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HINTS
TO THE
MANUFACTURERS OF GREAT BRITAIN,
ON
THE CONSEQUENCES
OF
THE IRISH UNION;
AND THE
SYSTEM SINCE PURSUED,
OF BORROWING IN ENGLAND, FOR THE SERVICE
OF IRELAND.

BY
THE EARL OF LAUDERDALE.

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ADVERTISEMENT.

IN the following Tract, the large remittances from Ireland to England, which will become necessary, are only considered in so far as they must prove detrimental to the British manufacturer; but, from what is there said, it must not be inferred, that the author conceives the measure will be beneficial in its consequences to the general interests of Ireland.

To have conjoined a statement of the injurious effects of this system to Ireland, with an examination of the mischief with which it threatens the British manufacturer, might, by rendering the subject more complex, have created a degree of confusion. A desire of making the discussion as plain and perspicuous as possible, is therefore the sole reason why the author has abstained from considering the question in that point of view.

HINTS

TO THE

MANUFACTURERS, &c.

It has long been generally admitted, that the government of this country has gradually undergone very important changes in relation to every thing that concerns either personal security or civil liberty.

The clear, strong, and explicit manner, in which the rights of the subject are asserted in the Bill of Rights and Act of Settlement, as well as the numerous limitations and explanations, by the Legislature, of the powers of the Crown, has left little to dread from the exertion of prerogative.

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On the other hand, it has been with reason doubted, whether the extended revenue, the multiplicity of financial regulations, and the important alteration they have produced in the distribution of property, have not armed the Crown with powers more efficacious than it heretofore either possessed or aspired to.

For a length of time, the extension of the prerogative has neither roused jealousy, nor excited alarm in the breasts even of the most watchful guardians of our freedom. It is the decrees pronounced by the mild, but efficient voice of influence, that have exclusively given birth to the apprehension of an increasing and overbearing power of controul.

Something of a similar change has imperceptibly taken place with regard to freedom of trade, the birthright of the subject, under the common law of England. *

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* As the opinions of the most eminent lawyers on this subject are not generally known, some extracts are subjoined, together with a list of numerous acts of Parliament that have been made to guard against encroachments on the subject's enjoyment of the freedom of trade.—See Appendix.

The merchants and manufacturers no longer dread grants, patents, or restraints, instituted by charters or proclamations. The evils, which the statute of monopolies was intended to guard against, are no more to them the cause of alarm or apprehension. *

But, in the arrangement of a tax bill, in adjusting the commercial relations between different parts of the country, in the formation of treaties, and in all the innovations produced by an extended and complicated system of finance, they often discern mischiefs equally threatening to their interests, and more dangerous, from the indirect and doubtful manner in which they operate on all their concerns.

This train of reflection is suggested by contemplating the imminent danger, with which the interests of the British manufacturers seem to be threatened by the arrangements of property, to which the union with Ireland, and the system, since pursued, of borrowing in England for the service of that country, must give rise.

Perhaps there never existed a more solid or formidable source of alarm; though its operation, from being indirect and remote, seems

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* 21st James I. ch. 3.

hitherto to have escaped the notice of Parliament, and even of the manufacturers themselves.

To unveil this system, and to explain its inevitable effects, becomes therefore an important and an immediate duty. The longer it is persevered in, the more calamitous it must ultimately prove; and the mischiefs with which it is pregnant, must, when discerned, appear the more dangerous, from the manner in which, by chance or design, they are, for the moment, masked and concealed.

The large remittances, made to absentees resident in this country, have long been in Ireland a popular source of complaint. Soon after the Revolution, a calculation was printed, shewing that upwards of 136,000*l.* was on that account annually conveyed to England, without any return. *

In

* See Remarks on the Affairs and Trade of England and Ireland, by a Hearty Wellwisher to the Protestant Religion, printed 1691, p. 23.—The author of this tract observes, that if, in his calculation, the estate of any man be overvalued, others are undervalued; and that he has a list of particulars in his hand, drawn up by the Council of Trade in Ireland in 1672, whereby the estates of absentees, then residing in England, are valued at 116,040*l.*

In the year 1729, another calculation appeared, which stated the remittances from Ireland to absentees to amount at that time to upwards of 627,000*l.*; and this estimate was regarded as very moderate by all contemporary writers. Dr Swift, whose numerous and various observations on this subject are familiar to every one, had antecedently estimated it at a much larger sum; for he generally represented it as exceeding a million sterling. *

It is difficult to form any computation of the great increase that must have since taken place; for the rise in the value of fortunes, which, from the year 1691 to the year 1729, augmented the remittances to absentees from 136,000*l.* to 627,000*l.*, is not the only, neither is it perhaps the strongest ground, on which we are forced to conclude that, at present, the sum remitted to absentees must be enormous.

His Majesty, by recently conferring British
A 3 Peerages

* See a List of the Absentees of Ireland, and the Yearly Value of their Estates and Incomes spent Abroad. The first edition of this Tract was published in 1729, without the author's name: the third edition, corrected, appeared in 1745, with the name of Thomas Prior Esq. as the author.

Peerages on many of the most opulent families in Ireland, has induced them to swell the list of absentees; and the arrangements of the Union must have had a far more powerful effect in increasing the number of Irish resident in England, from its obliging twenty-eight of the most wealthy Peers, four of the Bishops, and one hundred of the most opulent Commoners, to resort to London during the winter.

