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Ireland's Role in British Colonial Capitalism: "Men of Capitals" and Pitt's Irish Proposals, 1784–1785

In April 1785, the British prime minister, William Pitt, proposed to give Ireland “complete liberty and equality” with Britain “in matters of trade.” Historians cast the stakes around Pitt’s “Irish” proposals in terms of ideologies about trade, but this paper focuses on the concrete economic issues involved. It shows that Pitt’s proposals emerged from years of debates in which contemporaries conceived of the British Atlantic economy in terms of an integration of trade, shipping, and credit that evokes a British system of colonial capitalism. Ireland’s dependent relationship to that system, and the perceived failure of “free trade” to overcome its poverty, generated a battle among Irish “improvers” over rival plans to attract “men of capitals” to Ireland. Pitt played an important role in this fierce Irish debate by favoring one plan, but the British prime minister and his main Irish advisor, Thomas Orde, were never convinced by that plan’s logic of improvement, supporting it instead for fiscal reasons. That calculus made Pitt’s proposals vulnerable to attack from economic interests in Britain that took Ireland’s plans for economic improvement more seriously.

Keywords: colonial capitalism, William Pitt, imperial trade, Ireland, economic improvement

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On March 16, 1785, James Watt wrote to his partner, Matthew Boulton, to discuss their agitation about “the Irish business” and to caution his business partner to make it known that “your opposition is neither to Ireland nor Pitt only to his foolish measure as involving the manufactures of this country in ruin.”¹ The “foolish measure” referred to William Pitt the Younger’s “Irish proposals,” which, in his own words, would give to Ireland “compleat liberty and equality [with Britain] in matters of trade.”² Pitt presented his proposals as marking a sharp break in Britain’s repressive commercial policy towards Ireland and as necessary to “unite and connect” what he described as “our reduced and shattered empire of which Great Britain and Ireland were now the only considerable members . . .”³

Pitt’s “Irish proposals” were comprised of nine resolutions on matters of trade and a tenth resolution to establish a fiscal contribution from Ireland “towards the support of the naval force of the empire.”⁴ They were Pitt’s response to panicked calls from his government in Ireland in the summer of 1784. The lord lieutenant in Dublin reported that the city was “in a great measure, under the dominion and tyranny of the mob” and “calls loudly for an immediate and vigorous interposition of Government.”⁵ The Irish agitation led Britain’s youngest prime minister to formulate his “Great Question”—“[w]hat is it that in truth will give satisfaction and restore permanent tranquility to Ireland?”—and his “Irish proposals” were the answer he had provided by early 1785.⁶

Pitt’s Irish proposals were pushed through the Irish House of Commons with such haste in February 1785 that a prominent member, Henry Flood, objected that they were “now called upon to settle to all eternity what we do not understand.”⁷ Nevertheless, Ireland’s

¹James Watt to Matthew Boulton, 16 Mar. 1785, MS 3147/3/11, Archives of Soho, Boulton & Watt & Successor Firms: Correspondence & Papers (hereafter B&W), Library of Birmingham, Birmingham, UK.

²William Pitt to Duke of Rutland, 6 Jan. 1785, *Correspondence between the Right Honble. William Pitt and Charles, Duke of Rutland, Lord Lieutenant of Ireland, 1781–1787*, A14648, Bolton Manuscripts, National Library of Ireland (NLI), Dublin, Ireland.

³William Pitt, 12 May 1785, British House of Commons, in *Parliamentary Register; or, History of the Proceedings and Debates of the House of Commons* (London, 1785), 18:266.

⁴The *Parliamentary Register*, or, *History of the Proceedings and Debates of the House of Commons of Ireland*, 20 Jan. 1785–7 Sept. 1785 (Dublin, 1785), 4:120–125.

⁵Rutland to Pitt, 16 June, 15 Aug., 24 July 1784, respectively, A14648, NLI.

⁶Pitt to Thomas Orde, 19 Sept. 1784, *Correspondence of William Pitt with Thomas Orde and the Duke of Rutland, 1784–87*, Bolton Manuscripts, MS16355, NLI. India and Ireland were the burning imperial questions that Pitt confronted in the months after he took office. As soon as he passed his India Act, as Michael Duffy explains, Pitt deemed the Irish question to be “the most important and delicate we now have to attend to.” see Michael Duffy, *The Younger Pitt* (London, 2000), 79; see also John Ehrman, *The Younger Pitt: The Years of Acclaim* (London, 1969), 198–213.

⁷The *Parliamentary Register*, or, *History of the Proceedings and Debates of the House of Commons of Ireland*, 20 Jan. 1785–7 Sept. 1785 (Dublin, 1785), 4:174–175.

parliament passed Pitt's proposals with only one modification to the new fiscal obligation envisaged for Ireland (see online supplement).⁸ In Britain, however, Pitt faced massive opposition from manufacturers and merchants. He tried to mollify them with a revised set of proposals that made it through the British parliament in the summer of 1785, but when they were returned to Dublin, they faced massive opposition, and the government withdrew them rather than risk a clear defeat.

Even this brief synopsis of the failure of Pitt's Irish proposals points to a political story, which the existing literature recounts as an important episode in the fractious political debates about Ireland's complex position within the eighteenth-century British Empire. Sometimes referred to as "England's oldest colony," Ireland had been subject to a systematic process of plantation that wrought a staggering transfer of land from Catholics to Protestants by the early eighteenth century. Still, as Thomas Bartlett noted, important features of "eighteenth-century colonial stereotypes," notably racial slavery, did not apply there.⁹ Moreover, Ireland was formally a kingdom, united with Britain in a shared allegiance to the same king, and with a parliament of its own in Dublin. However, it was a "divided kingdom," given restrictions on the rights of both its Irish-speaking Catholic majority and its substantial population of English-speaking Protestant dissenters.¹⁰

For most of the eighteenth century, therefore, the kingdom of Ireland was ruled by a tiny Anglican elite that exercised tight control over the country's resources and population, but was constrained by formal and informal restrictions that Britain imposed. Political historians have studied the debates on Pitt's Irish proposals for insights on the shifting balance of power between the sister kingdoms after the American Revolution. A "Patriot party" gained prominence in Ireland's parliament at this time, represented by prominent men like Henry Flood and Henry Grattan in the Commons, and serving as an opposition to Ireland's government.¹¹ But the period was marked by broader societal pressures for

⁸A qualification was added to ensure the appropriation would be made only if the Irish government's budget was balanced (*The Parliamentary Register, or, History of the Proceedings and Debates of the House of Commons of Ireland*, 20 Jan. 1785–7 Sept. 1785 [Dublin, 1785], 4: 201).

