

INDUSTRIAL IRELAND UNDER FREE TRADE.

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When Ireland, by a determined effort, obtained "FREE TRADE" in 1779, this term meant far more than freedom-from-tariff duties, which is the meaning it has to-day. What the British Acts (20 Geo. III., c. 6, 10, 18) then passed did was to grant to Ireland freedom-to-trade where her trade had long been prohibited, provided the Irish Parliament imposed duties at Irish ports equal to those paid in this trade in British ports. Thus, as in Mr. Lecky's description:—"The Acts which prohibited the Irish from exporting their woollen manufactures and their glass were wholly repealed, and the great trade of the colonies was freely thrown open to them. It was enacted that all goods that might be legally imported from the British settlements in America and Africa to Great Britain might be in like manner imported directly from these settlements into Ireland, and that all goods which might be legally exported from Great Britain into those settlements might in like manner be exported from Ireland, on the sole condition that duties equal to those paid in British ports were imposed by the Irish Parliament on the imports and exports of Ireland. The Acts which prohibited carrying gold and silver coin into Ireland were repealed. The Irish were allowed to import foreign hops, and to receive a drawback on the duty on British hops. They were allowed to become members of the Turkey Company, and to carry on a direct trade between Ireland and the Levant Sea." (Lecky's Ireland, ii., 242.) This was, indeed, a great boon of new freedom for Irish trade; but it was not complete freedom—as we shall see.

The epoch of 1779 is, therefore, irrelevant to any argument about the effects of tariffs on trade, whether stimulating or depressing. But it is important as the first step in the direction towards equal trade relations between Great Britain and Ireland; and Lord North, when asking the English Parliament to pass these measures, maintained strongly the novel proposition "*that the prosperity of Ireland must ultimately prove a blessing to England.*"

What is difficult for us, in this twentieth century, to realise about this epoch of 1779 is that English manufacturers were then afraid of Irish competition, feeling convinced that they would be ruined unless they were protected against Ireland. It was the poverty of Ireland which made her seem so formidable a rival: for the cheapness of living, the low wages supposed to be paid,* and the small taxation then imposed in Ireland were real advantages at a period when manufacturing had not yet been transformed by machinery. However, it was stupid to suppose that any advantages that Irish manufacturers could have derived from Irish poverty would have served to counterbalance the advantages that the English manufacturers must even then have had through their large capital, extended credit, and established skill and reputation. That form of stupidity springs very often from the enjoyment of monopoly.

The Acts of 1779-80 were, of course, an unmixed blessing to Ireland. "Thus fell to the ground that great system of commercial restriction which began under Charles II., which under William III. acquired a crushing severity, and which had received several additional clauses in the succeeding reigns. The measures of Lord North, though obviously due in a great measure to intimidation and extreme necessity, were at least largely, wisely, and generously conceived, and *they were the main sources of whatever material prosperity Ireland enjoyed during the next twenty years.*" (Lecky, *id.*) All the same, 1779 did not give Ireland complete freedom-to-trade: "Ireland had not as yet any real equality of trade with Great Britain." Miss Murray gives details as follows:—

"No British goods were prohibited from being brought into Ireland, and on none were heavy duties placed. . . . With very few exceptions, Ireland at this time imposed a 10 per cent. duty on all articles imported, and a 5 per cent. on all articles exported. The Irish Parliament still regarded the customs as a means of raising revenue, not of affording protection. Very different was the treatment which Ireland received at the hands of Great Britain. Many Irish goods were prohibited by law from being brought into Great Britain at all: these were wrought silks, silk stockings, silk gloves and mittens, leather gloves, lace, fringe, and embroidery, and copper and brass work. At

* As a fact, it was only very inferior labour which was cheap in Ireland at this time. Superior artisan labour was as dear there as in England. Miss Murray (p. 248) refers, on this point, to Crumpe's "Essay upon the Best Means of Providing Employment for the Poor," pp. 187-8. (Dublin, 1793). And there are other authorities to the same effect. The low taxation was a juster objection.