It may be observed, also, that the Union perhaps operates still more forcibly to swell this list, by diminishing the inducement to the Irish Peers out of Parliament, and those opulent commoners who would have been elected to represent boroughs, which, since the Union, send no representatives, to reside in Ireland, where they have no longer any political employment that renders their frequenting Dublin necessary.

When all these circumstances are taken into consideration, the supposition that the sum remitted from Ireland has increased proportionably, as much from the year 1729 to the year 1805, as it did from the year 1691 to the year 1729, must appear much within bounds.

For this last is a period of only thirty-eight years,

years, whilst the former is a period of seventy-six years; and there is no one who does not know, that the produce of landed property has of late increased with infinite rapidity, comparatively to what it did in the commencement of last century. Neither did there occur, between the years 1691 and 1729, any events which tended, like the late numerous creation of British Peers from the Irish Peerage, and the arrangements of the Union, to swell the total of absentee property.

On this hypothesis, however, it is to be observed, that the remittances, now made on account of absentee expenditure in this country, would amount to 2,890,655*l.*; for that is the sum which bears the same proportion to 627,000*l.* that 627,000*l.* does to 136,000*l.*

The moderation of this calculation must also appear evident, from the facts which have been recently authenticated by professional men.

Mr Puget, who, as agent for the Irish treasury, has the remitting of all the money that has been recently borrowed on account of Ireland, calculating upon the grounds of what was drawn by his private correspondents, and on the proportion of the treasury draughts he

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could trace to the account of absentees, makes it amount to 2,000,000l. * ; and it seems but a very moderate supposition, that at least 890,000l., being the remainder of the sum, must have been remitted to absentees through other agents, or by purchase of merchants' bills, which, having no connexion with the treasury remittances, could not come under Mr Puget's view of the subject.

But this sum of 2,890,000l. is not the whole of what, in consequence of recent arrangements, Ireland must annually be obliged to remit to Great Britain, without receiving any return.

For some years past, the practice of borrowing in England for the service of Ireland, has been annually resorted to. It has indeed been carried to such an extent, that in the Report of the Irish Exchange Committee of last session, we find the interest and charge of management on Irish debt, payable in London, stated to

* 'The grounds I took respecting the calculation of 2,000,000l. were these; that, independent of my private correspondence, I could calculate what part of the Treasury draughts, drawn on me, were for absentee accounts.'—Mr Puget's Evidence, Minutes of the Irish Exchange Committee, 1804, p. 2.

to be 1,500,000l. : * and this is a sum which is in the progress of augmenting with rapidity, as of late every successive year has added a larger increase than the preceding.

Thus, at the present moment, 1,500,000l., the interest of debt due in England, added to 2,890,000l., which is supposed to be drawn for absentee expenditure, making in all the sum of 4,390,000l., appears to be the necessary annual remittance, without any return from Ireland to England; and this sum must not only increase with the rise of absentee estates, but, unless the system of borrowing in England for the service of Ireland is abandoned, it must be augmented every year to a great amount, by loans negotiated in London.

Briefly to explain to the manufacturers of this country the consequences, to their interests, of this arrangement of property, is the object of the observations now to be submitted to their consideration. It is undertaken with a hope, that their remonstrances against the system may prevent the increase of the mischief arising from such loans; but with a dread, that the evil has already gone so far as to threaten a vital blow to our dearest interests.

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* Report of the Irish Exchange Committee, p. 6.

It requires neither much research nor ingenuity to discover, that the effect of this arrangement is, to render Ireland tributary to Great Britain to the extent of upwards of four millions sterling. But how so large a tribute is to be remitted, and what effects it will have upon the interests of this country which receives it, are questions of more difficult solution; and these are the immediate points, to the examination of which it is wished to call the attention of the manufacturing interest.

It is to be regretted, that, in the investigation of so important a subject, we cannot receive, or even expect, much aid from the sure guidance of past experience; as the history of the world furnishes no instance of arrangements between two countries, which impose the necessity of such very extensive remittances from the one to the other, without the possibility of acquiring any return.

For the information of those who may not be conversant with the mercantile habits of Ireland, it may be necessary to premise, that that country draws on London alone, and, generally speaking, through Dublin.* If, therefore,
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* See the evidence of Mr Marshall, Inspector-General of Imports and Exports, Minutes of the Exchange Committee, p. 117.

the general balance of her trade with the world is favourable, it must be remitted from London to Dublin; if unfavourable, it must add to the necessary remittances from Dublin to the metropolis of the empire: and, of course, the exchanges between these two places must be affected, as far as commercial transactions go, not by the immediate balance of trade between London and Dublin, but by the general balance which results from the trade between Ireland and the world at large.

By the Inspector-General of the Customs, we are informed that, generally speaking, the balance of trade has been in favour of Ireland; that is, the value of its exports has considerably exceeded that of its imports.*

That this must be the case, is evident to any man who has reflected upon the nature of the connexion which has long subsisted between England and Ireland; for it is only by means of the excess of exports, that the external expenditure of absentees could have been maintained.

The Exchange Committee, in their Report, have stated, that the balance of trade in favour
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* Minutes of Evidence of the Irish Exchange Committee, p. 114.

of Ireland, in the last year, concerning which full documents have been made up, amounted to 917,000l., calculating according to the current prices; and that, if computed upon a new principle, stated by Mr Marshall as the proper one, it would amount to 1,816,000l. *

In many of Mr Marshall's observations, which lead to this conclusion, there is much truth and ingenuity. To all of them, it would be impossible to subscribe. But to enter into a minute examination of the grounds, on which this enlarged calculation has been formed, would lead into an investigation too extensive for the bounds prescribed to the present publication.