⁹Thomas Bartlett, "This famous island set in a Virginian sea": Ireland in the British Empire, 1690–1801," in *The Oxford History of the British Empire, Volume II: The Eighteenth Century*, ed. P. J. Marshall (Oxford, 1998), 253.

¹⁰Historians tend to qualify the term "colony" in speaking of eighteenth-century Ireland, with S. J. Connolly rejecting it altogether in favor of "divided kingdom:" see David Dickson, *Old World Colony: Cork and South Munster, 1630–1830* (Cork, 2005) and S. J. Connolly, *Divided Kingdom: Ireland 1630–1800* (New York, 2008).

¹¹The balance of power came under critical scrutiny from the time that William Molyneux penned his well-known criticism of English restrictions on the Irish woolen trade: see William Molyneux, *The Case of Ireland's Being Bound by acts of Parliament in England Stated*

change in Ireland, including religious, legislative and parliamentary reforms. In so far as economic reforms are concerned, earlier historical work considered them in the context of Irish-British political relations.¹² However, recent research looks beyond the Irish Sea, to the global political dynamics of the British Empire.¹³ As such, it fits well with the recent call by Pincus, Bains, and Reichardt to rewrite the global history of the British Empire in the eighteenth century around “[k]ey debates focused on political economy.”¹⁴

Political historians, along with biographers of the key protagonists, agree in casting the crucial stakes involved in Pitt’s proposals in terms of ideological commitments about trade. In this regard, Pitt has taken center stage, along with Thomas Orde, the chief secretary of Ireland, and members of the Irish government, notably John Foster, the chancellor of the Irish exchequer. Earlier interpretations of the failure of Pitt’s proposals emphasize conflict about political interests as the stumbling block, while the more recent literature focuses on disputes about political ideas.¹⁵ In all cases, however, historians’ construal of failure is shaped by the way they draw ideological characterizations about Pitt’s Irish proposals.

James Kelly argues that “Pitt had studied Smith’s *Wealth of Nations*” and “was familiar with Smith’s thinking on the potential of common commercial interest to foster friendship” and he explains that Pitt’s supporters in the Irish government were “equally familiar with the ideas of Adam Smith.”¹⁶ James Livesey agrees that Pitt was ideologically committed to “Smithean free trade” but sees a majority of Irish Patriots as advocating a form of “neo-mercantilist free trade.”¹⁷ However, James Stafford turns these arguments on their head to claim that Pitt “sought to bind Ireland into a British “mercantile empire” rather than a “free trade” one while his Irish opponents advocated “a unilateral and permissive system of free trade.”¹⁸

Thus, trade emerges as a central but elusive concern in the political history of Pitt’s Irish proposals. The variety of claims made about

(Dublin, 1698). For the growing influence of “Patriot” ideas, see Michael Brown, *The Irish Enlightenment* (Cambridge, MA, 2016).

¹² See, for example, James Kelly, *Prelude to Union: Anglo-Irish Politics in the 1780s* (Cork, 1992), 131–132, 196.

¹³ James Livesey, “Free Trade and Empire in the Anglo-Irish Commercial Propositions of 1785,” *Journal of British Studies* 52, no. 1 (2013): 103–127; James Stafford, *The Case of Ireland: Commerce, Empire and the European Order, 1750–1848* (Cambridge, 2022).

¹⁴ See, notably, Pincus, Steven, Bains, Tiraana and Reichardt, A. Zuercher, “Thinking the empire whole,” *History Australia* 16, no. 4, (2019): 610–637.

¹⁵ Kelly is representative of the first type of interpretation, and Livesey and Stafford of the second one.

¹⁶ Kelly, *Prelude to Union*, 84, 131–132, 196.

¹⁷ Livesey, “Free Trade and Empire,” 103.

¹⁸ Stafford, *The Case of Ireland*, 18, 97–8.

ideologies of trade, some of them contradictory, raises the question of how they are made. More problematic still, the strong emphasis on ideological considerations has meant little attention to the concrete economic implications of Pitt's proposals, even though they are far from self-evident.¹⁹ Certainly, the economic significance of any single proposition is impossible to discern from the proposed rules without a clear sense of what they replaced and who they were supposed to affect. Taken together, moreover, the proposals represent a curious hodgepodge of permission and obligation, making it difficult to discern what economic plan they were intended to effect (for the proposals, see online supplement).

That leaves a set of significant puzzles about the economic bases of support for, and opposition to, Pitt's proposals. If their broad thrust is read as liberalizing, as several historians have claimed, to whom did Pitt and his supporters think they were appealing? After all, Ireland's leading linen industry already had duty-free access both to British and colonial markets for linen yarn and plain linen cloth, and British manufactures could enter the Irish market at low levels of duty (see online supplement). Conversely, if we read the proposals as reinforcing Britain's mercantile empire, what had British manufacturers and merchants to gain beyond the privileges they enjoyed already? And who might have aspired to similar privileges in Ireland?

To resolve these puzzles, we need to engage with the concrete economic issues at stake in political debates about Pitt's Irish proposals. Undertaking that task is the main purpose of this paper, which proposes an integrated political and economic history of Pitt's Irish proposals. Locating sources for this purpose was straightforward not least since there are significant amounts of economic evidence in the political correspondence and pamphlets that serve as primary sources for political historians of Pitt's proposals. Parliamentary registers offer additional insights on economic issues, as well as rich but underused parliamentary and governmental studies of economic activity. Finally, the official trade and fiscal statistics for both countries allow confirmation and qualification of observations found in other sources.

