

THE ECONOMICS OF "INDUSTRIAL REVIVAL" IN IRELAND.

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[Read, Friday, 8th May, 1908.]

The late Professor Stanley Jevons, in his well-known *Primer*, has explained the fact that, just as physical science was formerly hated, so now,—“there is a kind of ignorant dislike and impatience of political economy. People wish to follow their own impulses and prejudices, and are vexed when told that they are doing *just what will have the opposite effect to that which they intend.*” He illustrated this by the case of so-called charity. “Many good-hearted people like to indulge their impulses by giving alms to poor people who ask for them, without considering the effect produced upon the people. They see the pleasure of the beggar on getting the alms, but they do not see the after effects, namely, that beggars become more numerous than before. . . . All that the political economist insists upon is that *charity shall be real charity, and shall not injure those whom it is intended to aid.*” And he concludes with the important observation:—“It is certain that if people do not understand a true political economy, they will make a false one of their own.”

These remarks of Professor Jevons are put here as a preface to what follows, because I think it will be admitted that there is a good deal of “ignorant dislike and impatience of political economy” in the present-day movement for what is called “Industrial Development” in Ireland. These people certainly “follow their own impulses and prejudices” with such consistency that they have adopted a political economy of their own. Whether their economics be true or false is a vexatious question that I do not attempt to decide. There is certainly nothing new or original in their doctrine, which is the old traditional one in Ireland, as old as Irish poverty itself. But in the object they have in view we ought all of us to find common ground. In the present industrial conditions in Ireland we ought all of us to be keenly interested. We have all of us a right to demand that an organised movement for the development of Irish industries “*shall not injure those whom it is intended to aid.*” And it is with that intent that I am anxious in this paper to promote an amicable discussion upon the question whether the people who are promoting the Industrial Development are “*doing just what will have the opposite effect to that which they intend.*”

By power taken under an Act passed in 1906, an industrial census of the United Kingdom for the calendar year 1907 it

now being collected by the Board of Trade. When the returns of this investigation are published, we will be able for the first time to say how Ireland actually stands industrially. The results are certain to be most interesting and valuable, especially from their educational effect, and they will probably prove surprising in many respects. Only after five or ten years have elapsed, when a second industrial census shall have been taken and tabulated, will we be able to learn definitely whether the industries of Ireland are retrograding or advancing. Meanwhile, it is hardly worth while to speculate upon this important subject with our present inadequate information.

But in the year 1904, arising out of the British fiscal controversy, the Board of Trade published (Cd. 2337) a *Second Series of Memoranda, Statistical Tables and Charts*, in further explanation of *British and Foreign Trade and Industrial Conditions*. This big blue-book contained detailed Tables showing the "Distribution of Population engaged in the Principal Industries throughout the Chief Countries of the World." I have picked out from these Tables the figures relating to the Industries of Ireland. They were estimated by the Board of Trade officials, "from materials contained in the Tables of Occupations published in the Census Reports," for the years 1881, 1891, and 1901. The figures are very remarkable, viz. :—

Ireland :—Estimated Number of Persons (Including both Employers and Work People) engaged in the Principal Industries, 1881, 1891, and 1901 :—

	Census 1881.	Census 1891.	Census 1901.
Cotton Industry ..	4,850	2,650	2,200
Woollen and Worsted Industry ..	8,950	6,800	5,450
Flax and Linen Industry ..	92,650	93,150	75,100
Silk Industry ..	680	320	190
Iron and Steel (including Shipbuilding) ..	29,847	32,026	34,886
Leather Trades (Saddlery, Gloves, Boots, etc.) ..	30,766	25,489	19,891
Paper Trades	1,090	1,713	1,887
Glass Trades	352	360	410
Brick, Pottery, Cement, etc.	614	791	581
Chemical Trades (Dyes, Paints, Soaps, Matches, Manures, etc.) ..	250	398	449
Total for these Industries,	170,049	163,697	141,044