the same time, the importation from Ireland of the following articles was practically prohibited by the imposition of extremely heavy duties varying from 30 to 60 per cent. : all kinds of woollen cloth, all kinds of stuffs mixed with wool, refined sugars, beer, hops, all cotton manufactures, manufactures of linen and cotton mixed, printed linens, cotton stockings, thread stockings, leather manufactures, tallow candles, starch and soap. The consequence was that the British markets were practically shut against all Irish goods, except provisions and plain linen cloth, which were admitted duty free. . . . Besides being shut out from the British markets, the Irish merchant, although he could now trade directly with the plantations, was not allowed to export plantation produce to Great Britain." (This was due to a particular interpretation put upon the Navigation Acts: Lecky, ii., p. 432). . . . "Ireland was also not allowed to trade directly with the territories included in the East India Company's charter, but had to take all East Indian, Persian and Chinese goods through the medium of Great Britain. Irish subjects, too, were not allowed to trade with the territories between the Cape of Good Hope and the Straits of Magellan, like British subjects." (This meant India, Australasia, and the Pacific; see "Commercial Relations," pp. 228-30.)

Seeing how much people are misled by words without ascertaining what the words stand for, it was advisable for me to establish that the "FREE TRADE" won by Ireland in 1779 was very different in kind from that freedom-from-tariffs that we understand to-day by the term "free trade." The material progress made by Ireland during the twenty years of Grattan's Parliament would have been impossible without the "freedom-to-trade" that was won in 1779. But "free trade," in the modern sense, did not exist as between Great Britain and Ireland until 1824, when Mr. Huskisson's measures abolished customs on the Cross-Channel traffic.

Accordingly we may regard the years between 1779 and 1824 as a transition-period. The freedom-to-trade of 1779 had to be made secure : being granted by Acts of the British Parliament, that Parliament might repeal what it had done. Hence security depended upon breaking the power of the British Parliament to legislate about Irish Commerce. This was done by two British Acts : one of 1782, which repealed the "Declaratory Act," 6 Geo. I.; and another of 1783, which "renounced" all legislative and judicial supremacy over Ireland. From this time until the Union, England ceased to have power over Irish commerce; and Ireland was able, if she wanted, to prohibit English goods from her ports, or at least to impose very heavy duties on them.

Why did not the Irish Parliament then raise the Irish duties against British goods to at least equal the British duties against Irish goods? The matter was debated, in a full-dress debate in the Irish House of Commons in April, 1784, and the House decided by 123 to 37 votes that Ireland would be safer under a free trade policy. This decision (on a proposal to protect the woollen industry) is very remarkable. It was produced partly by fear that England might have retaliated by refusing to import Irish linens; partly it was the result of an enlightened expediency, since Foster and others proved (by an exposition of free trade principles that could not have been surpassed by Adam Smith himself) that protective duties would "only serve to irritate England without doing any good to Ireland." The Irish statesmen at this time, therefore, made use of bounties for the development of trade, and deliberately refrained from a policy of protective tariffs. (See, for several instances, Lecky, ii., p. 383-7.)

Foster's Corn Law of 1784 and Pitt's Commercial Propositions of 1785 are the next events of importance in regard to Irish economics. At this time the imports from England were under one million, while the exports to England were above two millions and a half. Consequently, a proposal for complete equality of trade between England and Ireland was a much greater boon to the latter than to the former: but Ireland was to purchase it by paying a fixed contribution in time of peace and war to the general defence of the Empire. That was Pitt's idea; and it was one acceptable to Irish statesmen. The Commercial Propositions failed, because the English merchants would not have free trade with Ireland; and because the English Parliament wanted to recover its power to legislate for the commerce of both countries, thereby infringing upon the independence of the Irish Parliament. Mr. Lecky, in his comments upon the whole fiasco of 1785, has a remarkable passage showing that "economical opinion at this time was more enlightened in Ireland than in England": it was so mainly because the whole course of Irish history had tended to exhibit the benefits of a free trade policy, whereas the course of English history had tended to develop a strong bias towards monopoly. From that date on to the Union, "Ireland as a distinct country continued to legislate independently for her commerce, and her Parliament did not show the faintest disposition to interfere with English commercial interests." In the words of Lord Westmoreland, who was Lord Lieutenant in 1790—"No restraint or duty has been laid upon British produce or manufacture to prejudice the sale in this country, or to grasp at any advantage to articles of Irish

manufacture, nor has any incumbrance, by duty or otherwise, been laid on materials of manufacture in the raw or middle state, upon their exportation to Great Britain. At the same time, in everything wherein this country could concur in strengthening and securing the navigation and commerce of the Empire, the Government has found the greatest readiness and facility." (Lecky, ii., pp. 443, 453.)