Dealing with the interpretative challenges of writing a political and economic history of Pitt's proposals proved more challenging. The account that follows situates them in debates about Irish "improvement"

¹⁹Detailed studies of British manufacturers' attitudes tend to focus on an industry's specific concerns or to pay limited attention to concrete economic issues: see, for example, Witt Bowden, "The Influence of the Manufacturers on Some of the Early Policies of William Pitt," *American Historical Review* 29, no. 4 (1924): 655–674; Vivian Eve Dietz, "Before the Age of Capital: Manufacturing Interests and the British State, 1780–1800" (Ph.D. diss., Princeton University, 1989), 124–136.

in which Pitt came to play an important role. As such, it fits into broader political debates in Europe from the mid eighteenth century, following what Sophus Reinert and Steven Kaplan characterize as “the economic turn.”²⁰ However, since Ireland was a plantation economy as well as a kingdom, debates about its economic improvement were profoundly shaped by the context of the global British Empire. Protagonists may not have used the term “colonial capitalism,” but what they described, to paraphrase Fernand Braudel, was “irresistibly evocative” of this term “and of no other.”²¹ Thus, the paper is in agreement with Onur Ulas Ince and Paul Cheney that capitalism marked the political and economic spheres of European societies before the term itself was used.²² But it also takes an important step forward by interpreting colonial capitalism based on contemporaries’ characterizations of the complex institutional system that offered the basis for generating profit in the British Atlantic economy.

In Section 1, I situate the notion of British colonial capitalism in a prominent Irish debate about the political economy of the British Empire prior to the American Revolution. I use the term to convey contemporaries’ insistence on Britain’s trade restrictions and incentives, its Navigation Acts, and its system of credit for integrating the economic system that emerged in the British Atlantic in the decades prior to the American Revolution. Contemporaries’ views, as I show, offer valuable economic context for understanding the ensuing debates about Ireland’s economic role in a diminishing British Empire that culminated with Irish “free trade” in 1779.

Irish “free trade” is typically cast as a great achievement for Irish patriots and a crucial step towards legislative independence for Ireland in 1782. From an economic perspective, as I show in Section 2, the history looks quite different. Notwithstanding a series of complementary internal reforms to remake the Irish system of political economy in Britain’s likeness, the perceived economic failures of an extension of trade for Ireland led to intense political pressure for a more effective route to economic improvement.

That pressure gave rise to a fierce battle among Irish political elites over rival plans for economic improvement, as I explain in Section 3, and a direct invitation from the Irish parliament to Pitt’s British government to play a direct role in this Irish battle. One plan, promoted by a member of parliament for Dublin, Luke Gardiner, sought comprehensive

²⁰Steven L. Kaplan and Sophus A. Reinert, “The Economic Turn in Enlightenment Europe,” in *The Economic Turn: Recasting Political Economy in Enlightenment Europe*, ed. Kaplan and Reinert (London, 2019), 1–34.

²¹Fernand Braudel, *Civilisation matérielle, économie et capitalisme, XVe–XVIIIe siècle* (Paris, 1979).

²²Onur Ulas Ince, *Colonial Capitalism and the Dilemmas of Liberalism* (Oxford, 2018); Paul Cheney, “István Hont, the Cosmopolitan Theory of Commercial Globalisation, and Twenty-First-Century Capitalism,” *Modern Intellectual History* 19, no. 3 (Sept. 2022): 883–911.

protection of the Irish market to induce “men of capitals” to improve the country’s “infant manufactures” in preparation for international competition. An alternative plan, advocated by John Foster, the Irish chancellor of the exchequer, proposed using the Navigation Acts to lure “men of capitals” to Ireland to create an emporium of imperial trade and encourage manufacturing in the countryside. The fierce Irish rivalry around these plans reflected their implications for social, as well as economic, reform, but their advocates agreed on one crucial issue: the imperative of overcoming Ireland’s structural weaknesses in the provision of credit that contemporaries saw as an engine of British colonial capitalism.

Pitt, as we will see, was to play a crucial role in Ireland by siding with the Irish chancellor in this fierce debate. But Pitt and his chief secretary of Ireland, Thomas Orde, were never persuaded by the “trifling” chances of Foster’s economic plan for improvement. They supported that plan to persuade Foster and other Irish “friends” to commit to a fiscal contribution to the costs of the British empire. Thus, as I explain in Section 4, they were unprepared for the overwhelming opposition that Pitt’s Irish proposals provoked in Britain from men who took Foster’s “improving” logic more seriously, but interpreted it from Britain’s rather than Ireland’s perspective. The enormous controversy that ensued in Britain pressured Pitt to make substantial alterations to his proposals, ensuring their failure when they returned to Dublin.

The significance of the story of Pitt’s proposals goes well beyond economic relations between Britain and Ireland. It shows the importance of the concept of colonial capitalism for thinking about the economic and political history of the British Empire in the late eighteenth century and the prospects for Irish economic improvement within it. Relatedly, it offers clear evidence of how much we are misled when we cast the defining debates about political economy in the late eighteenth century British Empire as a battle between mercantilism and free trade.²³ Finally, it shows that even after the American revolution, and with the diffusion of machines and factories underway in Britain, the British Atlantic economy continued to be cast by Irish and British contemporaries as a credit-based system of capitalism that depended on imperial privileges.

Ireland’s Role in British “Colonial Capitalism,” 1768–1779

In his *Extra-Official State Papers* published in 1789, William Knox sarcastically attributed the failure of Pitt’s Irish proposals to “the

²³This point is emphasized in both Ince, *Colonial Capitalism* and Cheney, “István Hont, the Cosmopolitan Theory of Commercial Globalisation, and Twenty-First-Century Capitalism.”

transcendent superiority of intuitive omniscience over the dull acquisitions of experience and scientific knowledge.”²⁴ With these words, Knox implied that Pitt’s proposals fitted into a longer history that the prime minister should have studied more closely. As Knox knew from direct experience, concrete proposals to alter Ireland’s economic role in the empire were debated as soon as hostilities mounted in the British Atlantic. And the prominent debate sparked by the *State of the Nation*, Knox’s widely read pamphlet published anonymously in 1768, offers valuable context for understanding efforts to alter that role at the time of the American revolution.