These figures, to my mind, are simply appalling. Here we have ten groups of industries of the kind, to which Professor Marshall's definition of manufacture applies. (Manufacture = "a business for working up materials into a form adapted for sale in distant places."). Unlike agriculture and other extractive industry, which are fixed by nature; unlike industries making or repairing things for special consumers (such as the Building Trades, for example), which are fixed by neighbourhood: these *manufacturing industries proper* are free to choose the locality where the work shall be done, they are subject to all the economies of "Production on a Large Scale," and they furnish a quite unconditioned test of the industrial productive efficiency of different countries. Under the strain of this test, we find that the manufacturing industries of Ireland are failing us as affording a means of livelihood to our diminishing population. The Totals in the above Table have contracted by 17 per cent., during a period in which the population of Ireland has been contracted by 13.8 per cent.

These Board of Trade figures show a great *decline in the employment* given by the Textile Industries and by the group of Leather Trades. These are industries in which improvements of machinery are continually reducing the quantity of human labour required to produce a given output. Possibly the output of these Irish industries may be as large or as valuable as formerly; but as a means of livelihood for those people who remain in Ireland, they have diminished to the extent above shown. The increase shown in Iron and Steel industries is welcome evidence of the growth of Belfast Ship-building, and the Wexford Iron Industries. But in the few means of employment which show increasing numbers in Ireland, such as the Metal Trades or the Building Trades, it has to be observed that the increases in the case of Ireland are really insignificant as compared with the contemporaneous increases in Great Britain. I refer to the Paper by the Registrar-General for Ireland, entitled "The Principal Results of the Census of the United Kingdom in 1901," which was printed in our *Journal* for November, 1905. Comparing the Census Reports of 1901 and 1891, he showed that the numbers "occupied" in the Metal Trades were increased in Ireland, by 1.7 per cent.; in Scotland, by 28.4 per cent.; and in England by 26.6 per cent. In the Building Trades (which in Ireland employ 7.3 per cent of the total male population over ten years of age), the corresponding increases were in Ireland 13.6 per cent.; in Scotland, 42.4 per cent.; and in England, 36.2 per cent. The Makers and Dealers in Food showed a slight fall in Ireland; but in Scotland they increased 16.9 per cent., and in England, 18.5 per cent. The great fall in Textile Workers in Ireland (nearly 20 per cent.) is paralleled by a decrease in Great Britain also, but there it is a much smaller decrease.

In all this there is no evidence at all of anything that can be called "Industrial Revival" in Ireland. On the contrary, the evidence proves that the industrial conditions in Ireland are passing through such a critical and unfavourable time, that it is a matter of very serious consequence for us all. It is no time for fooling about Irish Industrial Development, or for indulging our native propensity for unthinking talk. It is my honest conviction that much of the "public meetings" and propaganda work of the so-called Industrial Development Movement is having absolutely *the opposite effect to that which is intended*; and that, so far as it has any result at all, it is creating conditions in Ireland which are pernicious and even destructive of industrial effort in this country. In the hope of thereby conducing to some quiet thinking on the subject, I will proceed to examine the reasons which have produced this conviction in my own mind.

A poster was recently placarded on the hoardings of Dublin, which asked the Irish people to remember certain pithy precepts. The first of them, I think, read thus: Everyone who buys an imported article of foreign manufacture is helping to kill an Irish industry! Now personally I am satisfied that this statement is untrue. I am quite sure that every purchase of an imported article *creates a demand for an equivalent Irish article* to be exported in payment.

