

THEORY AND POLICY IN ANGLO-IRISH TRADE RELATIONS;  
1775-1800.

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INTRODUCTION.

The manner in which economic theory affects economic policy, and *vice-versa*, is a question which has been the subject of much generalisation, but little detailed research. Obvious instances can be found in which policy has been influenced by established doctrine, while in other cases it can be held that theories apparently general have arisen in the attempt to explain or justify particular policies. Such broad assertions, however, are unsatisfactory and frequently tendentious; there seems thus to be a need for closer examination of the relations between theory and policy and the causes of change in the dominance of one over the other at different periods and places. The present paper summarises the first results in a long-period programme of research on this topic.

Clearly the general scope of the subject is immense, and to render it manageable it must be broken down into more narrowly limited sections. For this purpose it seems best to approach the problem from the side of policy first, since the precise dating of acts of policy is generally easier than dating the formulation and influence of theories. Accordingly it has been decided to sub-divide the inquiry under the headings of range of policy (e.g., trade policy, wage policy), and the time and place of application.

For the first experiment with this approach the field of trade between Britain and Ireland in the period 1775-1800 was chosen because highly important changes of policy occur in it, while this same period marks the waning of the influence of Mercantilist ideas, and the first appearance of the classical free-trade doctrine. There would seem then to be scope here for a fruitful investigation of the inter-relations of theory and policy.

At the outset it must be emphasised that the work so far completed is very much in the nature of a trial and is here presented as such; it is not claimed that this paper is definitive in any way. In particular, it would clearly be illegitimate to draw more than very tentative conclusions about the general subject of the research from a first investigation of such limited range. Indeed at this stage judgement must be reserved on the whole question of whether general conclusions and principles are attainable in this field.

HISTORICAL BACKGROUND.

Although the history of this period is familiar and accessible, it seems desirable to summarise it briefly here, in order to provide a frame of reference for the subsequent analysis.

At the opening of the period, although Ireland possessed a separate Parliament, it had little ability to influence the economic condition of the country by its legislation, since the British Parliament claimed and exercised full power to pass laws binding Ireland under the Declaratory Act of 6 Geo. I. Under the influence of the old colonial system the trade of Ireland was severely restrained; Irish vessels were excluded from the privileges of the Navigation Acts and direct importation of colonial produce into Ireland was prohibited. The import of many commodities, including livestock and livestock products, into Britain from Ireland was prohibited, and the exportation of woollen goods from Ireland to any destination was also totally prohibited.

These restrictions had long depressed Irish industry and been a grievance to the people, but their effects were more strongly felt after hostilities against the American colonies began in 1775. The war served to aggravate Ireland's economic difficulties in a number of ways. It prevented the emigration which had formerly provided some outlet for those who could not find employment at home, and at the same time disturbed the market for the linen industry, which was almost the sole trade left open to Ireland. Furthermore an embargo on the export of provisions from Ireland was enforced during the years 1776-79. The increased distress which followed has commonly been attributed to reduced activity in the provision trade, but Miss Theresa M. O'Connor has recently shown<sup>1</sup> that the true cause was the scarcity and high prices of food resulting from the demand for supplies for troops.

These circumstances made the need for a relaxation of the commercial restrictions evident, but attempts in the British Parliament in 1778 to grant some trade concessions met with immediate opposition from English manufacturing interests, and only very slight relaxations were ultimately made. With continuing distress the agitation for free trade grew formidably during 1779, supported by the activities of the Volunteers, and found expression chiefly in non-importation agreements directed against English products. As a result the major commercial restrictions were removed in 1780, and Ireland gained the right to export her woollen and other manufactures, as well as access to the colony trade. In Ireland, however, it was feared that the concessions might prove only temporary, and it was held that the position could only be secured by legislative independence. This was obtained in 1782 by the repeal of the Declaratory Act and confirmed in 1783 by the passage of an Act renouncing any right of the British Parliament to legislate for Ireland.

During these years Irish manufactures did not develop rapidly and the prosperity expected from the grant of a free trade failed to materialise. The concessions of 1780 did not cover the direct trade between Britain and Ireland and Irish goods were in some cases still prohibited from the British market, and the remainder could enter only after the payment of heavy duties; on the other hand the Irish duties on British goods were generally low. In 1783-84 there was some revival of non-importation agreements and demands were made for the imposition of protecting duties, which the Irish House of Commons showed itself on the whole reluctant to grant.

At this time Pitt determined on effecting a comprehensive commercial settlement with Ireland. The proposals were set before the Irish Par-

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<sup>1</sup> "The Embargo on the Export of Irish Provisions, 1776-9," *Irish Historical Studies*, Vol. II, p. 3.

liament in the form of ten resolutions in 1785. Their effect was to allow the passage of colonial produce between England and Ireland without increase of duty and to provide for the removal of prohibitions and equalisation of duties imposed on the produce of each country by the other. It was also provided that when the hereditary revenue of Ireland exceeded a sum then unspecified the surplus should be appropriated towards the support of the Imperial Navy. At the instigation of Grattan some alteration was made in these financial provisions, but otherwise the proposals encountered little opposition, and the resolutions, increased to eleven in number, were sent forward to the British Parliament, where they were introduced and supported by Pitt. His arguments, however, did not suffice to conciliate the British manufacturing interest, whose opposition again took vigorous form, organised by Josiah Wedgwood and other leading industrialists. Numerous petitions were presented against the resolutions and Pitt ultimately altered the propositions, increasing their number from eleven to twenty in an attempt to meet the principal objections. The new propositions embodied the principle that the Irish Parliament should enact any laws which had been or might be made by the British Parliament covering navigation or colonial trade. Fox opposed the resolutions in this form as endangering the security of both English manufactures and Irish legislative independence, but did not succeed in preventing their passage through the English Parliament. However, when the twenty propositions were embodied in a Bill to be introduced in the Irish Commons they met with intense opposition. The commercial advantages which they promised were entirely outweighed, in the view of Grattan and his supporters, by the threat to constitutional independence which they contained. Thus, although leave to introduce the Bill was obtained, Government did not press the matter further.