So we pass on to the Parliamentary Union of 1801. It did not establish free trade between the two countries, but it gave Ireland equality. After 1779, no progress had been made in this direction until 1793: when "the right of Ireland to participate in the East India trade was now fully acknowledged; the Irish Parliament agreed to recognise the monopoly of the East India Company, and when the charter of that Company was renewed for twenty years, provisions were made which substantially, though with some restrictions, removed the grievance of exclusion of which Irish statesmen had hitherto complained. The East India Company undertook that a ship of 800 tons burden should sail annually from Cork to India for the purpose of carrying Irish goods." (Lecky, iii., p. 187.) At this same time, in 1793, Grattan asked for another attempt to be made to settle the commercial relations of England and Ireland on a basis of perfect reciprocity, what had failed to be done in 1785. There were outstanding instances where Irish goods (mostly textiles) were not admitted to Great Britain on fair terms: "England still maintained her woollen monopoly by imposing a prohibitory duty of £2 0s. 6d. per yard on one class of woollen goods imported from Ireland, and of 6s. per yard on another class, while the corresponding duties imposed on these goods when imported from England into Ireland were only 5½d. and 1½d. per yard. Irish printed linens were subject in England to an import duty of 65 per cent., while the corresponding duty in Ireland was only 10 per cent. Cotton goods paid an import duty in England of 30 per cent., in Ireland only 10 per cent.*** Grattan wanted all such inequalities removed, lest a war of hostile tariffs should arise to estrange the two countries. But the Government declined to reopen a question that was so likely to meet with great opposition in England.

The commercial clauses of the Act of Union are contained in Article VI., which is one not easy to summarise: though less complicated than are the financial clauses, contained in Article VII. The equality established between British and

* Mr. Lecky (iii., p. 187-8) uses "round figures" in this paragraph; for the actual figures, see Miss Murray, p. 230. Thus "65 per cent." is actually £65 10s. 10d. per £100 value; and so on.

Irish commerce may be sufficiently gathered, perhaps, from the following epitome, viz. :—

- (1) Exports from one country to the other were to be free of all duty, prohibitions, or bounties whatever: *corn, meal, flour, and biscuits only excepted.*
- (2) Imports likewise were to be free of all duty, *except for those articles specially enumerated, for which specified import duties were stated, viz. :—*

(a) Ten per cent. *ad valorem* duties (lasting for twenty years) were fixed for eighteen articles, named in a Schedule: "Cotton, other than calicoes and muslins," being one of these eighteen.

(b) "Calicoes and Muslins" imported were, for eight years, to pay the full existing Irish protection-duty (65 per cent. roughly); then, for another eight years, this duty would fall by equal steps, until in the sixteenth year it became ten per cent., at which it would stand till the twentieth year after the Union. The same applied also to "cotton yarn and twist," except that by the sixteenth year the duty would be reduced to zero.

(c) Woollen manufactures, imported into either country, were to pay (for twenty years) the existing Irish importation duty. (5½d. per yard on "Old Drapery"; and about 1½d. per yard "New Drapery.")

(d) Salt, Hops and Coal were not (for twenty years) to pay when imported into Ireland a duty exceeding the existing Irish importation duties on these raw materials.

- (3) When any article was paying in either country an excise (or internal) tax, then if that article were imported from the other country it must pay a countervailing import duty of equal amount to the said excise tax. And when leaving the said "other country," it could claim a draw-back equal to this countervailing duty so taken. Power was reserved for the United Parliament to vary the excise taxation, and consequential countervailing duties, of either country, in the manner provided by the financial clauses of Article VII.
- 4) As regards imports and exports in trade with foreign or colonial countries, each country was to be treated alike, whether they traded directly or traded through the other country's ports.

