

Poverty and Prosperity: Political Economics in Eighteenth-Century Ireland

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Abstract

I draw attention to a group of thinkers in Ireland in the first half of the eighteenth century that made significant contributions to the philosophy of political economy. Loosely organized around the Dublin Philosophical Society founded in 1731, these individuals employed a similar set of assumptions and shared a common interest in the well-being of the Irish people. I focus on Samuel Madden (1686–1765), Arthur Dobbs (1689–1765), and Thomas Prior (1680–1751) and argue for two main theses. First, these Irish thinkers shared a number of commonalities with the English mercantilist thinkers of the eighteenth century, and to the degree that they did, their proposals to aid Ireland and reduce poverty were largely doomed to failure. Second, these Irish thinkers also importantly *diverged* from typical eighteenth-century mercantilist thinking in several ways. These modifications to mercantilism resulted in large part from the unusual political situation of Ireland (as a nation politically dependent on England) and helped orient their economic thinking along more institutional lines. In particular, the emphasis of the Irish on full employment and on the modification of social as well as political institutions is an early step forward in making political economy more sophisticated.

1. Introduction

Descriptions of eighteenth-century Ireland as an oppressed and impoverished island, enduring misery at the hands of the English Parliament, are common. Writing in 1918, George A. T. O'Brien provides a typical account of the state of Ireland. 'Ireland started the eighteenth century with as poor an economic outfit as can well be imagined. As we shall see, all the efforts which were made to improve her condition were fruitless, so long as the power of the English Parliament prevailed' (O'Brien, 1918). Although some dispute the level of economic hardship that the Irish endured,¹ there is no doubt that the plight of the Irish poor was the subject of

¹ See Cullen (1967).

considerable discussion at the time. I wish to renew attention on a group of thinkers in Ireland in the first half of the eighteenth century that made significant contributions to the philosophy of political economy. Loosely organized around the Dublin Philosophical Society founded in 1731 (later the Royal Dublin Society after 1820 with the patronage of King George IV), these individuals employed a similar set of assumptions and shared a common interest in the well-being of the Irish people. I here focus on just three thinkers active in the first half of the eighteenth century: Samuel Madden (1686–1765), Arthur Dobbs (1689–1765), and Thomas Prior (1680–1751). Although occasionally known individually, the importance and reach of these individuals has been underestimated if not often ignored in the shadow of more famous figures.² Adam Smith, for instance, owned a copy of the *Observations* of the Dublin Society and there is some reason to think Smith might have been inspired by his Irish predecessors.³ If Adam Smith constitutes the most famous early critic of mercantilism (even coining the term), then the history of similar insights with his Irish compatriots deserves closer attention. Although in the grips of mercantilist thinking, as a group these Irishmen were an important intellectual force pushing *away* from mercantilism in the first half of the eighteenth century, especially in their proposals for the amelioration of poverty. I argue for two theses.

First, these Irish thinkers shared a number of commonalities with the English mercantilist thinkers of the eighteenth century, and to the degree that they did, their proposals to aid Ireland and reduce poverty were largely doomed to failure. These thinkers share a commitment to a favorable balance of trade, the importance of population in producing the wealth of a nation, and what I call the ‘moral defect’ theory of poverty (the claim that poverty is the result of a poor work ethic and other defects of character). Thus, these Irish thinkers all argue that Ireland should seek to develop domestic industries that do not

² One notable exception is Salim Rashid, who explicitly argues that these thinkers constitute a ‘school’ of Irish political economy (Rashid, 1988; Rashid, unpublished).

³ According to Smith’s own 1781 manuscript catalog of his library, he owned a copy of the Scottish edition of the society’s weekly observations: *The Dublin Society’s Weekly Observations* (Dublin: R. Reilly, 1739), reprinted in Glasgow as *The Dublin Society’s Weekly Observations for the Advancement of Agriculture and Manufactures* (Glasgow: R & A Foulis, 1756). See Mizuta, (ed.), (2000, p. 19). As for the speculation that Smith might have been inspired by the work of these Irish thinkers, I have not the space to carefully defend that view here.

compete with already established industries (in England) in order to avoid punitive measures from the English. These industries should aim at enlarging the productive population, and overarching everything must be a commitment to a moralizing national spirit. The basic idea is that developing industries (such as the production of linen and hemp) that do not rival English manufactures can actually improve the wealth of England as well as Ireland. Furthermore, this rising tide can create wealth in a fashion that is no political challenge to Britain. I contend, however, that these strands in their thinking undermined the effectiveness of their proposals as the logic of mercantilist thinking was not ultimately consistent with their aims. Nonetheless, the manner in which they tested the coherence of contemporary political economic thought arguably laid the foundation upon which Smith and others would build.

Second, these Irish thinkers also importantly *diverged* from typical eighteenth-century mercantilist thinking in several ways. These modifications to mercantilism resulted in large part from the unusual political situation of Ireland (as a nation politically dependent on England) and helped orient their economic thinking along more institutional lines. In particular, the emphasis of the Irish on full employment and on the modification of social as well as political institutions is an early step forward in making political economy more sophisticated. The emphasis that the Dublin Philosophical Society placed on the role of spreading practical knowledge, for instance, is under-appreciated. Instead of focusing simply on balance of trade, these philosophically minded men sought to reorient economic thinking in terms of wealth generation, especially in terms of the role of the larger population. As a result, there is a clear progression in the thought of early eighteenth-century Irishmen away from characterizing poverty as a 'moral defect trap' and instead thinking of poverty in terms of the institutions and incentives that govern the lives of people.