From 1785 until the passage of the Act of Union in 1800 there were only minor adjustments in the trade relations of Britain and Ireland. Some measures of protection, particularly to the cotton industry, were introduced by the Irish Parliament. In 1793 the construction of the Navigation Act which prevented Great Britain from receiving colonial produce through Ireland was amended, and the question of Ireland's participation in the East India trade was settled. This disposed of two of the major issues which Pitt had sought to settle in 1785, but the lack of a comprehensive commercial adjustment continued to be felt in both countries. From 1787 onwards a number of English writers advocated a union on commercial grounds, but the general view in Ireland continued to be that a commercial settlement must and could be effected without alteration of the constitutional position.

Such were the main events in the field of trade policy during the period under consideration; we can now proceed to consider how they were related to contemporary economic doctrines.

#### CONTEMPORARY DISCUSSIONS ON TRADE.

The commercial restrictions under which Ireland was placed before 1778 formed part of the old colonial system, ultimately discredited by Adam Smith's analysis of 1776. As such they had their roots in Mercantilist doctrine, and could indeed be justified by it on two grounds—first, that the exploitation of colonies contributed to improve the balance of trade of the mother country, and second, that her principal manufactures must be encouraged by the suppression of others—a doctrine

which some writers were prepared to apply even within the home country itself.<sup>2</sup>

In the period here treated, this point, which has often been overlooked by later writers, was still clearly recognised in discussion of Ireland's economic problems.<sup>3</sup> Nevertheless at this time no English writer was prepared to justify the policy applied to Irish trade by reference to such theories and indeed some of the later mercantilists, without having altered their view of the proper end of economic policy, had changed their idea of the proper means for achieving it. Thus, in 1751 Matthew Decker proposed :—

“To take off our Customs, and make all our Ports free.

“To abolish our Monopolies, unite *Ireland*, and put all the Subjects in these three Kingdoms on the same Footing in Trade,” holding that “the richer *Ireland* grows, the richer must *Britain* become.”<sup>4</sup>

Decker's advocacy of free trade, however, was founded on a concept of the nature and purpose of trade which was essentially different from that contained in the English classical analysis, stemming from Smith, for he adhered consistently to the “balance of trade” theory.

While it is thus clear that the authority of the traditional doctrine on colonial trade had greatly waned before 1775, Smith's theories appear to have gained very little influence in England when the commercial restraints were removed in 1780. It is true that “One of His Majesty's Commissioners for Trade and Plantations” did produce a pamphlet on “The Propriety of Extending the Trade of Ireland”<sup>5</sup> in which he attacked “our system of the balance of trade,” declaring that “it is really amazing, that so enlightened a body of men as the ENGLISH PARLIAMENT should follow at this day so narrow a scheme of policy.”<sup>6</sup> But this in itself is enough to show that any attempt to connect the repeal of the restrictions with the publication of the “Wealth of Nations” would involve the fallacy of *post hoc*.

The numerous pamphlets and papers on trade which appeared in Ireland during the years 1778–1780 frequently displayed mercantilist notions, even though they were uniformly directed towards proving the case for the abolition of restrictions. The most common argument was that Ireland's position in relation to Britain could not be compared with that of other colonies, because of her proximity to Britain and the similarity of their resources and products; hence Ireland should be placed on an equal footing with Britain, whatever might be the policy pursued with regard to other colonies and foreign countries.

Numerous examples of this argument could be quoted; it appears in several of the opinions which the Lord Lieutenant obtained from leading Irishmen on the causes of distress in 1779.<sup>7</sup> Thus Sir Lucius O'Brien held that “the Strength, the Trade and the Wealth of Ireland as substantially belong to Great Britain, as those of Yorkshire or of any other

<sup>2</sup> See Viner : *Studies in the Theory of International Trade* (London, 1938), pp. 66–67

<sup>3</sup> Cf., e.g., Hely-Hutchinson : *Commercial Restraints of Ireland* (Dublin, 1779), 1882 reprint, p. 103.

<sup>4</sup> Decker : *An Essay on the Causes of the Decline of the Foreign Trade* (Dublin ed., 1751), pp. 75 and 157.

<sup>5</sup> London, 1780. The pamphlet was evidently written when the question of the commercial restrictions was about to come before Parliament.

<sup>6</sup> *Op. cit.*, p. 16.

<sup>7</sup> See G. O'Brien, “The Irish Free Trade Agitation of 1779,” *English Historical Review*, Vols. 38 and 39, pp. 564–581 and 95–109.