Let us therefore suppose, what is perhaps nearly accurate, that the truth lies between the two estimates, and that the excess of the value of exports over imports was somewhere about 1,400,000l., and that the Committee are correct in supposing that this, the present state of the trade of Ireland, may continue during subsequent years. †

If this account of the commerce of Ireland be

* Report of the Irish Exchange Committee, p. 3—5. See also, Minutes of Evidence, where Mr Marshall's mode of calculating the balance is explained, p. 125-6.

† Report of the Irish Exchange Committee, p. 6.

be accurate, it follows that, of the sum of 4,390,000l., which, it has been shewn, must be annually paid to this country, 1,400,000l. may be provided for, by what is now conceived to be the balance due to Ireland, in consequence of the excess of her exports over her imports.

There will then remain a sum of nearly three millions; to remit which, some new arrangement must take place.

In the ordinary course of transactions, the necessity of so large an annual payment from one country to another is totally unprecedented. It is only in the case of foreign wars, where large armies are serving out of their own country, that history affords an example any how in point. But whether it is during war or peace; whether it is an annual or extraordinary remittance that is to be made; it is evident, that no debt can be discharged by one country to another, or even by one district of the same country to another, but by means of coin, bullion, or commodities, for which bills of exchange, when accepted, are, not only in form, but in substance, a sort of receipt, containing a declaration of the value that has been transmitted.

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The absurdity of supposing, that a sum to the extent of three millions can be annually discharged in coin and bullion by Ireland, where there are no mines, and which never was thought to have, at any one period, so much coin in circulation, is too apparent to require animadversion. If the experiment was tried, it is obvious the whole mass of coin in circulation could at most only discharge the tribute of one year, which would leave the country under the necessity of finding goods, not only to discharge the next annual remittance, but also to repurchase such a portion of coin, as became necessary for the conduct of its internal transactions.

To discharge, therefore, this extraordinary demand, an extraordinary supply of commodities must be found. But this is not all. The direct demand of England against Ireland is not for goods; it is for money. The commodities manufactured must therefore be such as can, in Great Britain, be exchanged for money to the extent of the sum required.

Though the operation, which must necessarily take place to effect the discharge of this debt, is circuitous; yet the course, which the necessity of procuring money will force things

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to take, is to be discerned, and cannot be doubted by any man in the smallest degree conversant in mercantile affairs.

To create a demand for the goods of Ireland in England, is the first, nay the only necessary step; for that at once implies encouragement to the Irish to manufacture wherewith to discharge the debt, and a disposition in the people of this country to receive payment in that form. And it is not difficult to remark or explain the means, by which, under the circumstances of the case, this demand for Irish goods, to the extent of the amount of what is to be paid, must naturally arise, even in the home market, in defiance of the skill and capital of the British manufacturer.

The absentees and Irish Treasury, who will find themselves under the obligation of forcing the market to make such large remittances, must soon exhaust all the gold in the country. As long as it remains, there may be truth in the proposition, that the rise on bills of exchange from Ireland on England, will be limited to the value of the charges and insurance of conveying gold from the one country to the other. But though the exportation of the circulating coin may be a
great

It may be inferred from this reasoning that the necessity of such remittances would capably drain Ireland of the Coin in Circulation. Of this however doubt may be entertained - See M.S. Notes on the Bankers Report 1810

great source of inconvenience, and render that restriction on the Bank of Ireland inevitable, which was imposed when there was no occasion for it, * yet it can furnish but a momentary resource for defraying the interest of debt, and the increased absentee expenditure, to which recent arrangements have given birth.

When gold can no longer be procured, the next check on the value of bills on England is not so limited in its operation. The dealer in exchange, who knows that the remittance must be made, is aware that, there being no gold, it must be effected by goods conveyed to England, and sold even at a loss, till, by the diminution of price, a demand can be created; and he

* It is curious to observe the manner in which the Directors of the Bank of Ireland have stated, in their examination, the necessity of restraining their payments in gold, as long as the restriction continues in England, (that is, as is supposed, till a peace.) Now, it is capable of demonstration, that though there never has been, or can be, any necessity for the restriction on the Bank of Ireland, as long as the loans, which the war occasions, continue to be remitted, the moment peace puts an end to borrowing in England, and allows the effects of the necessary remittances for absentee expenditure, and payment of interest to operate, the Bank of Ireland will find it impossible to pay in cash, but at such an expence as must produce its bankruptcy.

he is not only authorized, but under the necessity of charging for his bill, a sum sufficient to cover the loss on this operation, and to secure his profit.

The reasoning, which leads to this conclusion, is plain and intelligible; yet it might once have been deemed an extreme case, that could hardly be imagined practically to exist. But the schemes and conduct of our modern financiers, which have left us to regret the burdens and hardships under which we suffer, have been fertile in the extreme, in illustrating the extent of calamity with which a country may be afflicted.