An Irish Debate about a Knox-ious British Empire, 1768–1769

William Knox acquired the foundations of his political education in his native Ireland and made his fortune running a slave plantation in Georgia, before being named undersecretary of state for America in 1770.²⁵ In his anonymous pamphlet, Knox argued that the British Empire had emerged victorious from the Seven Years’ War only by endangering its economic viability. The problem was not just the exorbitant costs of war but the way they were distributed: “Ireland has too long been considered as only a colony to Great Britain, and by throwing it into that scale, the weight of the members has been found too great for the head.” Britain’s fiscal burden was so high, the pamphlet claimed, that exorbitant excise taxes drove up the cost of living in Britain, undermining the strength of British manufacturing exports including the “great value” of Britain’s trade with her American dominions.²⁶

The “common interest,” Knox argued, required that “the balance should be preserved,” and that meant not only taxing Britain’s colonies but treating Ireland like a kingdom. Specifically, Knox proposed “a community of interest” between the two kingdoms, “especially a common privilege of trading to and with the colonies,” and the possibility for Ireland to export “coarse woollen cloths.” The empire would benefit, Knox argued, from Ireland’s interest “to continue the colonies in their dependence” and to make a fiscal contribution to

²⁴ William Knox, *Extra Official State Papers: Addressed to the Right Hon. Lord Rawdon, and the Other Members of the Two Houses of Parliament, Associated for the Preservation of the Constitution and Promoting the Prosperity of the British Empire*, by a late Under Secretary of State, vol. 1 (London, 1789), Part the Second, 8.

²⁵ Leland J. Bellot, *William Knox: The Life & Thought of an Eighteenth-Century Imperialist* (Austin, TX, 1977).

²⁶ William Knox, *The Present State of the Nation: Particularly with Respect to its Trade & Finances, Addressed to the King and Both Houses of Parliament* (London, 1768), 28–30, 82.

doing so.²⁷ And since Ireland derived 70 per cent of its taxes from customs duties, Knox reasoned that an extension of trade would finance its fiscal contribution.²⁸

Knox's pamphlet was a barely concealed attack on Whig governance of the British Empire, and it provoked a furious riposte from another rising Irish star in the British Empire.²⁹ Edmund Burke claimed that the *State of the Nation* exaggerated the empire's economic difficulties because there was no crisis of the British fiscal state, and British manufactures were not losing ground on American markets. Besides, Burke asserted, exports were not a good measure of the economic advantages of American trade for the British Empire since they did "not comprehend the greatest trade we carry on with any of the West India islands, the sale of negroes," nor did they give any idea of "the remittances for money spent" in Britain.³⁰

In debating the extent to which the British fiscal state had become a source of instability for the British Atlantic economy, Knox and Burke sketched the key elements of the imperial economy in the Atlantic prior to the American Revolution. Some of these elements, notably Britain's trade protections and inducements and its Navigation Acts, corresponded to the "mercantile system" that Adam Smith invoked to explain why British manufactures, "instead of being suited, as before the act of navigation, to the neighbouring market of Europe . . . have, the greater part of them, been accommodated to the still more distant one of the colonies."³¹

This pattern of imperial trade was readily apparent to men like Knox, Burke and Smith in the same trade statistics used by economic historians like Ralph Davis and Joseph Inikori to underline the importance of the Americas for English trade (see Table 1).³²

²⁷The overall benefit of reducing the restrictions on Ireland's trade, he estimated, would amount to £200,000 per year, allowing Ireland to make an annual fiscal contribution of £100,000 to the costs of the British Empire: Knox, *The Present State of the Nation*, 70–72.

²⁸In contrast, as Walsh observes, excise taxes made up the greater proportion of tax revenues in England: Patrick Walsh, "The Irish Fiscal State, 1691–1769," *Historical Journal* 56, no. 3 (2013): 639–640; for a comprehensive analysis, see Patrick O'Brien, "The Political Economy of British Taxation, 1660–1815," *Economic History Review* 41 (Feb. 1988), 1–32.

²⁹For a recent biography of Burke, see Richard Bourke, *Empire & Revolution: The Political Life of Edmund Burke* (Princeton, 2015); for a contrast between Knox and Burke in terms of their affinities with Ireland, see Bellot, *William Knox*, chap. 1.

³⁰Edmund Burke, *Observations on a Late Publication, Intituled "The Present State of the Nation,"* reprinted in *The Works of Edmund Burke, with a Memoir*, 3 vols (New York, 1849 [1769]), 1:115–119.

³¹Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols (London, 1776), vol. 2, bk. 4, 563.

³²For the statistical analysis proposed by Knox and Burke, see Bellot, *William Knox*, chap. 4. For influential economic historians' use of the English trade statistics, see Ralph Davis, "English Foreign Trade, 1700–1774," *Economic History Review* 15 (1962), 302–303; Joseph Inikori, *Africans and the Industrial Revolution in England* (Cambridge, UK, 2002).

Table 1
English Manufacturing Exports and Re-Exports, 1772–1774

| <i>Regional shares of English exports</i> | <i>Northern Europe %</i> | <i>Southern Europe %</i> | <i>British Islands %</i> | <i>East India %</i> | <i>America %</i> | <i>English exports £ 000</i> |
|---|--------------------------|--------------------------|--------------------------|---------------------|------------------|------------------------------|
| English manufacturing exports | 15 | 24 | 6 | 8 | 47 | 8,487 |
| English manufacturing re-exports | 48 | 11 | 3 | 0 | 38 | 1,562 |
| English exports | 18 | 22 | 10 | 7 | 42 | 9,853 |
| English re-exports | 55 | 8 | 19 | 1 | 17 | 5,818 |
| English exports & re-exports | 32 | 17 | 13 | 5 | 33 | 15,671 |

Source: Ralph Davis, "English Foreign Trade, 1700–1774," *Economic History Review* 15, no. 2 (1962): 302–303.

But Knox and Burke emphasized a further causal factor that Smith downplayed, seeing Britain's system of credit as crucial to the functioning of the British Atlantic economy. For both men, in fact, it was credit that tied the British manufacturing economy, the African slave trade, and the plantation economies into an economic system.³³ Indeed, their disagreement turned largely on the question of whether the British fiscal state, having initially promoted the development of Britain's credit, now threatened to undermine it.³⁴

Knox was concerned that "public creditors" would become alarmed that Britain's rising public debt since the Seven Years' War "would soon depreciate our public securities; and, the merchants finding none to

³³As Burke observed, "We know that the West Indians are always indebted to the merchants, and that the value of every shilling of West India produce is English property": *Observations*, 106. And Knox was even more forthright about the dependence of the colonial economies on British credit in a slightly later pamphlet: see William Knox, *The Interest of the Merchants and Manufacturers of Great Britain, in the Present Contest with the Colonies, Stated and Considered* (London, 1774).