The text of the Act of Union can be consulted to confirm the essential accuracy of this short summary (see Plowden's "Historical View," Appendix). It shows how nearly the arrangements for equal trade laid down by the terms of the Union approached to an absolute "free trade" between Ireland and Great Britain. The post-Union duties, of only 10 per cent. for the most part, were to guarantee the "protection" of the existing Irish tariff for a period of twenty years after the Union; and, for the same period, Ireland was guaranteed that she would get all the salt, hops and coal she required (being raw materials for important Irish industries) at a tariff-charge "not exceeding" what she was already paying. The tariff could not be raised on these things, but it might be lowered: so Miss Murray is not justified in a criticism she makes, where she says: "Hops, Salt and Coal were for ever to continue subject to the present duties on importation into Ireland" ("Commercial Relations," p. 334). She is right, however, in another criticism, viz.: "None of the commercial terms of the Union gave any preference to Irish goods over foreign as the Commercial Propositions (1785) had done, and so even Irish linens were to have no security against the rivalry of foreign linens in the British markets" (*id.*, p. 335). It was, however, important that there could be no prohibition in the future to prevent Ireland from obtaining the use of British wool, and woollen or worsted yarns, and British coal; also that England could no longer give bounties on the exportation of her goods to Ireland.

There can be but small difference of opinion that the effects of the Union were, at the time, most injurious to Irish industry, while being most stimulating to Irish agriculture. And the interpretation usually offered is that the "infant" industries of Ireland were left without protection, so they shrivelled up before the competition of the old-established English industries. Thus, Miss Murray, as if the thing were obvious, writes: "Free trade under certain conditions cannot be an advantage. It could not be an advantage to a poor country like Ireland, in which industries were in their infancy, and which existed side by side in the closest commercial intercourse with a rich country where industries had long flourished." (Commercial Relations, pp. 337, 351.) Now, personally, I do not find this sort of thing helpful in understanding what was happening to Irish industries at this epoch. The commercial clauses of the Union were almost identical with those Commercial Propositions which Irish statesmen had ardently desired to have carried in 1785, and again in 1793: provided only the independent constitution of Ireland were preserved intact.

We have seen that, prior to the Industrial Revolution which applied machinery to manufacturing, it was English manufacturers who had required protection against Irish competition, and not the other way round. The Irish industries were, at this time, not infants; but they were old-fashioned hand-work affairs, which became obsolete when there arrived the new "infants" of that time, the machine-made textile industries born of the "New Inventions." Miss Murray writes (*id.*, p. 347):—"It was difficult, if not impossible, for a small Irish manufacturer with little capital to erect the new expensive machinery which British capitalists were beginning to use and which was resulting in such a cheapening of production. As the era of the development of mechanism advanced, Irish manufacturers, more especially the woollen manufacturers, found that they had not the material resources necessary to meet it, and the ruin of the woollen industry was more complete than that which had resulted from the repressive legislation of nearly a century and a half." This seems so obvious, if one only stops thinking! But in all this she is allowing a theory to blind her vision; for the historical facts of the time contradict what she asserts. The rapid rise of the new cotton manufacture in Ireland at this time—she says herself, "for the first quarter of the nineteenth century the cotton manufacture bid fair to become the staple industry of Ireland" (*id.*, p. 349)—means that plenty of capital was available for there providing the "new expensive machinery." And again, when the wet-spinning process made machine-methods applicable to the spinning of flax yarns, there was plenty of capital available to erecting the linen factories of the new time after 1828. As for the decay of the Irish Woollen industry after the Union, that will not be understood by any person who does not know the technical distinction between "woollen" and "worsted." These became two quite distinct industries once machinery was applied to their manufactures, and they required quite different kinds of wool. The Irish-grown wool is now quite unsuitable for the woollen machine-processes: it is a worsted wool. But the worsted yarn processes are far more elaborately machined than the comparatively very simple processes of the woollen yarn manufacture; for example, it involves the use of machine-combing, the highly-ingenuous machinery for which is so monopolised, by patents, that the world's business of spinning worsted yarn has to-day become located inside one small area in south-west Yorkshire. After this great technical change, the woollen industry of Ireland had to depend for its raw material on imported wools, and the native wool of Ireland was exported.