Mr Winthrop, an intelligent merchant, who is a Director, and has been Governor of the Bank of England, tells us, that, in the year 1800, the exchange with Hamburgh, in consequence of the necessity of remitting subsidies, and other circumstances, fell as low as 30-6, which is a difference of about 20 per cent. on the exchange: 'And this,' he says, 'corroborates, to demonstration, the opinion, that when large sums of money are remitted from any country, the exchange must fall against that country, whatever the occasions may be

‘ that demand such remittances.’ * He might with truth have added, that it must continue to fall, till, by the exportation of gold, if it can be procured, or by the vent of exported commodities, if it cannot, the demand is satisfied.

Of this important truth, a strong illustration is found in the situation of England and France, soon after the treaty of Ryfwick. Mr Hewit, in his treatise on Money, Coin, and Exchanges, says, that, soon after that peace, the English exported spiceries, sugars, and various other goods, in quantities to France, which sold rapidly at high prices, the people of that country not having seen an English ship for many years. But the difficulty was, to remit the money to England, exchange being at forty, forty-one, and forty-two for the French crown; and all French commodities being virtually prohibited by excessive duties. At last, the merchants agreed upon a scheme to export wines from Bourdeaux to St Sebastian, where, removing them into Spanish butts, they found their way to England in great quantities, by which means the exchange was soon raised to forty-eight. †

But

* See Report of the Irish Exchange Committee, p. 39.

† See Hewit on Money, &c. printed 1740, p. 7.

But the effects of the necessary remittances to Germany, occasioned by the loans and subsidies of last war, more forcibly explain what must take place in such a situation, than any occurrence which history commemorates.

In the Report of the House of Lords, 1797, we are informed, that the remittances made to the continent of Europe, including the Imperial loan, and the advances made to the Emperor during the preceding four years, amounted to 14,988,422l.; * a sum not much greater than what, when the practice of borrowing in this country ceases, must be remitted in the course of every four years from Ireland. Yet, by this means, Germany was inundated with our goods, which, for two years, had been exported to that country to the value of 8,000,000l. annually; whereas, in time of peace, our usual exports to that empire did not exceed 1,900,000l. †

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Indeed,

* Report of the Lords' Committee of Secrecy on the Bank, 1797, p. 253.

† ‘ It is particularly observable, that the exports to Germany alone, for the two last years, have amounted to more than 8,000,000l. annually, when, in time of peace, they did not usually amount to more than 1,900,000l. And those exports to Germany exceed, in amount, by at least 2,600,000l., the whole that was annually exported, in time of peace, to France, Flanders, Holland, and Germany.’ Report of Secret Committee of House of Lords on the Bank, p. 254.

Indeed, during that war, British goods ultimately came to be sold at Hamburg under prime cost; and the exporter found ample indemnity in the profit the exchange afforded.

Can any reason be assigned, why a necessary remittance from Ireland to England should not have the same effect in forcing Irish manufactures on the British market, that remittances from England to Germany had in forcing the manufactures of this country upon the German market?

Indeed it appears, that as the power of Ireland to furnish gold is much more limited than the power of Great Britain was at the time of the German remittances, the check on the value of bills of exchange, arising from the possibility of conveying gold, must more immediately lose its influence; and that the exchange must rapidly become unfavourable to Ireland, to the extent of enabling the exporters of commodities from that country to force our markets.

The whole of this reasoning seems naturally to suggest a question, and that too an important one, which may probably occur to the minds of those intelligent manufacturers, into whose

whose hands these speculations may fall—How comes it, if all this has any foundation in truth, that we have not already seen this country inundated with the manufactures of Ireland; for the Union with that country took place some years ago, and the other source of these prophesied calamities, the practice of borrowing in England for the service of Ireland, is not of yesterday?

To this it is answered, that the loans annually negotiated in England have been, since the Union, not only sufficient to pay the interest of the debt due to this country, but to cover, in great part, or in whole, the absentee expenditure; and that as no call for remittance, under these circumstances, could exist, it is impossible the effect should have been perceived of an evil, the operation of which has been thus artificially suspended.

For example, we are told, in the Report of the Irish Exchange Committee, that, during last year, the sum arising from the loan made in England, from the lottery, and some small repayments, amounted to five millions; * which,

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* Report, p. 6.

together with 1,400,000l., the supposed balance of trade, must have made a sum of upwards of six millions to be sent to Ireland; and this is evidently more than could be necessary to cover the permanent annual remittance, supposed to amount to 4,400,000l.

But the danger that threatens our manufactures, is only more alarming, because it is thus veiled over at the time it is becoming annually more formidable. If any man, possessing a large estate in England, had 60,000l. of debt in Scotland at five *per cent.*, and was also obliged to discharge annuities in that country to the extent of 2000l. a year, it is plain he would have 5000l. *per annum* to remit to Edinburgh: But it is equally clear, that if he could get 10,000l. every year to borrow in Scotland, he might go on for a length of time, if this accommodation continued, remitting a balance annually to England, though, by this means, the sum which ultimately would come permanently to be remitted to Scotland, must every year be increased.

Such is actually the system now pursued in the management of the finances of Ireland; and with such certainty is this annual resource
counted

counted upon, that a pamphlet has been recently published by an Irish member of Parliament, whose calculations proceed upon the certainty of 400,000l. *per annum*, in addition to the interest of debt now to be remitted, on account of the loan to be negotiated during the present session for the service of Ireland. *

Should this prophetic calculation prove true, it will swell the annual sum which must be remitted from Ireland, without a return, to 4,790,000l.; † and so it will annually continue to increase, unless the remonstrances of our manufacturers shall put an end to a practice which must, if pursued, ultimately prove their ruin.