Drawing demonstrably on the work of others in the Dublin Philosophical Society, George Berkeley arguably advances the most philosophically savvy theory of political economy that recognizes the importance of crafting social and political institutions that provide proper incentives for people to escape poverty. One might reasonably think of Berkeley as learning from his fellow Irishmen and then presenting those insights in a particularly effective manner in his works of political economy. The present essay, however, focuses on Berkeley's contemporaries.

2. Seventeenth and Eighteenth Century Mercantilism

‘Mercantilism’ is no longer a term with a broadly well-accepted definition, but arguably some central tenets remain fairly clear. As Jonathan Barth notes,

Today, there is very little agreement on any precise definition for the word *mercantilism*, and an aura of ambiguity now surrounds it.... Diversity, however, arose out of consensus: out of the common supposition that a favorable balance of trade and the resulting influx of money into a country – the balance-of-trade doctrine and specie objective – were the principal means to power and plenty’ (Barth, 2016, p. 257).

This alleged consensus should not obscure the significant differences in economic thought in the eighteenth century. There were debates about how best to promote favorable balances of trade and promote the well-being (variously characterized) of nations. Those debates reveal differences large enough for some scholars to deny that the concept has any meaningful use as a historical category at all.⁴ For my purposes, however, the underlying commonalities are sufficient to ground my argument and provide a platform for discussing political economy in the context of eighteenth-century Ireland.

The most widely accepted exemplar of English mercantilist thinking is the seventeenth-century thinker Thomas Mun. Printed in 1664, Mun’s *Englands Treasure by Forraign Trade, or The Balance of our Forraign Trade is The Rule of our Treasure* has an apt title. Under the guise of advice to his son, Mun advances his core thesis early: ‘The ordinary means therefore to encrease our wealth and treasure is by Forraign Trade, wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in value’.⁵ One appropriate if slightly oversimplified way of characterizing conventional economic wisdom at the time is through the phrase ‘balance of trade’. The logic of the view depends on the assumption that the possession of specie – in particular silver and gold – constitutes (national) wealth or is at a minimum a reasonable surrogate for such wealth. Thus, when one exports more than one imports, there is more specie coming into the country, and some of that comes into the treasury through a variety of taxes and duties. That all of England (and later Britain) operated under this conventional wisdom is evident by the continual repetition of its core themes

⁴ See Pincus (2012) and Stern and Wennerlind (2014, pp. 3–22).

⁵ See Mun (1664, Ch. 2, 3).

throughout the first half of the eighteenth century. The most orthodox repository of mercantilism is probably *The British Merchant*, first published in 1713 and reprinted several times, including a large third edition in 1748. The author provides a summary of his main points early in the work, of which I reproduce the initial five propositions to serve as a representative example.

1. That the Prosperity and Happiness of this Kingdom depend very much upon our foreign Trade.
2. That we have no Gold or Silver of our own growth; that all we have is imported from abroad, in exchange for the Product and Manufactures of our own Country.
3. That we gain Gold and Silver from those Countries which do not sell us so great a value of Manufacture as they take from us; for in this case the Balance must be paid in Money.
4. That we must pay a Balance in Money to such Countries as sell more Manufactures than they take from us; and that the capital Stock of Bullion is diminished by such a Commerce, unless the Goods we import from an over-balancing Country shall be re-exported.
5. That we are most enriched by those Countries which pay us the greatest Sums upon the Balance; and most impoverish'd by those which carry off the greatest Balance from us.⁶

The underlying concept of wealth that motivates this thinking is not entirely unreasonable for the period, even if now largely thought to be mistaken. The physical possession of specie was thought important for a number of reasons. First, most believed that the prosperity of a nation was dependent on its supply of capital in a system where the total (global) volume of trade was essentially static. Trade, as it were, was essentially thought of as a zero-sum game. This idea ties in well with the presumption in favor of economic self-sufficiency. As an example, a nation dependent on agricultural imports was viewed as being at a strategic disadvantage in times of conflict. Although many with a passing familiarity with mercantilism associate it with protectionism with respect to manufactured goods, agricultural protectionism was equally as important. Second, having a reserve of specie was considered essential in case of emergency, to include the threat of war. Third, large stocks of circulating specie facilitate domestic trade essential for the proper functioning of the economy. Finally, the possession of specie was more or less a demonstrable sign of wealth and economic

⁶ See King (1721, I. 21).

success. It was a visible measuring stick of relative power and political robustness.

Mercantilist England thus had a number of major aims in their economic policy throughout the 17th and 18th centuries, all in the service of accumulating as much specie as possible through maintaining a favorable balance of trade. I want to emphasize four of them that resonate particularly strongly with the themes of our Irish thinkers.

- (1) Protect English manufactures from foreign competition
- (2) Protect English agriculture
- (3) Encourage the growth of a native merchant fleet
- (4) Correct the moral defects of the populace, to include fighting inappropriate luxury as well combating the special defects of the poor, insofar as those defects adversely impacted balance of trade

The lengths to which England (and then Britain) went to pursue these goals should not be underestimated. For instance, the English forced their colonies to pay for everything in hard currency where possible. This policy ensured that specie would dominantly remain at home. Since that policy quickly removed hard currency from the colonies, local economies often operated by payment in kind with other products in lieu of cash. American colonial money was not legal tender in England. The Irish pound was a metal coin and was allowed to trade in England (the rate was set at 13 Irish pounds per 12 pounds sterling in 1701), but similar policies applied to them also typically saw specie in short supply in Ireland. By design, the colonies were starved of official British coinage. As evidence of the larger point, in 1715 the colony of North Carolina made seventeen different forms of money legal tender, ranging from tobacco to Spanish and Portuguese coins to wampum copied from natives. In general, the policy of England towards its colonies was one of forced dependence. To give a sense of the expansiveness of the mindset, most colonies were not even allowed to have their own local Anglican bishops. Clergy were forced to return to England for ordination. Although Ireland had its own bishops, most of the colonies (including the American colonies) did not.