But drop this argument for a moment and attend to the poster. The effect intended by this poster was to get the Irish people to recognise that they had a duty imposed upon them to make their purchases with the object of keeping alive an Irish industry. Now the Irish people have likewise a clear duty to themselves as individuals to spend their little moneys as economically as possible. Poverty leaves us little enough margin for sentimental expenditures. Our clear duty in the first place is to purchase the article that we want *because it is what we want*; and in the second place to *purchase it economically*. Every other poster on this same hoarding was an argument claiming the purchaser's custom on the ground of his individual self-interest. "*This is the very article you want,*" they said in effect, "*and this is good value to you for the price!*" But this "Industrial Development" poster was another thing entirely. It claimed that Duty to Self should, in the act of purchase, be combined with Duty to Country; it made the violent presumption that these two Duties were co-equals. But its claim fails, because everybody (fit to be entrusted with the making of purchases) knows very well that Duty to Self must come first: nay, must come alone, if the purchase be made economically. Now observe a further point: this poster does more than fail of the effect intended. It lodges in the reader's mind the thought that

the Irish industry is in a bad way ; it will be killed off unless a patriotic sentiment obtains a sale for its products ; its products are necessarily inferior and unable to stand on their merits. This " Industrial Development " poster, in short, *has an effect the exact opposite of what was intended*, for it produces in the mind of every shrewd-minded Irish purchaser a conviction that the Irish-made articles are poor stuff, not fit to compete with the foreign-made articles.

Lest anyone may think that I am making too much about this mischievous poster, I quote the following lucid statement (abbreviated) from the *Freeman's Journal* of April 28th, 1908 : it was made at a Conference held at Sligo to establish a branch of the Irish Industrial Development Association.

" Mr. Branagan (Secretary of the Dublin Branch of the Irish Industrial Development Association) said the objects of the Association, amongst other things, were persistently to urge upon the public the duty of giving a preference to Irish manufactures ; to encourage local manufacturers to advertise more generally ; to impress upon shopkeepers the national and economic importance of retaining money and labour in Ireland, through encouraging the sale of Irish goods ; to urge the wholesale houses to stock and push the sale of Irish goods, and to encourage their travellers to keep samples well to the front ; to investigate complaints, and to do everything possible to promote good feeling between manufacturers, distributors, and the public ; to expose cases of fraud or misrepresentation, such as the selling of foreign goods as Irish, or any other unfair methods calculated to injure Irish trade. Through the work of the Association, developments of Irish trade had taken effect in Chili, in Argentine, in Australia, South Africa, India, America, France, Italy, and, no later than two weeks ago, in Bulgaria. . . . Another work of the Association was to induce public bodies to take a greater interest in expending money, not on imported goods but on Irish goods, by making it incumbent on contractors to supply goods made in Ireland. Another work that the movement had taken in hands was to supply statistics of Ireland's trade with foreign countries. . . . On the question of the use by public bodies of Irish goods, statistics from the Richmond Asylum, Dublin, showed that in five years, by buying Irish goods, and even paying a higher price for some of those goods, a saving of 50 per cent. had been effected in the expenditure of that institution. The Richmond Asylum had got better goods, and the money which would otherwise have gone to foreign countries had been spent in Ireland."

It is clear that the main point in the mind of the speaker of this statement was to secure for Irish manufactured goods greater recognition and wider sale in the home market in

Ireland. The instances quoted of the sale of Irish goods in Chili, Australia, India, Bulgaria, etc., were all of sales in the foreign market ; but the speaker was justified in using these instances to raise the estimation of Irish manufactures in the eyes of the Irish people themselves. Why shall Irish buyers hesitate, or doubt the *bona-fide* merit of goods produced in Ireland, when they see that foreign buyers are selecting from the world's market our Irish-manufactured goods as the very best for their purposes ? That is a good sound argument.

The first step towards a cure is the correct diagnosis of the disease. Now, on this point we ought all to be in agreement. What hampers industrial development in Ireland more than anything else is the notorious circumstance that no matter what be the merits of Irish-made goods, *the Irish people will not purchase them.* With the possible exception of Irish porter I am not aware of any successful industry in Ireland that lives and prospers by its sales in Ireland. In every instance that has come under my notice, the Irish manufacturer sells abroad, and nearly the whole of his trade is done with customers outside of Ireland. He finds it enormously difficult to push the sale of his goods in Ireland. The Irish people will give him no encouragement, will depreciate his goods, will refuse to recognise their genuine merits, and will treat him with exceptional meanness in the matter of credit or cash-payment. It is the foreign market (including the British market) that takes nearly the whole output of Irish manufactures. The industry is located in Ireland, but it is supplying a foreign demand.