Perhaps to some it may appear an unauthorised degree of diffidence in the superior skill and capital of the British manufacturer, to suppose that Irish manufacturers, even allowing that they should be encouraged by the necessity of such a remittance, could make their way to our home market.

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* See a Letter from an Irish Member of Parliament upon the Report of the Select Committee of the House of Commons, p. 50, printed 1805.

† See p. 13.

That such an objection should enter into the mind of any person conversant with our manufactures, is impossible; but as many of our readers may not have minutely attended to these subjects, it may elucidate the argument to state, shortly, the opinions of some of our most intelligent manufacturers on this point.

1. As to superior skill and dexterity.

In all branches of weaving, whether of worsted, cotton, or silk, it is a mistake to think that skill and ingenuity are sources, from which we derive much benefit in securing a continuation of demand. The perfection of manufacturing industry consists in reducing as much as possible, by means of machinery, the operations of the manufacturer to a mere exertion of labour; and that this degree of improvement was long ago attained in these branches, we have the testimony of the manufacturers themselves.

In the Report of the Lords' Committee of Council, 1785, when inquiring into the comparative state of the manufactures of England and Ireland, before the Irish propositions were submitted to Parliament, the silk manufactur-

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ers represented their trade to be of a simple nature, and to depend more on labour than skill. *

And Sir Robert Pelee, that intelligent and successful manufacturer, informed the Committee of the House of Commons, when he was examined on the same subject, that it is the industry, not the skill of the weaver, which he regarded as of importance; for that many of the manufacturers who would be injured by the proposed resolutions, neither depended on art nor on ingenuity, but merely on industry. †

A multiplicity of authorities might be brought to the same purport; but a detailed discussion of minute points is inconsistent with our present plan. The annexed list will, however, shew the number of different branches in which our manufacturers, in the year 1785, dreaded a competition with Ireland. ‡

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* Printed Report, 8vo edition, p. 46.

† See his Examination before the House of Commons, 16th March 1785.

‡ Books, glass of every kind, buttons, embroidery, gloves, and mits of leather or silk; gold and silver thread, lace, fringe, and every work made of those articles; gold or silver wire or plate; salt, silk ribbons, silk lace of all sorts, wrought silk, a-la-mode for lute strings; wrought silks flowered, or mixed with gold or silver; silk stockings, silk velvet,

2. As to the security we derive from our capital.

In the opinion of those who are conversant with commercial subjects, even the advantages we possess in this respect can afford but a slender security. With the encouragement which the Irish manufacturer is sure to derive from the demand of the exporting merchant, in consequence of the benefit he acquires by the exchange, there is no dread of Ireland long wanting capital for any undertaking.

It has already been shewn, how the exchange must become unfavourable to Ireland, under the circumstances in which that country will be placed, till it operates as a bounty sufficient to force Irish goods on the British market; and our ready payment is represented in the evidence of all the manufacturers in the year 1785, as a sure means of speedily raising a capital.

But a still more immediate supply of capital

velvet, woollen cloth of all sorts; stuffs of all sorts; cotton, cotton and linen mixed, and linen printed; cotton stockings; leather manufactures; porter; tallow candles; starch; soap, hard and soft; cheese, chocolate, &c. &c.

See list of those who stated themselves as injured, printed in the Merchant's Magazine, 1785.

tal must arise from the emigration of our own manufacturers; and this is a consequence that Mr Colville, one of the Directors of the Bank of Ireland, has anticipated in his examination before the Exchange Committee of last session. He states, that if the exchange should become unfavourable to Ireland by a necessary balance of remittance, it carries a remedy along with it; for it is an inducement to the English manufacturer to emigrate to that country, and to transfer his skill and his capital to Ireland.*

This opinion seems indeed to be confirmed in the examination before the House of Commons, 1785. The encouragement to emigration, even if the propositions had passed in the form they came from Ireland, would have been trifling, in comparison of what the exchange must ere long afford. Yet Mr Smith informs the Committee, that he would, under the proposed arrangement, transfer his business to Ireland, and that he believed many other manufacturers would follow his example. † And Sir Robert Peele, now a member of the House of

* Minutes of Evidence of the Irish Exchange Committee, p. 142.

† Examination of Joseph Smith before the Committee of the House of Commons, 18th March 1785.

of Commons, who may be considered as the most successful manufacturer of cotton in this country, declares that he (and he believes a great many others concerned in this branch) would remove to Ireland. *

But the danger, which the manufacturers then apprehended, was, that the Irish manufactures should be admitted into the British market, subject to a duty of $10\frac{1}{2}$ per cent. What they have now to apprehend, is indeed a danger of a much more formidable nature. It is, that, from the arrangements which have taken place, the exchange (the moment there is an end to the borrowing in England for the service of Ireland) must become progressively more and more unfavourable to Ireland, till it affords to the exporting merchant bounty sufficient to enable him to reduce the price of Irish goods, till three millions worth are forced on the British market, or into foreign markets, at present supplied by the British manufacturer.

There is, besides, every reason to apprehend that the diminution of price, at which the benefit derived from the exchange will enable

* Evidence taken before the Committee of the House of Commons, 16th March 1785.

able the Irish exporting merchant to sell his goods with a profit, must force sales to the prejudice of this country, even to a much greater extent than three millions.

