of the courts, from the latin word " æquitas " or " equity." Accordingly, we find the Common Law Courts administering the Common Law and side by side with them the Lord Chancellor and the Chancery Courts administering equity.

Precedent.

In addition to the Common Law and the Roman Law there was a third source of law—Statute Law. It was in the province of the courts to interpret and enforce Acts of Parliament. I have told you how the practice grew up of following precedent, and in the course of time it became a settled rule not only of practice but of law that when any principle of law had been decided by a court, that decision was binding not only on that court but on every court having equal jurisdiction and on every inferior court. Thus the decision of a judge of the Chancery Division would be binding not only on him but on all other judges of the Chancery Division, but it would not be binding on the Courts of Appeal. Similarly, a decision of the House of Lords, as the highest court in the land, would be binding on every court, including the House of Lords itself. Once the House of Lords had decided a question, the only way to alter the law was by legislation. This following of precedent, which is a peculiarity of English law, helped to bring about certainty and uniformity in the law. Once a question had been decided by a court, lawyers knew that it would be followed by all courts of equal jurisdiction, and hence they were able to advise their clients with a certainty which would not exist if, as in some countries, it was open to different judges to decide the same question in different ways. By reason of this we have, in addition to the other sources of law, Case Law, representing the decisions of the judges on all sorts of questions, including the interpretation of statutes.

The Jury System.

At this stage it would be appropriate to remind you that one of the characteristics of English judicial procedure was the jury system. When there was a dispute of fact or any conflict of evidence the parties had the right to have such dispute or difference decided not by the judge but by twelve ordinary laymen—twelve neighbours. It

was the province of the judge to sum up the evidence on both sides fairly and to direct the jury as to the law, but the jury were the final arbiters of the truth or falsity of the evidence, and on matters where there was a claim for damages the jury were also final arbiters on the amount of the damages.

Courts in Ireland under Old System.

A century ago we had in Ireland a great number of courts exercising different jurisdictions, and each exercising its jurisdiction according to its own practice. We had the Court of the King's Bench, which dealt with criminal matters and which was also a Court of Appeal; the Court of Common Pleas, which dealt with actions for negligence, defamation, assault, contracts and matters of that kind; the Court of Exchequer, which dealt with State revenue matters; the Chancery Court, which dealt with the administration of the estates of deceased persons; the administration of charitable and other trusts, the dissolution of partnerships, and a number of other matters; the Court of the Lord Chancellor, which dealt with the estates of lunatics and minors; the Ecclesiastical Courts which, prior to the Disestablishment, dealt with the granting of probates and with matrimonial matters; the Admiralty Court, which dealt with shipping matters, and as inferior courts we had magistrates sitting in Petty Sessions, and the County Court, which had a limited jurisdiction in civil matters and also in criminal matters. There were also certain local courts of limited jurisdiction, like the Court of Conscience in Dublin.

Reorganisation under Judicature Act, 1875.

As a result of the Judicature Act in 1875 the various High Courts were consolidated into one High Court of Justice in Ireland which had two divisions—the King's Bench Division and the Chancery Division, with a Court of Appeal consisting of from three to seven judges with an ultimate right of appeal to the House of Lords. To the Chancery Division were relegated all those matters which I have told you were previously dealt with by the Chancery Courts, that is to say, the administration of estates, trusts, partnerships, mortgages, company law and a variety of other matters. All common law cases, including criminal cases, were dealt with by the judges of the King's Bench Division. The Lord Chancellor was the President of the Court of Appeal but he exercised a separate jurisdiction in respect of the estates of minors and lunatics. The King's Bench Division, therefore, dealt with common law activities of all kinds and with matrimonial causes, probate, bankruptcy, and admiralty matters, in addition to criminal law. There was also a Land Judges Court dealing with encumbered estates and, at a later stage, a Land Commission Court, presided over by the judicial commissioner who ranked as a judge of the High Court, which dealt with the fixing of fair rents or, later on, with land purchase, under the Land Purchase Acts. The principal judge of the Chancery Division was known as the Master of the Rolls, who was also entitled *ex officio* to sit in the Court of Appeal. The principal judge of the King's Bench Division

was known as the Lord Chief Justice of Ireland and he was also entitled *ex officio* to sit in the Court of Appeal.

In addition to the High Court there were certain inferior courts exercising a limited jurisdiction. These included the County Courts, which exercised a limited jurisdiction in equity or common law cases arising within the administrative counties, and the Petty Sessions Courts, which consisted mainly of unpaid magistrates, but with one resident magistrate in each area, who was a salaried magistrate, and in Dublin City there were two police magistrates.

There was a right of appeal from the magistrates sitting in Petty Sessions. Such appeals were heard at Quarter Sessions. Quarter Sessions consisted of a bench of magistrates under the chairmanship of the County Court Judge. The Court of Quarter Sessions had also a criminal jurisdiction in the case of smaller and less important indictable offences which were not triable at Petty Sessions. These cases were tried by the County Court Judge with a jury in the same manner as criminal cases are now tried by a Circuit Court judge with a jury.

Initiation of Proceedings and Pleadings.

Civil proceedings in the High Court of Justice in Ireland were usually commenced by writ of summons, by petition or by originating motion. The writ of summons was appropriate to proceedings in a Common Law action, such as an action for damages for negligence or for libel or slander, and proceedings in a Chancery action where the attendance of witnesses was necessary. The writ of summons set out shortly the nature of the relief claimed and had to be served personally on the defendant. The writ was followed by a statement of claim, which set out fully and concisely the facts on which the plaintiff's claim was based. The defendant was bound to file a defence within a specified time, and if he failed to do so the plaintiff was entitled to judgment by default. In his defence the defendant set out the facts on which he relied and to this the plaintiff was entitled to file a reply, in which he stated to what extent he admitted the facts set out in the defence. These documents—the Statement of Claim, the defence and the reply—were called the pleadings in the action. The purpose of the pleadings was to inform the court of the facts which were in dispute and to help the parties to confine their evidence to those matters which were actually in dispute between them. It would naturally save expense if it was unnecessary to produce witnesses to prove facts which were admitted. Thus in an action for negligence in relation to the driving of a motor car the defendant might admit in his defence that he was the owner of the motor car in question and that it was being driven by his servant at the time of the accident, but he might plead by way of defence that at the time the servant was joy-riding and was not engaged in his master's business. In these circumstances it would not be necessary for the plaintiff to prove that the injury was committed by the defendant's car or that it was being driven by the defendant's servant, but the plaintiff would fail if the defendant could establish by evidence that his servant had taken the car without permission and for his own amusement.

Trial by Jury.

The pleadings also serve to determine the questions to be submitted to the jury at the trial. If the defendant in the case I have already mentioned had denied that the driver of the car was his servant, then it would be necessary to submit as one of the questions to the jury—was the driver of the car at the time of the accident the servant of the defendant? In dealing with the questions to be submitted to the jury I might mention that they are always expressed in a form which will enable the jury to answer them by a simple "yes" or "no." Before the questions are submitted to the jury, the judge usually tells the counsel for the parties the questions he is going to ask the jury, and counsel may object to amputations or the form of the questions and suggest alternative questions. If the judge does not submit the proper questions to the jury, or if he refuses to put the questions in a form asked by one of the counsel, or if he improperly accepts or rejects evidence, this may serve as a ground for appeal.

In the old High Court of Justice in Ireland the parties to every Common Law action, whether in contract or in tort, had the right to a trial by a jury, but the right to a jury in contract cases has now been taken away, and such cases will only be heard by a jury if, in the circumstances, the judge thinks it is a proper case to have a jury. A conflict of evidence on some material point would constitute a good reason for asking for a jury in a contract case.

Summary Jurisdiction.

It was not necessary in every case to have pleadings and a trial with witnesses or a jury. There were various forms of procedure which enabled a plaintiff to obtain summary judgment on an affidavit sworn by the plaintiff and verifying the facts. This applied in relation to actions for a liquidated sum such as an action for the price of goods sold and delivered, or for the amount due on foot of a promissory note, or an action for ejectment for non-payment of rent. In all these cases the action was instituted by a specially endorsed writ of summons in which the facts constituting the plaintiff's claim were fully set out.[1] In the Chancery Division there was a similar form of procedure under which the plaintiff was able to obtain summary judgment, based on an affidavit setting out the relevant facts, the proceedings in such event being instituted by way of originating summons. This procedure was appropriate where the plaintiff was one of the next-of-kin of an intestate or a legatee under a will, and it was desired to have the estate administered in court, or where a mortgagee desired to realise a mortgage and get an order for sale of the mortgaged property. It was also available in some other cases.

Old Forms of Writ—Habeas Corpus, etc.

In addition to the ordinary writ of summons there were several

[1] The procedure was appropriate to cases where there was no substantial dispute as to the facts and the plaintiff's claim could be verified by an affidavit.

old forms of writ which were known by their Latin names, such as the writ of habeas corpus, the writ of mandamus, the writ of certiorari and the writ of quo warranto. These writs issued out of the Crown side as distinct from the civil side of the King's Bench Division. Of these the writ of habeas corpus was the most important as it protected the liberty of the subject. An application for a writ of habeas corpus might be made to any judge and if that judge refused, a further application might be made to another judge. This writ was appropriate wherever a person was detained in custody either by the Government authorities in a prison or by the military authorities, or by the authorities of a lunatic asylum, and, in fact, in any case where a person was wrongfully detained. The application was made on an affidavit which set out the facts, and if the judge was satisfied that on the facts there was a case for inquiry, a conditional order was made and served upon the person having the custody of the prisoner, calling upon him to show cause why the prisoner should be detained in custody. If good cause could not be shown for the detention of the prisoner the court ordered his release. One of the most important decisions relating to habeas corpus is the case of *Egan v. General Macready* (1921) 2 I. R. 205. General Macready was at the time Commander-in-Chief of the British Forces in Ireland. An *ex parte* application was made to the Master of the Rolls, the Rt. Hon. Charles O'Connor, for a Conditional Order of Habeas Corpus in respect of the prisoner Egan who had been brought before a military court and sentenced to death and who was then in military custody. The cause was shown that Egan had been tried by a military court and found guilty and sentenced; that there was a state of rebellion in the country amounting to actual warfare, and in the circumstances it was claimed on behalf of General Macready and the other defendants that the decision was justified and the detention of the prisoner legal. The Master of the Rolls was not satisfied that the court was regular or the detention of the prisoner legal, and he accordingly directed a writ of habeas corpus to issue to General Macready and the other high military officers named as defendants, to have the prisoner brought before the court on a specified day with a view to ordering his release from custody. On the day specified the counsel for the Crown informed the court that his clients intended to appeal from the decision and that in the circumstances they did not propose to produce the prisoner. The Master of the Rolls refused to accept this answer to the writ, declared that it was contempt of court not to produce the prisoner and ordered a writ of attachment to issue against the Commander-in-Chief and other persons named in the Conditional Order. The following day counsel for the Crown informed the court that the prisoner had been released and thereupon the judge put a stay on the order of attachment, otherwise we would have had the extraordinary situation of seeing the police authorities arrest the Commander-in-Chief for contempt of court. This case illustrates what a bulwark the judiciary constitutes to the freedom of the citizen.

Mandamus.

As to the procedure by way of *Mandamus* this was available to any citizen where a public officer or public body had failed or refused to discharge some public or statutory duty. If the defendants refused to carry out the order of the court they were subject to attachment and imprisonment.

Quo Warranto.

The procedure by Quo Warranto applied where some person had been improperly elected or appointed to some public office. The court called upon him to show cause why the office should not be declared vacant and if he failed to show good cause the office was declared vacant, thus if a Lord Mayor of a city was elected at an irregular meeting of the council the court might declare the office vacant in proceedings for Quo Warranto instituted by any person having a lawful interest in the election.

Certiorari.

Proceedings by way of *Certiorari* were appropriate to question the validity of the decisions of inferior courts such as the Petty Sessions Court or the orders of a Minister or Government Department. If the court was satisfied that the order of the court or the order of the Minister was on the face of it made without jurisdiction or in excess of jurisdiction the court would quash the order.

Execution of Judgment.

When a plaintiff had obtained judgment in his favour in a common law action for the amount of a debt or for an amount of damages and costs the judgment was enforced by obtaining from the office of the court a document called a writ of Fieri Facias otherwise known as a " Fi Fa ", authorising the sheriff to execute the judgment against the unsuccessful party. The sheriff executed the " Fi Fa " by seizing the goods of the party and selling them and handing over the proceeds of the execution, less the sheriff's expenses, to the person entitled to the judgment.

The decrees of the Chancery Court were usually enforced by attachment. The person directed by the court to do something was liable to be attached and imprisoned until he carried out the order of the court. But the court would not be defeated by the mere refusal of a defendant who preferred to go to jail and to remain there rather than carry out the orders of the court. Thus where a plaintiff brought an action for specific performance of a contract for the sale of land and obtained a judgment in his favour, including an order on the defendant to execute a deed of assignment to the plaintiff, and the defendant refused to execute the deed of assignment or to hand over possession of the land, the court would order the officer of the court to execute the deed in the name and on behalf of the recalcitrant defendant, and would order the plaintiff to be put into possession of the property on paying the purchase money into court.

Taxation of Costs.

When the successful party in any legal proceedings obtains an order for the payment of his costs by another party the amount of the costs is ascertained by an officer called the Taxing Master whose business it is to go through the items in the bill of costs presented by the solicitor of the successful party and strike out or reduce any items that appear to him to be excessive. Any person who employs a solicitor for any purpose is entitled to have the solicitor's bill taxed by a Taxing Master, who is an officer of the court, and the power of taxing costs applies to every solicitor's bill and is not confined to the costs of actions.

