

On the Use of the Doctrine of Laissez Faire, in Investigating the Economic Resources of Ireland. By W. NEILSON HANCOCK, LL.B., Archbishop Whately's Professor of Political Economy in the University of Dublin.

THE natural resources of Ireland have furnished a favourite topic to Irish writers for the indulgence of national vanity; and the language of exaggeration has been too often applied in describing their extent and value. The stern realities of wide-spread distress have led others to contrast the misery with the alleged abundance, and thence to deduce unfavourable conclusions as to the character of the population. It would be quite foreign to my present purpose to examine how far the common estimate of these resources is founded on an accurate calculation of their market value. But amid this boasting and crimination, it is overlooked that natural resources, however lavishly bestowed, are valueless as instruments for the production of wealth, unless the arrangements respecting their use are based on sound economic principles.

To the mind of an economist the contrast between a destitute peasantry and prolific resources suggests an investigation into the social arrangements of the country, where such an anomaly prevails. The result of this inquiry, wherever it has been pursued, has been to vindicate the character of our common nature from the charge of general indolence, by showing that such anomalies arise from the social arrangements transmitted from less enlightened ages, being at variance with the teachings of science.

This general result affords the most hopeful anticipations of the rapid elevation of Ireland from its present distressed state; for every past neglect of economic science—every arrangement at variance with sound principle, while it increases the difficulties of the present, suggests in its alteration for the future an economic resource by which the country may be improved.

The consideration of these economic resources—or, in other words, sound arrangements, by which the natural resources may be developed—leads us at once to the subject of this paper; for a want of reliance on private enterprise is the most prolific source of unsound arrangements.

There are few principles of economic science concerning which greater misapprehensions prevail than the doctrine of *laissez faire*, or, as it may be otherwise expressed, "Rely on private enterprise." These misapprehensions have led to a want of confidence in the

principle; this, again, has given birth to a theory of government, in which the great primary duty of protecting the community from fraud and violence is considered quite subsidiary to the new duty of guarding against the supposed dangers of *trusting to private enterprise*. Besides the intrinsic importance of this doctrine in economic science, it deserves especial attention at the present time, when the calamities of the past year have turned the minds of all those who take an interest in public affairs to the discovery of remedies for the social evils so prominently exhibited in Ireland. The use of the doctrine for such a discovery is commonly overlooked. What is the advantage, it is said, of interfering with the existing arrangements? We are taught by *laissez faire* to leave things as they are, and trust that they will come right in time. Now, this reasoning is quite true if we suppose it to be applied to a state of affairs in which there is no legislative or other interference with the enterprise of individuals. But where such interference *does* exist, to leave things as they are is to perpetuate interference. Whenever, therefore, we find extensive social evils, our first inquiry should be, have there been, or are there, any restrictions on private enterprise? If the restrictions have been recently removed, the evils will, of course, survive the change, although they will ultimately disappear. But the existing restrictions indicate at once the points to which remedies should be directed.

There is no country in the world which affords a stronger proof of the disastrous consequences of neglecting the doctrine of *laissez faire* than Ireland. Its economic history discloses an extent of interference with private enterprise, quite as remarkable as the misery and distress which the potato failure has so painfully disclosed. The evils of this long-continued and wide-spread interference are not confined to its direct economic effects—it has perverted the minds of the people on economic questions. Hence the numerous theories to account for Irish distress. Hence the remedies which have been adopted of late years, or which are now proposed for adoption in too many cases, involve an extension of government interference.

There cannot be a better illustration of *laissez faire* than the trade in food. "For instance," to use the language of Archbishop Whately,* "let any one propose to himself the problem of supplying with daily provisions of all kinds such a city as London, containing above a million of inhabitants. Let him imagine himself a head-commissary, entrusted with the office of furnishing to this enormous host their daily rations. Any considerable failure in the supply, even for a single day, might produce the most frightful distress; since the spot in which they are cantoned produces absolutely nothing. Some indeed of the articles consumed admit of being reserved in public or private stores, for a considerable time; but many, including most articles of animal

* Lectures on Political Economy, p. 93.

“ food, and many of the vegetable, are of the most perishable nature. “ As a deficiency in the supply of these even for a few days would “ occasion great inconvenience, so, a redundancy of them would “ produce a corresponding waste. Moreover, in a district of such “ vast extent as this province (as it has been aptly called) covered “ with houses, it is essential that the supplies should be so distributed among the different quarters, as to be brought almost to “ the doors of the inhabitants; at least within such a distance, that “ they may, without an inconvenient waste of time and labour, “ procure their daily shares.