The Navigation Act was similarly designed to protect mercantile interests. The Act, passed in 1651 and renewed in various forms throughout the remainder of the 17th century, required that goods from Asia, Africa, or the Americas be transported only in English ships. The Scots were exempted from the policy after union in 1707, but Ireland was excluded from the benefits of the laws until 1779 (the laws were not repealed until 1849). The Wool Act of

1699 and the previous Importation Act of 1667 are common examples of mercantilist thought at work in England. The latter banned Irish cattle from being sold in England (it was eventually repealed in 1863). These and similar acts were largely the result of internal domestic politics in England, but they were driven and enabled by conventional economic wisdom.⁷ What matters for our purposes here is that justification for these acts were largely along the lines of promoting balance of trade through the protection of domestic industries. What is demonstrably *not* present in the goals of the mercantilist is much reference to the wealth of the *people*. In short, the welfare of the populace is at best a means to the ends of national wealth, and not an end in itself.

3. Conventional Wisdom in Ireland

Faced with mercantilist policies, the educated Protestant Irish were forced to find new ways to develop and defend their interests in the eighteenth century. At the same time, these Protestant elites in Ireland considered themselves *both* essentially English *and* Irish, which placed them in an unusual position. The result is a group of thinkers trying to bend conventional economic wisdom to their own ends, which includes the well-being of Ireland, broadly considered.

What makes this group of Irish thinkers interesting and important is that they were generally all personally linked (including Berkeley). Most were members of the Dublin Society of 1731⁸ or operated within its social sphere,⁹ they were all Anglicans with a commitment

⁷ The Importation Act, for instance, was strongly contested in Parliament by representatives in London, who consumed much Irish beef, and graziers in England who supplied feed to the Irish cattle industry. The bill is also widely believed to be a political ploy by Lord Ashley and the 2nd duke of Buckingham against the interests of the duke of Ormond – Lord Lieutenant of Ireland at the time – and the earl of Clarendon, the lord chancellor. The ploy worked; Ormond was removed as Lord Lieutenant of Ireland shortly thereafter and his faction lost favor with the king.

⁸ There were previous societies created in Dublin with similar or identical names. The earliest is the Dublin Philosophical Society founded in 1684 by William Molyneux.

⁹ Prior and Dobbs were founding members. Madden was active within the society and listed amongst its members by 1734. Berkeley was a close friend of Prior, and was invited to formal membership but declined.

to certain similar moral and religious worldviews, and they had a common cause, namely the economic development of Ireland. Here I argue that these men were bound, often implicitly, by the conceptual constraints of the general concept of mercantilism as just outlined.¹⁰ They recognized the critical role of balance of trade, they endorsed the moral defect theory of poverty, and they accepted the need to accumulate hard currency. That said, they also diverged from the dominant mercantile thinking by emphasizing the need for a development program that made critical use of knowledge and trade skills, by noting the need to encourage population growth, and by advancing an alternative conception of wealth production that took better account of the interests of the general population. Berkeley's insistence, for instance, that money should be re-conceptualized as a 'ticket' or 'counter' was aimed at focusing economic policy on monetary circulation (in a closed national system). His view, however, fell short of the dynamic monetary analysis that would emerge at the end of the century.¹¹ Nonetheless, instead of simply accepting that hard currency *just is* national wealth, these Irish thinkers advanced a more comprehensive understanding of wealth. To be more precise, I contend we might characterize their thinking by the following claims.

- (1) Wealth should be re-conceptualized and thought increasingly in terms of wealth production, understood as industry (labor) and the well-being of the populace. Focusing on the people – especially through full employment – leads to wealth in a nation.
- (2) Wealth requires an emphasis on specialization, knowledge, and institutional roles in economic development.
- (3) Political convergence: England must be made to see Ireland and the Irish as British. To facilitate this end, one must avoid economic rivalry with Britain.

James Livesey notes that there were additional connections. For example, Dobbs' father, who had been a correspondent of William Molyneux (whose brother Thomas Molyneux was a founding member) was involved in one of the Society's earliest projects concerning a proposed Irish atlas. See Livesey (2012, p. 63).

¹⁰ In making this claim, I acknowledge that the larger concept of mercantilism is more complicated and diverse. I am purposefully narrowing the concept to make it appropriate for the present context.

¹¹ See Vickers (1959, esp. Ch. 8).

These characteristics *modify* their understanding of mercantile wisdom. I draw these claims from an analysis of three central figures who were active in the first half of the eighteenth century. Thomas Prior, founder of the Dublin Philosophical Society and close friend of Berkeley, published his *List of the Absentees of Ireland* in 1729. Samuel Madden, an Anglican clergyman and key proponent of the Dublin Philosophical Society, published his *Reflections and Resolutions Proper for the Gentlemen of Ireland* in 1733 (reprinted in 1738). Arthur Dobbs, Irish MP for Carrick Fergus and later governor of the territory of North Carolina in the American colonies, published his own work on political economy in two volumes between 1729 and 1731. He was not an ongoing central figure in the Dublin Society, but he knew Madden and Prior and all three were familiar with each other's works. Dobb's *Essay on the Trade and Improvement of Ireland* is a detailed and comprehensive view of Ireland's economy and its relationship with England. Berkeley's own *Querist* first appeared in 1736¹² and is the most philosophical of this list, but all of them clearly draw from one another both in spirit and through literal references.

There are others who might be included in the group. Archbishop William King (1650–1729) contributed to the *Observations* of the (earlier) Dublin Philosophical Society and his correspondence is rich with economic insights and observations. Francis Hutchinson (1660–1739), Bishop of Down and Connor,¹³ contributed similar insights concerning the development of his diocese. One must at least mention Jonathan Swift (1667–1745), whose polemical writings frequently touched on matters of political economy, especially his famous opposition to Wood's halfpence in his *Drapier Letters*. There are others as well who made important contributions.¹⁴ I focus on these three figures primarily because they are relatively tightly focused in their thinking and they are closely connected in time and space.