County do belong to her.”<sup>8</sup> The same point was more strongly put by the anonymous author of “The First Lines of Ireland’s Interest in the year One Thousand Seven hundred and Eighty” :—

“It should therefore be the policy of a great minister to consider them [i.e. England and Ireland] as one territory, and without partiality to promote their commerce to every other part of the world, rather than to each other.”<sup>9</sup>

Similar views were put forward by Sir James Caldwell in his “Enquiry concerning the Restrictions laid on the Trade of Ireland.”<sup>10</sup> Caldwell’s work is notably mercantilist in tone, and obviously owes much to Decker, whose opinions were quoted with approval by numerous Irish writers at this time.

Yet there are some instances of Ireland’s case for a free trade being supported by arguments which accord more closely with classical than mercantilist ideas. Thus Lord Lifford expressed the opinion that the problem would not be solved until the people of both countries came “to think of this great Subject as Citizens of the World, with an Indifference whether a great Manufacture of the Empire be carried on in the County of York or the County of Down.”<sup>11</sup> Hely-Hutchinson, who showed himself familiar with the work of Adam Smith, argued the futility of the restrictions by saying “The world is become a great commercial society ; exclude trade from one channel and it seldom fails to find another.”<sup>12</sup>

Certainly the Irish demand was for “nothing less than an absolute free trade”<sup>13</sup> but equally for nothing more, and the general opinion seems to have been that an unregulated trade would suffice to establish the prosperity of the country.

“An immediate influx of wealth, an instantaneous improvement of circumstances, were predicted and expected. Manufactures were to have started into vigour in every corner of the island, and the magic of the words *Free Trade* were, like the spells of an enchantress, to have dissipated in a moment the enervating effects of a century’s debility and disease. The confidence of hope was more than equalled by the mortification of disappointment.”<sup>14</sup>

That this would prove to be the case was clearly appreciated by Arthur Young, who wrote soon after the repeal of the restrictions :—

“Whatever the distress may be in Ireland, it appears that these freedoms will not strike immediately at the evil, nor bring any considerable remedy ; they are general favours, and not applicable to the distress of the time ; this ought to be well understood in Ireland, because false hopes lead only to disappointment.”<sup>15</sup>

Free trade in practice having thus failed to yield the benefits expected of it in theory, economic thought in Ireland turned to the consideration of other means to promote employment and wealth. A few writers advocated protecting duties, the general line of their argument being that the inequality of British and Irish duties tended to promote the

<sup>8</sup> *Eng. Hist. Rev.*, Vol. 38, p. 568.

<sup>9</sup> *First Lines*, etc. (Dublin, 1779), p. 17.

<sup>10</sup> Dublin, 1779. Cf. p. 35.

<sup>11</sup> *Eng. Hist. Rev.*, Vol. 38, p. 570.

<sup>12</sup> *Commercial Restraints of Ireland* (1882 reprint), p. 80.

<sup>13</sup> Lord Lifford, quoted in *Eng. Hist. Rev.*, Vol. 39, p. 104.

<sup>14</sup> Crumpe : *An Essay on the Best Means of Providing Employment for the People* (Dublin, 1793), p. 309.

<sup>15</sup> *A Tour in Ireland*, Section XXIV (Hutton’s ed., 1892, Vol. II, p. 275).

export of raw materials from, and import of finished products into Ireland. Hence the introduction of tariffs, promoting processing of home materials, would increase employment and reduce emigration.<sup>16</sup> It was also contended, however, that the slow growth of Irish industry was more to be attributed to lack of capital and high rates of interest; thus Graydon in his "Thoughts on the Expediency of forwarding the Establishment of Manufactures in Ireland"<sup>17</sup> put forward an elaborate scheme for Government loans to encourage new industry, the interest of which might be applied towards the reduction of the national debt.

The support for a protective policy came mostly from the Dublin manufacturers and their spokesmen, but there was also considerable opposition to it in Ireland. The most common objection was that the imposition of tariffs would provoke Britain to retaliate against the linen industry, which remained one of the principal sources of employment, but the more general and "classical" argument that tariffs would operate to the detriment of consumers and produce less effective utilisation of resources is also to be found. A notable pamphlet containing this argument appeared in 1784 under the title "A Letter to the Linen Manufacturers of Ireland, on the Subject of Protecting Duties." The author carries the theory to the point of showing that protection of, e.g., the woollen trade, must be to the detriment of linen and other industries, since it would raise the price of wage-goods and hence increase their costs. The same writer also put forward the interesting view that Ireland, which had only just gained the right to trade, could make a fresh start, avoiding the errors of the old system of regulation:—

"The commerce of the world is about to take a new direction. If in the proper arrangement we shall be guided by false principles, that direction will not be to Ireland; if by true ones, we shall begin our career with very peculiar advantages indeed. The commercial system of other countries has been so confined and complicated by their own errors, by their listening to every clamour, by their partialities to particular sets of men, and particular branches of trade, that it is scarcely in their power to emancipate their commerce from the bondage to which they themselves have doomed it; Ireland is still free to choose."<sup>18</sup>

A study of the contemporary sources leaves the decided impression that the majority opinion from 1780 to 1785 was still in favour of free trade in the now accepted sense. Generally it appears to have been felt that the correct solution to the trade problem was a removal of the remaining prohibitions and a lowering of duties on the part of Britain, rather than adoption of protection by Ireland.