“ Moreover, whereas the supply of provisions for an army or “ garrison is comparatively *uniform in kind*: here the greatest “ possible *variety* is required, suitable to the wants of the various “ classes of consumers.

“ Again, this immense population is extremely fluctuating in “ numbers; and the increase or diminution depends on causes, of “ which though some can, others cannot be distinctly foreseen. “ The difference of several weeks in the arrival, for instance, of “ one of the great commercial fleets, or in the assembly or dissolution of parliament, which cause a great variation in the population, it is often impossible to foresee.

“ Lastly, and above all, the daily supplies of each article must “ be so nicely adjusted to the stock from which it is drawn—to the “ scanty, or more or less abundant, harvest—importation or other “ source of supply—to the interval which is to elapse before a “ fresh stock can be furnished, and to the probable abundance “ of the new supply, that as little distress as possible may be undergone;—that on the one hand the population may not unnecessarily be put upon short allowance of any article, and that on the “ other hand they may be preserved from the more dreadful risk “ of famine, which would ensue from their continuing a free consumption when the store was insufficient to hold out.”

“ Now let any one consider this problem in all its bearings, “ reflecting on the enormous and fluctuating number of persons to “ be fed—the immense quantity and variety of the provisions to “ be furnished, the importance of a convenient distribution of them, “ and the necessity of husbanding them discreetly; and then let “ him reflect on the anxious toil which such a task would impose “ on a Board of the most experienced and intelligent commissaries; who, after all, would be able to discharge their office “ but very inadequately.

“ Yet this object is accomplished far better than it could be by “ any government interference, through the private enterprize of “ men who think each of nothing beyond his own immediate interest,—who, with that object in view, perform their respective “ parts with cheerful zeal,—and combine unconsciously to employ “ the wisest means for effecting an object, the vastness of which it “ would bewilder them even to contemplate.

“ It is really wonderful to consider with what ease and regularity “ this important end is accomplished, day after day, and year after “ year, through the sagacity and vigilance of private interest ope-

“rating on the numerous class of wholesale, and more especially, “retail dealers. Each of these watches attentively the demands of “his neighbourhood, or of the market he frequents, for such commodities as he deals in. The apprehension, on the one hand, of “not realizing all the profit he might, and, on the other hand, of “having his goods left on his hands, either by his laying in too “large a stock, or by his rivals, underselling him,—these, acting “like antagonist muscles, regulate the extent of his dealings, and “the prices at which he buys and sells. An abundant supply “causes him to lower his prices, and thus enables the public to “enjoy that abundance; while *he* is guided only by the apprehension of being undersold; and, on the other hand, an actual or “apprehended scarcity, causes him to demand a higher price, or to “keep back his goods in expectation of a rise.”

This illustration of the doctrine of *laissez faire* puts in a strong point of view the main fact on which the universality of the principle is based. It shows that the safety of the community is secured by the parties engaged in the trade, understanding that which men of the humblest capacity can appreciate, their own immediate interest in money matters.

But the principle can be further illustrated by tracing the history of English legislation on the trade in food. The present policy of England in trusting this trade entirely to private enterprize is frequently represented as a rash experiment, founded on theory, and not in experience. But the history of legislation on the subject exhibits a remarkable instance of the gradual approximation towards the complete adoption of a principle which forms a leading characteristic of English law. The old common law partakes of the prejudices of the times in which it took its rise, and declares the practices now acknowledged to be beneficial, to be offences of the kind termed, in the language of the law, misdemeanours, on the grounds of being injurious to the community. These were the buying of corn on its way to market, called forestalling; the buying of corn to sell again in the same market, called regrating; the buying of corn in one market, to sell it in another market, called engrossing. But the mild punishment and tardy proceedings of the common law were found quite ineffectual to stop the operations of the instinct of self-interest, which led to the adoption of these wise, but prohibited practices. The ignorant prejudices of the times demanded severer punishments and more arbitrary interference. This system of legislative interference with private enterprize in the trade in food reached its height about the reign of Edward VI. By an Act passed in that monarch's reign (5th and 6th Edward 6th, c. 24,) it was enacted, “that whoever would buy any “corn with intent to sell it again, should be reputed an unlawful “engrosser, and should for the first offence suffer two months' imprisonment, and forfeit the value of the corn; for the second, “suffer six months' imprisonment, and forfeit double the value; “for the third, to sit in the pillory, suffer imprisonment during the “king's pleasure, and forfeit all his goods and chattels.” “This “enactment,” says Adam Smith, “by prohibiting as much as pos-

