NOTES

*A Reinterpretation of Irish Economic History (1730-1850)**

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Introduction:

For several generations Irish economic historians were unable to see the bog for the weeds. To a large degree, their difficulties stemmed from the impact of the Union on the Irish mind. For over a hundred years historians and politicians identified Grattan's Parliament with the struggle for independence, and thus the Irish people were allowed to avoid their responsibility of confronting the realities of Irish society by using the Union as a convenient scapegoat. This unfounded Sinn Fein dogma has had a decisive influence not only on public thinking and policy, but on historical analysis.

Political attitudes have powerfully influenced interpretations of Irish political and economic development; the separation of myth and truth has become an almost impossible task. If Ireland was economically backward, this was due, it was argued, to political neglect within the United Kingdom of Irish economic problems. Repeal of the Act of Union would of itself lay the basis for the development of Ireland's resources. Factors outside the political sphere accounting for Irish underdevelopment were not only ignored but were often assumed not to exist.

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Of late, some Irish economic historians have sought to escape the clutches of xenophobia and supernationalism; science — of a sort — is being brought to bear on themes previously illuminated by the pure light of conjecture, but there is little real comprehension of the extraordinary complexity of the intertwining forces that over time decisively shaped Irish economic development between the late eighteenth century and the great famine.

This paper critically analyses the inadequacies of both traditional and revisionist hypotheses, and argues that a true understanding of the problems of Irish economic underdevelopment before the Famine can only be achieved by means of comparative analysis.

Part 1: The Traditional View

The nationalist interpretation of Irish economic history blamed the Union of 1801 for ills which in fact must be attributed not so much to the political effects of the Union, but to Ireland's condition as a relatively poor part of the British Isles. At a time when the changeover from water power to steam power was killing small industries in Ireland it was doing the same in the north of England, but the villages of Yorkshire and Lancashire had no Union of 1801 to blame for their misfortunes.[1] If Ireland had been content to live in total isolation, as an autonomous economy in the standard of living that its own resources permitted there would have been no problem. The difficulties existed because of the desire of the mercenary Irish to reconcile an imperial standard of living with a republican income.

The power of this traditional interpretation, as well as its bias, lay not only in its sources and methods, but in its attitudes to recent political developments and its conceptions of economic development .

Ideas and circumstances contitute one of the great mutual benefit societies in history, and in Ireland interest in Irish economic history was in the early twentieth century closely associated with the growing political unrest of the period.[2] The development of the Home Rule movement, bringing in its wake the issue of industrialization by fiscal autonomy, and the Report of the Financial Relations Commission of 1896, were decisive in bringing about a heightened awareness of Irish economic history. Alice Murray's *History of the Commercial and Financial Relations between England and Ireland from the Restoration* (1903), reflecting this preoccupation with fiscal issues, was a watershed in the awakening of scholarly interest in Irish economic development. Unfortunately this awakening coincided with the rise of Sinn Fein. The result was a highly nationalist

[1] See P. Lynch, "The Economics of Independence: Some Unsettled Questions of Irish Economics: *Administration*, Vol. 7, No. 2, 1959.

[2] L.M. Cullen, "The Reinterpretation of Irish Economic History", *Topic* 13, pp. 69.

interpretation of Irish economic history attributing Ireland's woes to the wilful malevolence of "perfidious Albion."

Indeed, it is no coincidence that the most important nationalist studies were written and published at the height of the Anglo-Irish war, and that once the Treaty was signed interest in Irish economic development decreased rapidly.[3] What gave these fevered scribblings a spurious air of authority was that they were directly based on the unrepresentative eighteenth—century writing of Hely Hutchinson and James Caldwell, reprinted towards the end of the nineteenth century. As one recent commentator has remarked:

> This eighteenth—century writing was congenial not only politically but economically because its political resentments were to a large extent directed against statutes imposing commercial restrictions, more especially the celebrated act of 1699 prohibiting the export of Irish woollens. The writing was of course primarily political: it concerned itself more with economic restrictions with political overtones than with other economic restrictions.[4]

Based on an arbitrary selection of the most polemical pamphlets, the Hutchinson/Caldwell approach provided the conceptual framework and source guide for Alice Murray and later George O' Brien. These premisses became an intrinsic part of the distorted nationalist view of economic history which was propounded in Irish schools and Universities and reflected in generations of Irish historiography. The acceptance of this interpretation resulted in a model of Irish economic development of absurd simplicity; glorifying the economic policies of Grattan's Parliament, emphasizing three basic premisses, to give an essentially Malthusian explanation of Irish economic development.