This fact in the industrial situation is fundamental. Before considering its interpretation, it will be well to point out some of its consequences.

Take the figures available for measuring the " External Trade " done by Ireland, as given in the Report of August, 1907 (Paper Cd. 3631), on the " Imports and Exports at Irish Ports " during the years 1904 and 1905, issued by the Department of Agriculture and Technical Instruction for Ireland. The figures, which were obtained from forty-seven Irish ports, are incomplete in the following two respects :—(1) " So far as *quantities* are concerned, this record represents in all probability within five per cent. of the total import and export trade of Ireland." (2) *When these quantities have to be turned into money values*, the information available is often incomplete or inexact ; so that, as regards total *values*, the figures " cannot claim to be more than approximate." But, such as they are, the following were given as the figures (for 95 per cent.) of the external trade of Ireland,—*i.e.*, the over-sea trade, without counting the coasting trade from one Irish port to another—*viz.* :—

		1904. £	1905. £
Ireland's Imports	..	53,299,930	55,092,343
Ireland's Exports	..	49,212,181	51,331,260
Total External Trade	..	102,512,111	106,423,603

Now, these figures definitely prove that *Ireland, proportionately to its population, does a much larger external trade than the United Kingdom.* In 1904, for example, the aggregate of Imports and Exports of the United Kingdom was 922 millions sterling; the population was 42.8 million persons; so the aggregate of its foreign trade works out at £21 10s. per head. If the 4.4 millions in Ireland alone had an aggregate external trade of (say) 105 millions sterling in 1904, it is at the rate of £23 17s. per head! Surely that is a sinister fact.

The following Table shows, per head of Population, the Total Foreign Trade done by certain Countries:—

Population, Millions	COUNTRY	Thousand £'s (000's omitted)		Total Trade per head of Population
		Imports (Special)*	Exports (Special)*	
5.6	Holland ..	213,753	165,785	£ s. d. 67 15 6
7.2	Belgium ..	122,733	93,347	30 0 3
3.5	Switzerland ..	52,650	37,592	25 15 8
4.4	Ireland (95%)	52,592	48,831	23 1 0
43.2	United Kingdom	487,240	329,817	18 18 3
2.6	Denmark ..	26,807	21,718	18 13 3
2.3	Norway ..	15,739	10,496	11 8 1
5.3	Sweden ..	31,878	25,012	10 14 8
60.4	Germany ..	356,440	286,580	10 12 11
39	France ..	191,156	194,676	9 17 10
83.1	United States	250,136	357,907	7 6 4
33.6	Italy ..	82,583	60,237	4 10 4
18.9	Spain ..	42,363	38,195	4 5 3
4.1	Australia ..	36,802	45,052	19 19 3
5.7	Canada ..	52,730	41,414	16 10 1

*Figures of Imports and Exports (taken from Department's Report), are here adjusted to exclude merchandise in transit only.

Three European countries, by virtue of their geographical position, have an unusually large trade in imports and exports, viz., Holland and Belgium, which are the gateways to the ocean of a great part of Central Europe; and Switzerland, across which Germany and Northern Europe trade with the Mediterranean and the Far East. Ireland is not at all commercially favoured in the same way. How, then, are we to interpret the eminent position of Ireland in the above Table? The whole commerce of the Irish people cannot be proportionately as great as the whole commerce of the people of Great Britain; nevertheless, that portion of the commerce which is shown in Imports and Exports is much greater, person for person, for Ireland than for Great Britain. The conclusion these figures point to is that Ireland is *the least self-contained country in Europe*. The external trade is here far more important than the home trade: the Irish people buy and sell with Great Britain and Foreign Countries much more than they buy and sell with one another.