³⁴Patrick O'Brien, "Mercantilist Institutions for the Pursuit of Power with Profit: the Management of Britain's National Debt, 1756–1815," in *Government Debts and Financial Markets in Europe*, ed. Fausto Piola Caselli (New York, 2008), 179–208. Historical studies on specific aspects of the system of credit creation emphasize the distinctive qualities of the British system of credit, notably the widespread discounting of bills of exchange for merchants and manufacturers, as well as its evolution from financial arrangements for British public debt and its reinforcement through various acts of Parliament, especially the Colonial Debts Act of 1732 and its implications for collateral constituted by enslaved persons. For a comprehensive and insightful synthesis of this rich body of research, see Maxine Berg and Pat Hudson, *Slavery, Capitalism and the Industrial Revolution* (Cambridge, 2023), 165–186.

discount their bills, private and public bankruptcy must be the dreadful consequence.”³⁵ Burke completely disagreed, insisting that British merchants and manufacturers enjoyed much more favorable credit conditions than their French rivals. As one man had run a slave plantation and the other represented one of Britain’s leading slave ports and had close ties to the West Indies, these Irishmen spoke from direct knowledge of “the chain of credit” that linked Britain to Africa, the Americas and back again.³⁶

Precisely because it was a chain, it was possible to see some of its links without grasping the whole, but it was much harder to ignore when the chain broke. That is what happened in the credit crisis that hit the British Empire in 1772 with major ramifications throughout the British Empire. Since a Scottish bank, the Ayr bank, played a central role in the crisis, it had a major impact on Smith’s analysis of the systemic role of credit creation in the colonial system. He documented that role in some detail and allowed that “[t]he commerce and industry of the country” might have been “somewhat augmented” by it. Nevertheless, the theoretical conclusion he drew was that economic activity cannot be “so secure” when “suspended upon the Daedalian wings of paper money as when they travel about upon the solid ground of gold and silver.”³⁷

As a pragmatist, rather than a theorist, Knox drew a different lesson from the credit crisis. The regions that suffered most were the beneficiaries of the preceding boom. The West Indies were badly hit, especially the Ceded Islands where credit had flowed in large amounts before coming to a sudden stop. For Knox, there was a crucial lesson for colonists: “the instant that credit was with-held, the bubble burst, and the airy scene vanished like a dream; distress and calamity succeeded to opulence and parade.” In contrast, had “the English merchants continued to give credit,” the colonial adventurers “would have raised products, and, by industry and good management, acquired fortunes.”³⁸ Burke may have disagreed with Knox about the vulnerability of British

³⁵ Knox, *The State of the Nation*, 30.

³⁶ P. J. Marshall, “Richard Burke and Grenada: The Revenues of the Crown,” chap. 2 in *Edmund Burke and the British Empire in the West Indies: Wealth, Power, and Slavery* (Oxford, 2019), 47–65 and Bourke, *Empire and Revolution*, chap. 5. For the “chain of credit,” see Robin Pearson and David Richardson, “Social Capital, Institutional Innovation and Atlantic Trade before 1800,” *Business History* 50, no. 6 (Nov. 2008): 765–80.

³⁷ Smith spent considerable time documenting the role of money as “a branch of the general stock” and he acknowledged that the discounting of bills of exchange was banks’ dominant activity in Britain. Moreover, he emphasized that when paper was created that exceeded what was required for the circulation of goods in Britain, “though this sum cannot be employed at home,” it will “be sent abroad, in order to seek that profitable employment which it cannot find at home:” cited at Smith, bk. 2, 381, 390, 420.

³⁸ William Knox, *The Interest of the Merchants and Manufacturers*.

credit, but he completely agreed on its importance as a defining feature of the British Atlantic economy.

In characterizing the British imperial economy, therefore, Knox and Burke emphasized the systemic integration of Britain's system of credit, its trade restrictions and inducements, and its Navigation Acts as the basis for profit in the British Atlantic economy. It was this integration that turned Britain's system of political economy into the concrete reality of the networks and practices of its merchants and manufacturers. And, as these prominent Irish imperialists insisted, it shaped not only the character of "British colonial capitalism" but also Ireland's relationship to it.

Kingdom or Colony in a Diminishing British Empire, 1768–1778

In arguing that the colony trade be opened to Ireland, Knox implied that the Navigation Acts should no longer discriminate against Ireland in favor of England and Scotland. But he also construed the opening of the colony trade as a favor to Ireland for which the British Empire should exact fiscal recompense. Burke took issue with the "furious and perturbed mind" that had made these suggestions, expressing concern that they would "be opposed by the most powerful and most violent of all local prejudices and popular passions," and provoke fury in Ireland: "is it not enough for him that such projects have alienated our colonies from the mother country, and not to propose violently to tear our sister kingdom also from our side."³⁹

However, Burke's comments were rhetoric more than analysis compared to another pamphlet, published the same year, in response to the *State of the Nation*. Written by Sir Hercules Langrishe, a rising figure among Irish patriots, it offered a comprehensive analysis of the economic impact on Ireland of its integration in the British imperial economy. Langrishe underlined restrictions on Ireland's woolen trade that had led to a dramatic reconfiguration of the commodity composition of Ireland's export trade.⁴⁰ He acknowledged that Ireland's linen trade had thrived from favored access to imperial markets for its linen yarn and plain cloth.⁴¹ For similar reasons, he deemed Ireland's exports of provisions to the European continent and American colonies as

³⁹ Burke, *Observations*, 129.

⁴⁰ The restrictions imposed by England on Ireland's exports of raw wool and woollens in the late 17th century had been lamented by Irish elites since William Molyneux, *The case of Ireland*. Exceptions had been made, however, notably for Irish worsted yarn; for an extensive discussion of Ireland's export trade in bay yarn to the Norwich textile industry, see Michael Nix, *Norwich Textiles: A Global Story, 1750-1840* (Norwich, 2023), 100-128.