The glorification of Grattan's Parliament was a misnomer to begin with. As Joseph Lee has recently demonstrated, all that really happened was that Grattan's Parliament had the good fortune to ride the crest of a price rise from 1750 to 1814.[5] Linen, the largest single industry, was stimulated more by war than any legislative activity. Foster's Corn Law, probably Grattan's Parliament's most popular measure, was equally irrelevant. What tillage expansion there was, was a result of increased English demand; the 1770s not the 1780s marked the transition of Ireland from a grain—importing to a grain—exporting country.

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[3] G. Sigerson, *Last Independent Parliament of Ireland* (Dublin 1918); D.A. Chart, *Economic History of Ireland* (Dublin 1920); J.F. Bourke, *Outlines of the Industrial History of Ireland* (Dublin 1920; E.J. Riordan, *Modern Irish Trade and Industry*, (London 1920); G. O' Brien, *Economic History of Ireland*, 3 vols (Dublin 1918 and 1919; London 1921) were the major nationalist studies. In his preface D.A. Chart wrote that this work was motivated by "the daily increasing importance of the subject".

[4] L.M. Cullen, "The Reinterpretation of Irish Economic History", *Topic 13*, pp. 70.

[5] J. Lee, "Grattan's Parliament", in B. Farrell (ed), *The Irish Parliamentary Tradition*, (Dublin, 1973), pp. 151.

The single most important economic development of the period was the forty-shilling freeholders as has been suggested in the past. Only after 1810 did demographic growth prove a depressant to the economy, so it was the good fortune of Grattan's Parliament to cease to exist before a positive trend became a disastrous one.

The Irish Parliament did subsidize a number of firms, but the result of this ill-conceived philanthropy was to subsidize Irish industry in technological backwardness. It was precisely in the decades of Grattan's Parliament that the technological gap between Ireland and England began to widen ominously; a trend which continued under the Union on which it has been wrongly blamed.

The second element of the traditional model embodied three basic premisses.[6] In logical order they are: (1) the economy was depressed; (2) depresssion was far from being simply a manifestation of conditions in the trough of cyclical or recurrent fluctuations in economic activity: fluctuations are not held to have played a significant role in the Irish economy; (3) the land system accentuated existing tendencies towards poverty and depression.

The basic premiss is the first. The basic point to be made is that depression was unrealistic in the severity with which it was painted.[7] Admittedly, the Irish economy was depressed up to 1720 as a result of the low agricultural prices.[8] This trend was, however, reversed in the late 1720s for beef, butter and grain, later accompanied by a powerful advance in the linen industry. Between the 1720s and the 1730s linen exports increased five fold and doubled again to their peak in the 1790s. Economic expansion was not confined to the agricultural sector and the linen industry. Even the woollen industry expanded. Perhaps the quintessential point is that to understand the industrial situation we must distinguish between industrial activity as a whole and the experiences of individual industries some of which declined independent of policy factors.

If the first premiss, one of general long—term depression is unacceptable, the second one suggesting that depression was neither cyclical nor recurrent but constant is even more unreasonable. To accept it one would have to assume that a given distribution of income was undisturbed by changes in relative prices and that incomes were insulated from the consequences of rises and falls in the level of foreign demand.

These two premisses are reinforced by a third; a bad land system. The point to be emphasized here is that there is not one shred of evidence to suggest that

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[6] L.M. Cullen, "*Problems in the Interpretation of Eighteenth Century Irish Economic History*", *Transactions of the Royal Historical Society*, (5th series, 1976), pp. 7.

[7] G.O' Brien, *Economic History of Eighteenth Century Ireland*, (Dublin: 1918) pp. 223 is the origin of this misconception. He was aided and abetted by Alice Murray, *History of the Commercial and Financial Relations between England and Ireland from the Restoration* (Dublin, 1903), pp. 70.