Chancery Delays.

The procedure in Chancery matters differed materially from the procedure in common law actions. In the case of a common law action for a liquidated sum or for damages the judgment was obtained at the trial and so far as the court was concerned the matter was finished, but Chancery proceedings might continue for a long time before the matter was completed. Thus if a legatee under a will instituted an action for the administration of the estate of a testator the court might order a decree for administration at the trial, that is to say the court would order the estate of the testator and the trusts of his will to be administered by the court. It might be a very big estate, there might be a very elaborate will and a great number of legatees and the testator might not have disposed of all his property. This would involve a primary decree by the court directing inquiries as to:—

(*a*) What property the deceased died possessed of?

(*b*) What debts the deceased owed at the date of his death?

(*c*) What debts were due to the deceased at the date of his death?

(*d*) To what extent the executors had collected the debts or realised the assets of the testator?

(*e*) To what extent they had paid his debts or legacies and what moneys they had or should have in hands?

(*f*) Who were the next-of-kin of the testator, and so on.

These inquiries would have to be made by the officer of the court who was formerly called the Chief Clerk, and who is now designated the Examiner, and the result of his findings would be set out in his certificate. Before the Examiner made up his certificate questions might arise which would have to be determined by the court. Some of the legatees might have gone abroad many years ago and never since been heard of, and the court might be asked to presume their deaths, or to direct advertisements. Questions might also arise as to the construction of the will and it might be necessary to bring the matter before the court to determine the persons who were entitled, or to determine the property to which they were entitled. Thus the testator might have said in his will that he left his house

and its contents to his wife. A question might arise as to whether this included the testator's motor car or cash or share certificates in the drawer of his desk.

All these questions would have to be settled before the Chief Clerk could prepare his report and certificate as to the result of the inquiries directed by the judge in his primary decree.

The matter would have to come again before the court to confirm the Examiner's certificate as it would be open to any interested party to dispute any item on the certificate. When the certificate had been confirmed the court might find it necessary to order some of the property to be sold and the matter would again come before the court to confirm the result of sale. You will therefore appreciate that no matter how expeditiously the work might be carried out the administration of an estate might take considerable time and involve many applications to the court.

In like manner an order for the winding-up of a company may involve many applications to the court in relation to questions arising in the course of winding-up such as determining the rights of creditors and debenture holders and their priorities if the assets are insufficient to pay all in full. Questions might also arise as to the claims by or against the company or its directors.

You will therefore see that in relation to Chancery proceedings the probability that various questions would arise at different times rendered it desirable and even important that these questions should all come before the same judge instead of a number of different judges.

Changes since 1920.

I have outlined the procedure which prevailed in this country prior to 1920 because a great part of this procedure has been retained and necessarily retained. We have abolished the King's Bench Division and the Chancery Division and we have substituted an originating summons for a writ. But the changes are more in name than in substance.

When the Government of Ireland Act was passed in 1920 the office of the Lord Chancellor was abolished and separate High Courts of Justice were established for Southern Ireland and for Northern Ireland with a separate Court of Appeal for each, but with one High Court of Appeal for all Ireland. Under this new jurisdiction the President of the Court of Appeal of Southern Ireland and also of the High Court of Appeal for all Ireland was the Lord Chief Justice who retained his title of Lord Chief Justice of Ireland. The functions formerly exercised by the Lord Chancellor in relation to minors and lunatics were transferred to the Lord Chief Justice.

By virtue of the Constitution of 1922 the judges of the High Court of Justice in Southern Ireland continued to function until such time as new courts were set up.

The new courts were set up by the Courts of Justice Act of 1924 and officers of the court were established by the Courts Officers Act of 1926. The Courts of Justice Act has been from time to time

amended, but without dealing with the amendments I will now state shortly the effect of that Act and the amending Acts as they are in force to-day.

Present-day Courts.

The existing courts comprise:—

1. *The Supreme Court* consists of five judges, the Chief Justice and four permanent Judges of Appeal. The President of the High Court is *ex officio* an additional judge of the Supreme Court and the Chief Justice is *ex officio* an additional judge of the High Court. In the case of illness or absence of a judge of the Supreme Court the Chief Justice may request any judge of the High Court to sit on the hearing of the appeal to the Supreme Court. The right to appeal to the Privy Council from the decisions of the Supreme Court which formerly existed under the Constitution of 1922 fell into disuse and no such right is given by the existing Constitution. The Supreme Court deals with all appeals from the decision of the High Court of Justice in relation to all matters other than criminal trials. The Supreme Court has also jurisdiction to hear appeals from the Court of Criminal Appeal in the limited class of case where such appeal lies. In workmen's compensation cases there is a right of appeal to the Supreme Court from the decision of the Circuit judge. The decision of the Supreme Court in all cases is final.

2. A High Court of Justice which exercises all the functions of the old High Court of Justice of Ireland, that is to say it has jurisdiction in all common law matters, in Chancery matters, in bankruptcy, admiralty, probate, matrimonial, Land Commission and land judges' matters. It is not, however, divided into a King's Bench Division or a Chancery Division like the old High Court of Justice, but matters are so arranged that in respect of proceedings which were formerly instituted in the Chancery Division and in bankruptcy matters and Land Commission matters the cases always appear in the list of the same judge, and judges have been delegated to deal with Chancery and bankruptcy cases, while another judge acts in matters relating to the Land Commission and land purchase which were formerly dealt with by the Judicial Commissioner. The High Court consists of a President and five ordinary judges and two *ex-officio* judges, namely the Chief Justice and the President of the Circuit Court.

3. *The Central Criminal Court* for the hearing of criminal cases or matters. The Central Criminal Court sits at Green Street. In former days persons charged with criminal offences were usually tried at the Assize town of the county in which the offence was committed, by one of the High Court judges who went out on Assizes sitting with a jury, but there was power to transfer a criminal case from any county to any other county or to Dublin. Now all important criminal cases are tried in Dublin and the High Court judges no longer go out on Assizes for the hearing of criminal cases, but they still go through the country to sit at the old Assize towns for

the purpose of hearing appeals from the Circuit Court judges in civil cases other than workmen's compensation cases.

4. A Court of Criminal Appeal which has jurisdiction to hear appeals in the case of indictable offences tried by a judge and jury in the Central Criminal Court or in the Circuit Court. Every person so convicted may apply to the trial judge for leave to appeal, and if this is refused may appeal from such refusal to the Court of Criminal Appeal. Leave to appeal may be granted if the appeal involves a question of law, or if the trial was unsatisfactory or any other sufficient ground exists. On the hearing of an appeal the Court of Criminal Appeal may reverse the conviction in whole or in part or may confirm or increase the sentence or may direct a new trial, and generally they may make such order as to costs or otherwise as they see fit. The decision of the Court of Criminal Appeal is final unless the court itself or the Attorney-General shall certify that the decision involves a point of law of exceptional importance or that it is desirable in the public interest that there should be an appeal to the Supreme Court.

5. *The Circuit Court*: Under the Act of 1924 the country was divided into a number of circuits, each circuit having its own judge exercising a limited jurisdiction within his own circuit. The jurisdiction is limited to actions of contract or claims for damages not exceeding £300, or to equity or probate cases where the personal property did not exceed in value £1,000, or where the proceedings concerned lands not exceeding £60 P.L.V., but by consent cases involving larger sums or more extensive property may be tried in the Circuit Court. The Circuit Court has also jurisdiction in criminal matters with the exception of serious cases such as treason and murder. The President of the Circuit Court is *ex officio* a judge of the High Court.

6. *The District Court*: For the purposes of this court the country is divided into districts each presided over by a District Justice who exercises in his district the jurisdiction in relation to summary offences which was formerly exercisable by magistrates, save that he has the power of sitting alone to deal with cases which could not be dealt with by one magistrate sitting alone. The District Justice has in addition a limited jurisdiction in civil cases for small amounts and in certain classes of ejectments.

7. In addition to the courts established by the Courts of Justice Act there are other courts exercising judicial functions which may properly be deemed to be courts of law. Amongst these may be included the Land Commission Court which sits at Upper Merrion Street to deal with matters arising under the Land Purchase Acts. The Special Commissioners dealing with income-tax appeals and the Master of the High Court dealing with the matters in respect of which he is given authority by the Acts or Rules of Court. Finally, we have the much discussed Military Tribunal which is an excrescence on our judicial system and is outside the scope of this lecture.

In the old High Court of Justice in Ireland the court officers were appointed by the judges who had also the power to remove them. Under the Courts Officers Act of 1929, the Master of the High Court and the Taxing Master are appointed by the Executive Council and all other principal officers are appointed by the Minister for Justice, and they hold office at the pleasure of the Executive Council, but no principal officer and no Registrar of the High Court may be removed from office without the concurrence of the Chief Justice and the President of the High Court. All officers are pensionable in accordance with the Superannuation Acts in the same manner as permanent civil servants.

The offices of the High Court comprise the Central Office, the Taxing Master's Office, the Probate Office, Bankruptcy Office, the Examiner's Office and the Accountant's Office. In addition there is the office of the Registrar of the Supreme Court and the office of the Registrar to the President of the High Court who now discharges the functions formerly discharged by the Lord Chancellor in relation to the estates of infants and lunatics.

The principal officer of the High Court is the Master of the High Court who also exercises certain judicial functions in relation to non-controversial matters such as orders for discovery of documents and interlocutory judgments where there has been a default in appearance by the defendant. The *Central Office* is under the management of the Master. Before any proceedings can be instituted by way of summons, petition or otherwise the relevant documents must be filed or entered in the *Central Office*. All pleadings, affidavits and notices of motions must be filed in the Central Office as must also all orders. The filing and indexing of these various documents, and the scrivenery connected with furnishing certified copies of these various documents are dealt with in the Central Office.

The Taxing Master's Office deals with the taxation of solicitor's costs. The fees payable to a solicitor either in litigious matters or in non-litigious matters must be in accordance with a scale laid down by law, and it is the province of the Taxing Master to see that no item in a solicitor's bill of costs shall exceed the amount lawfully chargeable.

The Probate Office deals with the issuing of grants of probate or grants of administration intestate in the case of deceased persons. The officer will not issue a grant unless everything is in order. If it is not in order he requires an application to the judge dealing with probate matters. Thus the officer may not be satisfied that a document produced to him has been duly and properly executed as a will, and in such event the person relying on the alleged will must apply to the judge. If the validity of a will is disputed the person disputing the will lodges a caveat or warning and then the due execution of the will must be proved before a judge, or a judge and jury if any party requires a jury. This is called proving a will in solemn form.

The Bankruptcy Office deals with bankruptcy matters. A man who is unable to pay his debts in full may be able to obtain his dis-

charge from all further liability by carrying an arrangement with his creditors and paying a composition on his debts or if he fails to carry the arrangement or to pay the composition, he may be adjudicated a bankrupt

The Examiner's Office deals with the inquiries and accounts which have to be taken in relation to administration of estates, the winding-up of companies and other like matters.

The Accountant's Office deals with all moneys lodged in court and the investment of same.

I cannot conclude this lecture without some reference to the Legal Diary, that interesting publication printed on both sides of a large sheet which you will find posted on the notice board in the Central Hall of the Four Courts on any day when the courts are sitting, and extracts from which you will find in every Dublin morning paper. Sometimes you have as many as eight or nine different courts sitting on the same day and the Legal Diary will tell you what courts are sitting, what judges are presiding in each court, and what cases are in the list for hearing. Every afternoon the officer in charge of the list in each court furnishes a copy of the list to the printers and every evening the printers deliver a copy of the Legal Diary to the barristers and solicitors who subscribe to it.

The Diary is of great assistance to lawyers, jurors and litigants in keeping them informed of the daily work of the courts. A stranger would be amazed by the number and variety of cases dealt with each day.

When we contrast our legal system with those of other countries we may find some differences and even defects, but no human system of administering justice can attain ideal perfection, and we may justly congratulate ourselves in having a system which bears favourable comparison with any system in the world.

Legal Assistance for the Poor

By L. G. CARR LETT, *Solicitor*

Lecture delivered on the 9th November

Mr. Lett's lecture is a valuable contribution to a topical problem: how to put the poor on terms of equality with the rich in asserting their legal rights without encouraging a litigious tendency to "have the law" on their neighbours without due cause. The subject is well known to social workers everywhere and has, perhaps, been more carefully studied abroad than in our own country. Mr. Lett gives us an account of what has been done elsewhere which will be found very helpful in dealing with our problem. The legal system in some of the countries referred to by Mr. Lett is very different to ours and it would, therefore, be unwise to attach too much importance to the precedents set by them. Theoretically the courts are open to all, but the cost of approaching the fountains of justice very often proves an insuperable barrier to the poor. This hardship is considerably mitigated by the great mass of unorganised voluntary legal assistance, most of it given privately and unknown to collectors of statistics, which has always been forthcoming from both branches of the legal profession. It is possible that the benefits of the voluntary system could be greatly extended by better organisation and improved co-operation between legal aid societies and the legal profession. The alternative to a voluntary system is State legal aid to persons below a certain income level. It is not an entirely satisfactory solution. New inequalities would arise wherever the income line is drawn. The litigant whose income is just above the level would always be at a disadvantage vis-à-vis *his poorer opponent who has the resources of the State at his back. There are other drawbacks also to a State system which are not discussed in Mr. Lett's lecture.*

* * *

I PROPOSE to take this whole lecture in three stages, labelled quite simply "WHY", "HOW", and "WHAT" or "WHERE"?

Why Should there be "Legal Aid" at all?

On the other hand—why not?

"Just as a modern State tries to protect the poorer classes against the common dangers of life, disease, old age, social oppression, unemployment, so it should protect them when legal difficulties arise."