“sible any middleman from coming in between the grower and consumer, endeavoured to annihilate that trade of which the free exercise is not only the best palliative for the inconvenience of a dearth, but the best preventative of that calamity; after the farmer, no trade contributing so much to the growing of corn, as that of the corn merchant.” It would be tedious to trace all the modifications of the statute law subsequently adopted. Suffice it to say, that “The rigour of this law was afterwards softened by several subsequent statutes, which successively permitted the engrossing of corn when the price of wheat should not exceed twenty, twenty-four, thirty-two and forty shillings the quarter.” In the reign of Charles II. the law was further modified by allowing engrossing when the price did not exceed forty-eight shillings a quarter. But all these partial adoptions of the doctrine of *laissez faire* were thrown into the shade by the statute passed in 1772, (12 Geo. III. c. 71.) It commences with a preamble which contains a distinct recognition of the principle of non-interference. “Whereas it has been found by experience, that the restraints laid by several statutes upon the dealing in corn, meal, flour, cattle, and other sundry sort of victuals, by preventing a free trade in the said commodities, have a tendency to discourage the growth, and enhance the price of the same, which statutes, if put into execution, would bring great distress on the inhabitants of many parts of the kingdom, and particularly on the cities of London and Westminster.” The statute then repeals all the restrictions and penalties imposed by previous enactments on the internal trade in grain. As there had been no prosecutions under the common law during the long time that the previous statutes were in force the repeal of the common law offences was overlooked. But no advantage of this omission seems to have been taken except in the year 1800, and after the common law had remained in abeyance for half a century, the legal freedom of the internal corn trade was completed in 1844, by the final abolition of the common law offences of forestalling, regrating, and engrossing.

The history of the legislation respecting the external corn trade exhibits a similar progressive recognition of the doctrine of *laissez faire*, although the most important change did not take place till 1846. Against the mass of observation, experiment, and systematized experience which the English legislation on the trade in food exhibits, some persons have ventured to set up hasty and superficial observations made during the past year. Compare, it is said, the circumstances of France and Ireland. When the distress began, the French government at once interfered by prohibiting the exportation of grain, and by sending government officers to buy up grain in foreign countries, and the result was that the lives of the people were preserved. In Ireland, on the contrary, the government tried the principle of *laissez faire*, and hence the deaths from starvation. But the principal allegation on which this argument is based has no foundation in fact. The principle of *laissez faire* was not tried in the West of Ireland, where the deaths from star-

vation took place. For* “By the Treasury Minute of the 31st of August last, the government announced that *only part* of Ireland would be ‘left to the foresight and enterprise of private merchants to supply with food,’ namely, ‘the ports on the northern, eastern, and southern coasts, from Londonderry to Cork, and those parts of the interior which were ordinarily supplied by them;’ whilst, in the rest of Ireland, ‘depots for the sale of food were to be established at Longford, Banagher, Limerick, Galway, Westport, and Sligo, and subordinate depots at other places on the western coast, as the necessity for taking such a step should become apparent.’

“This interference was adopted on the ground, that the ordinary operations of the provision trade could not be expected to extend to the districts thus interfered with; as if there could be any districts to which the provision trade would not be extended, if prices were only allowed to rise high enough, and if adequate [pecuniary] relief were supplied to the destitute in such districts. But the whole plan was clearly at variance with the principles of Political Economy, which point out that the providing food *for sale* in *all* districts, and under *all* circumstances, should be left to the foresight and enterprise of private merchants.”