[8] L.M. Cullen, "Problems in the Interpretation of Irish Economic History", *Transactions of the Royal Historical Society* (5th series, 1967), pp. 11.

land reform would have solved Ireland's economic ills in the period 1780-1850. The worst features of the system were the result not of bad landlord-tenant relations but of overpopulation. As a result of the demographic expansion cottiers multiplied and tenants subdivided land. The real Irish land problem was the creation of thousands of tiny uneconomic holdings unable to realize the economies of scale necessary for efficient production.

In brief, the traditional case is little more than an exercise in crude political determinism based on polemical pamphleteering conceived in conditions of nationalist euphoria.

Part 2: The " Revisionist Approach "

The first explicit alternative to the traditional interpretation was that put forward by Patrick Lynch and John Vaizey in their book *Guinness's Brewery in the Irish Economy* published in 1960.[9] This book only succeeded in furthering confusion by restating the dubious facts of Irish economic history in a more extreme form than in the works of Murray and O' Brien. Lynch and Vaizey argue that to speak of an Irish economy is to oversimplify; what was in existence was a dual economy. The two economies — one monetary and the other subsistence — were sharply differentiated and geographically distinct. The monetary economy was a cash economy tied to that of England by trade, the growth of credit and the traffic of people. Behind it lay the subsistence sector which supplied it with a cheap labour force and essential foodstuffs. If Ireland was economically underdeveloped, this was due, it was argued, not so much to British exploitation as to the absence of an incentive to invest deriving from an inadequate market.[10]

At the core of Lynch and Vaizey's analysis are three central concepts; the sharply dualistic nature of the economy, the decisive importance of monetary policy in determining the degree of dualism, and the crucial change in Bank of Ireland policy after 1815. The basic concept is the first; it is underpinned by two

[9] (Cambridge: 1960).

[10] Their dualistic framework received a mixed reception from the profession. The initial reaction was enthusiastic; see R.B. McDowell's review in *The Irish Banking Review* (1960), pp. 12-18, F.S.L. Lyons' in *Irish Historical Studies*, pp. 371-374. Later the reaction became more critical. See J. Lee, " Money and Beer in Ireland ": 1780-1860, *Economic History Review*, 1966, and his more comprehensive " The Dual Economy in Ireland " 1800-1850, *Historical Studies VIII*, (Dublin, 1971). Raymond Crotty in his book *Irish Agricultural Production*, in James S. Soltow (ed.), *Essays in Economic and Business History III* (forthcoming) (Hereafter cited Raymond " Dual Economy " Cork, 1966) casts a cold eye on the dual economy. L.M. Cullen's two essays (already cited) are equally hostile. The most recent attack is my own essay, " The Dual Economy and the Reinterpretation of Irish Economic History "; 1800-1850, read at « The Southwestern Social Science Conference », Houston, Texas, April 14, 1978.

assumptions. One is that people in the subsistence sector did not handle money. The other is that trade had not produced a unified market economy.[11] The lynch pin of the dualistic model is equally implausible; i.e., that the monetary economy was isolated from the ravages of the great famine of 1845-49.

The most cursory examination of the sources from which the volume of currency might be augmented invalidate Lynch and Vaizey's assertion that the population of the subsistence economy did not handle money. The rapidly expanding bank branches facilitated commercial transactions in the higher stratum of the subsistence sector.[12] But what did the cottier know of the inside of a bank? His sources of finance came from the pawnbrokers, the loan funds, family earnings in the poultry trade, and income from spalpeen labour. The pawnbrokers and loan funds data are of considerable importance not only in relation to the Lynch/Vaizey thesis, but also as an index of economic modernization.

Between 1786 and 1837 the pawnbroking trade in the " subsistence " sector increased ninefold.[13] By 1835, pawnbrokers were advancing £ 100,000 per annum; on the eve of the Great Famine £ 400,000.[14] The Loan Funds, originally established in 1782 and reorganized in 1829, increased their capital from £ 72,000 in 1838 to £ 304,000 by 1845.[15] As early as 1841 the circulation of the Loan Funds had reached two million pounds per annum.[16]

There is evidence to indicate a fall in pawnbrokers' interest rates between the legalization of the trade in 1786 and the Great Famine in 1846; from 27 per cent in 1786, to 25 per cent in 1788, and 12½ per cent in 1843, following the report of the Select Committee on Pawnbroking in 1838.[17] Ostensibly, this

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[11] RAYMOND, " The Dual Economy ".