⁴¹ Irish exports of linen cloth and yarn were encouraged and constrained by the duties and bounties extended to them by the British parliament as well as the specific types of cloth, and places of export, to which bounties applied. As a result, Ireland developed one of the largest

some compensation for restrictions imposed on Irish agriculture from the late seventeenth century.⁴² Nevertheless, Langrishe lamented Ireland's impoverishment, contending that "there is not a country in Europe, so unimproved and unpeopled – of so small a capital and limited a commerce, which is so heavily taxed as the kingdom of Ireland."⁴³

In evoking Ireland's substantial fiscal burden, Langrishe emphasized the substantial costs of maintaining Britain's standing army, which was lodged, clothed, and fed at Ireland's expense, despite its "unimproved" state.⁴⁴ Langrishe attributed Ireland's small capital to "the sums remitted annually to England out of the Irish estates of persons who live there."⁴⁵ But Langrishe's emphasis on capital as specie can also be read as a symptom of Ireland's weak system of credit. Indeed, he quoted Malachy Postlethwayt on this point, notably his insistence that Irish woollen exports would never amount to much, even if allowed since: "if sent here to be sold for exportation, must be on long credit; and, if sent abroad on their own accounts, will be subject to uncertain sales, and as uncertain payments."⁴⁶

British manufacturers, in contrast, were willing to sell on long credit because they could discount their bills of exchange for immediate funds, but Ireland's financial system did not offer Irish manufacturers or merchants that option.⁴⁷ Ireland's linen industry worked around "its

linen industries in Europe, but it had little presence in the finishing stages of the commodity chain (Conrad Gill, *The Rise of the Irish Linen Industry* (Oxford, 1925); Thomas Truxes, *Irish-American Trade, 1660–1783* (Cambridge, UK, 1988); Jane Gray, "The Irish, Scottish and Flemish Linen Industries during the Long Eighteenth Century," in Brenda Collins and Philip Ollerenshaw, eds., *The European Linen Industry in Historical Perspective*, (Oxford, 2003). For the important role of Irish linen cloth and yarn in British "cottons" before the American revolution, essentially fustians and other linen-cotton mixes, see Patrick O'Brien, Trevor Griffiths, and Philip Hunt, "Political Components of the Industrial Revolution: Parliament and the English Cotton Textile Industry, 1660-1774," *The Economic History Review* 44, no. 3 (1991): 395–423; John Styles, "The Rise and Fall of the Spinning Jenny: Domestic Mechanisation in Eighteenth-Century Cotton Spinning," *Textile History* 51, no. 2 (2 July 2020): 195–236.

⁴²Hercules Langrishe, *Considerations on the Dependencies of Great-Britain. with Observations on a Pamphlet, Intituled the Present State of the Nation* (London, 1769). Irish exports of linen cloth and yarn, as well as worsted yarn amounted to more than 75 per cent of Irish exports to Britain by the late 1760s: see Louis M. Cullen, *Anglo-Irish Trade, 1660–1800* (Manchester, 1968), 50.

⁴³Langrishe, *Considerations on the Dependencies*, 42.

⁴⁴Langrishe thought it was astonishing that Ireland made as high a fiscal contribution as it did relative to its wealth (42). Even in absolute terms, Ireland paid more tax per capita at the time than Scotland: see Walsh, "The Fiscal State in Ireland," 639.

⁴⁵Langrishe, *Considerations on the Dependencies*, 40.

⁴⁶Langrishe, 61.

⁴⁷Cullen observes that a discount market in paper payable in Dublin dates only from 1800 and he attributes its absence to the erratic development of the public debt: see Louis M. Cullen, "Landlords, Bankers and Merchants: The Early Irish Banking World, 1700–1820," in *Economists and the Irish Economy From the Eighteenth Century to the Present Day*, ed. Antoin E. Murphy (Dublin, 1784), 25–44. For a detailed discussion of the historical

striking lack of organised credit” by relying on cash in local transactions and paying large commissions to British merchants to piggyback on their credit for long-distance trade.⁴⁸ If there had been any doubt about that, the credit crisis of 1772 brought it home to the Irish linen industry in a collapse in exports of linen cloth and yarn.⁴⁹ Indeed, Knox might well have underlined for the Irish linen industry the dependence on British credit that he had pointed out to American colonists.

However, the lessons that Knox wanted to teach Irish elites had a frustratingly limited influence before the American Revolution, seeming to confirm his view that the numerous “evils” that Ireland endured were “reducible to this one, the tyranny of the higher orders over the lower.”⁵⁰ Knox’s harsh indictment of Irish political elites lacked some nuance since Langrishe and like-minded Irish elites showed a significant interest in “economic improvement” in Ireland.⁵¹ But they enjoyed limited influence in Irish political circles until after the American Revolution.

Once the revolution occurred, Knox continued his efforts on Ireland’s behalf by operating through the British Empire’s representatives in Dublin.⁵² But he hoped to encourage “his countrymen to reflect upon their own condition as a people,” especially “the slow progress Ireland has made in population, cultivation, commerce, and wealth, compared with other parts of the British dominions.”⁵³ And Knox was to have his chance when prominent Irish Patriot, Lucius O’Brien, asked his “general opinion on what ought to be solicited, and what may be

developments that generated this outcome, see F. G. Hall, *History of the Bank of Ireland* (Dublin, Ireland, 1949), 1–29.

⁴⁸ Conrad Gill, *The Rise of the Irish Linen Industry* (Oxford, 1925), 167.

⁴⁹ Gill, 123–125.

⁵⁰ Knox, paper delivered to Lord Frederick Campbell, when appointed Secretary to Ireland, 1767, *Extra-Official*, Appendix 1, Part the Second.

⁵¹ Men like Edmund Sexten Pery, speaker of the House of Commons from 1771, and his close confidant, Lucius O’Brien, pursued improvement as parliamentary patriots in opposition to government: David A. Fleming, *Edmund Sexten Pery: The Politics of Virtue and Intrigue in Eighteenth-Century Ireland* (Dublin, 2023), 141–146). But there were also men like Langrishe, Henry Flood, and John Foster who tried to combine a commitment to Irish economic improvement with short- or long-term roles in the Irish government. Langrishe served as commissioner of the Irish revenue from 1774–1801, Flood filled the office of the vice-treasurer from 1775 to 1781, and most important of all, John Foster served as acting and then official Chancellor of the Exchequer from 1777 to 1785. In acknowledgement of his delicate balance of loyalties, Foster was referred to as the “Ministerial Patriot” but his biographer suggests that he might have embraced the sardonic label: A. P. W. Malcomson, *John Foster (1740–1828): The Politics of Improvement and Prosperity* (Dublin, 2011).