From the Report of the House of Lords on the Bank, 1797, to which allusion has already been made, we learn, that when the exchange became unfavourable to England with Hamburgh, during the last war, the extraordinary sale of English manufactures in Germany amounted, in two years, to upwards of twelve millions; * though the whole extraordinary remittance to that country in four years (of which these two made a part) did not amount to fifteen millions; which leads us to suppose that there was only $7\frac{1}{2}$ millions remitted during the two years, in which our sales exceeded, by twelve millions, the amount of what we usually exported. †

It

* The value of goods exported to Germany in two years amounted to	¶ L. 16,000,000
Deduct the usual exportation to Germany	¶ 3,800,000

Remains	L. 12,200,000
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† Report of the House of Lords on the Bank, 1797, p. 253.

¶ Report, ib. p. 254.

It is also certain, that the demand which now exists in Ireland for goods, the produce or manufacture of this country, must be greatly diminished by the exchange becoming so unfavourable. For an unfavourable exchange, which acts as a bounty on the exportation of commodities, always imposes a duty *ad valorem* to the same amount on goods imported: for example, if the exchange is unfavourable to Ireland to the extent of 10 *per cent.*, though the British merchant obtained in Ireland 100l. for the same goods which formerly brought that sum, he cannot transfer the money to England, where the labour and the raw materials are to be paid for, at less than an expence of 10l.; he is compelled, therefore, to charge 110l. in Dublin for his goods, in order that he may receive 100l. in London; and it is needless to explain how this necessary increase of price must operate to produce a diminution of demand.

To those who are accustomed to consider the influence of the action and reaction of different branches of manufacture on one another, it must be apparent, that the loss sustained by the manufacturing interest of this country will not even be bounded by the extent,

tent, in which British industry must, by these means, be supplanted by Irish industry.

For, in a commercial country such as Great Britain, possessing extensive and extending manufactures, whenever there is a failure of demand, either in the foreign or the home market, a number of manufacturers must be thrown out of employment, who, having no longer the means of consuming, create a new diminution of demand, which begets farther incapacities; and the influence of the calamity comes at last to be felt by every branch of industry and description of labour.

Experience furnishes no guidance to our reasonings, concerning the effects of suddenly making such extended remittances from one part of a country to another, as Ireland must make to England, the moment the practice is relinquished of annually negotiating loans in this country for her service. The case is new and unprecedented. But the necessity of remitting for the expenditure of those who reside in the capital, has always proved a source of encouragement, which, perhaps, more than any other circumstance, has decided in every country the sites of its manufactures.

In

In the vicinity of the capital, where the expence of carriage does not preclude the possibility of conveying the produce of the earth in kind, this encouragement cannot exist. The expenditure of the proprietors, who resort thither, is provided for by the returns which the sales of the farmer produces.

From the coast, goods obtained by foreign commerce naturally find their way to the capital, and the sale of them affords the means of remitting for the expenditure of the proprietors in the vicinity.

It is in the inland parts of every country, therefore, which are remote from the capital, where this encouragement must operate with effect to stimulate the formation of goods, whose value, in proportion to their weight, admits of their being conveyed to the distant seat of demand; and to the influence of this encouragement in fixing the sites of manufacturing industry, we might summon in evidence, not only the statistical accounts of England, * but of every European country.

If

* Gloucestershire and Wiltshire, Norwich, Wakefield, Halifax and Leeds, are known to be the seats of our woollen manufacture; Manchester of our cotton; Birmingham and Sheffield of our hardware; and Staffordshire of our potteries.

If these general reasonings, and the recent experience of the immense increase of our exports to Germany the moment we were under the necessity of remitting to that empire, lead irresistibly to the conclusion, that the Irish exports to this country must, in like manner, be increased by a similar necessity of remitting from Ireland to England; can the manufacturers refrain from remonstrating against the progress of the system of annually borrowing in England for the service of Ireland, which tends every year to increase the sum that must be permanently remitted as an annual tribute to this country?

On the baneful consequences which must attend such remittances, it is hardly possible, after what has been said, to suppose there can be two opinions. Lest, however, there should exist a doubt concerning the destructive effects of this arrangement of property on British industry, let us consider, whether there is not to be found, in the history of the Roman empire, ample confirmation of the accuracy of the opinions here stated.

Among the ancients, manufacturing industry had made little progress, in comparison of what it has done in modern times. The
 C provinces,

provinces, which successively fell a prey to the love of conquest that distinguished the Roman people, had no manufactures: grain, therefore, was the only produce they could export, for the purpose of remitting the tribute imposed on them, to the capital of the empire.

Sicily was the first country, out of Italy, which the Romans reduced into the form of a province.* They there found the *decuma*, or tithe of all the grain, established as a tax for the support of government. The *Lex Hieronica*, regulating the time and the manner in which the tribute was to be paid, was adopted, and continued in force under the Roman government of that country. †

This tax seems afterwards to have been, in substance, imposed on all their conquered provinces. The corn collected under it was called *frumentum decumanum*. Besides this, we read of the *frumentum emptum* as coming to Rome from the provinces, which was a second tenth exacted on payment of such a sum per bushel as the Senate determined. Mention is also made of the *frumentum imperatum*, which was a further supply often exacted from the provincial farmers,

* Cicero, Verr. II. 1. † Cicero in Verr. IV.

farmers, at such a price as the magistrate of the province chose to bestow.

Of the fatal effects of this influx of grain into Italy on agriculture, the favourite pursuit of the Romans, in which they had long exhibited so much ardour, and attained so great perfection, ample testimony is to be found.