It is, therefore, not surprising that the Commercial Propositions had a favourable reception in Ireland when they were first introduced in 1785. The dearth of Dublin-published pamphlets on the subject at this stage is significant; evidently the propositions were not regarded as standing in need of support, any more than they were considered a fit subject to attack. The position in England was very different; there a stream of literature attacking and defending the proposals was poured out. Aside from Pitt's own speeches, the official case was made out by George Rose in "The Proposed System of Trade with Ireland explained" which provoked "A Reply to the Treasury Pamphlet," said by Rose to be

<sup>16</sup> See, e.g., Griffith: *Thoughts on Protecting Duties* (Dublin, 1784); *Essay on the Necessity of Protecting Duties*, by a Manufacturer (Dublin, 1783).

<sup>17</sup> Dublin, 1783.

<sup>18</sup> *Letter to the Linen Manufacturers*, p. 63.

widely attributed to Edmund Burke.<sup>19</sup> In addition there were numerous other pamphlets on both sides as well as the evidence given before the House of Commons and the Committee of the Privy Council for Trade.

Rose shared Pitt's conviction of the merits of free trade, and showed himself well acquainted with the work of Smith; but from the outset the supporters of the measure were on the defensive—it was for them a question of refuting objections, not propounding theories. The principal arguments of the manufacturers were that cheap labour and provisions would enable Ireland to undersell Britain, and that there would be a wholesale transfer of capital to Ireland if the proposals were enacted. These points were made by practically every witness called before the Committee of the Whole House when the proposals were being examined. On the other hand, most of the manufacturers called before the Committee of the Privy Council expressed themselves as little concerned at the prospect of Irish competition, so that Rose was led to comment that “the observation made by Dr. Adam Smith, respecting the avidity of our great manufacturers, has not been justified by the present enquiry.”<sup>20</sup> However, his opponents alleged that Rose had himself selected the witnesses to appear before the Committee, and concealed from them the purpose for which their evidence was to be used. Whatever the rights and wrongs of this matter, it is unquestionable that the majority of the English manufacturers were bitterly opposed to the propositions, for the reasons stated.

The supporters of the measure provided sound answers to these objections. On the question of wage costs, one author contended that “we ought always to consider whether superior skill and industry are not an ample compensation for higher wages”<sup>21</sup> and several others made the same point. Contemporary writers generally credited Josiah Tucker with the first proof that low wages do not necessarily give a country an advantage in trade.<sup>22</sup> It was also held that any advantage which cheap labour might give to Ireland would be more than offset by the greater accumulation of capital in England. In support of this, the doctrine that “the general industry of no people can ever exceed what their capital can employ,” which derives from Adam Smith, was sometimes used.<sup>23</sup> Against the suggestion that capital would emigrate to Ireland, it was pointed out that fixed capital could not be transferred, and that in any event the transfer would involve such a loss of goodwill that it would never be effected.<sup>24</sup>

Thus the advocates of the new system of free trade were able to produce a complete answer to the arguments of the manufacturing interest. Indeed, as Arthur Young exclaimed: “This wretched stuff, which it is a folly to hear, and a disgrace to answer, refutes itself, and has been refuted a thousand times by experience.”<sup>25</sup> Yet the new theory could not prevail against the weight of interest and prejudice, although it had found considerable favour amongst the governing class.

<sup>19</sup> (Rose) *Answer to the Reply to the Supposed Treasury Pamphlet* (London, 1785).

<sup>20</sup> (Rose) *The Proposed System, etc.*, (London, 1785), p. 47.

<sup>21</sup> *The Arrangements with Ireland Considered* (London, 1785), p. 257.

<sup>22</sup> See Tucker: *Tract I*, in *Four Tracts, together with Two Sermons, On Political and Commercial Subjects*. (Gloucester, 1774.) W. E. Clark in *Josiah Tucker Economist* (New York, 1903), p. 166, gives the reference incorrectly as *Tract II*.

<sup>23</sup> *Ibid.*, p. 23, Cf. Smith: *Wealth of Nations*, Bk. IV, Chap. II.

<sup>24</sup> *The Commercial Resolutions of the Irish Parliament . . . Vindicated*, (London, 1785) *passim*; *The Arrangements with Ireland Considered*, p. 28.

<sup>25</sup> *Annals of Agriculture*, Vol. III (1785), p. 257.

Once the amended resolutions were made known pamphlets attacking them were quickly forthcoming in Dublin. Most of the arguments employed turned on the constitutional issue, but there was some indication of a revival of the protection idea. Thus one anonymous writer, referring to the proposals for adjusting duties, commented :—

“ Now, it is very remarkable that both *Britain and Ireland* view this part of the plan with equal apprehension and disapprobation—the one as threatening ruin to her flourishing manufactures, the other as tending to prevent her manufactures from ever becoming flourishing. Why then, in the name of common sense, press on the two kingdoms a plan to which they are equally averse ? ”<sup>26</sup>

But this view does not appear to have been widely held. There continued to be a considerable body of opinion which desired a comprehensive commercial settlement with Britain, along free trade lines, and it was frequently suggested that the twenty resolutions should be reframed in a manner which would avoid their objectionable constitutional implications.<sup>27</sup> Two of the most able Irish politicians of the day, Foster and Hely-Hutchinson, contended that the propositions did not threaten the country's legislative independence and should be accepted, for which opinion they incurred considerable opprobrium. The “ Letter to the Mayor of Cork ” in which Hely-Hutchinson defended his views contains some passages of interest from an economic angle :—