⁵² In 1776, he wrote to the then Chief Secretary of Ireland, John de Blaquiere, to advocate a plan for removing “the difficulties which Ireland labours under in the establishment of a fishery.” As he explained, the plan was really a test case for some alteration of the Navigation Acts, which sorely penalized Ireland, with “[o]ne great object of the plan” to attract “the unemployed money of Europe into Ireland.” see Knox, *Extra-Official*, Part the Second, 13.

⁵³ Knox, 21.

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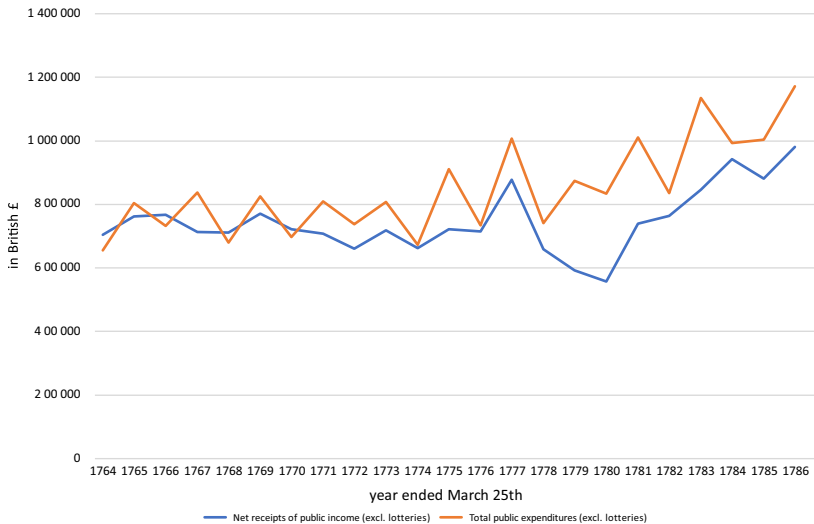


Figure 1. Ireland's revenues and expenses, 1764–1785. (Source: based on annual data compiled from “Accounts of the Net Public Income and Expenditure of Ireland in Each Financial Year from 1688, the Period of the Revolution, to 5th January 1801, the Period of the Unions between Great Britain and Ireland” in *Accounts of Net Public Income and Expenditure of Great Britain and Ireland, 1688–1800*, 227–357, British Parliamentary Papers, H.C. 1868–1869 [366], 229–359.)

obtained for Ireland on your side the water, and what you recommend us to do here.”⁵⁴

There were many issues that could be discussed, as John Foster explained to his friend and correspondent, John Holroyd, the earl of Sheffield, but fiscal concerns were of particular importance. He lamented that “[t]he situation of this kingdom is little understood” and emphasized that we “find our expenses still exceeding our revenues,” despite recent tax increases. That meant the government’s unfunded debt would rise from its already substantial level, and that interest payments would weigh even more heavily on its budget.⁵⁵ To make matters worse, it was clear by then, as Figure 1 shows, that Ireland’s tax revenue was declining sharply from the high point it had reached the previous year.

⁵⁴O’Brien was put in contact with Knox by the then chief secretary of Ireland, John de Blaquiere, to whom he reportedly “professes a million of obligations” for the service: see Blaquiere to Knox, 14 May 1776 in Knox, *Extra Official*, 15–16.

⁵⁵John Foster to John Holroyd, 25 Aug 1777 and 30 Dec. 1777 respectively, Foster-Massarene Papers (hereafter FM), T2965/49 and T2965/53, Public Records Office of Northern Ireland (PRONI).

Since Irish tax revenue depended heavily on customs, its decline reflected a sharp falloff in imports, which Foster attributed to the weaknesses of Ireland's export trade. Its agricultural sector was suffering from an extended embargo on its provision trade, and Irish exports of linen cloth and yarn, which had experienced strong growth until 1771, proved volatile thereafter. For Foster, therefore, "an extension of trade or some supernatural advantage to our present confined exports, is the only visible means of enabling us to raise our revenues to our present course of expense." His interpretation was shared by other Irish "improving" elites, but Foster believed "the narrow policy of prejudiced men, and the timidity of such English ministers as see, but will not venture, prevent us from hoping the restraints to be taken off."⁵⁶

By then, however, William Knox occupied an important position in the British Empire and stood ready to lend what assistance he could in removing British restraints on Ireland's trade. He recommended several courses of action to Irish parliamentarians and members of the administration, but the opening of a direct trade with the colonies remained the core of his plan for Ireland. He deemed the times propitious for Ireland to seek an extension of its trade since the American war meant that Britain was preparing to make significant concessions to the thirteen colonies and could not be seen to treat them better than Ireland.⁵⁷

Knox drafted a series of Irish bills for submission to the British parliament and as Maurice O'Connell explains it was Earl Nugent, a "friend of Ireland" in the British parliament, who insisted on the country's economic distress and demanded trade concessions from Britain. The most significant demand was that Ireland be accorded the right to export to, and import from, the colonies without passing through Britain. Although there were initial expressions of support for Nugent's bill in the British parliament, they soon gave way to animated discussions about an extension of Ireland's trade in response to a storm of protest from Britain's port and manufacturing towns.⁵⁸ As the parliamentary proceedings noted: "[a] great number of petitions were presented against the measures intended for the benefit of Ireland." Indeed, there were so many petitions that they had to be printed "in a smaller type, in order to take as little room as possible," but still took up fourteen pages.

⁵⁶ Foster to Holroyd, 30 Dec. 1777.

⁵⁷ Knox, *Extra-Official*, 62–70, 79–90.

⁵⁸ Maurice O'Connell, *Irish Politics and Social Conflict in the Age of the American Revolution* (Philadelphia, 1965), 37–67.