[12] For a detailed picture see F.G. HALL, *A History of the Bank of Ireland 1783-1946* (Dublin, 1949). See also *British Parliamentary Papers, First Report of Evidence from the Select Committee on the State of the Poor in Ireland,* (1830), evidence of Pierce Mahony, 1164-1168.

[13] Source: Journals of the House of Commons of Ireland, Vol. 12, ppdciiidciv. Also: *British Parliamentary Papers,* 1837-38, Vol. 17, Appendix to report. And *Chief Secretary's Registered Papers,* 1835, 555, file 1789, State Paper Office, Dublin. For a summary see R.J. RAYMOND, " Pawnbroking in Dublin 1830-1870." *Dublin Historical Record,* Vol. XXXII, 1978, and R.J. RAYMOND, " Dublin Pawnbroking, Government Growth and the Post Famine Recovery ": 1830-1870. Royal Irish Academy, essay for the Edmund Curtis Prize, 1975.

[14] *British Parliamentary Papers,* 1837/38, Vol. 17, *Report of the Select Committee on Pawnbroking,* pp. 147-163. Also Accounts and Papers, XLV, 1845.

[15] For a full discussion of the Origins of the Loan Funds see: British Parliamentary Papers: *First Report of the Central Loan Fund Commissioners,* Vol. 29, 1839, pp. 619-621. Statistics source: RAYMOND, " The Dual Economy ", pp. 27.

[16] *Ibid.,* pp. 27.

[17] Source: 1786: *Statutes of the House of Commons of Ireland,* Vol. 13, c. 43; Source:

would tend to suggest a trend towards modernization, but there is considerable evidence to indicate that these interest rates were not enforced.[18] While the Loan Funds were less risky than the notorious gombeenmen, their interest rates were high; an effective rate of between 20 and 30 per cent which does not appear to have fluctuated. Therefore, while there was a large volume of circulation, contrary to Lynch and Vaizey's simplistic assertion, there is no real evidence to suggest a trend towards modernization.

The poultry trade was, however, of considerable significance because the earnings derived from it were not included in the landlord's rent; the poultry being deemed the property of the cottier's wife. Suffice it to remark that between 1824 and 1830 some £ 273,000 worth of egg exports passed through the port of Dublin alone.[19] Between 1835 and 1850 the value of egg exports passing through Belfast harbour rose six-fold.[20]

Nothing testifies more to the cash basis of much of the rural labour market than the existence of the migrant labourer. Towards the close of the eighteenth century conditions were such as to render the migration desirable to the English farmer and a necessity for the Irish peasant. By 1800, spalpeen agricultural labour was an organized institution. My own calculation indicate that the returning labourers brought £ 87,000 per annum into the " subsistence " economy in the late 1820s; £ 131,000 in 1837 and £ 223,000 in 1841.[21] Is this a society where the lack of money was well attested?

If we consider the term " subsistence " economy in the sense of a stagnant economy where the primary activity was production for subsistence, it is very clear that such an economy was terminated in Ireland in the seventeenth century.

1787: *Ibid.*, Vol. 14, c. 49. Source: 1843: *British Parliamentary Papers, Public Bills*, 1843, Vol. 3.

Cormac O' Grada in his useful article " Solathar Creidmheasa iseal aicme in Eirinn sa Naou Cead Deag ", *Central Bank Quarterly Bulletin*, 1974 (3), pp. 120–135 omits several important statistics on pawnbrokers interest rates.

[18] See Report of the Select Committee, *op. cit.*, 1838.

[19] *British Parliamentary Papers*, 1830, Vol. 30, pp. 14–15.

[20] *Thomas Directory*, 1853, pp. 697.

[21] For the general background see, B. Kerr, " Irish Seasonal Migration to Great Britain ": 1800–1838, in *Irish Historical Studies*, 1942/3. My mode of calculation was as follows; I based my calculation of the number of emigrants on: a Paper presented to the Select Committee on the State of the Poor in Ireland, 1830, and Barbara Kerr's work in *Irish Historical Studies* 1942/3.

My figure for the amount brought home by each spalpeen was drawn from the evidence of Arthur Guinness (Governor of the Bank of Ireland) before the 1830 Select Committee on the Poor in Ireland. If one collates the number of emigrants with the average figure derived from Guinness of 7–12 guineas one obtains the results indicated in the text.