My own view is that free-trade had little or nothing to do with the industrial decay which followed the Union in Ireland. We must assume this decay as a matter of fact, though it was probably more in evidence in the city of Dublin, and the decay of the inland country towns came much later.* No one then understood the economic needs of Ireland better than Mr. John Foster, Speaker of the Irish House of Commons; and his famous speeches against the Union indicate nothing of the dangers of free trade. Speaking on February 17th, 1800, he said: "Can those who now hear me deny that since the period of 1782 this country has risen in civilisation, wealth, and manufacture, *until interrupted by the present war*, in a greater proportion and with a more rapid progress than any other country in Europe, and much more than it ever did itself in a like period before? *And to what has this improvement been owing, but the spirit, the content and enterprise which a free Constitution inspired?* To depress which spirit, and to take away which Constitution, are the objects of the present measure." (Lecky, v., p. 389.) Now the two passages which I have put in italics in this quotation hint at a great part of the explanation we are looking for. The time was most unfortunate for such a change in the constitution of Irish government. Those who have studied the social evils which grew up among the masses of the English people during the long continuance of the French Revolution and Napoleonic Wars will find there a state of things which we cannot rightly suppose that Ireland would have wholly escaped, whether Union or no Union. On the top of the impoverishment due to the Great War, we must heap the far-reaching transformations of the Industrial Revolution, which was now rendering obsolete the hand-spinning employment that had kept the country districts of Ireland at work supplying yarn for the looms of England as well as of Ireland. The rise of spinning factories was sucking into the towns (along the coast, or located on the coal-fields) the old industrial life of the country side both in England and Ireland. The very factors which now enfeebled industry were stimulating agriculture: England had ceased to export corn, and was soon diminishing its own corn-growing. The conditions set up in England by the War necessitated an

* The Rural Population (*i.e.*, outside Towns of 2,000 inhabitants) was 7,039,659 at Census of 1841, but only 2,919,624 in 1911. For an area of 32,000 square miles the former means 220 persons to the square mile, the latter only 91 persons to the square mile. Now this evacuation of the rural districts caused (I suggest) the decay of the inland country towns; and the main operating cause was *the effect of free trade on agriculture after 1846*. The decay of Dublin, following the Union immediately, was due to the loss of the Parliament.

increasing importation of corn from Ireland: so that "the export trade in cereals to Great Britain was the one Irish trade which prospered greatly after the Union, and which continued to prosper" for many years even after the repeal of the Corn Laws in 1846. Just at this critical time—when enterprise, confidence and hope were needed if the opportunities of the new era were to be seized for Ireland's advantage—came the paralysis of the Union: it took the very heart out of Ireland, and substituted the stepmotherly indifference of an alien Assembly for the parental care of a native Parliament.

It is a matter of history that there were three Unions, not one, before Ireland was absorbed into the system of the United Kingdom. In 1800 (by 39 and 40 Geo. III., c. 67) we had the Legislative Union; in 1816 (by 56 Geo. III., c. 98) we had the Union of Treasuries, commonly called the amalgamation of the Exchequers; in 1824 (by 4 Geo. IV., c. 72) we had the Customs Union—the cross-Channel trade was then reduced by statute to the status of a coasting trade, and was made free of all countervailing duties. I am afraid that few persons realise the outstanding importance of the period 1824 in Irish economic history. When Miss Murray wrote—"The economic history of Ireland during the nineteenth century divides itself naturally into two periods, the famine of 1846-7 forming the dividing line"—she was perpetuating a very common blindness. It is a matter of fact, however, that the year 1824 is the pivotal turning-point in the industrial history of Ireland. Just see what was happening in that year.