Cicero tells us,* that, even so early as the times of the elder Cato, to feed well was reckoned the first and most profitable branch of farming; to feed tolerably well, the second; to feed ill, the third. To plough, he ranked only in the fourth place of profit and advantage. And Dr Smith observes on this passage, that the quantity of grain conveyed to Rome from the provinces, even at this early period, must have sunk the price of what was brought to market from the ancient Roman territory, and discouraged its cultivation in that country. †

This discouragement to agriculture, however, could have had, at that time, little effect, in comparison of what was afterwards experienced; for Varro, a contemporary of Cicero, though, in his treatise on Rural

C 2 Affairs,

* Cicero de Off. lib. 2. § 25.

† Smith's Wealth of Nations (Irish edit.) vol. I. p. 154.

Affairs, he complains of the decline of agriculture, * mentions ten after one as a common return from ordinary lands, and fifteen after one as the return usually obtained from good grounds. †

About

* Igitur quod nunc intra murum fere patres familie correperunt, relictis falce et aratro; et manus movere maluerunt in theatro et circo, quam in fegetibus ac vinetis, frumentum locamus, qui nobis advehat, qui faturi fiamus ex Africa et Sardinia; et navibus vindemiam condimus ex insula Choa et Chia.—*De Re Rust. lib. 2. Pref.*

† Seruntur fabæ modii quatuor in jugero, tritici v. ordeï vi. farris x. Sed nonnullis locis paulo amplius, aut minus: Si enim locus crassus, plus; si macer, minus. Quare observabis quantum in ea regione consuetudo est ferendi; ut tantum facias, quantum valet regio, ac genus terræ; et ex eodem semine aliubi, cum decimo

Wherefore, because fathers of families have now sneaked within the wall of the city, having abandoned the sickle and the plough, and have chosen to move their hands in the theatre and the circus, rather than in the corn fields and vineyards, we hire a person to import corn for us, that we may fill our bellies out of Africa and Sardinia; and, by means of ships, we store up wine from the islands of Cös and Chios.

Four bushels of beans are sown in an acre; five of wheat, six of barley, ten of that sort of grain called *far*: but, in some places, somewhat more or less. More, if the place be rich; less, if it be poor. Wherefore, the quantity accustomed to be sown in the country must be attended to; so that you may produce only what the climate

About the time of Varro, however, and soon after his death, the quantities of corn imported became immense; * and the effect on Roman agriculture was too remarkable to escape discernment. The historian of the Twelve Cæsars mentions the consequences of this importation and distribution of grain on agriculture, as having attracted the attention of Augustus. †

Its rapid decline must indeed have been apparent; for Columella, who lived about seventy years after the time of Varro, begins his treatise on Rural Affairs with an elaborate proof, that the earth still possessed the same principle of fertility as formerly, and that its barrenness was owing neither to any change in the soil

C 3

nor

reheat, aliubi cum quinto decimo, ut in Hetruria, et locis aliquot in Italia.—*De Re Rust. lib. 1. c. 44.*

climate and kind of soil are able to bear; and so that, from the same quantity of seed, there may in one place be a tenfold, and in another place a fifteenfold return, as in Tuscany, and some places in Italy.

* See account of what was distributed by Julius Cæsar, Suetonius in Jul. § 41, and by Augustus, Dio, lv. 10. Suetonius in Aug. § 40.

† Suet. in Aug. § 42.

nor in the climate, but to the negligence of those who cultivated it. †

Indeed, in consequence of this negligence, so great a change took place from the period in which Varro wrote, that Columella expressly states the time to be hardly within the recollection of man, when corn land, over the greater part of Italy, returned so much as four after one sowing. ‡

This account of the rapid decline of Roman agriculture is also amply confirmed by Pliny the younger, who lived at a still later period. In one of his epistles, he consults his friend Calpurnius on the expediency of purchasing an estate in his neighbourhood, which he mentions to have been offered to him for three millions of sesterces, (24,218l. 15s.), though the price formerly put upon it was five millions (40,365l. 11s. 8d.) He adds, however, that this is only the natural fall in the price of land,

† Columella de Re Rustica, Præf.

‡ Nam, frumenta majore quidem parte Italiae quando cum quarto responderint, vix meminisse possumus.—*Lib. 3. c. 3.* For we can scarcely remember when corns, in the greater part of Italy, have made even a fourfold return.

land, arising from the impoverished state of the husbandman, and the calamity of the times. *

The Emperor Trajan, in whose reign Pliny lived, endeavoured to raise the price of lands, by enacting a law, that all candidates for offices should have a third part of their property in lands in Italy: And Pliny, alluding to this regulation, advises his friend, to whom he writes, to take that opportunity of selling his estate in Italy, and purchasing in the provinces, † and thus of transferring his capital into those countries from which the grain was imported: a practice so general, that, before Trajan's regulation, most of the candidates for public offices in Rome had not even a residence in Italy. ‡

C 4

But,

* Nec ibi quisquam fupereft, ut fcias quanti videntur posse emi. Sertertio tricies, non quia non aliquando quinquagies fuerint, verum et hac penuria colonorum, et communi temporis iniquitate, ut reditus agrorum, sic etiam pretium retro abiit.—*Plin. Ep. lib. III. ep. 19.*

And now it remains only to inform you of the price, which is three millions of sesterces; not but what it was formerly sold at five millions; but, partly by the extreme poverty of the labourers, partly by the general calamity of the times, the income of this estate is reduced, and consequently its value.