The reply (in the technical sense) to that argument is stated in a brief extract from a report of the Finlay Committee of 1928—one of many Committees and Commissions which sat upon and enquired into the subject of Legal Aid. Looking down its nose, the Finlay Committe said: "It is manifestly in the interests of the State that its Citizens should be healthy, but not that they should be litigious".

The Rejoinder is given by Mr. E. G. Cohn, a writer and worker upon this subject of high standing:—

"The State is not responsible for the outbreak of epidemics, for old age, or economic crises, but the State is responsible for the law. That law, again, is made for the protection of all Citizens, poor and rich alike. It is the duty of the State to make its machinery work alike for the rich and the poor."

Most of us are familiar with the joke that the Law Courts are like the Ritz Hotel—all are welcome who can pay the bill! Another, and rather more bitter saying in the same strain is attributed to Anatole France: "There is the same law for rich and poor—both are forbidden to sleep under bridges, both are forbidden to starve to death".

Equality before the law means more than equal treatment of the parties by the Judge in Court. It has also to do with accessibility to the Courts, and with facilities for gathering and presenting evidence.

Let us take the case of a man who feels himself injured and entitled to redress, or who is faced by a claim by another man who feels himself injured. His first step is to consult a Solicitor who will collect and consider the facts, the legal principles and the practical considerations—all onerous jobs requiring expert knowledge.

If there appears to be a case, and only then, the Solicitor takes the matter up with the other side, and endeavours to negotiate a settlement. Failing a settlement, proceedings are instituted, and often when the parties are brought face to face with the strain and trouble and expense of an action in Court, they will reconsider their attitude and become more amenable to a settlement. If not, all the evidence and arguments are collected, a professional Advocate on each side tries to show the justice of his case and the fallacies of his opponents, and the Court, having had the benefit of hearing all that has been said, for and against each party, decides the matter. It will be appreciated that that process is expensive, and does not provide for equality before the Law—a poor person requires assistance to make and state his case. I am not to be taken as saying that the longest purse will always prevail, I do not believe that to be at all true, but I am inviting you to consider the dilemma of the man who has, for all practical purposes, no purse at all.

How Does Legal Aid Work?

Let us consider, briefly, Legal Aid in the rest of the world and that will mean, mostly, how Legal Aid works in England, for it is of that country that most is known.

From very early times there were concessions to poor litigants in the English Courts, and a recognition of inequality before the Law

without such special concessions. An English Statute of 1494 (ii Henry vii Cap. 12) provided that a poor person could have Writs issued and heard without expense. It was a fair enactment, but it made no provision for the assistance of a poor defendant, and no such provision was made until 1883. What was to happen to a poor person, unsuccessful in his Law suit, was a matter for consideration, and by a Statute of 1531 (xxiii Henry viii Cap. 15) it was provided that an unsuccessful poor litigant should not have to pay his opponent's costs, but should suffer such other punishment as might be thought reasonable.

In Elizabeth's reign the form of order admitting a poor litigant to suit *in forma pauperis* contains a provision that " if the matter shall fall out against the Plaintiff he shall be punished with whipping and the pillory ", and Cromwell's Barebones Parliament made a similar, but rather more drastic provision for an unsuccessful Appellant.

The Statute Law Revision Act of 1883 repealed the older Acts and for the first time laid down specific rules.

An Applicant to sue *in forma pauperis* had to be worth not more than £25, and his application had to be supported by a Counsel's Opinion and a Solicitor's Affidavit. In other words, he had to get a Barrister and a Solicitor who would consider his case and prepare these documents, so that they might be chosen by the Court to conduct his case, free of charge. It is not surprising that the procedure became almost inoperative, and by 1914 there were only ninety-nine petitions in all England.

There was resultant agitation, Committees and enquiries, and the war of 1914-1918 intervened, and postponed further action, but new Poor Persons' Rules were promulgated in 1914 which set up a Poor Persons' Department under the control of the Master of the Supreme Court.

Under these rules a means test was applied, by which an Applicant must be worth not more than £50 in capital, or £100, in special circumstances, and later there was a further provision that his income must not exceed £2 per week, or £4 in special circumstances. The scheme received no support from the Law Society. By the 5th September, 1922, there were sufficient volunteer Solicitors to deal with thirty-five London cases by the end of that year. At the same time there were fourteen hundred cases pending in the Office, and nineteen new certificates were being granted every month.

In 1926 the Law Society took over, and certificates were thenceforward, and are still, granted by its Committees. The Committee (which consists entirely of Solicitors) applies the means test, and decides if there are " reasonable grounds ". This should mean that the Applicant has a good chance of winning his Action, and a reasonable pretext for bringing it. The moral or political character of the Applicant is not, or should not be, relevant. He need not be one of the " deserving poor ".

The Applicant must pay a deposit of £5 for out-of-pocket expenses, and sometimes more is required—£10 is not uncommon. Sometimes

the Applicant does not collect the unused balance, if there is any, and a substantial sum is now lying to the credit of an English Department. The Solicitors' Committee nominates the "conducting" Solicitor, who, from then on, has a full Solicitor and Client relationship with the Applicant, except that he must make application to the Committee for all grants of out-of-pocket expenses. The deposit is the only source for this, there is no other fund.

All Court fees (i.e. stamps, service fees, filing fees, etc.) are remitted. There were 7,649 applications in London in 1943.

All this applies only in the High Court, and only in Civil cases. There are similar provisions for appeal to the Court of Appeal, and on those rare occasions when an appeal to the House of Lords is necessary, the House has its own procedure, and the leave of the House is required, in addition to leave to appeal.

In the English County Court which had jurisdiction up to £200, and up to £500 in some cases, and where the bulk of "social legislation" e.g. Workmen's Compensation, Rent Restrictions Acts, and such-like, are administered, there are *no* legal aid facilities, not even remission of Court fees.

In the Police Court there is no legal aid in Civil matters, but there is remission of Court fees.

This system is open to many criticisms.

The application is entirely in the hands of the profession. There is no appeal from the Committee of the Law Society, and the shortage of Solicitors is bound to give incentive to keep work down.

The means test is too harsh, and, above all, too rigid, for the number of dependants and such circumstances are not taken into account.

The deposit is a very real hardship. £5 to a man worth not more than £50 represents a very large sum indeed.

The principal criticism is that the system is a patch-work one. It is estimated that the High Court only covers some two and a half per cent. of requirements, and the County Court, which is the most likely to be used, has no facilities at all.

Ireland.

In Ireland official Legal Aid is still for the most part in the era of 1883 to 1913, and the full *in forma pauperis* application is limited to those not worth more than £25 and with Affidavits of Poverty by the Applicant and his Solicitor, and the Opinion of Counsel, still necessary. The Law Reports suggest that there has been no use of this since the nineties, and I cannot find any Member of the Bar who knows of any such application being brought within his experience.

There is power to remit fees in the Circuit and District Courts, and there is a provision by which Solicitor and Counsel are assigned to defend persons accused on a capital charge. There is, in these cases an allowance paid by the State to the Solicitor and Counsel involved A recent Act, the Rent Restrictions Act, 1946, Part III, also exempts

tenants of " small premises " from Court fees in proceedings under that part of the Act and provides for certain other assistance to them in pursuance of their applications.

Legal Aid in the Criminal Courts.

The earliest form of Legal Aid is the " Dock Brief ". This is an old custom by which the Judge has the right to nominate any Counsel in Court to defend a prisoner, or a prisoner who can produce £1 3s. 6d. can choose any Counsel present in Court to defend him. In its origin, this rule was a disciplinary rule of the Bar, and not a philanthropic custom. The rule was inaugurated to put an end to the practice of Barristers, or their Clerks, forgathering near the cells, or bribing Warders to provide clients.

When a Barrister is a recipient of a " Dock Brief ", he has no opportunity to prepare the case, and he is, in the nature of things, often a young and inexperienced Barrister who receives such a Brief. There is a tale of a Defendant who had selected Counsel to hold his " Dock Brief ", and who was convicted and sentenced to a severe term. Asked had he anything to say, he said: " Nothing, my Lord, except to plead the youth and inexperience of my Counsel."

The modern practice for Legal Aid in the Criminal Courts derives from The Poor Prisoners' Defence Acts of 1903 and 1930.

A Defence Certificate is granted by the Court itself, at Quarter Sessions and Assizes, to any person accused if " his means are insufficient for him to obtain legal aid ", and it is " desirable in the interests of justice ". The fees of Solicitor and Counsel are paid by the State.

Defence Certificates are issued in the Police Courts and the fees for these are paid out of the Local Rates. This procedure is criticised because the right to a Defence Certificate is not sufficiently known, and is not pointed out to accused persons. It is said that Lay Magistrates are reluctant to issue such Certificates as the Ratepayers criticise expenditure on " the defence of criminals ". Be that as it may, in the year 1938 three hundred and twenty-seven such Defence Certificates were issued.

Legal Advice.

The facilities for legal advice in England are all entirely voluntary, and arose, as stated, not out of legal theory but out of the first-hand experience of social workers. Often one of the social workers concerned was a Lawyer or he had a friend who was a Lawyer, and the friend was brought in to help to solve the legal problems which arose. In this way, Centres for the giving of free legal advice came into existence. The first Poor Man's Lawyer Centre was Mansfield House, in London, in 1890, and this was soon followed by Toynbee Hall and Cambridge House. The first Provincial Centre was in Manchester about 1898.

There are now about one hundred and twenty-five Centres in England and Wales, of which about fifty-five are in London.

There is no uniformity of practice amongst them or of application

of the Means Test. Some ask for evidence, some accept an Applicant's Declaration, in many the Consultant uses his own discretion. The general pattern is that three or four Lawyers meet, one or two evenings a week, in a suitable room or a public hall, and give advice to any who come and ask for it.

Some of these Associations keep records and are fairly well organised, and in some of the larger towns there are now Associations or Federations of Poor Man's Lawyer Centres.

In 1929 a Central Committee of this kind was set up in London called "The Bentham Committee." This is one of the few that undertakes representation in Court. It maintains a rota of Solicitors, and it takes cases referred to it by its affiliated Poor Man's Lawyer Centres, and these are dealt with by Solicitors on the rota. There were 760 such cases in 1938.

Many others give advice only, some write letters and some negotiate.

To give some statistics at random. In 1938 Belfast had 99 applicants to such Centres, Birmingham had 4,328, Bristol had 750, Hull had 87, and Leeds had 1,330. I have no accurate figures for Dublin, I can only estimate that in 1943 Dublin Centres had about 300 cases.

During the war Citizens' Advice Bureaux were set up in England to advise Citizens about rationing, black-out, direction of labour, and all the many restrictions, difficulties and regulations of wartime conditions. They have been now continued as a Local Government service, and many of them act in conjunction with Poor Man's Lawyer Centres, or do Legal Aid work themselves.

Ireland.

In Ireland the St. Vincent de Paul Society maintains two Secretariats in Dublin, one in Waterford, and one in Belfast, and there is a Body known as The Pearse Street Council of Action, which was originally started by The Dublin Trades' Union Congress, which works more as a Citizens' Advice Bureau than as a Poor Man's Lawyer Centre, but which does do a considerable amount of Legal Aid work.

It is the common experience of workers in these Centres that it is impossible to differentiate rigidly between "legal advice" and "legal aid". Advice which cannot be acted upon is not of much use, and to know your rights if you cannot enforce them is discouraging and leads to bitterness, and an anti-social attitude of mind. Much legal work consists of negotiation, which the ordinary Applicant is not well equipped to undertake, and much work which might not be considered strictly legal work at all is work which the ordinary reasonably well-to-do citizen takes to his Solicitor to do for him.

From the work of the Citizens' Advice Bureau to the work of the Courts all is inter-dependent, and it is not possible to say, with accuracy, where the work of the social worker ends and the work of the Solicitor begins, just as it is always the difficulty of a Solicitor to know when to call in Counsel, and the difficulty of Counsel to know when to have recourse to the Court—all is a continuous inter-dependent process, which cannot be satisfactorily broken up into component parts.

Scotland.

Legal Aid for the poor in Scotland is also of ancient origin. The earliest Statute is an Act of 1424 which is principally noteworthy for giving one of the best available definitions of a "poor person". The Act refers to "Onie pure creature, for faulte of cunning or expenses, that cannot, nor may not follow his cause". It will be noted that there is no rigid definition of a poor person here, but the modern practice is regulated by the Sheriff's Court Act of 1907, and applicants now must produce a Certificate of Poverty from the Public Assistance Officer.

A number of Solicitors are appointed to two Panels of each Sheriff Court every year, a Panel of "Reporters" decides whether in any given case free legal aid should be given, i.e. whether there is reasonable cause, and whether the Applicant's means are sufficiently low. A Panel of "Agents for the Poor" provides the allotted Solicitor, who collects the evidence, and does all the preparatory work, as well as appearing at the trial. The important feature of the Scottish system is that all Solicitors of the Faculty are obliged to undertake these services in turn. For example, twenty-six Solicitors are appointed each year in Glasgow, and four are appointed annually in Dundee.

There are, in addition, a number of voluntary organisations, and two which call themselves "Legal Dispensaries" have been set up in Edinburgh and in Glasgow. In 1935, 1,784 clients consulted the Edinburgh Dispensary.

U.S.A.

Federal Statutes provide exemption for a Poor Person from Court Fees and Stamps, but there is little or no uniformity of practice in the United States on the matter of Legal Aid. In some States, there is no provision of any kind of Legal Aid, in some States fees are remitted, and in some the Judge has power to refuse to award costs against a poor person. There is an American Institution—The Public Defender —but this only applies to Criminal cases, and only in some six States.