But the deaths from starvation took place in Ireland not because the supply of food was more deficient than in France, for the Irish markets were better supplied with food than the French markets, as is proved by the price having risen so high there that grain was shipped from England to France at a time it was being exported from Ireland to England. The people in Ireland died from want of *money*, and not from want of *food*. When we compare the condition of the small land owners of France and the yearly tenants in Ireland—when we consider that the potato was much more extensively grown in Ireland than in France, we cannot find it difficult to discern that the people were poorer in Ireland. This extreme destitution of the people in the absence of an extensive poor-law, exposed the aged and infirm, who could not take advantage of the relief by public works, to the want of the means wherewith to buy food. But the interference with the trade in food undertaken by the commissariat arrangements, instead of benefiting those unfortunate people, since the lowering of the price, supposing it to be effected, is no benefit to a man who has no money, increased their danger, by turning away the attention of the public from the only mode of saving their lives by supplying them with the means of buying food. When government interference in the trade of food is recommended on the example of France, those who cite the authority should be prepared to shew its effects on the peace of the community. Every one has observed the different manner in which people submit to evils which they believe to arise from the operation of the irresistible laws of nature, and evils which, whether rightly

* Lectures on Distress from Potato Failure, by W. Neilson Hancock, p. 19.

or wrongly, they believe to be the result of human interference. Now a very slight reflection on this difference would lead any one to predict that the system of government interference must lead in times of distress to discontent, disaffection, and outrage, and before the example of France is adopted, we should have accurate statistics of the effects of the French system in producing peace and security. The Times of the 20th September contains the very significant announcement that the King of the French had then issued a pardon to four hundred and fifty-four individuals, under sentence for participation in corn riots. From this we may form some idea of the extent to which these riots must have prevailed.

To complete the illustration of the trade of food, I shall quote from my lectures a proof of the principle of non-interference.

“The sole reason that Political Economists object to any interference with the provision dealers, is that their interests and those of the community are identical; that they cannot gain except by benefitting the community, and that they cannot injure the community without injuring themselves.

“The proof of this proposition has been elaborately given by Adam Smith, but it can be put in a very short form. Let us take the case most commonly objected to, in which the dealer makes his profit by buying to sell again in the same market; he cannot make such a profit save by selling at a higher price than he bought. But, during the same season, grain cannot be at a higher price at one time than at another in the same market, except there is or is believed to be a greater scarcity of grain at the time of the higher price. It is the interest of the dealer, then, to buy at the time when there is the least scarcity of grain, and sell when there is the greatest scarcity. And the more exactly he estimates these periods, the greater his profits. But by his purchase he takes a quantity of grain out of the market, at a time when there is either a lesser or the least scarcity, to bring the same grain back again when there is a greater or the greatest scarcity; thereby doing the act which is manifestly most for the interest of the community.”

The proof of the doctrine of *laissez faire* in the most general case, is precisely the same as the proof in the particular case of the dealers in food. As the interest of the community is perfectly safe in *their* case, so it is in the general one; and, for the same reason. It is obviously the interest of each individual dealer in any commodity to buy in the cheapest market and sell in the dearest. But this is also the interest of the community at large; for a trader by such conduct buys goods where they are most abundant, relatively to the demand for them, and sells them where they are most scarce—in other words, he cannot make a profit except by equalising the distribution of commodities throughout the world, he never can injure the community without an equal injury to himself; for should he buy in a place or at a time of scarcity to sell in a place or at a time of abundance, he must be buying in a dear market to sell in a cheap one—or, in other words, he must lose exactly in proportion to the injury he inflicts on the

community. This law, by which the safety of the community is secured by the self-interest of individuals, is in political economy what gravitation is in astronomy, the great connecting force by which the movements of individual men are made subservient to the one gigantic system of human welfare, just as the movements of planets, satellites, and comets, are by gravitation united in one harmonious combination.

A disregard of *laissez faire*, either in public or private policy, leads to results as much at variance with common prudence as a disregard of the law of gravitation. It leads all parties to attend to other business than their own. Landlords devise plans for encouraging manufactures, instead of applying themselves to the good management of the land. Benevolent people get up charitable loan funds and fishery companies, instead of leaving these trades to be carried on by money-lenders and fishermen. In *public* affairs politicians, instead of confining themselves to their proper business, the protection of the community from fraud and violence, and exerting themselves to have the legislation of the country framed in the best manner to effect this great object, are occupied with plans for stimulating industry, lending money for drainage or railways, encouraging particular trades, promoting emigration, or regulating the manner in which various parties shall carry on their dealings. Thus the soundest principles of science coincide with the dictates of common prudence in teaching each person to mind his own business, and to follow the dictates of enlightened self-interest, as the best means of promoting the welfare of himself, of his country, and of the whole family of man.