Such being the present-day facts of the economic condition of Ireland, there are a few corollaries that may be deduced immediately. One is the overwhelming importance of transportation facilities to the industrial life of Ireland. Since what we produce must be carried out of the country before it can be sold, and what we consume must be carried into the country before it can be purchased, we are manifestly wasting a great deal of our substance on payments for carriage. But such is Irish life, and the facts will not be changed in our time. Therefore, the economical handling of Irish transport services is a matter of prime importance. It is probable that the Irish Industrial Development movement could do its best work for Ireland by tackling this transport problem, for it is essentially a question for associated action. Furthermore, this is a point of which students of Irish economics must always be mindful, namely,—that the railway returns of merchandise carried, the banking returns, and other figures usually quoted as evidence of the activity of internal commerce in Ireland, may bear quite another meaning, and may be evidence only of the extraordinary extent to which external trade has in this country taken the place which the home trade fills in other countries.

Again, there are people who think that we can never build up industries in Ireland unless we can erect a high wall of Protection, which shall effectively shut out the flood of English manufactures that is supposed to drown the nascent manufactures of Ireland. I do not here argue with these people. I merely point out what would be the result,—*the facts being as they are to-day*—of surrounding Ireland with the "high wall of brass" that Bishop Berkeley hinted at: it would kill at once every existing manufacture in Ireland, except our porter.

We could start with a clear field to build up the nascent industries of our country, which then (so we are to believe) "may rise on stepping-stones of *their dead selves* to higher things!" Dead they certainly would be; for the existing industries of this country are all depending on a foreign market, which the "wall of brass" would shut off.

There are other people who think that Ireland is not a manufacturing country at all, and that we must look for a regenerated Ireland solely in the development of our agriculture. Now what are the facts? Let us analyse our Irish commerce as follows:—

IRELAND'S EXTERNAL COMMERCE.

(Figures represent millions sterling).

Commodities.	Imports.		Exports.	
	1904	1905	1904	1905
I. Food and Farm ..	20.7	21.0	30.4	30.8
II. Raw (including Fuel) ..	8.8	8.4	3.4	3.5
III. Manufactured	23.8	25.7	15.3	17.0

Observe the large *import* of Food and Farm products; our main business is to export Farm products—yet we do not feed ourselves. American Bacon is the sample case: in 1905 we exported 617,559 cwts. of Irish Bacon, valued at £1,790,921; while at the same time we were importing 729,937 cwts. of Foreign Bacon, valued at £1,697,104. Notice also the large *export* of Manufactured Goods. It is inaccurate, in view of these figures, to talk of Ireland as a purely agricultural country, with no industries to speak of. Ireland has both agriculture and industries. But, as regards agricultural products, our export is *just half-as-large* again (1.47 : 1) as our imports; while, as regards industrial products, our import is *just half-as-large* again (1.51 : 1) as our export.

To sum up, the one broad feature of Ireland's economy is that *what we produce we do not consume, and what we consume we do not produce*. We are not self-contained. Both for our supply and for our demand we Irish are depending far too much on the Foreigners.

Now the effect of this peculiar circumstance on the problem of "Industrial Revival" is unfavourable. Every economist

considers it the normal rule, when new industries are being planned, to "make" for the home market and to depend on the local demand in the first stages. But in Ireland the statistics indicate that the home demand is chiefly for non-Irish goods, and that the local industries are "making" chiefly for non-Irish markets. Anyone may set up an industry in Ireland, if he sees a market for his products in England, Scotland, or at the ends of the earth; but he will make a mistake, and will lose his money, if he is aiming at a market in Ireland.

It is not the competition of the old-established and well-capitalised industries of England that kills the nascent industries of Ireland: it is the chilling, inveterate, and unreasoning determination of the Irish people themselves that *they will not buy an article that is made in Ireland*. You may obtain a ready sale for a new article, if you conceal the fact that it is made in Ireland; if you send it across to England or France, and then ship it back again as a foreign-made article. Then it will catch the Irish fancy, then they will discern its merits, and will buy it with a confident belief that it is good value for the money. But the Irish people are prejudiced against themselves. They are ignorant of industrial matters, and quite unable to judge the quality of manufactured articles; all they feel certain about is that if the article was foreign-made, it is probably a good article, but if it was made in Ireland, then it is sure to be an inferior, apprentice-made sort of rubbish which nobody but a fool would think of buying!