The provision of a subsistence for the producers was a decidedly secondary economic objective; the Irish rural economy was overwhelmingly market-orientated, and enjoyed a large foreign trade.[22] At Ballina, for example the number of vessels employed in the export of goods rose from 37 in 1817 to 119 by 1829.[23] Steam navigation opened up much of the domestic market, and there is evidence to suggest the growth of an embryonic retail system by 1830.[24] Having cast doubt on the assumptions which underpin Lynch and Vaizey's dualistic model, I want to show that the model's lynch-pin is equally implausible According to their analysis nowhere was the economy's geographical dualism more clearly visible than in the impact of the Great Famine which did not affect the monetary economy. There is not one representative economic indicator which would support this contention.

Dividends on Bank of Ireland stock fell from 13 per cent in 1846 to 8 per cent in 1847, and did not surpass its pre-Famine level until 1856.[25] The circulation of the Bank of Ireland fell nearly 50 per cent from £ 4.1 million pounds in 1846 to £ 2.3 million pounds in 1849.[26] The level of customs duties in all ports in the maritime sector fell by over twenty per cent between 1847 and 1848.[27] The indices for the poorer stratum of the maritime economy reinforce this argument. The pawnbrokers' loans fell from £ 622,000 in Dublin in 1846 to 475,000 in 1847.[28] The slump in savings bank deposits was catastrophic; the loan funds were virtually wiped out.[29] An examination of the number of of paupers in workhouses both as a percentage of total workhouse capacity used, and as a percentage of the total population, shows that only in 1849 was there a higher proportion of the population of subsistence Ireland in the workhouse. The fact that the maritime economy suffered as it did is sufficient evidence to cast doubt on the validity of Lynch and Vaizey's geographical dualism. If Ireland was poor it was not due to the absence of an incentive to invest deriving from an inadequate market.

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[22] *British Parliamentary Papers, Exports and Imports of Ireland* (1823), Vol. 16, Paper 246.

[23] R.J. RAYMOND, "The Dual Economy", pp. 14.

[24] *British Parliamentary Papers,* Vol. 30, evidence of C. W. Williams before the 1830 Select Committee on the Poor.

[25] F.G. HALL, *A History of the Bank of Ireland* (Dublin, Browne and Nowlan, 1949). Appendix G.

[26] *Ibid.*, Appendix F.

[27] *Thom's Directory: 1850*, pp. 177.

[28] *Ibid.*, 1846-1849 inclusive.

[29] *British Parliamentary Papers: Reports of the Commissioners of the Central Loan Fund Board*, 1846-1850. H.C. XVII, pp. 340-349; H.C. 1847, XXIX, pp. 438-447; H.C. 1848, XXIII, pp 32-41, H.C. 1849 XXV, pp. 64-71, H.C. 1850 XXIV, pp. 48-57.

Part 3: A Comparative Methodology

Having discounted both traditional and "revisionist" hypotheses, I propose to argue that an understanding of Ireland's Pre-Famine underdevelopment can only be found by means of comparative analysis. The recent work edited by L. M. Cullen and T.C. Smout makes a convincing case that this research should focus attention on developments in Scotland.[30] Ireland and Scotland are particularly well suited for comparative analysis. The regal union of 1603 between Scotland and England coincided with the final and effective conquest of Gaelic Ireland; for both nations the seventeenth century became an age of peace and order, punctuated by the long campaigns of 1641-52 and the shorter ones of of 1689-91. In 1707 Scotland entered into Parliamentary Union with England; in 1801 Ireland followed suit. As late as 1841 Ireland still had over three times the population of Scotland. Then came the Great Famine of 1846 with catastrophic results to one society but not to the other. By 1901 Scotland and Ireland had virtually the same population, but Scotland had an industrial sector about four times the size and an agriculture about twice as productive. Nothing could better illustrate either the scale of the transformation of the Scottish economy compared to the Irish, or the sustained drive behind it.[31]

In 1600 both countries had been extremely under—developed, with large areas of semi-subsistence economy scarcely involved in outside markets; but neither was stagnant. Scotland in the last quarter of the sixteenth century and until at least the end of the first quarter of the seventeenth experienced significant development in several directions—her overseas and inland trades expanded, her fisheries grew, her textile, coal and salt industries all became larger. Especially her towns grew. As late as the 1640s, Edinburgh (with upwards of 20,000 or 30,000 souls) was clearly larger than Dublin, which alone of Irish towns bore comparison with Glasgow, Dundee, and Alberdeen. The size of the Scottish urban sector indicates an agriculture which, while neither sophisticated nor undergoing the same rapid changes as farming in England, was nevertheless productive enough to keep substantial towns fed.