Let us start with an analysis of our Irish thinkers and the extent to which they are orthodox mercantilists. They observe explicitly the central role of hard currency reserves; 'The Riches of every Country is principally estimated by the Quantity of its Gold and

¹² It is worth noting that Samuel Madden edited and published the anonymous edition of the *Querist*.

¹³ Not to be confused with Francis Hutcheson (1694–1746), the Irish-born philosopher associated with the Scottish Enlightenment.

¹⁴ David Bindon, John Browne, Richard Cox, Alexander Macaulay, Philip Skelton, Daniel Webb, to name a few.

Silver...'.¹⁵ They are all consistent in *recognizing* the importance of balance of trade as a guiding principle. Thomas Prior notes, for instance, that:

Countries that abound in Mines of Gold and Silver, are enabled by the Bounty of Nature, to bear an Exportation of their Bullion; but others, which want this natural Produce, and have no other way of getting or keeping Money, but by having the Ballance of Trade in their Favour, suffer extreamly, when ever they want Coin sufficient for circulating their Business (Prior, 1729, p. 20).

Prior's complaint is that the prevalence of absenteeism amongst the landowners (individuals who collect rents in Ireland but live outside of Ireland) effectively robs Ireland of the currency it needs to sustain commerce and hence a favorable balance of trade. Later in the same book he gives rules for judging whether trade is favorable or not. The first rule is elegantly mercantile, demonstrating the centrality of the concept of balance of trade.

I. That is the most advantageous Trade, which takes off the greatest Quantity of the Produce of a Country, and especially of its Manufactures, and which imports fewest Commodities, and those capable of farther Improvement; in which Case there will be the greatest Return in Specie to make up the Balance (Prior, 1729, p. 56).

According to this rule, since England takes off more than 500,000 *l.* yearly (as Prior notes, nearly half of all of the exports of Ireland), mostly in wool and linen, they constitute Ireland's most important trading partner. Yet he also notes that England exports to Ireland 'near the full Value of all we Export to them' (Prior, 1729, p. 57).¹⁶ The point is otherwise quickly passed over. Interestingly, Prior's argument shields England from any blame.

We are apt to complain of the Hardships laid upon us by *England* in respect to our Trade, and when we are pinch'd, and in Distress charge our Misfortunes to the Account of other People; but if we truly examine all Circumstances, we shall find, that to *our selves* we owe most of the Misfortunes, and Inconveniences we labour under; we owe them to our immoderate Consumption of Foreign

¹⁵ See Prior (1729, p. 82).

¹⁶ This is, of course, the error of mercantilist thinking. Today political economists typically believe that voluntary trade is mutually beneficial. Negative balances of trade are neither good nor bad so long as trade occurs.

Commodities at home, and extravagant spending abroad (Prior, 1729, p. 28).

Prior is well aware of the dependent relation, arguing that Irish exports produce considerable profit for the English. This happens first in the case of woolen and linen raw materials that are turned into manufactured goods at great profit for the English. Additionally, Prior keenly notes that the majority of the shipping is done through the English merchant fleet to the considerable advantage of English interests (Prior, 1729, pp. 60–61). And to make matters worse, the English profit handsomely from the large number of Irish absentees who spend much of their coin in England. But the remedies proposed – to be discussed shortly – focus on the behavior of the Irish and not the English.

Samuel Madden similarly emphasizes the necessity of increasing Ireland's trade, but primarily with an emphasis on correcting moral defect. The gentlemen and gentlewomen of Ireland should consume domestic products, avoid unnecessary luxuries, and spend their wealth in Ireland. The poor need to learn how to be industrious and avoid idleness. Just perusing some of the titles of his resolutions (which are exhortations to the gentlemen of Ireland) makes this emphasis clear.

Resolution I: That, as Landlords in this poor Kingdom, we will do our utmost in our little spheres, to remove the defects and difficulties which we find our people and country, and particularly our own estates and tenants, lie under.

Resolution V: That we will oppose and discourage all ill Customs, that destroy frugality, thrift and industry in our Tenants.

Resolution X: That as Masters of Families we will banish from our Tables that luxurious way of living, which is so common and pernicious to the Gentlemen of Ireland.

Like Prior, Madden takes great pains to make it clear that his prescriptions are made in careful deference to England. The fifteenth resolution states 'That we will be so true to ourselves as never to hurt the trade or interest of Great Britain' (Madden, 1738, p. 84). Again, the concept of balance of trade colors the entire analysis.

With Dobbs we find much the same. Dobbs spent considerable time studying the ledgers in the custom houses to provide actual numbers when it came to issues of Anglo-Irish trade.¹⁷ The point

¹⁷ Cullen complains about the Irish of the time allegedly making claims without evidence, but he exempts Dobbs and Prior as exceptions to the rule. See Cullen (1967).

was to be able to make fact-based claims about the balance of trade between Ireland and England. His stated intent was to 'restore the Ballance which is now visibly against us [Ireland]' (Dobbs, 1729, p. 4). Near the end of his study Dobbs argues that aiding Ireland requires addressing its poor balance of trade.

'Tis highly necessary for us to consider how we may increase our Exports and lessen our Imports, that we may not sink through vast Draughts upon us from thence (Dobbs, 1729, p. 73).

The point, again, is to highlight that these individuals are in the larger part still beholden to the core claims of mercantilist thinking.