Now, what is the origin of this overmastering hallucination in the minds of the Irish people? It has no foundation in facts. The plain, simple truth about Irish-made goods is that they are the best of their kind in the world. They are all made for foreign consumption, and exist only because foreigners buy them. Now foreigners buy them for no sentimental reason, but simply because of their intrinsic merit. Since the demand for Irish-made products comes from the foreigner, it is directed towards those Irish products that Ireland can actually produce in the greatest perfection. The direction thus taken by a severely impartial demand has guided Irish labour and capital into the channels which, under the circumstances of Ireland, yield the best economic return. The Irish-manufactured goods are thoroughly sound, reliable, honestly-made goods. Why, therefore, is there this psychological twist in the mind of the Irish people, this inveterate instinct that they will not buy an Irish-made article?

It is a creation of the false doctrine which is preached by the apostles of the Irish Industrial Development movement: this doctrine that there is a patriotic duty imposed upon Irishmen to contribute to the support of Irish industries by purchasing Irish-made goods in preference to imported

foreign goods. This doctrine is based on an economic fallacy. As an expedient to revive Irish industry it has had a long trial, and it has not been a success. On the contrary, like all false economics, it has produced just the opposite effect to that which was intended. It has inflicted immense injury on those whom it was intended to aid, and there is no help in it.

This doctrine has been preached in Ireland for two hundred years at least. Swift, in 1723, Arthur Dobbs, in 1729, Dr. Samuel Madden, in 1738, Bishop Berkeley, in 1748, were all writing in an age when the Mercantile doctrine was accepted by everybody. Adam Smith, in 1776, overthrew that doctrine in England. But Daniel O'Connell was no student of Adam Smith, and Ireland has learned nothing better since. The doctrine that goods are to be bought because they are Irish, not because they are the goods you need and the best value for the money paid—and that without this the manufacture of the goods must perish—is one that not only damages the home market for the really excellent things made in Ireland, it also cuts at the root of our self reliance. It has made the Irish people prejudiced against themselves. It has taught the Irish people to instinctively distrust things as bad value merely because the things are Irish-made. The paralysis to industry in Ireland produced from this cause is perpetuated by every repetition of the propaganda, and its effects are accumulative.

I am not myself aware that a movement for industrial development is functionally justified in undertaking to advise people how they are to make their purchases. Doing so is operating on consumption; or, at least, it is attempting *to operate through consumption*. Now its real object is production, and its main function ought to be *to operate on production*, viz. to improve the production of Irish goods to the utmost—making goods exactly suited to the actual market demand; making them by the most economical and efficient method, and putting them on the market in the best way. Much brains, much hard work and hard thinking, much learning of new ideas and processes, are necessary before we can become (or remain) efficient as producers. But, assuming that advice has to be given on the point how people are to make their purchases, then I see neither honesty nor soundness in the advice actually being given.

People must purchase economically, in order to produce economically. Business is business, not sentiment. Buy what you require with a single-eyed economy. Think always and only how to get exactly what you want, how to get it of good, sound quality, and how to get it cheap. Search the whole world for the best value you can get, and do not, by any irrelevant consideration, restrict the sources for your supplies. Remember always that every

superfluous payment in your expenses is a leakage of profits, and is a handicap on your efficiency as a producer. That is the sort of advice which an economist would regard as conducive to industrial development.

Now every honest man will admit that this is the very principle he has invariably acted on in his own business. When people go to meetings to urge other people to give a preference to articles because they are made in Ireland, they are advising what other people should do ; but when they go home to attend to their own business they are not such " Simple Simons " as they presume their audiences to be. Now, how much remains of the expenditures of the Irish people, after we have deducted all those expenditures that must be made on business principles ? I am loth to answer. But there is the expenditure of all our public boards. " Another work of the Association was to induce public bodies to take a greater interest in expending money, not on imported goods, but on Irish goods, by making it incumbent on contractors to supply goods made in Ireland." What does this mean ? Are men sitting on public boards, spending as trustees for the ratepayers money which is not their own money,—are these men to be " induced " to spend this public money on principles which they would repudiate as unbusinesslike in the case of their own business ? Surely that is impossible ? That would be to assume that the members of our public boards are not honourable men ; that would be preaching blackguardism, not patriotism. Economical expenditure of public money is really far more important to the community than economical expenditure of private incomes, as some little reflection will show to any one.