“ What would you have ? To remain as we are. How, would you have Britons keep their markets shut against you, whilst you keep your markets open to them ? . . . Give us similar prohibitions or prohibitory duties. Are you inclined to bring your linens within this rule, and can you justly expect that Britain should encourage your staple manufacture, with prejudice to her own in other countries, if you discourage hers ? . . . Do you prefer a system of mutual prohibitions, that tends to protect idleness or ignorance in both kingdoms, to a system that sets up the industry and skill of each nation as an example and rival to the other ? ”<sup>28</sup>

After the failure of the propositions, opinion in England moved towards the idea of a legislative union. Thus Josiah Tucker argued that “ upon the whole, it is evidently for the interest of both kingdoms that the present bill should be deferred ” “ because after ten or fifteen years “ new lights would then arise ; new interests and connections would be formed ; and it is not improbable but that the most violent opposers of a *real union*, would be then the most zealous to promote it. ”<sup>29</sup>

This idea of union for commercial reasons had received some support in Ireland before the repeal of the commercial restrictions. In 1779, the author of “ The First Lines of Ireland's Interest ” said :—“ I shall, therefore, consider an union as a measure the most expedient, which, in the present critical situation of affairs, can be adopted. ” It is interesting to note that this was accompanied by a proposal to replace all existing taxes and duties with a land tax :—

<sup>26</sup> *A Candid Review of Mr. Pitt's Twenty Resolutions* (Dublin, 1785), p. 34. The copy in the National Library of Ireland has the note “ Attributed to—Forbes ? ” on title page.

<sup>27</sup> Cf. Laffan : *Political Arithmetic of Ireland* (Dublin, 1785) ; and *Free Thoughts upon the Present Crisis* (Dublin, 1785). The latter pamphlet is generally attributed to C. F. Sheridan.

<sup>28</sup> *A Letter from the Secretary of State to the Mayor of Cork*, (Dublin, 1785), p. 30.

<sup>29</sup> Tucker : *Reflections on the Present Matters in Dispute between Great Britain and Ireland*, (London, 1785), pp. 33-34.



“ . . . happy would it be, for these nations, if every other tax were abolished, and all laid upon the land.”<sup>30</sup>

This idea of combining a free trade with a land tax, which is clearly traceable to the influence of the Physiocrats, recurs several times in the literature of this period. It appears again in “ Observations on the Finances and Trade of Ireland ”<sup>31</sup> and was revived in 1785 by John Gray in his “ Plan for finally settling the Government of Ireland upon Constitutional Principles ”<sup>32</sup> Gray thought that Ireland might retain its legislative independence and at the same time establish its connection with Britain by a payment towards the expenses of the Empire out of the proceeds of a general land-tax. This appears to have been a somewhat esoteric proposal, and the trend of English opinion was probably more nearly represented by John Williams, who advocated a commercial union as a first step towards legislative union.<sup>33</sup> In Ireland, however, the grant of free trade and legislative independence had put an end to all desire for a union, and Williams’ pamphlet evoked a prompt and hostile reply.<sup>34</sup> During the ensuing years, more moderate opinion on both sides continued to favour a general commercial settlement within the existing constitutional framework.<sup>35</sup>

This is not in accordance with the view often advanced that Irish opposition to the commercial aspects of the Union, when it came, arose from the fact that it made protection to Irish industry impossible. In fact, the Irish Parliament never showed itself at all wedded to a protectionist policy. It enacted only two major tariff measures, Foster’s Corn Law of 1784, and the tariff on cotton in 1793. Of these the former was looked on by contemporaries as a free trade measure<sup>36</sup>, since it encouraged the import of corn when prices rose: the latter was a purely *ad hoc* step, taken to assist the cotton trade, which had become a considerable source of employment, at a time of depression.

While this appears to have been the true motive for the tariff, it is curious to note that in thus affording protection to an industry which had been established without it the Irish Parliament was, no doubt unconsciously, following a suggestion made in 1784 by a pamphleteer who applied the “ infant industry ” argument in an inverted fashion to the case of wool:—

“ Would it not, however, be both just and prudent, when our woollen manufacture shall come to a certain degree of perfection, and gives the rational prospect of a full supply, at equal or lower rates than elsewhere is to be met with, that, then we should discourage, by every fair, and every legal method in our power, the importation of foreign goods, to prevent our own manufacture from declining ? ”<sup>37</sup>

That Irish Legislators showed little tendency to apply this or any other protective doctrine in their policy cannot be said to be due merely to a fear of retaliation by Britain. There was little desire for protection; indeed Ireland seems to have become remarkably imbued with the free

<sup>30</sup> *Op. cit.*, pp. 59 and 61.

<sup>31</sup> Anon., Dublin, 1779.

<sup>32</sup> London & Dublin, 1785.

<sup>33</sup> Williams: *An Union of England & Ireland proved to be practicable and equally Beneficial to each Kingdom.* (Dublin, 1787.)

<sup>34</sup> *An Inquiry into the Justice and Policy of an Union.* (Dublin, 1787.)

<sup>35</sup> See, e.g., a very able pamphlet entitled *Considerations on the Political and Commercial Circumstances of Great Britain and Ireland.* (London, 1787.)

<sup>36</sup> Cf. *A Letter to the Linen Manufacturers* (Dublin, 1784), p. 61.