Having given you an explanation of the principle of *laissez faire*, I proceed, in the next place, to examine how far some of the social evils of Ireland, which are commonly ascribed to other causes, may be traced to the neglect of this essential doctrine observable in the restrictions still retained on private enterprise in Ireland. The most commonly received theories of Irish distress are the potato, the conacre system, subdivision of land, subletting, middlemen, combinations, over population, absenteeism, and the Celtic race. Without attempting to analyse all these causes, which would occupy too great a time, I shall just point out some of the leading circumstances which should be attended to in considering each.

[As to the potato, the Irish people are not poor because they have lived on the potato; but they have lived on the potato because they were poor, and because the potato was the only cheap food, as the low priced foreign grains were excluded from Ireland by the corn law restrictions on the trade in food. If any one believes, as some commissariat officers gravely wrote to the government, that the people have a taste for inferior diet (that they must often have had to taste of it is unfortunately too true), and require government interference to give them *a taste for better food*, let him try the first potato-fed Celt he finds with a good dinner of such established Saxon fare as roast-beef and plum-pudding, and I will venture to predict that a taste for good living will be developed

with a rapidity and to an extent quite surprising to the pocket of the incredulous theorist. The fallacy of supposing that the Irish are poor because they live on the potato is just similar to the one answered by Adam Smith :—"It is not because one man keeps a coach, while his neighbour walks a-foot, that the one is rich and the other poor; but because the one is rich he keeps a coach, and because the other is poor he walks a-foot."]

As to the next theory of distress—the conacre system—there can be no doubt of its injurious effects; it is in agriculture the same as the truck system in the payment of manufacturing labourers. The extent to which it prevailed in Ireland aggravated the distress very much. But if we inquire why a system so completely at variance with sound principle was so generally adopted, we shall find that it owes its origin in a great degree to the interference with private enterprise, which the landlord and tenant code in Ireland encourages and perpetuates. Thus the farmer, who sets conacre, has peculiar privileges for recovering the amount of the rent from the labourers. Were the privileges of farmers in recovering conacre rents, which operate as restrictions on the rest of the community, abolished, and had farmers adequate security to induce them to employ capital freely in the improvement of the land, they would soon adopt the system of money-wages and task-work, which the best railway contractors have tried with such effect in Ireland; and the conacre system, already stopped by the potato failure, would never be renewed.

But to proceed with the next alleged cause of misery.

The sub-division of land has prevailed in Ireland to a great extent, because the free purchase of land, the only effectual means by which injurious subdivision can be counteracted, has been completely restrained by the laws and systems of management, which prevent the interest of the tenant from being a marketable commodity. The only real test by which we can ascertain the limit to which sub-division can be carried with advantage to the community, is the surplus which the tenant can raise on the land; or, in other words, the rent he can afford to pay for it.

If two ten-acre farmers can afford to pay for a continuance a higher rent for a piece of land than one twenty-acre farmer, it is more beneficial to the landlord and to the community to have ten-acre than twenty-acre farms. If, again, four five-acre farmers could pay a still higher rent than the two ten-acre farmers, five-acre farms would be better than ten-acre farms. Now, suppose it was found by observation that every diminution in the size of farms led to an increase of acreable rent, until the size reached five acres, whilst any subdivision below that amount led to a diminution of rent, then it would follow that five-acre farms were the most advantageous.

If the interest of the tenant were perfectly marketable, and if the landlord were really free to deal with his interest, the principle of sub-division and the principle of accumulation would, by their joint effects, lead to all land being subdivided to the most profit-

able extent, and would prevent its ever being subdivided more than this.

Subdivision can never be carried to an injurious extent, except where unwise restrictions impede the accumulation of land. I cannot conclude my observations on subdivision without noticing an error which seems extremely prevalent, that subdivision has been already carried to a ruinous extent in Ireland. This error has been exposed by a very useful table, compiled by Mr. Sharman Crawford from the population returns of 1841 and other parliamentary papers, from which it appears that in the thriving and prosperous counties of Armagh and Down, the average size of farms is eleven and fifteen acres respectively; whilst in Mayo and Tipperary it is 23 and 24 acres respectively; in Galway and Cork 30 and 34 acres respectively: so that subdivision cannot be carried to a ruinous extent when the most prosperous counties are more than twice as much subdivided as those in which distress prevails.