In the second half of the seventeeth century, however, Scottish growth faltered except along the Clyde. She ran into trouble in external markets. Her

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[30] L.M. Cullen and T.C. Smout, (eds), *Comparative Aspects of Irish and Scottish Economic and Social History* (Edinburgh, 1977).

[31] For the general picture see J.D. Chambers and G.E. Mingay, *The Agricultural Revolution 1750-1880* (London 1967); E.L. Jones (ed) *Agricultural and Economic Growth in England 1650-1815* (London, 1967); A.H. John, "Agricultural Production and economic Growth in England 1700-1760" in Jones, *op. cit.*; E.L. Jones and G.E. Mingay (eds) *Land, Labour and Population in the Industrial Revolution* (London, 1967). F. Dovring, "The Transformation of European Agriculture" in *Cambridge Economic History of Europe* (Cambridge, 1968); and B.H. Slicher van Bath, *The Agrarian History of Western Europe A.D. 500-1850* (London, 1963).

industries proved uncompetitive. Her agriculture proved incapable of expanding increased cattle production sufficiently to take advantage of the opportunity left in the English market by the prohibition of the sale of Irish beasts imposed in 1667, raised in 1679 and reimposed in 1681. Even the prosperity and enterprise of Glasgow, stimulated perhaps by the vigour and trade of nearby Ulster, was unable to compensate. The century ended in a serious famine.

Ireland, on the other hand, appeared to do remarkably well, though the performance varied in its timing from one region to another, with Munster to the fore in some of the early decades and East Ulster in the closing decades. Population growth was apparently vigorous due both to a high rate of natural increase among the Irish and to a large extent through intermittent immigration of Scots moving to greener and emptier pastures.[32] This had been taking place since early in the century and became a flood in Ulster in the 1690s when crops failed in Scotland. It represented a substantial transfer of capital as well as labour from one economy to another. After the Restoration, products of Irish farming were so competitive on the market elsewhere in Britain that both the English and the Scottish Parliaments passed protective legislation against sundry items, though the Scots were glad enough to get Irish victuals in the famine. The Irish woollen industry attracted similar attention in Westminster's Woollen Act of 1699. Meanwhile Dublin had increased astonishingly; with perhaps 60,000 inhabitants at the end of the century the city was then about twice the size of Edinburgh, and other towns, especially Cork, had also grown significantly. Even as adventurers in the Caribbean and North American plantations it was often the Irish rather than the Scots who made the most mark.

Rough calculations of the value of exports in the two countries are suggestive. Total Irish exports in the period 1698-1700 were valued at £ 888,000: with a population believed to be a little under three million, this gives a per capita value of 6s. Scottish exports to England in the same period were valued at £ 114,000, and it is unlikely that the total value of trade to other markets matched them; assuming a final figure of £ 200,000 and a population of about one million, the value of exports per head, would be only four shillings.[33] Both figures are of course very low, surely indicating the large size of the subsistence sectors in Scotland and Ireland. England itself and the market-oriented colonies in North America, for example, enjoyed per capita exports of several times this magnitude. But the evidence from exports joins other indications that Ireland seemed to hold more promise of a bright economic future than Scotland at the opening of the eighteenth century.

The trade figures may well contain a clue as to when the change occurred. In 1755. Scottish domestic exports to foreign ports were worth £ 285,000.

[32] L.M. Cullen and T.C. Smout, *Comparative Aspects of Scottish and Irish Economic and Social History* (Edinburgh, 1977), pp. 11.

[33] *Ibid.*, pp. 4.