<sup>37</sup> (Ferguson) *A Volunteer’s Queries, Humbly offered to the Consideration of All Descriptions of Men in Ireland* (Dublin, 1784), Q. 223.

trade idea at this period. Thus Dr. Samuel Crumpe, who in 1793 was awarded a prize by the Royal Irish Academy for his "Essay on the Best Means of Providing Employment for the People," wrote of protective duties :—

"Those who demand them are actuated by short-sighted and merely interested motives. Those who support them from patriotic principles are guilty of an error in judgment, and cannot possibly have studied the subject in the minute manner, and with the extensive views, it necessarily requires. The advantages our manufactures possess in the home-market are already sufficiently great; if, with these advantages, they are not able to dispute the market with foreigners, the manufactures deserve not greater partiality, nor the manufacturers greater attention."<sup>38</sup>

The view of economic ideas presented here appears to conflict with the undoubted fact that the commercial clauses of the Act of Union were the subject of bitter criticism in Ireland, but passed almost unopposed in England. How is this apparent reversal of attitudes to be explained?

The Irish approach to the question is best typified by John Foster, the speaker of the Irish House of Commons and a man of singular ability and insight in economic affairs. Foster had supported the Commercial Propositions of 1785, but came out in opposition to the Union, and was strongly criticised for inconsistency. His own explanation of his position was that the advantages which he expected from the settlement of 1785 had been attained by other means: "In short there is no one measure of general or imperial concern, or even of colonial trade, unattended to by us, or left for Irish law to enact a similarity of rule in . . . either a Legislative Union, or a settlement of commerce must take place, the settlement of commerce has taken place, therefore the Legislative Union need not."<sup>39</sup>

In other parts of the same speech Foster touched on most of the points relating to trade advanced by Irish critics of the Union. He argued that it would not cause any influx of British capital, as its advocates contended—and here he was able to turn the arguments which Pitt had used to allay the manufacturers' fears in 1785 to the Prime Minister's disadvantage. Foster also stressed the probable increase of absenteeism and the likelihood that taxation would not be adjusted to take account of the fact that the two countries were at different stages of economic development.

There is reference in the speech to the danger that removal of protection would depress industry, but Foster also expressed a fear that Union might result in increased tariffs on raw material, which would prove equally detrimental to "our infant manufactures."<sup>40</sup> He deprecated the attitude of those supporters of the Union who pointed to the threat of Britain cutting off supplies to Ireland, on excluding her from the British market. "Such rash counsellors should learn to dread the consequences of changing the course of manufactures by forced measures and that four million and a half of people will not remain idle."

But though Foster argued that Ireland would thus develop her own manufactures if forced to, he clearly envisaged this as an undesirable

<sup>38</sup> Crumpe, *op. cit.*, p. 326.

<sup>39</sup> *Speech of the Rt. Hon. John Foster . . . Delivered in Committee, on Thursday, the 11th day of April, 1799* (Dublin, 1799), pp. 47 and 50.

<sup>40</sup> *Ibid.*, p. 37.

policy. The whole tenor of his speech was summed up in the phrase :  
 " . . . we are of mutual use, and ought to assist each other. <sup>41</sup> "

As Lecky said, " these words came with an especial weight from a statesman who was the acknowledged master of all questions relating to the commercial condition of Ireland—a statesman whose life had been largely spent in harmonising the commercial systems of the two countries." <sup>42</sup> It is clear that Foster's attitude on trade policy throughout this period was consistent, and consistently liberal.

The many others who spoke and wrote against the Union largely reiterated the arguments which Foster had marshalled so well. The probability of increasing absenteeism was consistently stressed, as was the danger of emigration of capital ; here Adam Smith's doctrine that " the proportion of capital to revenue everywhere regulates the proportion between industry and idleness " was again called on to support the case. <sup>43</sup> The possibility of British manufacturers underselling Irish received a due share of emphasis, and one pamphleteer succeeded in displaying a grave weakness in the obvious free trade answer to this, that the prosperity of agriculture would be increased :—

" . . . though by an Union Ireland would be compelled to direct a great portion of her industry to agriculture, in consequence of the depression of manufactures, yet there are existing institutions which render it impossible for the people of Ireland to have the full benefit of even their agricultural industry." <sup>44</sup> The institutions referred to were the system of land tenure and tithes.

In general, however, it appears true to say that the position of Irish manufactures occupied a secondary place in the commercial arguments against Union ; the main case was that it conferred no benefits not already received and introduced the dangers of increased taxation and absenteeism.

Pitt and his supporters countered these arguments mainly by direct assertions of the contrary, supported by the contention that Union would make the commercial position of Ireland finally secure. <sup>45</sup> There is no necessity to discuss the value of the opposing arguments here ; for the purpose of this paper, it is of more importance to consider the doctrines which were used to justify the Union from England's own economic standpoint, and the reception which they received.

Josiah Tucker here foresaw that he would hear " SELF-INTEREST making an outcry, ' they would run away with our trade.' But pray let me calmly ask, who would run away with it ? , or where would they run to ? Why truly our own people, our own countrymen (who may as justly be called so, as the inhabitants of any neighbouring county, and are some of the best and most faithful subjects the Government has), would perhaps carry some part of a manufacture from us to themselves. But what detriment would this be to the Public ? The people of Yorkshire have done the very same thing by Gloucestershire and

<sup>41</sup> *Ibid*, pp. 36 and 37.