Nonetheless, as a group they also introduced new ways of thinking about political economy that demonstrably contributed to the eventual rejection of mercantile thinking. The point should not be overstated, however. My contention is that Dobbs, Madden, and Prior were mercantilists. However, they were *Irish* mercantilists and the difference matters. In short, the political dependence of Ireland on Britain in the eighteenth century forced these capable individuals to revisit the core claims of conventional economic wisdom. I argue that the key changes are twofold. First, the Irish mercantilists slowly and subtly argued for a conception of wealth that emphasized its generation as opposed to its simple nature as piles of metal (which is not to say that they were the *only* individuals who so argued; I am simply focusing on this collection of able minds in Ireland). This first contention is more controversial than one might initially suspect. A rival reading is also plausible, namely that these Irish thinkers did *not* believe that trade created wealth, but instead were making simple pragmatic arguments about how to keep specie within Ireland. I engage this concern below. Second, I argue that they, perhaps in a manner that was not entirely reflective, introduced avowedly institutional concerns into economic thinking in principled ways. They emphasized full employment, the treatment of the working poor, the educational environment, and legislative incentives as a part of their reforms. To the degree that their proposals implicitly, and sometimes explicitly, undermined the assumption that balance of trade was the end-all and be-all of economic policy, they constitute an important moment in the history of the philosophy of political economy.

4. Irish Mercantilism

One striking feature of the Irish mercantilists was their consistent emphasis on *judging* the wealth of a state in terms of the conditions of

their working poor. The distinction here is a subtle one. Wealth was still viewed ultimately in terms of stocks of metals, but a good *guide* to such wealth ought to be measured by the welfare of the people. Sir Richard Cox, the 2nd Baronet, expressed the point clearly in a published letter to Prior.

Every Nation has the Reputation of being rich or poor, from the Condition of the lowest Class of its Inhabitants. If they are plentifully and wholesomely fed; warmly and decently clothed; neatly and comfortably lodged; that Country, which they dwell in, is esteemed wealthy and happy: Because, all these Conveniencies proceed from a Surplus, remaining to their own Use, after all Demands upon them are satisfied (Cox, 1749, p. 11).

If a nation's poorest are relatively well off, that is a signal that there is a 'surplus', by which Cox is implying a balance of trade surplus for that nation. The assumption that wealth is essentially a balance of trade issue remains; but the emphasis changes.

Years earlier Berkeley gave voice to the same position in the *Querist*. 'Whether a people can be called poor where the common sort are well fed, clothed, and lodged?' (Berkeley, 1736, vol. 6, Query 2, p. 105). Much has been made of the arguments of Berkeley and others to the effect that money was a ticket or counter and could serve good ends without being a precious metal. Berkeley emphasizes not simply money, but the *role* it plays in generating wealth by exciting industry. 'Industry is the natural sure way to wealth.... Money is so far useful to the public as it promoteth industry, and credit having the same effect is of the same value with money...' (Berkeley, 1736, vol. 6, p. 71). We find the Irish mercantilists discussing wealth in terms of its 'foundations' and the mechanisms for generating wealth instead of simple appeals to trade surpluses and stocks of metals. Madden writes, in defending the proposal for an Irish national bank, 'Eighthly, because it will not only double our money, but also treble our industry (*the sole foundation of national wealth*) by enlarging our business, and cause such a quick circulation of our cash...'.¹⁸ Appeals to industry and the generation of wealth are emphasized over the nature of the wealth itself.

At this point one might reasonably use Madden's claim to advance a rival hypothesis. Perhaps, one might argue, Madden is not defending some importantly new conception of wealth. Instead, he is defending traditional mercantilist principles more deeply than I am admitting. Madden's claim (like those of others, including

¹⁸ See Madden (1738, p. 173), my emphasis.

Berkeley) that industry is the font of wealth, can reasonably be read as the claim that increasing productivity alters the balance of trade favorably and keeps specie in the country. After all, Madden concludes in the passage I cite by noting that industry ultimately causes 'a quick circulation of our cash'. This and other comments makes it more likely that these Irish thinkers were simply trying to find pragmatic ways to keep wealth (read as specie) within Ireland.

The objection is a good one. I contend that in fact it is partly true. Madden and others *were* thinking in precisely those terms and most certainly did see one of the advantages of their proposals to be the increase of specie within Ireland. But the two explanations are not mutually exclusive. My contention is that these Irish thinkers were breaking away from mercantilist thought, but such conceptual breaks are rarely neat and clean. They are, *in addition to* concerns about specie, opening the path for more modern views of wealth.

As a politically dependent populace, the Irish had to think creatively about wealth in a system that was avowedly determined to keep them in a subservient position. As trade was still considered essentially a zero-sum game, any advantage accruing to the Irish was immediately perceived as a threat to the English. The Irish mercantilists accordingly combatted this response in two ways. First, they argued that promoting trade and industry in Ireland would have the result of increasing industry and trade in England as well. If such proposals were accepted, it is likely that Ireland would indeed enjoy more specie staying and circulating within its borders. Their proposals also signal a more expansive sense of both industry and the benefits of trade. The arguments advanced are subtle and forward thinking for the period. Second, they sought entrance to the 'in-group' by trying to persuade England that the Irish were (or ought to be) British too.

The first strategy demanded, in effect, the argument that a *better* way towards wealth (including concepts of wealth as specie) was simply to increase the size of the proverbial economic pie through strategic trading. If trading is zero-sum, then increasing trade in Ireland could only benefit England if the total amount of trade also expanded, with England taking the larger share of that increase. But such an increase requires surrendering the assumption that trade is zero-sum in the first place. Thus, I argue that the Irish were in effect proposing *new* mutually beneficial trades with England and 'selling' it to them with the promise that England would take the lion share of the benefits. Without perhaps fully understanding the underlying point, the Irish were undermining the mercantilist assumption that trade is zero-sum.