Most Legal Aid in the U.S.A. is provided by private organisations, and, in the majority of cases, this is through the Legal Aid Committees of the Local Bar Associations.

Continent of Europe.

The complicated, and somewhat piecemeal, English legislation is in remarkable contrast to the Laws of Continental countries, of which the most comprehensive appear to be those of France and Belgium.

In these countries free Consultations Bureaux are set up by the State in the chief town of every Judicial District. At the seat of each Court of Appeal there are free Consultations Bureaux of Appeal. An Advocate of not less than fifteen years' standing is appointed to act for the Bureau for one year. The Chief Clerk of the Court of first instance is the Clerk of the Bureau. The Appeal Bureau consists of two Leaders of the Bar, and a Counsellor of the Court of Appeal, also appointed for one year. The Bureaux must hear both parties to the dispute (if there be a dispute) and try to effect a settlement. Failing

a settlement, it nominates those Advocates and Public Officials who may be required to give their services. If an application for aid is refused, the Bureau must give reasons for its decision. There is a right of appeal to the Appeal Bureau. In criminal cases, there is an absolute right to free aid for a poor person on written or verbal request.

The effect of a grant of legal aid in Belgium is comprehensive. The poor person is entitled to remission of all Court fees, to his travelling expenses, allowances for experts' and witnesses' expenses, the fees of experts, and the cost of any advertisement prescribed by law or authorised by the Court. Certain fees may later be recoverable from the poor person if he is then able to pay them. But, in no case, except the "cessation of the state of indigence, is the Advocate entitled to claim or receive fees".

A somewhat similar system exists in Sweden. There are no private free Legal Advice Centres. A Law of 1919 provides free legal assistance in Courts of all jurisdictions. Advocates are paid by the State. Another Law, passed in 1920, provided for a Government subsidy for public Legal Aid Bureaux, and drew up model regulations for them. These Bureaux have been set up by Municipal Authorities in four or five large Swedish towns. Besides the Central Office in each town, there are Branch Offices. These Bureaux are staffed by a salaried Director, assisted by salaried Lawyers, devoting their whole time to the work of the Bureaux, together with paid Secretaries, and typists. One-third of the expense is paid by the State; two-thirds by the local authority. The Bureau both gives advice and conducts litigation. At certain periods, by appointment, Lawyers attached to the Central Office, journey through outlying districts, stopping at various Centres to give advice to those who require it.

This system is worked under the direction of the Ministry of Justice. The State Bureaux are charged, in the first instance, to direct their efforts towards obtaining a settlement by agreement or conciliation. If this fails, the Lawyers of the Bureaux may, and generally do, appear in Court, on behalf of the poor. If a fee is paid to a Lawyer of the Bureau, he is not entitled to retain this, for he is already paid a salary by the State. He must pay any such fee into the funds of the Institution. Thus, the provisions for free legal representation and free legal advice are closely inter-related by the Swedish system.

Two important points appear to have general application under the Continental systems: one, a poor person has, and apparently always has had, a *right* to legal aid; two, there is no specific means test or income limit. The procedure for obtaining a Legal Aid Certificate varies, but the general principle appears to be that a person is entitled to legal aid if he is unable to pay the costs involved without seriously encroaching on his resources.

"Where Do We Go From Here?"

How best can we make use of the available material to formulate a system to meet our particular needs, or, more simply, "Where do we go from here?"

There are preliminary problems which must be settled, and the first of these is to define a "Poor Person". The definition must not be too rigid, or it will cause hardship where there should be none, and it must not be too lax or it will be open to abuse, and the legal aid will merely subsidise speculative litigation.

The next preliminary problem is who is to control the scheme? Whether it is to be the State or the Municipality on the one hand, or the Profession on the other. There is a general feeling that State and Municipal Departments cannot provide the extremely personal and flexible relationship which is so necessary as between Solicitor and Client, and, indeed, many Government and Municipal Departments do not consider legal aid as a proper part of their functions. On the other hand, if the scheme is entirely in the hands of the Profession, there will be always insufficient numbers on a voluntary basis, and it will be found that the Legal Profession is, like all Liberal Professions, too Conservative.

The Rushcliffe Committee.

The last word in legal aid organisation in England and Wales comes from the Report of The Rushcliffe Committee, which was set up in 1944 to enquire and recommend improvements and modifications of existing facilities. The Committee reported in 1945, and found that the voluntary system had broken down. It recommended a contributory scheme of legal assistance, of which the cost would be borne by the State. It proposed that a block grant would be paid each year by the Lord Chancellor to the Law Society, and that the Law Society would administer the scheme and disburse the grant through eleven Area Committees. Each Area Committee would consist of Solicitors and Barristers, and would have a properly equipped office with a paid Secretary and staff. Local Committees would be set up under the control of each Area Committee as required.

Anyone at all requiring legal advice can get it at an Area, or Local, Committee Office for 2/6, but the service is limited to verbal advice, or to one letter.

Every person with an "adjusted" income of not more than £420 per annum will be assisted. "Adjusted" here means an adjustment by a system of allowances for dependants, charges upon income, etc., similar to the Personal Allowances granted by way of relief from Income Tax.

Full legal aid will be given to single persons with "adjusted" incomes of not more than £156 per annum, or to married persons with not more than £208 per annum. This is not quite as good as it sounds because above these income limits the Applicant for legal aid must contribute towards the costs, up to half the difference between the free limits and his own "adjusted" income. This works out that a single man with £5 a week would have to pay up to £52 if the costs of his action came to so much.

The procedure is to be that the Applicant applies to the Local Committee for a Certificate. If there are "reasonable grounds" the

Committee refers the case to an Assistance Board to certify the "adjusted" income. The Applicant can then choose his Solicitor from any one of a Panel of Solicitors in private practice who are willing to take this work, and from then on the relationship is on a full Solicitor and Client basis. The Solicitor and Counsel concerned will be paid by the Area Committee for their services upon a special scale which is only about fifteen per cent. lower than in the ordinary case. Consequently there should be no shortage of Solicitors willing to undertake this work. The assistance to be given provides for Court fees, out-of-pocket expenses, witnesses' allowances, fees for expert witnesses, and all necessary services.

The proposals of the Committee have been accepted by the British Government, and legislation implementing the scheme has been introduced.

This may seem a very sweeping proposal, and may sound strange, and almost revolutionary, but within the past six months the Corporation of Dublin passed a Resolution asking the appropriate Minister to introduce enabling legislation to provide legal aid for all persons whose incomes brought them within the scope of The National Health Insurance Acts. If that Resolution were implemented it would produce a very far-reaching scheme of legal aid similar to the recommendations of The Rushcliffe Committee.

The Rushcliffe Committee Scheme is to be administered entirely by the Profession, and represents the last word in organisation on those lines. By contrast, there are the French and Swedish State and Municipal Bureaux, which I have outlined, and we must, if we are to set up a system of legal aid in this country, decide which line we are to follow. For my part, I think that both could contribute usefully, and that neither should have exclusive control.

All these schemes and provisions of other countries may sound rather far-reaching, and they do take for granted many things which here are still imponderables. They represent an achievement rather than a beginning, but they are not just Utopian. Something of the sort is necessary and desirable, and we should not think of them as too far away, or too impracticable. We must remember that we are still in the pre-1913 era, and we must take some special steps to shorten the intervening years, or we shall never catch up with the present—let alone the future.

In my submission, the Dublin Corporation might make the initial contribution by setting up—not a Poor Man's Lawyer Centre—but a Citizens' Advice Bureau. I believe that such a Bureau would lighten the Corporation's own labours, and would be of great assistance in increasing the efficiency of many of its own social services, as well as in sifting out the non-legal cases from the legal ones.

At the other end, I submit that The Incorporated Law Society and the Bar Council should set up panels of Solicitors and Counsel prepared to act in legal aid cases.

In between these two, I would like to see a sort of model Poor Man's Lawyer Centre, one of sufficient standing to attract the help of,

and to give clinical instruction to, Apprentices and Law Students, one of sufficient prestige to call upon the services of the Legal Profession, and one of sufficient independence and sufficient Civic spirit to provide legal aid as a public service, rather than as a private charity.

If we had the Citizens' Advice Bureau, Poor Man's Lawyer Centre and Professional Panels, all working very closely with each other, and working closely with the Agencies already existing, then the framework of an efficient legal aid system would be in existence, and we might begin to think in terms of The Rushcliffe Report and the Corporation Resolution.

Some day we might have an Irish Legal Aid Commission. Some day, who knows, we might even have an Irish Legal Aid Sweepstake.

Unemployment Insurance

By J. J. O'SULLIVAN, B. A., H. Dip.
Head of Division, Department of Social Welfare

This lecture contributes to a better understanding of Unemployment Insurance by placing the subject in its broad perspective. Mr. O'Sullivan discusses briefly several of the problems and principles involved in unemployment insurance and refers to alternative methods which have been considered or adopted in the administration of this branch of social welfare. Though the lecture deals with the subject in a broad way, it contains sufficient detail to make it a valuable source of reference for those concerned with unemployment insurance either as students or parties, administrators or lawyers.

* * *

Introductory. The Historical Background.

At the beginning of this century insurance against unemployment was practically unknown. The only provision for able-bodied distress or distress due to any cause was that made under the poor laws. The principal law governing the matter in Great Britain was the Poor Relief Act, 1834, and, in this country, the Poor Relief Act, 1838.

The Poor Relief Act, 1834, was passed to give effect to the recommendations of the Royal Commission on the Poor Laws of 1832. That Commission recommended the establishment of workhouses and the prohibition of the relief of the able-bodied except in workhouses or subject to a test of work. These recommendations were applied to Ireland contrary to the advice of an Irish Royal Commission. The theory underlying these measures was that all that was necessary to compel men to find work was to make the conditions for the grant of relief sufficiently deterrent.

During the 19th century it became apparent that the simultaneous unemployment of large bodies of workers during cyclical and seasonal depressions was beyond the capacity of the workhouses and the labour yards to cope with. Funds for relief were raised by voluntary subscriptions, and public authorities undertook relief works. In 1905 the British Government appointed a Royal Commission on the Poor Laws and the Relief of Distress in the United Kingdom, to inquire into the working of the poor laws and into the various means which had been adopted outside the poor laws for meeting distress arising from want of employment, particularly during periods of severe industrial depression.

The Poor Law Commission, 1909.

In 1909 the Commission presented two main reports as well as two supplementary reports relating to Ireland. They cover most aspects of the problems of poverty and include the first official study of the problem of unemployment. They are noteworthy for their method of tracing distress to its various causes and for recommending remedies based on the diagnosis.

As to unemployment, both the majority and the minority in their reports agreed that it was not possible for all men at all times to obtain employment on reasonable terms. They noted that the members of those trade unions that paid out-of-work benefit seldom appeared on the relief lists. They regarded the establishment of unemployment insurance, especially amongst unskilled and unorganised workers, of such paramount importance as to justify contributions from public funds towards its furtherance. The majority opposed the extension to Ireland of the measures recommended until the results of their adoption in Great Britain had been ascertained. The minority favoured the inclusion of Ireland from the outset.

Following the publication of the report, the then President of the Board of Trade, Mr. Winston Churchill, announced the intention of the British Government to introduce compulsory insurance against unemployment. At that time the undertaking was regarded as courageous. The undertaking was implemented by Part II of the National Insurance Act, 1911.

Problems of Unemployment Insurance.

It will help towards a better appreciation of some of the problems that are inherent in any scheme of unemployment insurance to recall the official views that were then expressed.

The Permanent Secretary of the Board of Trade, Sir Hubert Llewellyn Smith, whose staff had been joined by William Beveridge (now Lord Beveridge), in an address delivered in 1910 enumerated what were regarded as the essential characteristics of any unemployment insurance scheme. It should, he said, be compulsory, so as to bring in the good risks as well as the bad. It should be contributory, for only by relating benefits to contributions and imposing an overriding maximum could some limit be placed on exceptionally bad risks. The scheme should avoid encouraging unemployment, and for this purpose the rate of unemployment benefit should be relatively low. The interest of employers and workers in the insured trades should be enlisted in reducing unemployment by associating them with the scheme. The scheme should be based on the trade group and at the outset be partial in operation. The group of trades to be included should be a large one and should be extended throughout the United Kingdom so as to preserve industrial mobility as between occupations and districts. A State subvention and guarantee were necessary in order to give stability and security and to justify State control. The scheme should aim at encouraging the regular employer and workman. It should not discourage voluntary provision for unemployment.

These characteristics of an insurance scheme as enumerated by Sir Hubert Llewellyn Smith can be summarised under the following six heads:—

1. Compulsory insurance.
2. Encouragement of regular employment.
3. Limitations on bad risks.
4. Safeguards against malingering.
5. Scope.
6. Insurance by trade groups or industries.

It is interesting briefly to dwell on each of these six heads, indicating the statutory provisions emanating from these ideas and the alteration, if any, they have undergone since 1911. Incidentally, the main provisions—but the main provisions only—of the scheme as it is in this country will be given.

Compulsory Insurance.

The Poor Law Commission of 1909, though favouring unemployment insurance, did not recommend any scheme. The minority definitely recommended a scheme of subsidies to voluntary insurance through trade unions. The majority seemed to favour voluntary insurance also. The experts of the Board of Trade were not averse to the encouragement of voluntary insurance, but because such insurance could only cover members of trade unions it would not reach the large bodies of unskilled and unorganised workers for whom, in particular, the majority regarded insurance against unemployment as of paramount importance. The experts regarded compulsion as necessary to bring into insurance these classes and to bring in the good risks as well as the bad. The 1911 Act, therefore, provided subsidies in aid of voluntary insurance as well as a scheme of compulsory insurance. The compulsory scheme has proved to be epoch-making. All that need be said about the subsidies to voluntary insurance is, briefly, that associations of workers, not trading for profit, which provided in their rules for payments to persons whilst unemployed, were enabled to obtain refunds of one-sixth of the amounts so paid. The result of this provision was disappointing. Outside the insured trades, the subsidy had little effect in extending the scope of voluntary insurance. The provision was dropped in 1920.