<sup>42</sup> Lecky, *History of Ireland in the Eighteenth Century* (1903 ed.), Vol. V, p. 276.

<sup>43</sup> *The Commercial System of Ireland Reviewed, and the Question of Union discussed* (Dublin, 1799), pp. 34-36.

<sup>44</sup> *Ibid*, p. 60.

<sup>45</sup> See, e.g., (Cooke) *Arguments For and Against an Union* (London, 1798), p. 22 ; Wm. Johnson, *Reasons for Adopting an Union* (Dublin, 1799), p. 47.

Wiltshire."<sup>46</sup> Pitt, however, was prepared to say: "While I state thus strongly the advantages which the Sister Kingdom is likely to derive from the measure, I have no fear of exciting the jealousy of this Country on the subject."<sup>47</sup> Indeed there would seem to have been very little ground for Dean Tucker's fears of an outcry. There were, it is true, a number of petitions submitted by manufacturers, but they did not come from the great industrial centres, and there was nothing comparable to the nation-wide agitation which the General Chamber of Manufacturers had organised in 1785.

This change of outlook appears to have been the result of a number of causes. In the first place, the implications of the Union and the Commercial Propositions were not the same. One ground for the manufacturers' opposition to the latter had been the advantages which Irish producers would enjoy through lower taxation; under the Union this no longer applied. Moreover, the Commercial Propositions would have given concessions which affected the landowning and merchant classes in England considerably less than the new industrialists<sup>48</sup>; the Union would affect all classes alike. These considerations go far towards explaining why English opinion favoured Union on commercial grounds even at the time of the rejection of the Resolutions of 1785.

Secondly, the period between 1785 and 1800 had witnessed a change in the position of English manufacturers. The growing importance of steam as against water power considerably increased the advantages of Britain over Ireland in matters of industrial development, and this, combined with the other technical advances, gave the industrialists in 1800 much greater confidence in their ability to meet competition than they had felt in 1785.

Indeed it may be said that the manufacturers had undergone a remarkable change in fifteen years. It was no longer the small men, bred in the old traditions of monopoly who dominated the scene, but the great *entrepreneurs*, sure of their own competitive strength and anxious to find new markets for their growing output. To these men *laissez-faire* and free trade were acceptable notions, which through their influence were to become the watchwords of the nineteenth century. While thus it is true to say that the outlook of the English industrialists had become more liberal towards the close of our period, there seems no reason to disagree with the judgment of Witt Bowden that "the chief sources of the liberalism of the new industrial groups were not ideas but events."<sup>49</sup>

#### CONCLUSION.

Reviewing the relations of thought and policy in this period, it would certainly appear that the new ideas of Smith were much more quickly accepted in Ireland than in England, and had considerably more influence

<sup>46</sup> *Tucker's Proposal*, p. 2. The *Proposal* was prefixed to a number of editions of Cooke's *Arguments For and Against an Union*, which was generally regarded as the official statement of the case for the Union; Tucker's work, however, dates from about 1785.

<sup>47</sup> *Speech of the Rt. Hon. William Pitt in the British House of Commons*, 31 January, 1799. (Dublin printed, 1799.)

<sup>48</sup> See Witt Bowden: *Industrial Society in England towards the end of the Eighteenth Century* (New York, 1925), pp. 175 *et seq.*

<sup>49</sup> Bowden, *op. cit.*, p. 209.

on Irish policy also. Yet it must be remembered that at this time there was very little abstract economic writing in the sense in which we understand it; almost everything which appeared was written with a view to serving a specific and immediate purpose. So far as concerned Ireland, which had long suffered the penalties of the old colonial system, the new ideas of free trade promised immediate advantage and were therefore sure of a favourable reception. In England, on the other hand, the doctrine must have appeared to strike at the foundation of an old-established system, which had provided substantial benefits, and to offer merely speculative advantages in its place. It is therefore not surprising that it could not find acceptance there until changing circumstances gave greater reason to expect a policy embodying it to be successful.

It is true that the new theories did find acceptance with a certain group, but it seems clear that in a democratic society a theory must secure wide approval before it can significantly influence policy, and at this period the opportunities for rapid propagation of economic ideas were very limited.

On the whole, the investigation suggests that theory was not a direct influence on policy in regard to trade in this period, but was merely called in to support policies dictated by events; on the other hand, it provides no evidence of acts of policy subsequently determining the formulation of theory.

### DISCUSSION.

**Mr. James Byrne** said the period 1775-1800 was of particular interest both to students of Irish history and to students of economic science. It marked a change in political status and a revolutionary change in economic theory. In studying the subject matter of the paper—the interaction of theory on policy and policy on theory—it is very easy to err and very difficult to keep on firm ground. Man changes in history. His thinking and acting change accordingly and his thinking helps to reshape his acts. In similar fashion economic thought and economic policy keep making contract and influencing each other. The difficulty is to say where the effect of one begins and of the other ends. Dr. Black has very carefully and patiently dissected the effects of each and concluded correctly that during the quarter century under review, theory was not a prime fashioner of policy nor policy of theory. The period, always regarded as a "glorious" one in Irish history, produced Grattan's Parliament and unloosed nation-wide political and economic optimism. The feeling was pardonable since the industrial revolution had not really developed and its excesses and miseries were not yet visualised. At a time when ideas concerning freedom were current, Adam Smith's *laissez faire* fitted easily into the prevailing intellectual environment and it was only natural that it should be readily accepted. As Dr. Black points out too much must not be read into this phenomenon. There was little abstract economic reasoning in the present-day sense during the period 1775-1800 and almost everything which appeared was written with a view to serving an immediate and specific purpose. It gives me much pleasure to propose this vote of thanks to Dr. Black.