So far I have endeavoured to demonstrate that the advice given by this doctrine is advice which cannot be followed, and which is tacitly repudiated by every sensible person. Is it necessary to go further, and to show that the advice is wholly unnecessary ? There is so much insincere and harmful talk about reviving Irish industry by buying none but Irish-made goods, that this matter requires thinking out, and I venture to go into the full exposition.

To consume an imported article instead of an Irish-made article will not diminish the whole demand for Irish-made products, though it may alter the direction that this demand will take. The foreign import is not a gift, but a purchase, and it must be paid for somewhere by the export of an equal value of Irish products. (We have, of course, no Irish-made money to send in payment, since we do not mine or coin the precious metals here ; besides, if we did, it would still be an Irish product. Any actual money in Ireland has been imported hither in exchange for Irish products, being a commodity, which is convenient as a medium for exchanges—much as

grease is useful for lubricating wheel axles.) Thus, when I drink Irish porter, I have made a demand for an Irish-made article directly. When, instead, I drink tea from India, I do the same thing indirectly. This tea must be paid for by the export of Irish linen, or bacon, or something else. Now the point is that *the purchase of one necessitates the sale of the other*. The anxiety of the India tea-man to push the sale of his tea in Ireland is precisely the same thing as his anxiety to get paid for it by receiving from Ireland an equivalent in value. This equivalent must ultimately become materialised as an Irish-raised product, say Irish linen. Whether this linen is sent to the India tea-man direct, or goes to America first, which sends us tobacco, which we sell to England for money, which money we then pay to the India tea-man—does not seem to matter in the end; the great fact is that the purchase of the tea *created a demand for payment* by the export of an Irish product of equivalent value. The consumption of the porter, or the consumption of the tea, alike, create the same addition to the total demand for Irish products; the direction of the demand is different—towards porter in one case, and towards linen in the other. In short, we cannot buy without we sell. Those dreaded foreigners who contrive to sell their goods to us will thereby put themselves under a compulsion to buy from us, directly or indirectly, an equivalent value of Irish products—without they make us a free gift. For this reason no doctrine of consuming Irish products in preference to foreign imported products can add anything to the total output of Irish products. By shifting the soil from one corner of the field to another you will not in any way alter the actual size of the field, or the actual volume of the soil that it contains but you alter the distribution of the soil.

It is worth while to consider the same question from another aspect. In what precedes our point of view was that of the consumer; in what succeeds our standpoint will be that of the producer. Suppose A and B are persons raising *different* products in Ireland. If they exchange their products, then two Irish industries are benefited. Let X be a foreigner producing the same class of goods as B. Then, if A exchanges with X, instead of with B, clearly the first visible effect is that only one Irish industry now benefits by the transaction. B has been shut out. This first visible result seems to have been injurious to Ireland. Let us follow the course of events. A has now found in X a foreign market for A's products, which will probably be a much larger market for him than B's custom would have been. (This depends on the merits of A's product as a want-satisfier for mankind.) So A's business will probably expand: it may expand till it alone is as important to Ireland as the united industries of A and B had been previously. In which case the extinction of B will have been no loss to Ireland. But need

B be extinguished because A no longer trades with him? If B's goods are in no way inferior to those of X, he ought also to be able to push his trade abroad with other foreigners, such as Y, Z, etc. What X did, B should be able to do. In that case both A and B may enlarge their trades, and the final result of the new trading with foreigners will be to greatly enlarge the total trade in Irish products.