Regularity of Employment.

The Royal Commission regarded decasualisation and regularity of employment as of paramount importance in the prevention of distress. The measures recommended by it to achieve this purpose did not include unemployment insurance, but the authors of the scheme of unemployment insurance in 1911 included in it provisions that it was hoped would further the Commission's object. Where an employer employed a man continuously throughout a period of twelve months and paid at least 45 contributions in respect of him, he could recover one-third of the contributions paid for that man. This minor provision was dropped in 1920. Further, any workman in respect of whom

at least 500 contributions had been paid might, at the age of 60 or after, recover the amount, if any, by which his own contributions exceeded the amount of benefit drawn by him, with compound interest at 2½ per cent. added. This provision has also been dropped both in Great Britain and in this country. Compensation for dropping it was paid to those affected. It was designed both to encourage regularity and to ease the burden of the contributions on workers who themselves had little need for the benefits provided. The view was later taken that the provision was foreign to the idea of insurance. But the main plan of the authors of unemployment insurance for promoting regularity of employment was to make the trade group the basis of the scheme. This aspect of the question is intimately associated with the rates of contribution and will be dealt with later.

Limitations on Bad Risks.

The desire of the authors of unemployment insurance to place limits on benefit payable to bad risks was in keeping with the policy recommended by the Royal Commission. For those whose skill became obsolete because of new inventions, change of fashions and the like, the Commission had recommended training. For the unemployables it had recommended reconditioning in industrial or agricultural colonies, and, for those who did not respond to such treatment, in detention colonies. The scheme embodied in Part II of the National Insurance Act, 1911, was, therefore, designed merely to tide a worker over periods of depression and of frictional unemployment. By what provisions was this object effected? Chiefly by limitation on benefit.

First, it was made a statutory condition for the receipt of unemployment benefit that the claimant prove that he had been employed in an insured trade for not less than 26 separate calendar weeks in the preceding five years. The proving of this condition was, at the outset, troublesome, but when the scheme was in operation for some time it was possible to verify previous employment by the simple method of counting contributions paid. Accordingly, in 1914 it was replaced by a provision requiring a claimant of unemployment benefit to prove that not less than ten contributions had been paid for him. Under the Unemployment Insurance Act, 1920, which is the principal Act operative in this country, he has to prove the payment for him of not less than 12 contributions.

The second provision for the restriction of bad risks limited the amount of benefit payable to one week of benefit for every five contributions paid. Under the 1920 Act the ratio is one week's benefit to every six contributions.

The third restriction prescribed an overriding maximum of 15 weeks' benefit in any period of 12 months. Under the 1920 Act, as amended in 1923, the overriding maximum is 26 weeks' benefit in any year.

In Section 8 (4) of the 1920 Act a fourth restriction was added. Where no contributions are paid in respect of any person during any insurance year, subject to certain provisos, he is disqualified for receiving unemployment benefit until 12 further contributions are paid

in respect of him, and a person in respect of whom no contributions are paid during a period of five insurance years is, if contributions are subsequently paid in respect of him, treated as a new contributor.

Safeguards Against Malingering.

A. *The Rate of Unemployment Benefit.* To avoid encouraging unemployment the Permanent Secretary of the Board of Trade had announced that the rate of unemployment benefit should be relatively low. He regarded it as fatal to any scheme to offer compensation at a rate approximating to that of ordinary wages. The weekly rate of unemployment benefit fixed in the 1911 Act was 7/-. At the present day that sum may seem trivial, but the purchasing power of money has altered materially in the interval. In 1919 the weekly rate was raised to 11/-; in 1920 to 15/-; in March, 1921, to 20/-; but in July, 1921, it was reduced to 15/-. As from 1st April, 1947, a cash supplement of 7/6 was added to the 15/- in this country. Under the Social Welfare Act, 1948, 22/6 has been prescribed as the weekly rate of unemployment benefit. This is the rate payable to men. Since 1920 separate rates are payable to men, women, boys and girls. The weekly rates payable to women, boys and girls under the Act of 1948 are, respectively, 18/-, 11/6 and 9/-.

In November, 1921, the rates of benefit were supplemented by weekly allowances of 5/- for an adult dependent and 1/- for each dependent child. In June, 1941, these weekly rates of dependants' allowances were increased in this country to 7/6 for an adult dependant and 2/6 for each child. The change was first made by Emergency Powers (No. 93) Order, 1941, and confirmed by the Act of 1948.

In Great Britain the view expressed in 1910 that it would be fatal to any scheme of unemployment insurance to offer compensation for unemployment at a rate approximating to that of ordinary wages has been modified. The Beveridge Report on Social Insurance, 1942, pointed out that if the rates recommended in the report were supplemented by the dependants' allowances recommended income in many cases would be greater during unemployment or other interruptions of work than during work. It, therefore, recommended adjustment of incomes to family needs in periods of earning as well as in periods of interruption of earning. That is to say, the payment of allowances for children is recommended for those in employment as well as those out of work. A measure of children's allowances came into operation here in 1944 and in the United Kingdom two years later.

B. *Other Provisions.* The purpose of the low rates of benefit was to avoid anything that might tend to lessen the desire for work. Other provisions with this end were included in the 1911 Act and carried forward into the Act of 1920. A worker who leaves his employment without just cause or who loses his employment through misconduct was disqualified for unemployment benefit for a period of six weeks under the 1911 Act and for a period not exceeding six weeks under the 1920 Act. A person who is out of work by reason of a stoppage of work, due to a trade dispute, at the factory or premises where he is

employed is disqualified for benefit so long as the stoppage of work continues. Since 1911 it has been a statutory condition for the reciept of benefit that the claimant is unable to obtain suitable employment. For the testing of his willingness to work it has been a condition for the receipt of benefit that he makes application for it in the prescribed manner. To carry out the recommendations of the Royal Commission the Labour Exchanges Act, 1909, had been passed and under it a national system of labour exchanges had been established throughout the United Kingdom. The officers in charge of these labour exchanges have as part of their duties to keep in touch with employers in their districts and to assist them to satisfy their labour requirements. The prescribed method of claiming unemployment benefit requires the worker to attend at a labour exchange (now called employment exchange or branch employment office) and there complete a form of claim and at the same time to register for employment. He is excused from attendance only if he resides over six miles from the office. The prescribed manner of proving unemployment, his willingness to work and his fitness also require him to attend daily at the exchange, with exceptions for distance, and there sign the unemployed register. He is thus readily available for any employer who requires his type of skill and the exchange officials can test his willingness to work by bringing to his notice any vacancies notified to them.

Statutory Protection of the Worker.

This power in the hands of an unreasonable official might possibly be abused but the claimant is not left to the unfettered control of officials; he is protected by statutory provisions. Without forfeiting his claim to benefit a claimant may decline:—

(*a*) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute, or

(*b*) an offer of employment in the district where he was last ordinarily employed, at a rate of wages lower or on conditions less favourable than those which he habitually obtained in his usual employment in that district or would have obtained had he continued to be so employed, or

(*c*) an offer of employment in any other district at a rate of wages lower or on conditions less favourable than those generally observed in such district by agreement between associations of employers and of workers, or failing any such agreement, than those generally recognised in such districts by good employers.

The worker is also protected by the statutory provisions for determining claims to unemployment benefit. Every claim to unemployment benefit is determined by a statutory officer known as an insurance officer. If the worker is dissatisfied with the decision of the insurance officer in any case he has a right of appeal to a court of referees, consisting of one or more persons from a panel chosen to represent employers and an equal number of members from a panel representing workers with an impartial chairman, usually a solicitor

or barrister. If the worker is required to attend the hearing of his case by the court his expenses, if any, are paid. If the insurance officer accepts a recommendation of the court to allow benefit the decision is final. If he disagrees he must refer the case to an umpire appointed under the Acts. If an insurance officer accepts a recommendation of a court to refuse benefit any association of which the worker is a member or the worker himself, with the permission of the court, may appeal to the umpire. The decision of the umpire is final. The decisions of the umpire on claims to benefit are used for guidance by insurance officers in determining claims and a reasonable uniformity of practice is thus secured.

Occupations Covered by Unemployment Insurance.

The scheme of unemployment insurance enacted in 1911 covered in its scope seven trades only: building, construction of works, shipbuilding, mechanical engineering, ironfounding, construction of vehicles and certain classes of sawmilling. The number of persons insured under it was 2¼ millions. In 1916 the scope of the scheme was extended to munition workers, bringing in another 1¼ million work-people, mainly women. The Act of 1920 extended insurance to all workers with large exceptions, the chief of which are agriculture, including horticulture and forestry, private domestic service, persons in particular occupations such as the Civil Service, local government service, the defence forces, police, railways and other pensionable employments as well as persons in non-manual occupations remunerated at a rate exceeding £250 a year. This limit of £250 a year has been raised, in this country, to £500 a year from 4th October, 1948.

The Unemployment Insurance Act, 1945, extended insurance in this country to members of the Defence Forces with the following exceptions:

(*a*) officers holding permanent commissions;

(*b*) officers holding short service commissions in the Air Force;

(*c*) officers or soldiers having less than three months' service;

(*d*) members of the Construction Corps.

In Great Britain and Northern Ireland unemployment insurance was extended to agriculture in 1936. This was done by special legislation providing benefits and contributions different from those of the general scheme. The difference of treatment was, according to Beveridge, based on three grounds

(*a*) that agriculture should not be called on to contribute towards the debt of over £100 million of the general scheme;

(*b*) that agriculture, owing to its low wages, could not afford the contributions of the general scheme;

(*c*) that the rate of unemployment in agriculture was lower than that in industry as a whole and that agriculture should be given the benefit of this lower rate.

When Beveridge reported in 1942 the debt of the general scheme had been liquidated. Agricultural wages had risen and Beveridge argued that it seemed right to base social security for the future on the assumption that agriculture would have a status equal to that of other industries in respect of terms and conditions of service. One of the general principles of his recommendations was that no industry should keep the advantage of its low rate of unemployment. In point of fact agriculture, private domestic service as well as all occupations excepted from insurance hitherto are now compulsorily insurable in Great Britain and Northern Ireland under the National Insurance Acts, 1946, and agriculture is brought in on the same terms as to contributions and benefits as are other industries.

Method of Determining Questions of Scope.

As insurance does not in this country extend to all occupations, questions continually arise as to where the line of demarcation lies. Under Section 10 of the 1920 Act if any question arises as to whether a person is to be insured or whether any employment or class of employment is such as to make a person engaged therein an insured person the question is to be decided by the Minister, but the Minister, instead of deciding it himself, may refer the question for decision to the High Court. Any person aggrieved by a decision of the Minister may appeal from that decision to the High Court. It is provided in the section that the decision of the High Court on an appeal or reference is final. This provision has been held by the Supreme Court to be ineffective. There is, accordingly, an appeal to the Supreme Court from the decision of the High Court. There is a considerable body of case law governing questions of scope in this country.

It will be of help to illustrate how the procedure for determining these questions of scope works. In paragraph (*a*) of Part I of the First Schedule of the Unemployment Insurance Act, 1920, insurable employment is defined as employment under any contract of service or apprenticeship, written or oral, expressed or implied, whether paid by time or by the piece or, except in the case of a contract of apprenticeship, without any money payment. It should be noted that employment under a contract of apprenticeship is insurable only if there is a "money payment". In a judgment of the High Court in *1935* Mr. Justice Johnston held that regular gratuitous payments were "money payments" within the meaning of the Schedule. In *1944* Mr. Justice Gavan Duffy in a High Court case held that they were not. In 1946 a question was referred for decision to the Minister whether an apprentice jockey was insurable. Instead of determining it himself the Minister referred the question for decision to the High Court. This question, too, came before Mr. Justice Gavan Duffy. He held that the payments made to the apprentice were not provided for by his contract of apprenticeship, were gratuitous and were not money payments within the meaning of the Schedule. The Minister appealed from Mr. Justice Gavan Duffy's decision to the Supreme Court. In December, 1946, the Supreme Court by a majority upheld Mr. Justice Gavan Duffy's decision.

In this case the court actions were initiated by the Minister, but as already pointed out any person aggrieved by a decision of the Minister may appeal from his decision to the High Court. In a recent case the Minister decided that servants employed by a lady who kept paying-guests, mostly friends and relatives, were insurable: in effect that they were employed in a business carried on for the purpose of gain and, therefore, not excepted from insurance under paragraph (*b*) of Part II of the First Schedule of the 1920 Act. The lady in question appealed from the Minister's decision to the High Court. Mr. Justice Gavan Duffy reversed the Minister's decision. He was satisfied that the servants were not employed in any trade or business carried on for the purposes of gain. The Minister appealed from that decision to the Supreme Court, which by a majority upheld the High Court decision. The learned judges indicated that the case was regarded as exceptional, almost unique.

Amongst the most difficult cases that arise for decision are those of persons partly engaged in agriculture and partly in other occupations that are insurable. In such cases the general rule, based on judicial decisions, is to treat the worker as insurable if the greater amount of his time is given to the insurable occupations.

Insurance by Trade Groups or Industries.