**Mr. Meenan** said that it gave special pleasure to second the vote of thanks to an old colleague. Dr. Black had doubly earned the thanks

of the Society, by his paper that night and by his production of the volume in which the first hundred years of the Society were so gracefully described.

Dr. Black had chosen his period with care. It was fortunate that in dealing with his major theme he had been able in passing to discredit the popular idea that Grattan's Parliament was protectionist in the sense in which the term is used to-day. In the fifteen years under review, economic activity was peculiarly subject to events rather than to ideas, though certainly the events sprang fully-armed from political and economic theory. In the year of Legislative Independence, the industrial systems of England and Ireland did not differ greatly in kind, whatever their disparity might have been. By the Union year, the industrial revolution had placed a gulf between the two countries. The change in competitive capacity must have influenced thinking then on commerce and trade. He would like to draw attention to the effect of the outbreak of war, and of its prolonged duration, in retarding Irish trade. In another sense Dr. Black had chosen his period well. If he had gone further back than 1775 he would have found himself in the period of statesmen such as Lord Sandwich and Lord George Sackville, who were innocent of economic influences. He could now go forward into a period in which British policy in Ireland derived greatly from the precepts of Malthus, McCulloch and Malthus and, later and more happily, of Mill. The Society would be keenly interested in the progress of Dr. Black's researches. In conclusion, he would like to ask Dr. Black how he had dealt with the problem of weighing up the relative value of the statements made by pamphleteers whose identities were often hidden even when their motives were clear enough. There was a constant temptation to the student to rely on that writer who approached most nearly to the student's point of view. He would like to know if Dr. Black had been so tempted and, if so, how he had resisted.

**Mr. O'Donovan** referred to the excellence of the papers which had been read in recent years before the Society on questions relating to economic theory and policy. Dr. Black's paper was an exceptional contribution to the bearing of economic theory on policy.

It was of interest to compare the views expressed during the period at the end of the eighteenth century when there was an independent parliament in Ireland with the views which had been expressed by writers since a Parliament was established in Dublin in 1922. Crump's essay published in 1793, from which a quotation was given on the fifth page of the paper, indicated the welcome which Irish people had for free trade. In 1922, the main welcome in business and trading circles for independence arose from the possibilities it afforded of protecting home industries. It was noteworthy also that the quotation in the middle of the sixth page from the pamphlet on the Linen Manufactures, published in 1784, gave a remarkable forecast of the direction which commercial and industrial policy was to take during the succeeding 100 years. It might, however, be said that if the writers could have seen the effects on Irish industry of a century of free trade, they might have had some doubts about their views. There could be no doubt about the accuracy of Foster's reasoning in his speech against the Union in April, 1799.

Having regard to the general acceptance of the free trade thesis by writers on economic matters in Ireland during the last half of the eighteenth century, it would be very interesting to know the extent

to which their views were accepted. This point was not covered perhaps extensively enough in the paper but it was difficult to obtain a conclusive view on it.

Nowadays, economists in general were free traders. For example, in the U.S.A. twenty years ago, at a time when that country was the most highly protected area in the world, it would be difficult to meet an economist who was not a free trader. Matters had changed considerably and it was possible that the change had been brought about in part as a result of writings of economists there. It was to be hoped that a somewhat similar effect might be achieved in Ireland in the long run.

Mr. O'Donovan concluded that he had personal reasons for feeling pleasure at the extent of the study in Dr. Black's paper. One of the finest collections of pamphlets—that made by Mr. Halliday—was housed in the building in which they were meeting. He was also glad to see Dr. Black's reference to a long-term programme of research in this field and he hoped that the Society would have the privilege of listening to further papers on the subject from Dr. Black.

Dr. Black, replying, said that he felt it would be more appropriate that he should propose a vote of thanks to the members for their attention and contributions to the discussion. He had presented the paper to the Society frankly as an experiment, in the hopes of getting criticism and suggestions which would be helpful in the further development of the research, and in this respect at least he had been entirely successful. He felt that he would benefit in some measure from the remarks of every speaker, and if he did not touch on all the points which had been raised, that was not because he neglected them, but because he felt he must leave them for further thought.

The points raised by Mr. Meenan and Mr. O'Donovan about the standing and influence of eighteenth century pamphlets and pamphleteers were certainly fundamental. As regards the value of the pamphlets, and their relative quality, it was very difficult to judge, especially when so many were anonymous. Something might, however, be learned from reviews and quotations in newspapers and Parliamentary debates. The great difficulty here was to avoid judging the standing of any work amongst its contemporaries by reference to the values of the present day. It was probably more reasonable, he felt, to accept pamphlet literature as representative of the general outlook in the eighteenth century than it would be nowadays. In judging both theory and policy they must not lose sight of the point that economically Britain and Ireland at the end of the eighteenth century were quite different to what they were relatively to-day.

In conclusion, he thanked the speakers for their suggestions about the possible extension of the work, which he hoped to follow up in the near future.