Exports to England were valued at £ 207,000; adding these items together a conservative estimate of the value of Scottish domestic exports of £ 552,000 is reached, nine shillings a head. Irish exports increased from 1755 to 1780 (at constant prices) and had doubled between 1775 and 1800.[34] Total Irish exports grew by about two thirds between 1755 and 1770 and after stagnating in the 1770s increased by a further 80 per cent to a peak of £ 5.4 million in 1791/2. The pace of growth was, however, irregular and a contraction in the 1790s contrasted with a unprecedented upsurge and broadened base in Scottish imports. The difference in the two economies would appear, therefore; to have occurred only towards the end of the eighteenth century.

Both economies appear to have been reasonably successful for most of the century; but Scotland appears to have drawn rapidly ahead of Ireland at the end of the century. It could be argued that a crucial factor in determining the difference between the two economies was the direct trade between Scotland and the colonies, not merely in the Glasgow enclave but in Lowland Scotland as a whole. This, of course, would have been impossible without the Act of Union and Scotland's inclusion within the Navigation acts. Re-exports (mainly of tobacco) were certainly a valuable item in the Scottish balance of trade, exceeding the value of Scottish domestic exports to foreign ports until 1777 (though they presumably would seldom have exceeded Scottish domestic exports to England and foreign ports combined). Ireland, excluded from the privilege of direct colonial trade, had virtually no re-exports to compare with this Scottish bonus.

On the other hand, Ireland had large port towns. Dublin, which handled over half the import and export trade of Ireland in the second half of the eighteenth century, had a population not much below 200,000 by 1800, which made her one of the top ten towns of Europe and the second town of the British Isles by an enormous margin. Dublin had other advantages, too, than those conferred on her by trade. She was an active administrative capital, invigorated from the 1690s by the regularity with which the Irish parliament met; this brought the business of the gentry to the consumer industries and the service sector.

Edinburgh, by comparison, had lost her parliament but not her function as a legal and ecclesiastical capital. The city was nevertheless much smaller. Cork and Glasgow make another instructive comparison. Cork, the capital of the Atlantic provisioning trade, was substantially larger than Glasgow, the capital of the Atlantic tobacco trade, until about 1780; then Glasgow accelerated as industry increased, and by the end of the century contained about 77,000 people compared to some 60,000 in Cork.[35] The provisioning trade with its demand for butchering and barelling facilities probably had more direct linkages than im-

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[34] *Ibid.*, pp. 5.

[35] David Dickson, Ph, d. dissertation (nearing completion) University of Dublin, Trinity College.

porting and re-exporting tobacco, apart from baking, though the Glasgow merchants were deeply involved in many other activities as well.[36]

In fact, both countries gained something from the colonial trades, and one reason for the buoyancy of their commerce down to c. 1780 was American demand (though one could hazard the guess that straight English demand was more important to both countries as it certainly was to Ireland). On the other hand, even if one accepts that Scotland gained more than Ireland, there was no sign that the tobacco merchants played any critical direct role in supplying capital or even Glaswegian industrialization after 1780. It is therefore difficult to argue that Scotland's privileged position under the Navigation Acts was a critical factor in her acceleration past Ireland at the end of the eighteenth century.

If our argument is so far correct, we can safely hypothesize that both countries did equally well in the pre-industrialization period down to 1780, so had equal chances to accumulate capital, skilled labour and entrepeneurial experience in the textile sector. The crucial factor appears to have been agriculture. A crucial question is when in the eighteenth century did agricultural change occur fastest, and in which country more basically?

Farming output for the market obviously increased in both countries throughout the century, as rising urban population and increasing exports of grain (from Scotland only until mid-century and in Ireland after mid-century) and animal products testify. It is only in the 1780s, however, that one can begin to feel certain that a difference in kind is emerging between Lowland Scottish and Irish agriculture; it took the form of enclosures, modern rotations, turnip husbandry, and emergence of highly capitalised commercial farms in Scotland. Everywhere in Scotland sub-tenancies were discouraged. In Ireland, different traditions of land tenure and inheritance combined with a greater density of population, the success of the small weaver tenant, and the low levels of literacy to preclude agrarian reorganization.

Every industrial revolution in history has been preceded by an agricultural revolution.[37] By the end of the eighteenth century Scotland was enjoying balanced economic growth with all the advantages of interchange of labour and

[36] T. DEVINE, "Colonial Commerce in the Scottish Economy: 1770-1850", in Cullen and Smout, *op. cit.*, pp. 177-191.