What produces wealth is nothing other than industrious labor. Thus, in this first strategy we see a two-pronged approach from the Irish mercantilists. On the one hand, they advocate for full employment on the grounds that more people engaging in productive labor will produce more value to trade and hence more wealth for all involved. On the other hand, they advocate for measures to remedy whatever defects might exist in the populace (rich and poor alike) that might frustrate the goal of growing the proverbial pot. Adam Smith would later tie productive labor, high wages, and population growth together, arguing that one proximate cause of growth and wealth was nothing other than the proportion of the population engaged in productive labor.¹⁹ The latter approach resonated with English mercantilists, who held similar views. Daniel Defoe in 1705 writes scathingly about the poor of *England*, noting there is a 'taint of slothfulness upon our poor', and

I make no difficulty to promise on a short summons, to produce above a thousand families in England, within my particular knowledge, who go in rags, and their children wanting bread, whose fathers can earn their 15 to 25 s. per week, but will not work, who may have work enough, but are too idle to seek after it....²⁰

The Irish, however, introduced *other* remedies for inefficient or lackadaisical work in addition to berating the poor.

One efficient remedy for poverty and lack of wealth was full employment, directed by careful policy. This end would first require the English allowing the development of industry in Ireland. But it would also require a will in Ireland to compel the able to work when moral defect otherwise precludes it. Madden advocates the revival of a 1636 law that built work houses to 'employ all rogues,

¹⁹ Smith writes, 'The liberal reward of labour, by enabling them to provide better for their children, and consequently to bring up a greater number, naturally tends to widen and extend those limits.... The liberal reward of labour, therefore, as it is the effect of increasing wealth, so it is the cause of increasing population' (Smith, 1776, I.viii.40 and 42, pp. 98–99). 'The liberal reward of labour ... as it is the necessary effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the labouring poor, on the other hand, is the natural symptom that things are at a stand, and their starving condition that things are going fast backwards' (Smith, 1776, I: viii.27, p. 91).

²⁰ See Defoe (1705). For additional period complaints see Hutchison (1953, esp. pp. 56–57).

vagabonds, and study beggars' (Madden, 1738, p. 148). It is only the failure to properly enforce the law that provides an obstacle.

I have made the fuller abstract of this law, as it is plain it is wholly owing to our own neglect in executing it, that we want proper work-houses, and are therefore presented with such swarms of lazy, useless vagrants in every county in the kingdom. It is certainly one of the worst instances of our being happy in good laws, and miserable by our letting them sleep forgotten and neglected.... (Madden, 1738, p. 149).

Generally the proposals centered on developing new industries that would not be rivalrous with England. Dobbs makes precisely this aim central to his work.

To this Purpose, I have made some Inquiry into the Numbers and Employment of the People; and have propos'd some Heads, which, if improv'd and reduc'd into proper Laws by our Legislature, I hope will contribute to make us frugal, employ our Poor, improve our Country, extend our Trade, and consequently increase our Numbers and add considerably to His Majesty's Revenue.

I am, convinced, we may do this and at the same Time add to the Power, Wealth, and Trade of *Britain*, by employing our Poor in those Branches of the several Manufactures that it is the Interest of *England* we should deal in.... (Dobbs, 1729, pp. ii-iii, Dedication).

All of our Irish mercantilists (to include Berkeley) were staunch advocates of the burgeoning linen industry and of developing new manufactures, from hemp to glassware. The driving point, however, was to increase wealth through increasing productive labor.

Another remedy for poverty and the lack of wealth production was education. Madden in particular was keen to point out the ignorance in Ireland's industries. The emphasis on improving skills and knowledge is, to my mind, a characteristic feature of the Irish mercantilists not pervasive elsewhere. Rashid, in commenting on the emphasis, notes that the Irish mercantilists probably 'had a somewhat better perspective' than Adam Smith did on the relative importance of knowledge with respect to specialization in the growth of productivity (Rashid, Ph.D. dissertation, p. 10). The claim is likely overstated, since Smith was clearly an advocate of public schooling precisely because of the perceived benefits.²¹ But the Irish are pushing the

²¹ See Thomas (2018) and West (2010).

point earlier in the century. Consider a characteristic passage from Madden on the impact of ignorance with respect to tillage.

A third great obstruction to our tillage is, our downright negligence or ignorance in many material articles belonging to it, and our retaining several old customs which are very prejudicial to it (Madden, 1738, p. 104).

Madden discusses different kinds of ploughs that might be used to greater effect in differing situations, something the English had mastered and the Irish had not. Merely introducing innovations in ploughs, of course, is not enough. Madden calls for programs of instruction. 'But we work our ploughs as ill as we make them' (Madden, 1738, p. 105). In short, the Irish mercantilists are calling for systemic vocational education. The Dublin Society would, after 1731, work to promote the dissemination of this kind of knowledge. But this was directly the result of these men and their recognition that wealth generation was tied *broadly* to the dissemination of knowledge and skills in the workforce. Madden's vision was sweeping, as we find suggested in his nineteenth resolution.

We resolve to do all we can to introduce all new improvements in husbandry to Ireland, which are likely to be of real profit and advantage, and especially the culture of hops, madder, weld, woad, saffron, liquorice, clover and other grass seeds (Madden, 1738, p. 117).

The idea is to produce wealth through putting the population to work in new industries, fueled both by education and training on the one hand, and legal compulsion on the other.