The rates of contribution at present payable distinguish between men, women, boys and girls, the same distinction as is made in the rates of benefit. The weekly rates of contribution for these classes are, respectively, 1/11, 1/7, 11d., and 10d., of which the workers' portion is, respectively, 11d., 9d., 5d. and 5d. The State contributes 2/7ths of the aggregate amount contributed by the workers and their employers. The contributions are payable by affixing unemployment insurance stamps to unemployment books. The stamps are purchasable at post offices. Each employed person is required to procure an unemployment book at an employment exchange or branch employment office and to hand it to his employer on entering employment. Unemployment books have a currency of one year and must be exchanged for new books at the beginning of each October.

It will be noted that both the rates of contribution and benefit are flat rates. In the United States both contributions and benefit are payable on the basis of a percentage of wages. In 41 states of the Union small employers are excluded from insurance. In New Zealand contributions are graduated by income and are in effect an income tax assigned to a particular service. Flat rates of contribution are preserved in Great Britain under the National Insurance Act, 1946.

In Great Britain flat rates of contribution for all trades were regarded as a temporary provision in 1911. The variation that was in mind, however, was not, as in the United States, on the basis of the varying amount of wages, but on the varying degree of unemployment in each trade or industry. There had been much talk of making each industry pay for its own unemployment, thus giving it an interest in promoting regular work. In Section 102 of the National

Insurance Act, 1911, the Board of Trade was given power, with the consent of the Treasury, by special order to prescribe different rates of contribution for different insured trades or branches thereof. The fixing of a rate of contribution for any industry would involve elaborate investigation to determine the extent of the risk to be covered. Up to the outbreak of war in 1914 the Board of Trade had made no use of its power. In the Act of 1920 the principle of differentiation was, however, retained through a provision authorising the Minister to approve of special schemes of insurance by industry to be set up by agreement between employers and workers in particular industries. These industries would then cease to be part of the general scheme. The hopes that were entertained of insurance by industry under this provision were so high that it was estimated that about 1/3rd of the insured population would pass from the general scheme to special schemes. The industrial depression put an end to these hopes. In 1921 the Minister's power was suspended until the Unemployment Fund should again be solvent. The response of a large number of the trade bodies that had been canvassed in the matter had in any case been disappointing and, besides, grave difficulties of demarcation had arisen. The Minister's power was finally revoked in this country in 1924 and in Great Britain in 1927. In both cases the revocation was without prejudice to the continuance of any scheme already approved.

Insurance Industry Unemployment Insurance Scheme.

In this country one such scheme had been established, that for the insurance industry. This scheme is still in operation under control of a board whose principal office is at 33 Dawson Street, Dublin. The number insured against unemployment under it is approximately 2,700. In Great Britain two special schemes had been approved, one for the insurance industry and the second for the banking industry. The persons covered by these two schemes in Great Britain are now compulsorily insurable under the general scheme of the National Insurance Act, 1946. Insurance by industry may now be regarded as a thing of the past in Great Britain. The idea behind the change of policy is that owing to the reaction of industries on one another none can be regarded as responsible for the irregularities that cause unemployment.

The Financial Basis of Unemployment Insurance.

Both the schemes of 1911 and 1920 are on an actuarial basis. That is to say, benefits are related to contributions in the manner already indicated and the rates of contribution are fixed so as to provide revenue sufficient to meet expenditure on benefits. Besides, the schemes are contractual in the sense that they give the insured persons legally enforceable rights without Ministerial discretion. On the onset of the severe industrial depression of 1921 what was known as " extended benefit " was introduced. Benefit was given to those who had exhausted their insurance rights at the same rates as prescribed in the Acts but subject to a discretionary power of the

Minister. By these provisions relief was in fact grafted on to insurance. Two or three years after unemployment insurance was taken over by this country the 1920 basis of the scheme was restored. In Great Britain the scheme of unemployment insurance embodied in the National Insurance Act, 1946, is on an actuarial basis; benefit is given only to those who satisfy contribution conditions that are not so rigid as those of 1920.

The accounts of the Unemployment Fund are published annually. When the fund was set up in this country in 1922 it inherited a debt of £349,692. On 31st March, 1948, it had a credit balance of approximately £657,000. In addition to unemployment benefit the fund pays an annual sum of £300,000 in aid of unemployment assistance. It also pays an appropriation-in-aid of administrative expenses at the rate of 3/20th of the receipts in respect of employers' and workers' contributions, less minor deductions. In the financial year 1947-48 this appropriation-in-aid was approximately £218,000. The Minister for Finance is authorised to make advances to the fund. All such advances have been repaid. The revenue from the fund's investments in the financial year 1947-48 was approximately £15,000. The approximate total income of the fund in that year was £1,467,000 and the approximate total expenditure was £1,202,000. The figures for the year 1947-48 are provisional.

Changes Forecast.

Announcements have been made by the Minister for Social Welfare (Parliamentary Debates, 21st July, 1948, Vol. 112, No. 6, col. 1031, etc., etc.) that a comprehensive scheme of social insurance is being prepared in his Department. He has stressed the magnitude and complexity of the many problems involved and that these will need a considerable amount of deliberation. When decisions can be taken the proposals will be published in a White Paper.

Acknowledgment.

One of the authors of unemployment insurance is the present Lord Beveridge, whose works should be familiar to every student of social science. His chief works on the subject are *Unemployment: A Problem of Industry* (Longmans, Green and Co., 1930) and Social Insurance and Allied Services (H.M.S.O., 1942). I would also refer students to the report of the Royal Commission on the Poor Laws (Cmd. 4499). I have drawn on these as well as the laws, regulations and other publications for the purpose of this lecture.

The Principles of Social Insurance

By A. W. BAYNE
Managing Director, Irish Assurance Company, Limited

Mr. Bayne sets out in an admirable manner in this lecture the general principles of social insurance and deals with thorny questions such as the economic effects of social insurance and the extent to which a country can afford such schemes, the desirability of comprehensive insurance, the effect of social insurance schemes on the freedom of the individual citizen, the duty of governments to take positive action to minimise the risks of ill-health, unemployment, severe fluctuations in the cost of living, etc., in addition to insuring its citizens against the effects of such risks. A most interesting lecture and one which should be studied by everyone interested in the reform of our social services! Though delivered four years ago it is still up-to-date despite the many developments in social insurance which have taken place since then.

* * *

THE purpose of social insurance, as we now understand that term, is to provide a financial reserve against the main attacks which economic ill-fortune can launch against the well-being and the peace of mind of the individual. The fear of poverty and the desire for wealth have been mighty stimuli in affecting the progress of mankind throughout the ages, but it must also be recognised that the incidence of extreme poverty has wasted, and continues to waste, good human material and to deaden intellect and inspiration. Social studies reveal that extreme poverty arises from two main causes—the loss of earning power due to illness or old age or unemployment, and the excessive strain on the resources of the household due to a large family of dependent children. But these are not the only causes, and modern social insurance plans seek to cover all the contingencies in normal life which may give rise to poverty. These causes may be listed as follows:—

Birth, Childhood, Orphanhood, Marriage, Sickness, Invalidity, Industrial Injury, Unemployment, Widowhood, Old Age, and Death.

Purpose of Social Insurance.
Can We Afford It?

The first test to be applied in the examination of any scheme of social insurance is, "Can we afford it?" Let us recognise, at the

outset, that, in a limited sense, we are already " affording " the financial and economic burden which the contingencies of normal human life impose. We are affording it in the sense that the cost is being met somehow, by someone, because it simply cannot be avoided. Even if the State does nothing about the problem, the loss to the community still exists. Instead of making provision in advance for the loss and of spreading the cost in some more or less equitable manner over the whole body corporate, we can let the loss fall with full weight on the individual citizens to whom it occurs. In such an event, instead of the community as a whole meeting and making good the loss by taxation and insurance, the individuals bear it through the exhaustion of their savings, through the tax which their helplessness imposes on the generosity of their relatives and friends, through the injury to their health, the reduction to vanishing point of their economic efficiency and, finally, their premature disappearance from the body of the community as economic producers. It could, of course, be argued that the cost so measured will always be greater than the pure financial burden, but I am not concerned to argue it. The important point to observe is that the cost of the normal contingencies of human life is inescapable and, in this sense, the community is already " affording " it.

Economic Effects of Social Insurance

(*a*) Effect on Trade Balance.

We should be unwise, however, to let our sense of generosity warp our judgment, and the question, " Can we afford it?" applied to a social insurance plan is fundamentally an economic question. The effect of any scheme of social insurance which succeeds in reducing or eliminating extreme poverty is to maintain or even to increase consumption. Consumption will not be increased all-round, but there will be increased consumption of those commodities which, like food, clothing and fuel, are fundamental, even in a poor standard of living. The increase of consumption, even within these limits, has two important economic consequences. In the first place, it operates to increase the import and to diminish the export of these basic consumable goods and, in the second place, it diminishes the amount of the national resources available for producers' capital, that is, for the equipment necessary for efficient production. I propose to develop these points in more detail since, in my opinion, they are fundamental to the question of cost.

If any appreciable proportion of the articles required to maintain the minimum standard of living proposed are already being imported, then any plan to ensure the more general application of the minimum standard involves an increase in the import of these commodities and will thereby increase the difficulties of maintaining a favourable balance of trade. The same position arises if, instead of having to import the commodities required, the community now grows or manufactures them for export. Here, again, the balance of trade in favour of the community will be diminished. Whether a given community can, at any particular moment, really afford to accept an

adverse factor in its balance of trade position will depend on a large number of considerations, such as, the existing margin, the normal trend of the import and export trade, the possession or absence of accumulated foreign balances, relative price movements, and so on. But it must always be recognised that the introduction of a comprehensive social insurance scheme, designed to extend the application of a minimum standard of living to a larger section of the community will, generally, be an adverse factor in the balance of trade and no community can afford to ignore the potential significance of this fact.

(*b*) Effect on Accumulation of Productive Capital.

The other economic difficulty to which I have referred—the effect of a social insurance plan on the accumulation of producers' capital —may also prove to be serious. Let me repeat that producers' capital is the equipment necessary for efficient production. In less abstract terms, it consists of the factories, machinery, tools, transport, docks, roads, power plants and so on, which are among the most striking phenomena of our industrial civilisation. Producers' capital is the life blood of that civilisation because if the equipment is not maintained or is not improved as circumstances demand, then the community cannot hope to maintain, and still less to develop, the efficiency of the national economy. Most countries have, in the past, been content to leave the necessary accumulation of producers' capital to the agency of private saving with which, of course, is included the creation of depreciation reserves by trading concerns. But a progressively severe discouragement of the agency of private saving has been going on throughout the last generation and now, largely because of artificial rates of interest, heavy taxation and the general castigation of capitalists by intellectuals, private saving appears to be failing to provide the necessary supply. The further reduction in the resources forthcoming caused by the heavier taxation required to finance a social insurance plan might well prove to be the last straw, and necessitate deferment of the plan until a more reliable source of supply of producers' capital has been arranged.

Sharing Prosperity or Poverty?

Let me briefly link these two economic difficulties together before dismissing them finally. The maintenance of a sound position with regard to external trade and the maintenance of an adequate level of productivity are proofs of an efficient social and industrial organisation. Without an efficient organisation there cannot be any hope of the maintenance of a high standard of living. A social insurance plan to maintain a high standard of living which shall be enjoyed by the entire community is a plan to share prosperity only if there is prosperity to share. Otherwise, it inevitably becomes a plan to share poverty. Given, therefore, a sound economic position and a high level of efficiency in production, a social insurance plan is definitely possible to every community, but without these it is not,

no matter how ingenious on paper it may appear to be. The question, "Can we afford it?" is an economic question and we must be careful to answer it by our intellects and not by our emotions.

To What Classes Should Social Insurance Apply?

Let us suppose that we have been able to surmount successfully these preliminary hurdles of economic difficulties and that we are now in a position to block out the main outlines of our social insurance plan. The first question naturally is, "To whom is the scheme to apply?" It was customary to answer it by saying, "To those who need it?" but that merely led on to the further query, "Who are those who need it?" We find that in the limited schemes of social insurance which have hitherto been put into operation three main classes were excluded, as a rule. There were those whose income was absolutely too low or too precarious to enable them to pay even the small contributions involved. Then there were those whose income was so high as to render it probable that they could always overcome the risk to be insured against without being reduced to poverty in consequence. A third excluded group consisted of those whose occupations rendered them less exposed to the risk insured against; in the latter category there would be included the large body of State servants who were, for instance, not insured against unemployment. Where the risk was present but less than normal it was not unusual to create separate special schemes with lower contributions or higher benefits than the general scheme; such a special scheme exists here for the unemployment risk of the insurance industry. The wholly modern trend of opinion has set strongly against these earlier ideas of exclusion and the view taken to-day is that a social insurance plan should be comprehensive, both as to those who are covered and as to the risks against which they are covered. Income limits which formerly provided exemption are continuously raised or abolished entirely and special schemes are either re-absorbed into the general scheme or are left to survive as historic relics. Clearly this is the wiser course. If we are going to sectionalise the community, to omit those who are not exposed to certain risks and to grade the others according to the degree of risk, the burden on those who are most exposed to risk is going to be severe. If we include those who, while not exposed to risk, can at least afford to pay the contributions, we will thereby be enabled to grant better benefits for less contributions to the average member of the community.

Our first fundamental principle is, therefore, that the scheme should be *comprehensive*—both in covering the entire community, rich and poor, and in covering all the risks which may give rise to loss of earning power and, as a result, reduce the standard of living.

Some of these risks may be insured against by schemes of voluntary insurance and it will be important to ensure that our plan does not interfere with the full development of voluntary insurance. The general State plan cannot do more than provide a minimum and it should not operate to require that minimum to become the normal standard.

Administration of Social Insurance.