The post-Union protective duties, amounting to about 10 per cent. *ad valorem*, then ceased (by 4 Geo. IV., c. 26, and 5 Geo. IV., c. 22): by a descending scale ending in 1830; and free trade began between Great Britain and Ireland. In 1824 also (by 4 Geo. IV. c.) a common system of weights and measures, and of moneys, for both countries was adopted. More important still, in 1824 regular steam navigation first began: viz.—Mr. C. W. Williams then started the City of Dublin Steam Packet Company, trading between Dublin and Liverpool, and the Burns Line started in the same year, trading between Belfast and Glasgow. A journey which the sail-packet from Chester had taken sometimes a week to perform, now became a regular trip of fourteen hours, or less. Then in 1828, the Linen Board of 1711—whose operations were so denounced by Arthur Young in his "Tour in Ireland"—came to its final dissolution (by 9 Geo. IV., c. 62); some of its functions were transferred to the Lord Lieutenant for a time, so that the last regulations of the linen trade by

public authority did not finally lapse until the year 1842. It was an undesigned coincidence that about the same date, 1828, the application of machinery to the wet-spinning of flax led to the modern linen factory, and to the concentration in and around Belfast, and at a few other centres in Ulster, of an industry previously spread widely through the homes of the Irish peasants, especially in Connaught.

During the ninety and odd years since 1824, under the influence of free trade conditions, Industrial Ireland has undergone an economic transformation so complete that it is difficult to realise the logical impossibility of comparing the Ireland of to-day with the Ireland of fifty or sixty years ago. Certainly few people have ever mentally grasped the facts of the prodigious stimulus that has been given to the commerce of Ireland by the new free-trade era that opened in 1824. Yet it is from that epoch that we must date the growth (1) of the modern linen trade; (2) the Irish porter exports; (3) the large live-stock industry; and (4) a great Irish grain trade to Great Britain (a preferential market from 1823 to 1845), which culminated in 1838, but only began to fall away rapidly after 1861, with the advent of the new American prairie produce. Later still, in the fifties and sixties, we have had the rise and growth, under free-trade conditions, of the Iron and Steel Shipbuilding, of the modern factory Woollen Industry, and of the Biscuit Manufacture.

When we try to contrast the Ireland before 1824 with the Ireland of to-day, as might be expected we find that Ireland was then more self-contained: which necessarily means that it was very much poorer. Most of the country people were then clothed with home-made materials. The country produced all its own breadstuffs, and had a considerable surplus of grain and meal for export. The meat exports then formed a victualling trade, chiefly of salted provisions, for the live-cattle business only became considerable after regular fast steam communication with Great Britain was established. We find in 1824 no importation of Indian corn, or of other foodstuffs, such as so largely obtains to-day. Among exports, everything was then agricultural, with the one big exception of the linen trade, which came to between two and a half and three millions sterling in annual value, *i.e.*, not a sixth of the linen export of to-day, although the article has since so much cheapened in price. Moreover, the linen trade figures then included, besides yarn, a considerable export of "rough" (*i.e.*, scutched) and "dressed" (*i.e.*, hackled) flax.

When we turn to the Ireland of to-day, we have to make acquaintance with a group of facts, which are so new that few people are yet aware of them. The ideas still prevalent

in the minds of the Irish people about Ireland may have come down by tradition from some Ireland of the past times (which probably never existed!); but they are, to a surprising degree, wholly inapplicable (because false) to the Ireland of to-day. Modern Ireland is a *terra incognita* to most of the Irish people. It is the creation of free trade conditions, and thrives by free trade—yet most Irish people blandly believe that it is free trade that has “ruined” Ireland, although, in truth, there never was a period in the whole history of Ireland when the country was so prosperous; and especially so its manufacturing industries, which many of us sarcastically compare with the Irish snakes in being conspicuous only by their absence. But all this popular prejudice is false, and the true facts are quite otherwise.

To justify these statements, it is necessary to examine and to interpret the statistics of modern Ireland,—which is a painful operation that rouses an invincible repugnance in most of us. I will take at present only the figures for the external trade in exports and imports at Irish Ports, beginning in 1904, which the Department began publishing in 1906. But other lines of confirmatory evidence exist in the Census of Production for 1907, in the Decennial Censuses from 1841 downwards, and elsewhere.