All this said, the Irish mercantilists were also nonetheless admittedly advocates of the moral defect theory. Even here, however, differences emerge in the complaints about the nature of the poor. The goal was to effectively promote industry. 'Industry' as a concept entails productive effort. But the Irish were more consistent in equally applying moral correctives to the poor and the rich.²² Stockjobbing and gambling were well-known pastimes for those able to afford it. Although spending on foreign luxuries was universally frowned upon regardless of the nation, the Irish mercantilists were amongst the most zealous in pursuing the point. Prior's *List of Absentees* was an explicit attack on the behavior of the Protestant

²² Berkeley, for instance, had a dim view of the work ethic of the Irish poor (for examples, see *Querist*, Q 19, 106, and Q 357, 134), and chastised the rich for their pursuit of luxury (see *Ruin*, 74–75 and *Querist*, Q103, 113).

Ascendancy in Ireland, echoed by all our Irish mercantilists and many others besides.

In addition, and unlike their English counterparts, the prosecution of the poor for moral defects was more nuanced. Their position in Ireland enabled them to see better that there was another relevant factor in the behavior of the poor, namely that of institutional incentives. In short, one cannot expect the poor to be eager to labor unless they live in situations where they can reasonably expect to benefit from that added labor, either in terms of intensity or longer hours. Prior diagnoses the problem of laziness sharply, even inside his mercantilism.

...for Poor we must *ever* be, so long as all the Advantages, we can make by our Industry and Trade, fall so much short of our Remittances Abroad. If we must be always Poor, 'tis better to enjoy Poverty with Ease, than to sweat, and toil, without any Hopes of mending our Condition, and without any other Effect than that of supporting the Vanity of our Gentlemen Abroad, who treat their Country with Contempt, and ruin it without Remorse (Prior, 1729, p. 73).

The passage rings true, but with an odd tone. Basically Prior argues that unless the labor of the Irish outstrips the negative factors against Irish balance of trade (such as the drain absentees place on the nation), then the poor have no good reason to work. Surely, he opines, it would be easier to address the problem of absenteeism than to try and encourage the poor to work to no advantage.

Prior generalizes the problem slightly earlier.

Our Case is much the same with the *Plantations*, the Produce, and Profit of all our Labour issues constantly to the People of *England*, and therefore 'tis its Interest to give the People of *Ireland* full Employment, to encourage their Industry in every Branch of Trade, and not to stop any Inlett through which Treasure may come into it, since every Acquisition and Profit that we can make, will at last center among them; if they would look upon us with the same Favour, and in the same Light as they ought to do their *Plantations*, they would justly reckon us, a main Foundation of their Wealth and think it not consistent with the Interest to cramp our Industry, or render out Labour trifling and insignificant (Prior, 1729, p. 65).

Because of Ireland's dependent nature, England reaps benefits from everything Ireland does. Prior discusses in the surrounding text not only the advantages of tax revenue, tariffs, and the like, but also the generalized benefits of a *larger economic system*. He uses the example

of plantations to make the point. Britain was investing heavily in plantations around the globe, largely in the belief that the production from those plantations would generate more wealth via trade. Prior implores his readers to see that the same applies to what Ireland produces as well. If Ireland were made to be more productive – if it were made possible to trade *more* with Ireland – the *economic pie would grow*.

This brings us full circle on the first strategy employed to promote the generation of wealth. By pursuing full employment through education, moral correction, and the opportunities of new manufactures, the Irish hoped to partake in a share of the overall growth in wealth.

Yet the Irish mercantilists understood that these arguments would likely not be enough, so they engaged in a parallel line of argument. The idea is simple: persuade the English that the Irish should be included in the ‘in-group’. If the English would only understand that the Irish were in fact British, they would see that what helps Ireland helps themselves as well. The pleas for understanding ranged from simple exhortations to plans for union along the lines of the 1707 union with Scotland. Madden is customarily politic, arguing for union as an inevitability.

Nothing but the plain expediency, and benefit of an union could have made Cromwell (who studied to please the people, where he hurt not his own interest by it) take such paces as we all know he did in this matter, and surely the day will yet come, when we shall not hang like a dead limb, on Great Britain, when we might do such good work for it, if our bandages were removed entirely. The Saxon heptarchy, was hardly more a disjointed heap of states than England, Wales, Scotland, and Ireland, seemed before Wales, and Scotland, were so happily united to her; and as Ireland has greatly the advantage of both the last in extent and goodness of soil, trade and number of people, it is not improbable, she will one day have the same happiness and honour (Madden, 1738, p. 95).

Madden goes on to immediately anticipate and refute objections, in particular emphasizing that Ireland would gain little in terms of *political* power to threaten the interests of the rest of the proposed union. Ireland would provide more food, more soldiers, and less trouble were her citizens proper Britons.

5. The Failure of Irish Mercantilism

With a better sense of mercantilism and the key components that make the Irish version importantly distinctive, I turn now to

defend two more philosophical and speculative theses. The first of these is that, for all of its innovative spirit, the political proposals of the Irish were essentially doomed to failure, even had robust versions of them somehow been enacted in Ireland.

I dismiss for the sake of argument concerns about how such proposals would have been passed given the dependent nature of the Irish Parliament. None of the laws in Ireland could be put into effect without the approval of the English Parliament. Even so, my assertion here is that the core logic of mercantilism would have undermined the very progress these Irish thinkers were focused on making. In short, my claim is they did not separate themselves enough from the core claims of mercantilism to have a completely coherent economic plan. None of this should be taken to diminish their ingenious and important conceptual advances in political economy. Yet there are reasons Ireland would labor under oppressive restriction for the remainder of the century.

The argument is fairly simple. Mercantilism emphasizes the accumulation of wealth via favorable balances of trade. Ireland was not considered either English or British. Hence, no proposal to significantly advance the wealth of Ireland would be allowed by England (as that would entail less for England). No doubt the logic of the argument is obvious, but there are lessons to be gleaned by seeing the argument applied to the historical case of Ireland.