The extension of social insurance over a greater range of the citizens and for a larger number of social risks ought not to add to the complexity of its administration. It ought to be possible, indeed, to effect a considerable improvement in this respect—by simplification and unification. The concentration of the administration of the entire insurance scheme into a single unit is imperative and, in my view, there is no better alternative available than a Government Department, controlled by a Minister of State. I am well aware that the choice of a Government Department is not the sole, or even the popular, choice for the task and there are already in Ireland a number of candidates in the field who are prepared to spend the accumulated funds for social insurance work. But consider these points: Legislation is necessary to launch the scheme, a compulsory contribution, analogous to a tax, would be required; there will be substantial accumulated funds to be administered; there must be some method of ventilating grievances of contributors and beneficiaries, and there must be a large measure of control in the public interest. No statutory committee which could be devised would be genuinely representative of the community and few could be entrusted with the necessary wide powers either of imposing penalties or distributing benefits, while no committee could achieve the efficiency of an organisation operating under a single administrative head. A Government Department under a responsible Minister would in any event be needed to check and control the operations of a statutory committee and such duplications seem quite unnecessary when the social insurance scheme can be run directly by the Department of State itself. The Civil Service has had extensive experience in the administration of a number of limited social insurance schemes and, though such limited schemes can unquestionably be operated without serious difficulty through representative committees acting under statutory provisions, I am led to the conclusion that a comprehensive social insurance plan postulates administration through a Government Department, under the control of a Minister of State who, through the Government and the Oireachtas, will be responsible to the electorate.

Present Social Insurance Schemes Fragmentary and Un-co-ordinated.

This striving after unification and simplification of our social insurance scheme is not just a desirable tidying up of a paper plan; it is a fundamental principle. Our present limited and separate social insurance schemes—old age pensions, national health, unemployment insurance, children's allowances, and so on—have grown up in a haphazard manner. The administration is not merely not unified—it is not even reasonably uniform. In practice it proves to be extremely complex; there are numerous anomalies and absurdities as between one scheme and another, and the average citizen does not know either what his rights and obligations are or where he can find out about them. Claims to benefits are waived because it is too difficult to establish them or because there are too many unnecessary and unpalatable conditions to be fulfilled before benefit will be paid. Such a state of affairs involves

a denial of benefit and the schemes fail to this extent in their object of providing insurance. Many of these difficulties arise from the fact that the schemes, as they exist now, are each of limited scope and the administrators insist on the observance of their numerous regulations to ensure that they are not being called upon to meet a need which, however genuine, falls beyond their limited statutory obligations. If we begin with the principle that our scheme is to be comprehensive, both as to the persons covered and the risks covered, we shall be able to attain simplification and thereby immensely to improve the value and utility of the scheme for the average citizen in need.

Uniformity of Contributions and Benefits.

The next fundamental principle of a social insurance scheme is that we should impose a flat uniform rate of contribution and grant a flat uniform rate of benefit. All insured persons, rich or poor, must pay the same premium. But, of course, if the means which a citizen possesses are larger than the average he will really pay more in the end because, as a taxpayer, he will contribute more to the Exchequer (which is to assist in financing the social insurance budget) and will, as a claimant, probably draw less in benefit. The principle also involves that the benefits to be paid should be identical for all persons in the same category in respect of the same risk insured against. The benefits should not vary with the amount of the earnings which have been interrupted by unemployment or by disability or have been ended by retirement. The necessity for simplicity of administration would itself alone justify this principle. If you set up a scheme involving rates of contribution varying as income varies and standards of benefit varying as different earnings are lost, you will at every turn be up against serious problems of administration. But if you keep your national scheme simple and uniform there is nothing to prevent those who can afford additional assurances and who desire them entering into voluntary schemes to maintain their earnings. These voluntary schemes should, however, be kept strictly apart from the national social insurance plan.

Classification of Insurance Groups.

But though we may determine that the national plan should provide uniform rates of benefit for uniform contributions, this is not to be taken as meaning that we are to have identical rates for all members at all times. From the outset we must introduce the principle of *classification*, distinguishing between one insured class and another. We must adjust the insurance provided to the differing circumstances of each of these classes and to the many varieties of need and circumstances within each insurance class. An illustration will, perhaps, make the point simpler to grasp. The small farmers in Ireland are self-employers. They do not work for others under a contract of service. Therefore, while we may insure them against ill-health and pay benefits in respect of ill-health, we cannot insure them against unemployment as we would insure a worker in a city factory, and if we cannot insure them against unemployment we must not levy from

them a contribution in respect of the unemployment risk. So while we must ignore social or economic classes in the ordinary sense and plan for all citizens irrespective of their means, we must, on the other hand—in determining both the contributions and the benefits under the scheme—take cognisance of the different ways of life of the different sections of the community.

Contributions from Employer, Employee and State.

We have been accustomed in this country to have the contributions required for existing forms of social insurance derived in roughly equal parts from the insured person, from the employer and from the State. It has been argued that this necessarily imposes a heavier charge on those who employ labour on a large scale, as, for instance, a building contractor, while it gives unjustifiable relief to those who, like stock-brokers and wholesale agents, can get along with two or three clerks. The State insurance contributions are admittedly rather like a poll-tax levied on the employer of labour as a condition of such employment. But, in fact, no difficulty is caused in practice. Costs have now adjusted themselves satisfactorily to this arrangement and some disturbance would be caused if the employer were exempted from making his part of the total contribution. In addition, the employer has the facilities for levying the contribution required from the insured person, and the State looks to him to ensure that the necessary records are duly kept. I think we might assume, therefore, that in any more developed plan of social insurance which may come into operation in this country the principle of roughly equal contributions by the insured person, the employer and the State would be maintained.

Benefits and Means Test.

When we come to consider the amount of benefit to be provided we confront, of course, the greatest single difficulty in the formation of a social insurance plan. Let us begin by reminding ourselves that our object is to put an end to the evil social consequences which spring from extreme poverty by putting an end to extreme poverty. The benefit provided must, therefore, be adequate to achieve this object. It must be sufficient in itself, and without further resources, to provide the minimum income need for subsistence in all normal cases. As we have seen already, the scheme must admit the possibility that there will be other resources which have been provided by additional voluntary insurance, but it must not assume that in any case. If we are to encourage voluntary insurance—if, indeed, we are to avoid prohibiting voluntary insurance—we must acknowledge that there can be no means test. The administration of a means test is both expensive and difficult and inconsistent with the principle of comprehensiveness that all citizens, irrespective of their means or of the risks they run, must be contributors to the social insurance plan. At the present time in this country we have a means test for old-age pensions, and, as a consequence, the organisation by employers of pension schemes for their superannuated workers is severly discouraged. If an

employer and employee, with co-operation and foresight, organise the building up of a fund to provide an adequate pension on retirement, the result is that no old-age pension will be forthcoming from State sources. The State is relieved of a burden though it has made no contribution to the pension voluntarily organised. The benefits to be provided must also be adequate in duration, that is to say, they must continue indefinitely so long as the need continues or until other arrangements have been made to deal with the case of the beneficiary.

Revision of Rates of Contribution and Benefit.

But benefits which may be provided on an adequate scale at one point of time may cease to be adequate if there is a rise in the cost of living and it has, therefore, been suggested that all benefits designed to provide the minimum income needed for subsistence should be based on a standard cost-of-living figure and should vary at short intervals with the variation of that figure. The main objection to any such proposal is that the finances of our scheme become entirely uncertain, dependent upon circumstances over which the managers of the social insurance plan can have no control. I shall have something to say presently about the positive duty of the Government in maintaining the greater degree of stability in the cost-of-living. But the difficulty caused by the failure of the insurance benefit to remain adequate when the cost of living rises can, it seems to me, best be provided against by periodic changes in the rate of contribution. It is most desirable that these changes should be as infrequent as possible and should be made only when it has become clear that a serious change, not likely to be reversed within a short time, has occurred in the level of the cost of living.

There is, in my view, nothing objectionable in the principle of altering benefits and contributions, jointly or independently, if the need for such change arises and we should not be wedded to rates fixed by statute and alterable only by further legislation. We have, I believe, thought too much in terms of accumulating huge reserve funds for these social schemes. Frequently a contribution has been imposed for some years before the right to benefit comes into existence in order that a massive reserve fund can be built up to meet subsequent fluctuations in the outgo in benefit. This is due to false analogy with the position of a commercial insurance company. Every insurance company must plan as if it were never going to sell another insurance policy and to do this it has to accumulate sufficient funds to be certain of being able to meet the risks on its existing business as and when they materialise. But the social insurance plan carries with it the authority of the State and is not going to come to a sudden end by reason of a loss of popularity. There can be no competitors to its arrangements, all citizens, to the extent determined by the State, must become contributors to it, and the rate of contribution can be fixed and varied from time to time so that it is sufficient, but not more than sufficient, to meet the outgo in claims, while the rate of benefit can also be varied. Accumulated funds exist to provide necessary reserves, not unnecessary endowments.

There is no analogy between the State, with its powers of legislation and taxation, and a private insurance company. In its social insurance plan the State should fix the contributions at such a level as to ensure that the benefits can be paid and should have only sufficient funds in hand to obviate the short-scale fluctuations in outgo. Thereafter it should proceed to adjust benefits and contributions, as and when required, bearing in mind its obligation to provide benefit adequate, both in amount and duration, to ensure the minimum income for subsistence.

Does Comprehensive Social Insurance necessarily involve Restrictions on Citizen's Freedom?

If we can find it possible to justify the abolition of a means test in the social insurance scheme, can we also abolish other regulations which are objectionable in principle and difficult to apply in practice? Or shall we find that the great scope of our scheme will necessitate new restrictions on the freedom of the citizen when he becomes a claimant to benefit under the scheme? Let us suppose, for instance, that we have a claimant for ill-health benefit whose ailment, as he stands, is chronic but who could be cured by a surgical operation, both safe and painless. Are we to deny him benefit if he refuses to undergo operation? Or, again, if we have a town whose working population is dependent largely on a nearby coal mine which becomes exhausted beyond the point of economic operation. The mine shuts down, the equipment is dispersed and the company goes into liquidation. Are we to permit the unemployed workers to become virtually pensioners on the unemployment insurance fund because they refuse to take employment in their trade elsewhere or to undergo re-training in some other trade for which a local demand can be created? On the answers to these questions much will depend. It may be that the guarantee of a minimum standard of living, if it is to be accompanied by considerable interference with the personal and economic freedom of those who could claim under it, will fail in practice as there will be wholesale refusal to accept its conditions. The history of the workhouse, where severe regulations destroyed its utility, must not be forgotten. It is my own view that the State cannot hope to enforce in its social insurance plan regulations which do not conform to the generally accepted standards of State control over the lives of citizens in general. When the State is prepared to use the police to put our chronic invalid on the operating table, then we can cut off his ill-health benefit if he struggles. When—as a neighbouring State has done—we are prepared to direct boys and girls into employment as maid-servants and coal miners, then we can reasonably cut off their unemployment benefit when they are in prison as a result of their refusal. But public opinion here to-day will not tolerate such drastic action.

Control of Cost of Living.

I have referred to the fact that the managers of the social insurance scheme are not in a position to influence the level of the cost-of-living

figure. This is, of course, true of the officials who have the day-to-day task of administering the scheme. But the real managers of the social insurance scheme are the Government of the day and it will not be generally admitted that the Government cannot influence appreciably the cost of living, at least in the necessaries of life. The articles which are the bare necessities for a minimum standard of living—accommodation, food, fuel and clothing—have already come to a considerable extent under State control during the present emergency. By means of subsidy, rationing, price and rent control and food and fuel allowances, much has been achieved towards guaranteeing a minimum of necessities for everyone and we cannot doubt that, if the supply position had been normal, the methods adopted would have achieved a much greater measure of success. To ensure that the benefits under the social insurance scheme will guarantee a minimum standard of subsistence we should, instead of varying the benefits on a sliding scale based on a cost-of-living index which is left to find its own level, positively set out to control the cost of living over the necessaries of life.

Positive State Action.

This opens the larger question of the State's responsibility for the general environment in which the social insurance scheme will have to operate. Insurance is passive and does nothing to cure the ills or remove the risks which are insured against. Closing the front door is a better protection against housebreaking than a burglary policy, and it is wiser to keep fit than to insure against illness—it is still wiser, of course, to do both. In the post-war world we shall want more positive action than the provision of insurance. We shall have to be careful that the provision of unemployment or health insurance on a more generous basis does nothing to exempt us from our primary tasks of maintaining full employment and improving public health. I will say no more on this to-day, but these things can be done. The poor we have always with us because we have not the courage and imagination to provide them with the same incentives and opportunities to earn their own living as we enjoy ourselves.

I have said so much that I might reasonably excuse myself from saying more, but I propose to do so in the hope of summing up, briefly and with fewer tiresome qualifications, what I have said already. It seems to me—and I suggest it for your consideration—that in contemplating a large scale insurance plan we must first satisfy ourselves that we can permit or overcome the resulting disturbances to our trade balance and to the accumulation of producers' capital. But if we can overcome these obstacles our plan should, I submit, in return for a uniform contribution, cover all citizens, with due recognition of their social and economic differences, and should provide a benefit adequate both in amount and duration to guarantee the minimum income required for subsistence in all normal cases. The scheme should be administered directly by the State through a Government Department under a responsible Minister, and it should impose on the grant of benefit no means test and no other condition or regulation not in con-

formity with that applied to citizens generally. Variation of rates, both of benefit and of contribution, should be kept down to the minimum, but both or either should be altered simply and without further legislation if circumstances demand it, and the accumulation of large reserve funds should be avoided. Every effort should be made to keep stable the cost of the necessities of life, to maintain full employment, to improve public health and, generally, to show positive action in overcoming the risks which give rise to extreme poverty. The costs of such a plan would be a heavy charge on our business and industry, but it would be a spur and incentive to attain still greater efficiency in our national economy, while the results in the abolition of extreme poverty would be well worth the financial cost and organisational effort involved.