That is assuming that B's goods are fully equal in merit and value to the foreign goods sold by X. Take now the other case, viz., suppose X's goods are really superior value at the price to those of B: shall we in that case bring along the Industrial Association to ask A to give a preference to those Irish-made goods of B instead of buying from X? That would be most fatal advice. We may be sure that A will not act on any such sentiment, and quite rightly too. Were he to do so he would himself be injured in two ways, viz., (1) He would, *ex hypothesi*, be taking from B less value than he might have got from X for the same money. (2) He would be declining a foreign market, viz., X, for his own goods; and he would be basing the future of his own business on the capacity of B to continue to be an adequate market for him, whereas B is admittedly a shaky customer. The certainty is that if A were influenced by any such "patriotic" (but unbusinesslike) sentiment, the only result would be to involve his own business in the decay that is already threatening B. Taking both cases together, we find that if B is as good as the foreigner X, he ought to be able to take care of himself; while if B's products are really inferior, he should either remedy the inferiority, or take up some form of industry better suited to this country. Once the time has arrived when B is beaten on the merits, *Ireland can prosper better by B's extinction than by bolstering B up*. The time has arrived for B to shift into another line; for example, he can join A. But to attempt, at such a juncture, to hinder A from developing a foreign market is to drag down both A and B together, where in the nature of things, B alone was doomed.

There remains one further point for consideration. Let us suppose that the industries for which Ireland is naturally suited may have been proved to be too much of those kinds that produce a large value for a small employment of labour e.g., stock-raising instead of tillage. Thus the value of Irish products might remain the same, or increase, although the population supported by the industry was growing smaller. What then? It is a question of policy. Political Economy does not enable us to alter the facts of nature; but it may enable us to ascertain how to make the utmost out of the facts as they are. Now, it may be an advisable policy to interfere with natural causes for the express purpose of maintaining a larger population in the country. This policy will, however,

be advisable and wise for other besides purely economical reasons. But, in thus interfering with natural causes we admittedly sacrifice the higher economic return; and we ought to do so consciously, and for the set purpose. It is all a question of whether the game be worth the candle; but we ought to know the real cost of the candle. This is a large question, which I do not now discuss. But I am of the opinion that such interference should take the form of bounties,—you may recollect the corn-bounties that helped to make Ireland a tillage country between 1756 and 1800: because the bounty system makes the amount of the sacrifice visible and controllable. It gives you the money-cost of your candle. It is certain, I think, that the doctrine which I have been criticising in this paper is not only (as shown historically) incapable of any such regulative effect, but it would inflict dangerous and essentially incalculable effects in quite the opposite direction. A discriminating policy is impossible of being realised by the application of an indiscriminating principle.

Nevertheless, it remains true that the Irish people might be a happier, a prouder, and a better people, although somewhat poorer economically, if they were enabled to live in Ireland, instead of being separated by emigration and being scattered over the face of the earth. I have said nothing in this paper about Irish agriculture, as I have been limited to industrial development. But our Irish agriculture is in a far worse condition than our industries. It is mainly the agricultural element of our population that is emigrating. The problem of finding employment which shall enable our people to remain in their own country is much more the problem of the revival of tillage in Ireland than the problem of a revival of Irish industries. Is there nowhere in Ireland an Association and a movement for the Development of Tillage in Ireland? In words of my own, which I may be excused for quoting here as a closing thought:—

“There is nothing in the economic and industrial condition of Ireland so deplorable and so retrograde as the uneconomic usage of the soil in the present dilapidated condition of Irish Agriculture. In our Shipbuilding, our Linen Cloths, our Brewing and Distilling, our Woollen Tweeds and Hosiery Goods, our Rope Making, and our delicate Lace Fabrics we have industries that may stand, quality for quality, alongside similar goods made in any other country in the world. But in the art of using the soil of a most fertile land in the business of Agriculture we are but a ruined country, wasted and withered by the long-drawn agony of a half-century’s struggle for the settlement of the question of land tenure.”—(*Thom’s Directory of the Manufacturers and Shippers of Ireland, 1908*).