The next theory of distress is very similar to the one we have been considering. The sub-letting of land in Ireland has often been dwelt on as a cause of poverty, and some years ago express statutable interference was introduced to put a stop to the practice. The statutes were, however, found too stringent, and were replaced by others of a less arbitrary character. But the economic causes of sub-letting were left unnoticed, and the economic remedies were consequently neglected. These causes are the legislative enactments which afford less than the ordinary security to the tenant who holds his land and lays out capital in its cultivation, and give him at the same time all the extraordinary powers of a landlord for recovering rent from his cottier tenant.

The real remedies for sub-letting are to give the tenant security for improving his farm, and to give no more power for recovering his rent when he sublets than any ordinary creditor has for recovering his debt. The law of distress, which enables the farmer to take the law into his own hands against his cottier tenant, is one of those feudal institutions which have survived the policy on which they were founded. When the landlords were all the lords of manors, and, as such, held manorial courts, the law of distress merely enabled the landlord to avoid the absurdity of instituting a proceeding in his own court, on his own behalf, by executing summarily by his bailiffs, who were also the officers of the court, that decree which he could authorise them to execute by a formal decision. But at the present day the only effect of the law of distress for rent is, to give one class of creditors a priority over another class; and in cases of a disputed account of rent to enable the landlord and farmer to take the first step, leaving the tenant or cottier his redress by replevin, instead of requiring the landlord or farmer to prove his case before he levies the amount claimed. The real remedy for injurious sub-letting is to put the farmer in the same position as other parties in recovering his claim for rent. If that be adopted, there is no danger of the farmer impoverishing

himself by sub-letting to cottiers who cannot pay him. If the cottiers can afford to pay such a rent as to make it really worth the farmer's while to sublet, they must be able to make a more profitable use of the ground than he can; and if so, their occupation must be beneficial to the community.

The next theory, which attributes distress in Ireland to middlemen, is but another form of the old fashioned prejudice against intermediate dealers, such as in the case of forestallers. There is nothing in the nature of the case to make middle parties in transactions necessarily injurious to the community; on the contrary, whenever they arise in the ordinary course of trade, without any special interference of government, as certainly as they gain profit themselves so certainly do they benefit the community. The evils traced to middlemen in Ireland arise not from the parties being middlemen, but from the legal restrictions which render it *unprofitable* for them either to transfer or to improve the land, whilst they are induced to sublet by the ample means for levying exorbitant rents, in the power of distress, and priority of recovering rent which they exercise as landlords. Place the middleman as a tenant on an equality with other traders, by giving him freedom of sale and security for improvements, and he will either improve or sell. Place the middleman as a landlord on an equality with other traders, by giving him no more power of recovering his rent than they have for recovering their debts, and he will either buy out his sub-tenants, or reduce his rents to an amount that can be regularly paid without extraordinary powers for recovering them.

As to the next theory of distress, it has been truly observed that combinations have prevailed to a much greater extent in Ireland than in England. This arises from the workmen having followed the example set to them in the government of the country; for combinations arise from the same want of reliance on private enterprise which produces government interference. The extent of combinations is, therefore, a mere illustration of that prevalent disregard of the doctrine of *laissez faire* which I have already noticed. But there are some circumstances which have contributed to the intensity of Irish combinations, which are generally overlooked. The first of these is the absence of an efficient poor law. This made the condition of the unemployed labourer so miserable, that in all disputes with employers the labourers had so much at stake that they carried on the struggle with extreme violence. Another circumstance is, that the Irish labourers have been exposed to a far more intense competition than that to which, until recently, the English labourers have been subject. The migratory nature of the Irish population may be judged of by the fact disclosed in the last census—that one-third of the population of Dublin were not born even in the county of Dublin. Now, the labourers who migrated to Dublin came from country districts, where the wages were ordinarily 8d. and 10d. per day. These men, accustomed to the rude fare and wretched mud cabins of the country, were ready to work for extremely low wages sooner than remain unemployed. Hence the

Dublin artisans, finding their wages lowered by this intense competition, endeavoured to keep up their wages by combination. The penal laws, the exclusive corporations, the ancient powers of the guilds, handed down from the middle ages, and which were only abolished in the last session of parliament, all combined to encourage them in this disastrous policy. The real remedy for combinations in Ireland is to carry out the doctrine of *laissez faire* in the general legislation of the country. When the rich surrender the legislative restrictions on private enterprise, which are retained for their supposed benefit, they will find it very easy to convince the poor of the folly of relying on combinations.