APPENDIX

Notes on Anglo-Irish Trade Agreements of 1938 and 1948

(Kindly supplied by the Department of Industry and Commerce)

1. ANGLO-IRISH TRADE AGREEMENT 1938

Under the Anglo-Irish Trade Agreement of 25th April, 1938 (Treaty Series 1938, No. 1) which was to run for three years and to continue thereafter subject to six months' notice on either side, Great Britain gave the following undertakings: —

1. That goods grown, produced or manufactured in and consigned from Ireland which at the time of the Agreement were free of duty or which were liable to duty under the Import Duties Act, 1932, or under Section 1 of the Ottawa Agreements Act, 1932, should be admitted free of duty. This undertaking did not apply to goods which were liable to duty both under the Import Duties Act, 1932, or the Ottawa Agreements Act, 1932, and under some other enactment and in the case of eggs, poultry, butter, cheese and other milk products the undertaking was to operate only until the 20th August, 1940 (Article 1).

2. That in the case of the goods enumerated in Schedule I of the Agreement the difference between the rate of duty chargeable on such goods produced or manufactured in and consigned from Ireland on importation into Great Britain and the rate chargeable on similar goods of non-Commonwealth origin should not be less than that set out in the Schedule. The goods listed in Schedule I are butter, cheese, eggs, condensed milk, milk powder and other preserved milk, cream, live poultry and game, dead guinea fowl and game birds. Except as regards dead guinea fowl and game birds the undertaking was to operate until the 20th August, 1940 (Article 2). In the case of eggs and poultry the preferential margins were to apply only so long as the goods were not dutiable under Article 4 of the Agreement (see next paragraph).

3. That the British Government would not seek to regulate the quantity of Irish agricultural produce imported into Great Britain unless it appeared to them that the orderly marketing of such goods could not otherwise be secured. Before any such regulation was put into force there would be consultation between the two Governments and in determining the quantity or percentage share to be allotted to Ireland regard would be had as far as practicable to the past position of Ireland in the trade and to any conditions which might have affected or be affecting the volume of Irish exports. This provision was to apply to fish and fishery products as it applied to agricultural products (Article 3). The Irish Government undertook to consult from time to time with the British Government as to the quantities of eggs and poultry to be exported from Ireland and to exercise control of exports, if necessary. Should consultation fail to lead to a satisfactory arrangement and should imports increase so as to endanger stability the British Government,

in the interests of the stability of their market for eggs or poultry, should be entitled to regulate imports quantitatively or by means of duties subject in either case to consultation (Article 4).

Ireland gave the following undertakings: —

1. That British goods would be entitled to admission at the preferential rate of duty wherever such a rate existed and that existing margins between the full and preferential rates would not be reduced (Article 11 (1)).

2. That wherever new duties were imposed or existing rates of duty adjusted, the difference between the rate of duty charged on British goods and the rate charged on goods of non-Commonwealth origin would be not less than one-third of the latter rates or 10 per cent. *ad valorem* (or its equivalent), whichever is the greater (Article 11 (3)).

3. That in the case of woven piece goods of (*a*) silk and (*b*) artificial silk the Customs duties on non-Commonwealth goods would be not less than 1/6d. per square yard and 8d. per square yard respectively (Section 3 Finance (Agreement with United Kingdom) Act, 1938) and that the margins of preference thereby accorded to British goods of these kinds would be maintained (Article 11 (2) and Schedule VI).

4. That in the case of the classes of goods listed in Schedule V of the Agreement the duties on goods of British origin would not exceed the reduced rates shown in that Schedule (Finance (Agreement with United Kingdom) Act, 1938—Section 6 and 1st Schedule, Section 5 (unsweetened biscuits) and Section 13 (Ply-yarns)). This was subject to—

(*a*) provision for higher duties on goods in Part II of the Schedule on the removal of quota restrictions, and

(*b*) the application of quota restrictions should the imports of goods in the Schedule, as a result of the reduced duties, increase to such an extent as to endanger the prospects of success of Irish manufacturers (Article 10 and Schedule V).

5. That British goods of the classes enumerated in Schedule II of the Agreement would be admitted free of customs duty (other than package duty) and quantitative regulation (Article 5 and Schedule II). (Duties were removed from goods in Part II of Schedule II (Agricultural Items) Finance (Agreement with United Kingdom) Act, 1938, Section 14, Schedule III).

6. That British goods of the classes specified in Schedule IV (Agricultural and Fishery Products) would be admitted free of Customs duty subject to consultation between the two Governments regarding rates of duty, margins of preference or quantities of British goods to be admitted if it became necessary to impose duties or regulation of imports in pursuance of Ireland's agricultural policy. Duties were imposed on certain of these goods by the Finance (Agreement with United Kingdom) Act, 1938, Section 7 and Schedule II and were removed from others by Section 14, Schedule III (Article 9 and Schedule IV).

7. That where licences were issued for the admission of dutiable goods either free of duty or at a rate less than that ordinarily charged British goods would be admitted free of duty and non-Commonwealth goods would be subject to a duty of not less than 10 per cent. *ad valorem* (or an appropriate rate of specific duty) unless similar British goods were not for the time being available (Article 7). Finance (Agreement with United Kingdom) Act, 1938—Section 15.

8. That existing and future protective duties and other import restrictions would be reviewed by the Prices Commission and that such duties and restrictions in the case of British goods would be replaced by duties which would give British manufacturers full opportunity of reasonable competition while affording to Irish industries adequate protection having regard to the relative cost of economical and efficient production. Special consideration might be given to the case of industries not fully established and in the case of the following goods quota restrictions might be maintained if recommended by the Prices Commission: —

Assembled Motor Cars, Motor Car Chassis, Bodies, Shells and Balloons, Assembled Motor Cycles, Tyres and Tubes, Sparking Plugs, Cement, Flour and Bread (Schedule III).

The reviews would be held first on the classes of goods for which the British Government requested early consideration and British manufacturers would be entitled to full rights of audience before the Prices Commission (Articles 8, 12 and 13).

9. That coal, coke and manufactured fuel of British origin would be admitted free of duty and that a duty of 3/- per ton would be imposed on coal, coke and manufactured fuel of other origin (Article 16). (Section 4—Finance (Agreement with United Kingdom) Act, 1938.)

10. (*a*) That complete or substantially complete aggregates of parts for complete or substantially complete motor vehicles, motor vehicle bodies or motor vehicle chassis of British origin would not be subject to quantitative restriction except goods listed in Schedule III (see paragraph 8 and laminated springs and leaves).

(*b*) That such aggregates of British origin would not, for the purpose of admission at the rates of duty known as Compounded Duties where such rates were applicable, be subjected to more onerous conditions as regards degree of assembly at the time of importation than those in operation when the Trade Agreement was enacted. Electric Filament lamps could, however, be charged with duty at a higher rate if they became free of quantitative restriction.

(*c*) That completely assembled private motor cars of British origin of a c.i.f. value of £750 or more would be free of quantitative restriction and that the Customs duty on such vehicle would not exceed 22 2/9th per cent. (Article 17). (Finance (Agreement with United Kingdom) Act, 1938—Section 12).

11. (*a*) That in the case of consignments or parcels of British goods the minimum charge of Customs duty would be 1/- instead of 2/6 (Finance (Agreement with United Kingdom) Act, 1938—Section 9).

(*b*) That in the case of Customs entry for British goods which are not charged with Customs duty stamp duty would not be charged (Finance (Agreement with United Kingdom) Act, 1938—Section 8).

(*c*) That in the case of duty-free goods of British origin imported through the post the Post Office delivery charge of 6d. per parcel would not be levied.

(*d*) That Package Duty would not be charged on British goods at rates exceeding 1d. per lb. or per pint (Finance (Agreement with United Kingdom) Act, 1938—Section 10).

(*e*) That in the case of British goods Package Duty would not be charged (1) on goods imported for the personal use of the importer and brought in by him or his servant or a member of his family, (2) on gifts imported through the post, and (3) on postal packages which do not contain more than six internal packages (Article 6) (Finance (Agreement with United Kingdom) Act, 1938—Section 10).

2. ANGLO-IRISH TRADE AGREEMENT, 1948.

The Anglo-Irish Trade Agreement of the 31st July, 1948, amends and expands the provisions of the 1938 Agreement and provides that both Agreements shall run for four years and continue thereafter subject to six months' notice on either side.

The undertakings given by Great Britain under the 1938 Agreement are affected as follows:—

(1) The Irish Government took the view that the import restrictions imposed by the British Government on Irish goods, for balance of payment and other reasons, were a breach of the undertaking given under Article 1 of the 1938 Agreement. The British Government did not accept this viewpoint and held that the undertaking of 1938 referred only to the admission of Irish goods free of customs duty. Without prejudice to the views of either Government the British Government have, under Article 4 (2) of the 1948 Agreement, undertaken to review the restrictions, placed on the import of Irish goods, with a view to facilitating their importation as far as possible, subject to the need to safeguard the external financial position of the United Kingdom and to achieve and maintain stable equilibrium in its balance of payments. The time limit contained in Article 1 of the 1938 Agreement as regards the free import of eggs, poultry, butter and cheese is removed by the 1948 Agreement.

(2) The margins of preference guaranteed, for certain agricultural products from Ireland, by the 1938 Agreement are maintained. The 1948 Agreemnt also provides that if the rates of duty on eggs, poultry or butter of non-Commonwealth origin imported into the United Kingdom are raised above their present levels, any consequential duty imposed on similar products of Irish origin in order to comply with international obligations, shall be such as to maintain the margins of preference they previ-

ously enjoyed (Article 4 (1)). It is also provided under Article 5 of the 1948 Agreement that preferential rates of duty for Irish goods will not be varied so as to put any class of such goods at a disadvantage in relation to the same class of goods from other sources enjoying preferential treatment.

(3) The undertaking by the British Government not to seek to regulate the quantity of Irish agricultural products imported into Great Britain, unless the orderly marketing of such goods could not otherwise be secured, remains in force. Article 1 of the 1948 Agreement recognises the desire of the British Government to obtain increased quantities of eggs and poultry from Ireland and to resume, as far as possible, the traditional imports of bacon, butter, fat sheep, lambs and other agricultural produce. Arrangements governing the quantities and prices of the agricultural products specified to be supplied by Ireland to Great Britain during the period from the 1st July, 1948, to the 30th June, 1952, are set out in an annexe to the Agreement.

The undertakings given by Ireland under the 1938 Agreement are affected by the 1948 Agreement as follows:—

(1) Article 12 of the 1938 Agreement has been deleted. Reviews to be made by the Prices Commission under Article 8 of the 1938 Agreement will, in future, fall to be made in an órder settled between the two Governments in consultation and not in an order determined by the British Government.

(2) The undertaking given by the Irish Government under Article 5 of the 1938 Agreement is modified by the 1948 Agreement so as to permit the Irish Government to impose tariffs on goods of the kind listed in Part 1 of the schedule to Article 5 of the 1938 Agreement, so long as the aggregate value of imports from Great Britain in 1939 of the goods on which such tariffs are imposed did not exceed 40 per cent. of the total value of imports from Great Britain in the same year of all the goods listed in that part of the schedule.

(3) The undertaking given by the Irish Government under Article 16 of the 1938 Agreement to impose a customs duty of three shillings a ton on all coal, coke and manufactured fuel of non-British origin remains in force, but the British Government have, in the 1948 Agreement, undertaken to make available in the year 1949 not less than 1,570,000 tons of coal, domestic coke and manufactured fuel, and to make every effort to meet any demands in excess of this quantity in future years.

(4) The undertakings given by the Government of Ireland under Article 17 (3) of the 1938 Agreement to admit, free of quantitative restrictions and at a rate of duty not exceeding 22 2/9th per cent., completely assembled motor cars of a c.i.f. value of £750 or more, manufactured in the United Kingdom has been modified by Article 6 (4) of the 1948 Agreement so as to be applicable only to private motor cars of a c.i.f. value of £1,300 or more. Provision is made for consultation with a

view to revision upwards or downwards of this figure in the event of a rise or fall in prices.

A provision enabling the Irish Government to impose quantitative restrictions on imports, for balance of payments purposes, of goods of the kind listed in Part 1 of the schedule to Article 5 of the 1938 Agreement has also been included in the Trade Agreement of 1948. This new Article recognises the right of the Irish Government to impose quantitative restrictions for balance of payment purposes on these goods after consultation and agreement with the British Government as to the degree and scope of the restrictions and subject also to any restrictions imposed being applicable to like goods imported into Ireland from countries other than Great Britain. Quantitative restrictions imposed under this Article will not be subject to review by the Prices Commission under the provisions of Article 8 of the 1938 Agreement.

TRADE AGREEMENTS WITH COUNTRIES OTHER THAN GREAT BRITAIN.

During 1947 an Exchange of Notes with the Swedish Government was effected on the 20th May, 1947, which ensured essential supplies of timber, boxboards, paper and paper-pulp for the year ending 31st April, 1948. A trade agreement with the Spanish Government was signed on the 3rd September, 1947, which ensured supplies of muriate of potash in return for seed potatoes.

During 1948, trade agreements were effected with France on the 4th June, 1948, and with the Netherlands on the 2nd September, 1948. Both countries agreed to export important quantities of fertilisers to Ireland and to accept quantities of Irish industrial goods, while they were assured of allocations of Irish cattle, and that a sympathetic attitude would be displayed towards proposals to purchase French and Dutch goods not of a luxury character.



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