The only analysis that the Department’s statistician gives of Irish imports and exports is to group them under three classes: (1) Farm produce, food, and drink; (2) Raw materials, which includes coal; (3) Manufactured goods. These three classes are indicated by the bracketed numbers in the central column, in the following table:—

ANALYSIS OF IRELAND’S ANNUAL TRADE.

Column (A)=Average of 10 Years, 1904-13; Column (B)=Year 1914.

IMPORTS.			EXPORTS.		
1914 (B)	1904-13 (A)	Class of Goods.	1904-13 (A)	1914 (B)	
£ Millions.	£ Millions. Per Cent.		£ Millions. Per Cent.	£ Millions.	
27·26	23·24=36·8	(1)	34·34=54·5	41·61	
10·27	9·46=15·2	(2)	4·03=6·4	4·52	
36·13	30·26=48·0	(3)	24·65=39·1	31·18	
73·66	62· =100·0	Totals	63·02=100·0	77·31	

From this table we can see that for the single year 1914 (column B), the Exports were valued at 77·31 millions sterling: exceeding the Imports, valued at 73·66 millions sterling, by a considerable excess. But 1914 was an abnormal year by the fact that the War was affecting five months, August to December, inclusive. It is better, when forming general views about Ireland's Trade, to confine our attention to Column A, which represents (both in millions sterling and by percentages) the average conditions for the previous ten years, 1904-13, inclusive. Now, what does Column A tell us about Irish Trade? Notice the very large *importation* of Food and Farm Produce: they are 36·8 per cent. of the Ireland Imports. Notice, again, the quite large *exportation* of Manufactured Goods: they are 39·1 per cent. of Ireland's Exports. Can we continue to suppose, in the face of such facts, that "Ireland is chiefly an agricultural country, with few industries worth speaking about"? Moreover, we have to mentally grasp what the Class "Farm Produce, Food and Drink" here includes—namely, Guinness' Brewery, Jacob's Biscuit Factory, Gallaher's Tobacco Factory, Jameson's Whiskey Distillery, the big Bacon Curing Establishments, etc.; all of these, being highly capitalised industries with elaborate plant and machinery, make it quite clear that Class (1), "Farm Produce, Food, and Drink," cannot be accepted as representing only Agricultural Exports. If these industrial items were shifted from Class (1) to Class (3), we may easily believe that Ireland's Exports contain at least as much from the output of Ireland's industries as it does from the output of Ireland's agriculture: it only needs a shifting of 5 millions worth of value, out of a total Export of 63 millions sterling, to make the two equal. We must draw the conclusion already from this simple table that Ireland is NOT a country which *exports* mainly agricultural products and *imports* mainly manufactured products. That view is radically false of present-day Ireland, which is a country that enjoys the good fortune of having mixed employments, both industrial and agricultural. This conclusion can be confirmed from the independent evidence supplied by the Census of Production for the year 1907.

But we may analyse the figures of Ireland's Trade in a much better way for our present purpose than the Department's Statistician has cared to do. We desire to learn how Ireland lives, considered as an isolated household. What are the principal articles which she is producing for sale to the world? What are the principal articles which she requires to purchase? I will here answer the first question only; and, for that purpose, I will take the particulars

only of the Exports, and will arrange them simply in order of magnitude by estimated values.

PRINCIPAL EXPORTS OF IRELAND.

(Grouped according to distinct employments).

—	Year 1914.	Year 1913.	Year 1912.
	£	£	£
1. Linen Trade (3) ...	16,031,816	16,009,326	15,839,205
2. Cattle Trade (6) ...	14,345,161	15,464,468	8,236,868
*3. Bacon Industry (6) ...	4,372,096	4,430,061	4,510,367
*4. Butter Trade (4) ...	4,924,024	3,954,611	4,395,783
*5. Eggs and Poultry (3) ...	4,487,326	4,048,088	4,007,693
6. Steamships (1) ...	6,703,250	3,148,000	3,361,500
*7. Cotton Goods (1) ...	2,275,174	2,722,350	2,664,984
8. Woollen M'facture (10) ...	2,808,694	2,364,120	2,610,595
9. Porter and Ale (2) ...	2,452,205	2,293,879	2,102,834
10. Whiskey (1) ...	1,930,377	2,008,500	1,960,136
11. Horses (3) ...	1,431,045	1,703,260	1,627,040
12. Pig Trade (1) ...	736,688	1,024,197	1,302,053
Total of above ...	62,497,856	59,150,860	52,669,058
Other Exports ...	14,813,196	14,735,550	14,512,920
All Irish Exports ...	77,311,052	73,886,410	67,181,978

* These items are incomplete, being partly exported under other heads, such as "Parcels Post," "Provisions and Groceries," "Apparel," etc.