Perhaps the exemplar of the proposals the Irish mercantilists wanted to advance was the development of the linen and flax industries in Ireland. Prior, Madden, Dobbs, and many others all enthusiastically pushed for public and private funding to employ Irish workers in these new endeavors. The Irish linen industry already existed in the early eighteenth century, but it grew and eventually employed many people. What is instructive, however, is how this proposal was received – and resisted – by others in England. The resistance starts well before the formation of the Dublin Society, and our Irish political economists were well aware of it.

One opponent to the cause of developing Irish industry was Charles Davenant (1656–1714), a classical English mercantilist who wrote an influential book *The Balance of Trade* in 1699 and others besides. He was a prolific pamphleteer in the 1690s and his arguments were engaged into the 1720s and 1730s. Like his mercantilist compatriots, he defined wealth as a favorable balance of trade and argued against the practice of foreign luxury spending. Unlike some others he did advocate for population growth, but mainly at home and in specific cases such as plantation-style colonies. Davenant opposed

any measures designed to aid Irish linen and hempen manufacturing. Dobbs takes on Davenant directly.

By this we may see the Falsity of Dr. *Davenant's* Argument, when we were depriv'd of the Benefit of the woollen Manufacture here, he reasons against setting up the Linnen and Hempen Manufactures in *Ireland*; alleging, if we supply'd *England* with Linnens, the *Hamburgh* Trade would be lost in great Measure by their having no sufficient Return they could make (Dobbs, 1729, p. 67).

Dobbs rightly sees what other mercantilists miss: the entire argument rests on the assumption that trade is zero-sum. Dobbs continues.

Now it is plain from this way of Reasoning, that he must mean that either that Trade must always against *Britain* upon the Ballance, or that they could not expect to Trade with them if they receiv'd a Ballance from *Hamburgh*; and consequently that Trade, as then carried on, was of no Benefit to *Britain*; for if *England* consumed at home as many *Hamburgh* Linnens or more than the Value of the Goods carried there, then we were either barely Savers or lost by that Trade, and *Hamburgh* must have a Ballance in return from *England*, which would not be poured back again any other way as it would from *Ireland*; thus the benefits would redound to *Hamburgh* instead of *England*, and the foreign Poor be employ'd instead of those under our Government; whereas by the established Maxims of Trade, a wise and prudent Nation should endeavor to procure fewer Importations than Exportations, that a Ballance in Case might be brought into it (Dobbs, 1729, pp. 67–68).

Dobbs understands Davenant's point reasonably well. English mercantilists worried that promoting Irish linens would shift England's trade to Ireland and away from Hamburg, who was then a supplier of linens for the English fleet. But if England stopped buying linens from Hamburg, then Hamburg, in order to right the balance of trade, would stop buying goods from England. Hence England would suffer. In the case of Ireland, however, since Ireland is a dependent colony, England has other avenues from which it can extract value (taxes, requiring Ireland to pay for army garrisons, etc.) and so the resultant losses would be lessened if not avoided. Thus, according to Davenant, England has an interest in maintaining trade with Hamburg but not with Ireland. Dobbs criticizes him for inconsistency, since in a previous similar case concerning competition from muslin producers in the East Indies Davenant made no

objection. But Dobbs' response essentially misses the underlying issue. The problem is the inflexible assumption that trade is a zero-sum game. Whereas our Irish innovators see the possibility of wealth generation through wealth *creation*, traditional mercantile thinking does not allow for the possibility.

One might thus read many of the arguments and proposals from the Irish with a sad sort of humor. They clearly see that they must persuade the English that they are not economic rivals. 'We must therefore endeavor', writes Madden, 'to the utmost of our power to make Great Britain see we will never not only rival, but even in any sort interfere with her interest in every branch of trade that can affect her people' (Madden, 1738, p. 85). And then Madden undermines his own point by suggesting a variety of industries where Ireland could excel and undercut production elsewhere. A particularly painful example concerns spirits, ale, and beer, where Madden enthuses,

I shall mention but one particular more of a different nature, which our merchants may contribute greatly to the improvement of, and that is our brewing in the best perfection possible, the finest and strongest mum, ale, and beer. If once we could come to rival Brunswick, Bristol, and Wales, in the strength and beauty of those liquors which are in so much request abroad, we might save what, to our shame, we import from them, and by their help once we get coals of our own, to boil them with, export great quantities of them at reasonable rates to other nations, to the great increase of his majesty's customs and the full encouragement of our husband-man (Madden, 1738, pp. 166–67).

To be fair to Madden, he is trying to argue that, if considered a part of Britain, Ireland could greatly contribute to the wealth and well-being of all Britons. But I can only imagine that this read to his mercantilist contemporaries as a direct threat to the liquor industries in Bristol and Wales, which, as Madden explicitly says, Ireland would 'rival'. One might apply a similar logic to the arguments for the linen trade. As the Irish linen industry grew, English linen interests would be threatened. The Irish were in a difficult situation so long as the dominant views were mercantilist and they were politically under the thumb of the English.

I conclude that the political and policy proposals of the Irish mercantilists were doomed to less effect until the following century, when conventional wisdom was slowly changed by the success of Smith and others to understand the concept of trade as wealth generation. Union with England also helped – but arguably did not entirely solve – some of the economic problems as well. In turn, however, this leads me to

my second point, which is to note the importance of the Irish mercantilists in nonetheless helping to bring about precisely this shift in thinking. Their emphasis on knowledge and other institutional features as impacting employment and productivity, as well as their subtle nudging of economic thinking towards wealth production and away from wealth accumulation, critically moved later eighteenth-century philosophers and political economists out of the mercantilist mindset. Although I have not the space to argue for the claim here, I nonetheless suggest that without the Irish mercantilists, Smith would not have the fullness of his own insights nor the ability to present them as effectively as he did.²³

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