There is nothing which has done more mischief in Ireland than the notion of over-population. Our descendants, three centuries hence, will smile at the idea of the population of Ireland being now represented as excessive, just as we smile at the statesmen of Queen Elizabeth who considered London too large when it did not extend beyond Temple Bar, and who took measures to prevent its dangerous extension. Ireland is suffering not from over-population, but from under-production. The bulk of the Irish population are engaged in agriculture, and yet it is in such a state as to be far from absorbing all the labourers that the present state of knowledge of the subject would enable it to give employment to. The digest of the evidence taken by the land occupation commissioners gives the latest and best information on the subject. Chapter I., entitled "Agriculture," commences thus:—"The general tenor of the evidence given before the commissioners proves that, with the exception of some districts in the north, and some particular localities and estates, or individual farms in other parts of the country, *the usual agriculture practice throughout Ireland is defective in the highest degree*, whether as regards the permanent preparation and improvement of the land essential to successful tillage, the limited selection of the crops cultivated, or the relative succession and tillage of those crops." It follows, therefore, that the business of farming is not well carried on in Ireland. We are led to inquire what are the restrictions on private enterprise applied to farming, that produce such lamentable results? This inquiry I shall notice in a subsequent paper; but, for the present, it is clear that when agriculture is in such a disgraceful state, "under-production" is the cause of our distress.

The tables of Mr. Sharman Crawford, to which I have already referred, as disproving the fallacy of extreme subdivision, are equally conclusive on the subject of over-population. In Armagh and Down the average number of acres to each head of rural population, is $1\frac{1}{4}$ and $1\frac{1}{2}$; in Tipperary and Mayo $2\frac{2}{3}$ and $2\frac{2}{3}$; in Cork $2\frac{1}{4}$, and in Galway $3\frac{1}{2}$. So that the rural population of the prosperous counties is twice as dense as the rural population of other counties.

Absenteeism is one of the most popular theories of Irish distress. That absenteeism produces some economic evils, in the present state of Ireland (for I, of course, do not intend to consider its political effects), arises not from its being in itself an evil, but

from the peculiar powers which a landlord possesses over his tenantry, quite different from that of other creditors over their debtors. These powers, when exercised by the agents of absentees, always produce still greater evils than when exercised by the landlords themselves, or under their immediate control. Although absenteeism must be admitted to be to this extent injurious, yet its effects are greatly exaggerated. This arises, in a great measure, from not discriminating between two classes of absentees—those who, being possessed of great wealth, are absent for the purposes of ambition, fashion, or pleasure—and those who reside abroad on account of their necessities, and leave their estates in the hands of their creditors. When the traveller comes on a scene of misery and neglect in the country, and learns that the landlord is an absentee, he seldom thinks of asking the further question whether his circumstances be embarrassed. Yet such an inquiry would establish that many properties of absentees are mismanaged, not because they are away, but because they are in pecuniary difficulties. The common argument which represents absenteeism as a direct economic loss to Ireland, and gain to England, of the same amount as the absentee rental, is founded on the fallacy that in an exchange one party cannot gain except the other loses. But in all the arguments I have ever seen respecting absenteeism, there is an important statistical fact left unnoticed—the number of Irish labourers who are resident in England and Scotland. In 1841 there were upwards of 400,000 natives of Ireland permanently resident in Great Britain, and the number at present is still greater. Yet this fact solves the problem as to the direct effect of absenteeism on the demand for labour in Ireland. As to the greater part of the expenditure of absentees, it cannot make the slightest difference where they reside; for, whether they use foreign and colonial productions, such as wine, tea, and sugar, or English manufactures, at home or abroad, the price of these commodities must equally be exported. But still the profits of the retailer, the wages of the servants and artisans, must always create a special demand for labour at the place of residence; so that the effect of Irish absenteeism must be to increase the demand for the labour of certain classes in England, and diminish the demand for similar kinds of labour in Ireland. But as the Irish labourers follow the wealthier classes to England to the extent which has been shown, the supply of labour is increased in England, and diminished in Ireland, as much at least as the demand is effected by the expenditure of the wealthier absentees. So that the wages of the labourers that remain in Ireland are not diminished by absenteeism.