† Lib. IV. ep. 19.

‡ Ib.

But, if these details shew us, that the agricultural industry of the Romans was not only impaired, but almost annihilated, by the remittances of tribute from the conquered provinces, which could only be made in grain; is there ground for believing that British manufacturing industry will be perfectly secure, notwithstanding the immense remittances which our recent arrangements must render necessary from Ireland, and the increase of these remittances, to which the loans annually negotiated must give birth?

From the nature of manufacturing industry, can there be any reason for apprehending, that the attachment of the manufacturer to the spot on which his loom is situated, is stronger or more binding, than that of the agriculturist to the field he cultivates?

Are we not, on the contrary, compelled to pronounce in favour of the comparative stability of agricultural industry, when we look back at the facts which have been stated concerning the avowed intention of our manufacturers to emigrate to Ireland in the year 1785, and recollect an observation of Dr. Smith, that a difference in price, which would
be

be sufficient to occasion the transporting of the most bulky commodity from one end of the kingdom to the other, when it takes place in the wages of common labour, is often not sufficient to persuade a ploughman to remove into the next parish? *

We ought also to recollect, that agricultural industry, when in a state of perfection, cannot be checked in a moment. The field that is brought into high cultivation, cannot by neglect become at once unproductive. It requires the operation of time and continued bad management again to lay it waste.

But the loom and the forge become unproductive the moment the hand of the manufacturer is withdrawn. With his person and his capital, he transfers at once from one part of the country to another, all the benefits he has bestowed, or is capable of bestowing. The raw material used, is seldom in whole the produce of any one country; and the cotton, the object of our most extended and successful manufacture, is not even an European production, and Great Britain has no peculiar facility of acquiring it.

Little

* Wealth of Nations, 4th edition, Vol. I. p. 91.

Little doubt can be entertained by any man who reflects on the situation of this country, that it is our manufacturing industry, which has enabled us to support the unparalleled attacks made of late years on our resources.

It is a conviction of the truth of this opinion, and a sincere belief, founded on the most mature deliberation, that the growing necessity of remittances from Ireland will be most severely felt by our manufacturers the moment the practice of annually borrowing in this country no longer exists to neutralise its effects, that has produced this publication.

The doctrine is capable of farther illustration, which shall not be wanting if it be controverted. It involves one of those speculative points, on the truth of which we must have an opportunity of pronouncing from experience. For, unless Ireland be allowed to go on borrowing every year, not only for defraying her extraordinary expenditure, but even for the purpose of discharging the interest of the debt she has contracted, and is annually increasing, the time must come when the effect of this arrangement, or rather derangement, of property must display itself.

It

It is then the manufacturers will discover, that the freedom of trade, which Lord Coke pronounced to be their birthright, and which is guarded and recognised by so many statutes, has been imperceptibly, but effectually, cramped and impaired by the financial arrangements between England and Ireland.

APPEN-

APPENDIX, p. 6.

LORD CROKE, 8th Report, folio 92, states,
' That which is ours cannot be taken from us,
' and transferred to another without our own
' act or defect. And the freedom of trade be-
' ing as necessary to a man as his life, the law
' is so careful to preserve it to him, that, in
' many cases, it will not suffer him to be de-
' prived of it, neither by his own act or de-
' fect.—1. As to his act: If a man give a
' bond not to use his trade, though it be his
' own wilful act, yet the bond is void; and so
' is the dyer's case in Henry IV. And if a
' man cannot debar himself of his trade by his
' own act, the King cannot certainly debar
' him.—2. As to his defect: If he make de-
' fault in paying his rent, &c. the tools of his
' trade are by the law protected from distress,
' which shews what care the law took to pre-
' vent

'vent no more than a mere temporary obstruction in a man's trade: and therefore, how much more would it secure him from the total deprivation of it!'

In Lord Coke's 3d Instit. f. 181, trade is declared to be free for all, and not to be converted to the profit of a few; and that it is unjust to permit some, and prohibit others. And in his 11th Report, f. 55, in the taylor of Ipswich's case, and in Darcy and Allen's case, f. 86, it is expressly declared, as the ground of the resolution in both these cases, that, by the common law, no man can be prohibited from his trade. And in the Report of the first of those cases, in 1. Roll. fol. 4. it was there solemnly declared, as to foreign trade in particular, that no trade of merchandise can be restrained by patent, and that a charter to hinder trade at sea is void. And the Lord Coke upon Magna Charta, fol. 47, 57, & 58, says, that all monopolies concerning trade are against the common law and diverse statutes.

The Lord Chief Justice Fortescue, in his book De Laudibus Legum Angliæ, c. 36. also declares, that it is lawful for any man to trade, and store himself with any wares and merchandise

dise at his own pleasure, and that every inhabitant of England by law enjoyeth all the fruits of his land, with all the profits he gaineth by his own labour.

The following is a list of statutes, which all contain recognitions and declarations of the subject's right to the freedom of trade.—Magna Charta, c. 30.—St. 2. Edw. II. c. 9.—9 Edw. III. c. 1.—14 Edw. III. c. 1.—18 Edw. III. c. 3.—25 Edw. III. c. 2.—38 Edw. III. c. 2.—2 Rich. II. c. 1.—11 Rich. II. c. 7.—16 Rich. II. c. 1.—12 Henry VIII. c. 6.—21. James I. c. 3.

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