In this table I have indicated, by the bracketed figure after the name of each employment, the number of items in the Department's List of Exports, which I have combined to get the total for that employment given in the above columns. For example, "Linen Trade" covers the three items of Flax, Linen Yarns, and Linen Cloth. It will be observed that the various trades or employments, while fluctuating yearly, maintain their relative position in the table fairly steadily. Hence we are justified in concluding that we have here set out *the twelve largest-producing employments of modern Ireland*. What we learn from the table is that 8 out of the 12 are capitalised industries using elaborate machinery. The 4 others are Live Stock businesses; other agricultural products of Ireland being consumed at home, mainly on the farms in producing the Live Stock. This table seems to me conclusive on the point that the industries of Ireland, so far from being negligible in comparison with the agriculture of Ireland, are probably producing more wealth than the land of Ireland

produces under the present system of usage. I have elsewhere summed up the situation in Ireland to-day as follows: "There are two Irelands: a Rural Population of about three millions purely agricultural, and a Civic Population of about one and a half millions purely industrial. And these two are producing about equal amounts of wealth" (Oxford Survey of British Empire, under the article "Ireland"). Such is the economy of the modern Ireland that came into existence under free-trade conditions since 1824: and it is a picture of their own country that very few Irishmen will recognise. For, as I said, Ireland is a *terra incognita* to the generation that to-day lives in it.

A system for the "protection" of industry by tariffs can do no more than secure for industry the home market; when it does so for one industry it puts up the expenses against every other industry. For every *plus* there must be a *minus*; perhaps people are protectionists merely because it is generally easier to see one plus than a multitude of minuses. But Ireland is a small country, and can provide only a small market. The industries of Ireland now existing all manufacture for an export trade: there is not one of them could live, let alone thrive, if it were restricted to the home market. Having to export and to maintain its place in a world-market, anything that enhances its expenses of production must be most injurious. Because "protection" must do that, therefore the term is misleading: under such conditions "protection" does not protect, it enfeebles.

Just one point more to conclude with. When we examine the imports of Ireland and compare these with the exports, we are impressed by one broad outstanding feature of our economy—viz.: Ireland is not self-contained. *What we produce we do not consume, we export it; and what we consume we do not produce, we import it.* Also it is curious that we find a large number of commodities which appear both as imports and as exports. Is it that there is something inadequately adjusted in the commercial arrangements of the country where commodities coming in are met and passed by the same commodities going out? It is an economic truth that a small country, if it is to be self-contained, must remain poor: it can only become wealthy, if it is enabled to employ the resources of other lands as well as its own—what it can only do by developing its foreign trade. We know that the external trade of Ireland is enormous in comparison with the size of the country. But can we not reflect how doubly-injurious tariffs would be under circumstances like these of Ireland? It is enough for some thinkers that "protection" plays a great role in the modern world. But it may be noticed that

a system of "protection" only becomes endurable when the area enclosed is so large as to be nearly self-supporting and when its internal commerce is developed by free trade. What would be the United States of America to-day if the forty-eight States were protected against themselves? What was the state of Germany before a system of free trade united all the separate German principalities and kingdoms within the same zollverein? Is not Russia already so large as to be self-sufficing? Have not the British Colonies in Canada, in Australia, in South Africa, established an internal free trade for themselves according as each of them became unified into one large area as a Dominion? But a small country such as Ireland cannot afford to be self-contained: therefore, it dare not attempt to build up industry by the use of a "protective" tariff—it must be free trade. Yet it is supposed that, if a poll were taken, the great majority of the Irish people would be found to be Protectionists!