The best way to prevent the mismanagement of property resulting from absenteeism, is to put the landlord in the same position for carrying on his business of letting lands, as other merchants and dealers are in for carrying on their trades. Then he will find it necessary to adopt the same precautions for the good conduct of his business, as he will suffer in the immediate loss the same punishment of neglect which millowners and other traders suffer

under similar circumstances. But the peculiar powers of landlords enable the absentee to postpone the consequences of his neglect till some future day; and although the loss thereby produced comes inevitably sooner or later, yet it often comes too late to teach a useful lesson, and falls on the head of the innocent successor to the mismanaged estate.

[To attribute the evils of Ireland to the Celtic race, is to admit the defence put forward for slavery and misgovernment throughout the world. The slaveholder in America commences his defence with assuring you that the blacks are an inferior race. The Romans considered all the tribes from which the great Anglo-Saxon family takes its origin as inferior races; and no doubt satisfied themselves, in reflecting on the wretched state of those tribes, with the consideration that it was hopeless to attempt any improvement, when such inferiority precluded the possibility of subsequent advancement.

There cannot be a better illustration of the extent to which the theory of races will lead even a distinguished writer, than the economic writings of the celebrated Bishop Berkeley.

The views of the good Bishop are contained in his *Querist*, published in 1735. His great error consists in a want of respect for the character of the poorer classes, and a want of confidence in their capability of improving their own condition, if only placed under sound arrangements.

He begins with Query 19 :—

“ Whether the bulk of the Irish nation are not kept from thriving by that cynical content in dirt and beggary, which they possess beyond any other people in Christendom ?”

“ 357. Whether our old native Irish are not the most indolent and supine people in Christendom ?”

“ 358. Whether they are yet civilized, and whether their habitations and furniture are not more sordid than those of the savage Americans ?”

“ 512. Whether our natural Irish are not partly Spaniards and partly Tartars? and whether they do not bear the signatures of their descent from both these nations, which is also confirmed by all their histories ?”

It was this strong opinion of the Bishop with regard to Irish character, which led him to recommend public interference with private enterprise in utter disregard of the doctrine of *laissez faire*. Thus his great plan of artificial interference to protect domestic trade is based on this opinion; for he asks,

“ 448. Whether in order to redress our evils artificial helps are not most wanted in a land where *industry is most against the natural grain of the people.*”

Now the followers of Adam Smith object to “artificial helps,” because they believe that industry is *not* “against the natural grain of the people.” This description of the Irish people they consider to be theoretically unsound, and to be disproved by facts. Can the community want industry, which sends forth to England and Scotland such numbers of its population, as to have half a million

of native Irish permanently residing there? which every year sends fifty thousand labourers to reap the English and Scotch harvests? which sends four hundred thousand emigrants in ten years to distant parts of the globe?

But Bishop Berkeley recommends artificial interference with agriculture, as well as with trade, and on the very same grounds. Thus he asks:—

“ 513. Whether the Tartar progeny is not numerous in this land? and whether there is an idler occupation under the sun than to attend flocks and herds of cattle?”

“ 514. Whether the wisdom of the state should not wrestle with this hereditary disposition of our Tartars, and with a high hand introduce agriculture?”

Now the followers of Adam Smith object to the state “wrestling” with the “disposition” of the people, because they consider such exertion to be unnecessary. What the wisdom of the state should wrestle with is the unscientific legislation by which the relation of landlord and tenant is embarrassed, and the transfer of land impeded; for this legislation and the arrangements consequent on it, are the real impediments to the successful prosecution of agriculture. There is no danger of the people standing in the way of improvements, if freedom of transfer brings the land into the best hands, and security for the application of capital makes the improvement of agriculture really coincident with the self-interest of the farmer.

But pride of race and pride of class have done more to impede the welfare of mankind, where different races or classes come to mix together, than any other cause; because they always lead the rich and powerful to forget that there is no race, however inferior, nor class, however humble, which does not possess that common instinct of mankind, the desire of obtaining wealth by the least sacrifice, or, in other words, the instinct of buying in the cheapest market, and selling in the dearest, which is the basis not of the doctrine of *laissez faire* alone, but of every economic principle.

Pride, whether exhibited in the one phase or the other, too often leads the rich and the superior race to attempt to improve the condition of inferior races or classes, by interference instead of by reliance on private enterprise, and so induces them to exercise their benevolence in a manner sure to lead to failure, whilst it turns away their attention from the principles which could best guide them to the means of raising and ameliorating the condition of their unfortunate fellow-creatures.]