[37] The interesting thing is why there was no agricultural revolution in Ireland. Ester Boserup in her book *The Conditions of Agricultural Growth: The Economics of Agrarian Change Under Population Pressure* (London, 1965) argues that technical, economic, and social change are unlikely to take place within primitive agriculture, unless the rural community concerned is exposed to the pressure of population growth. This of course happened in Ireland as elsewhere in Europe. The question is, therefore, what was the retarding force. In this paper I tentatively suggest that we look at the cultural background which I believe may well help us to understand more fully the Irish problem.

capital and the buoyancy of demand that implied. After 1801 the gulf widened between the two economies, but it would be a mistake to believe that the Act of Union was in any way decisive. The case of an economy crippled by overpopulation and agrarian problems was by no means unique in contemporary Europe. Flanders and Silesia suffered from identical problems to Ireland, but had no Act of Union to blame for their misfortunes. Denmark too had rapid population growth but reformed its agricultural structures.

Viewed in a European perspective, the successful economies all experienced an agricultural revolution; the unsuccessful did not. The failure of Ireland's economy to develop between 1780 and the Great Famine owed nothing to the Act of Union or simplistic assertions of a dual economy which resulted in an absence of an incentive to invest. The Irish problem was one of adaptability; a failure to reorganize its agricultural structures to meet changing circumstances, a failure which was largely cultural in origin. In economies characterized by a strong market orientation and private ownership, in which decision-making is decentralized (as to production, marketing and investment) and in which the technology is notably dynamic, the question of entrepreneur motivation is of special significance. Accordingly, commentators have felt a need for a more rigorous and comprehensive sociological framework. Such a framework has been developed over a wide range of recent writings in the field of social psychology, anthropology, and sociology and has found its most systematic expression in the theoretical structure erected by Talcott Parsons.[38]

The interest in this respect centres upon the theory of roles. The individual members of the community are seen as performing specific social roles, and it is the role which for most purposes is the conceptual unit of the social system. The primary ingredient of the role is role expectation which denotes what role the individuals expect each other to perform. Compliance with role expectation is enforced through positive and negative sanctions (rewards and retributions). The role expectancies and sanction patterns are institutionalized into generalized value systems of the community. In a well integrated society these values are internalized in personality systems, i.e., they are accepted and adopted by the individuals. As a result the value system becomes the crucial determinant of action.

It is both the static and the nascent dynamic elements in the system that have excited the interests of entrepeneurial research. This is clearly evident in the pioneering volume *Change and the Entrepreneur* published by the Harvard Research Center. In this volume, Arthur Cole, director of the centre for entrepreneurial research, attaches explicit significance to the degree of social approval which the entrepreneur's striving for economic gain will receive in a given economic milieu, and he refers to various social systems from India to France where

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[38] T. Parsons and E. Shils, *Towards a Theory of Social Action*, (Cambridge, 1952), part. 2.

entrepreneurial activities labour under various degrees of disapproval. The key question is how important is social approval for emergence of entrepeneurial activities? In particular what is its importance at the crucial stages of economic development when a country's economy becomes engaged in a sudden spurt of economic development? Should lack of social approval be regarded as a serious retarding factor? Does it affect in a significant manner the contents of entrepreneurial activities and make for adaptations in entrepreneurial activities which can be said to influence the speed and character of a country's economic development?

The theoretical formula is persuasively simple: social approval of entrepreneurial activity significantly affects its volume and quality. At times, it even appears as though social approval were regarded as a prerequisite for successful entrepreneurship. But doubts are bound to arise the moment we begin to approach the historical evidence.[39] Nevertheless, it is clear that the Irish case is particularly instructive.

Ireland was a relatively stabilized society, historically rooted in a peasant agricultural economy, taking as fixed given horizons and a given hierarchical ranking of statuses based on birth, land and localism. This institutional system tied occupation and property to family units proudly conscious of their distinctive identity over successive generations; and emphasized traditional, personal, and communal relationships, as against the impersonality characteristic of a wide range of capitalist institutions. This whole system of ideas powerfully mobilized sentiments for traditionalism and continuity as against change, mobility, and innovation.

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[39] See A. GERSHENKRON, " Cultural Factors in the History of Entrepreneurship," *Exploring Entrepeneurial History*, I, 4, 1953, pp. 2-15.