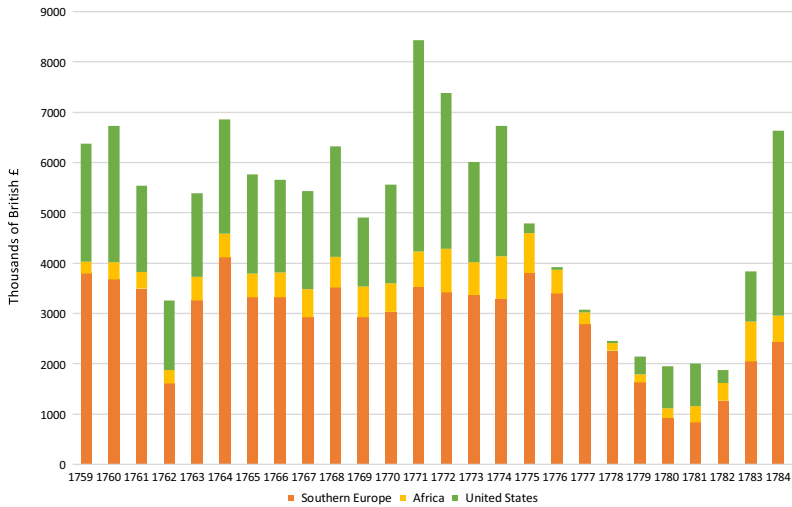


Figure 2. Cumulative British exports to the United States, Southern Europe, and Africa, December 1759–December 1784. (Source: E. B. Schumpeter, *English Overseas Trade Statistics, 1697–1808* [Oxford, 1960]).

These petitions could be seen as giving expression to the violence of prejudices and passions that Burke had anticipated but their details point to economic reasons for British outrage. The “gentlemen, merchants, mariners, traders, and manufacturers of Liverpool” captured a more general spirit in arguing that “so important a change in that system, by which the commerce, navigation, and revenue of this kingdom, have been so long and so successfully regulated” would cause “immediate mischief” and eventually “fatal consequences” especially “in the present distressful situation of trade.”

The petitioners insisted on the systemic privileges they enjoyed in the British imperial economy, the particular significance to their prosperity of trade with Africa and the plantation economies in the Americas, and how much had been lost due to the rupture of revolution and war.⁵⁹ Sure enough, as Figure 2 shows, British imperial trade was reduced to a shadow of its former self as the loss of the thirteen colonies turned into a much broader threat to British exports in the Atlantic. The consequences were especially devastating for manufacturing exports as the case of English textile exports suggests in Figure 3 below.

⁵⁹ *Parliamentary register, or History of the proceedings & debates of the House of Commons, 4th session of the 14th parliament* (London, 1778), 9, cited at 180, petitions printed on 180–194.

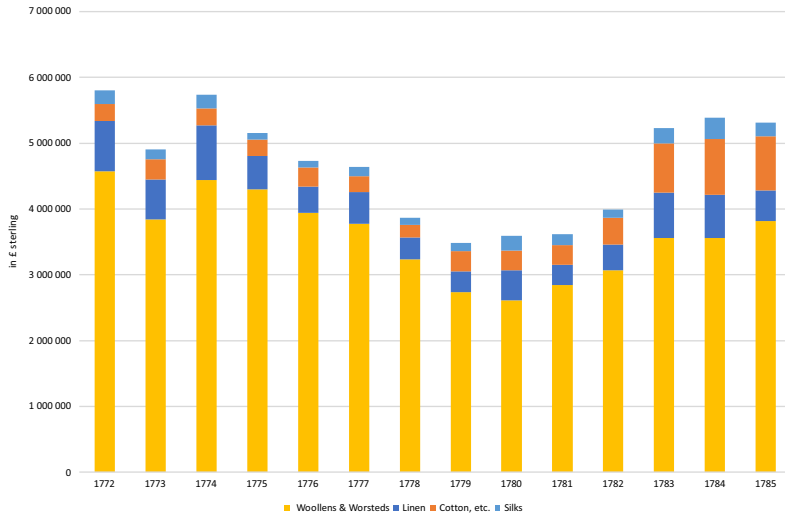


Figure 3. Leading English textile exports, December 1772–December 1784. (Source: Schumpeter, *English Overseas Trade Statistics, 1697–1808*.)

Notwithstanding the storm of objections across Britain, its parliament approved some of the Irish bills. The most significant change was the opening of a direct export trade for Ireland to the colonies. No progress was made on extending the direct import trade to Ireland although it was seen as crucial in facilitating the remittances that paid for exports to the colonies. For that reason, British merchants and manufacturers seemed determined to keep the colonial import trade as a privilege for themselves.⁶⁰ But by then a furious reaction was building in manufacturing circles on the opposite side of the Irish Sea.

Non-importation Movement and “Free Trade” in Ireland, 1778–1779

British exporters partially compensated for their loss of distant markets by selling more in their neighboring one. Irish imports of textiles, metalware, glass and earthenware, and other manufactured goods increased from the beginning of hostilities in the Americas to reach high levels by the late 1770s. The rise in textile imports from Britain, shown in Figure 4, proved especially significant and was seen as a direct threat to

⁶⁰O’Connell, 37–67.

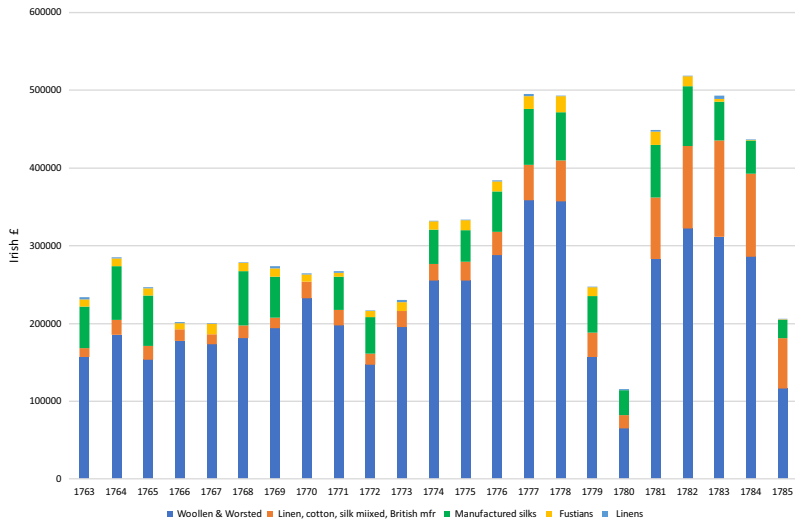


Figure 4. Principal Irish textile imports from Britain, March 25, 1763–March 25, 1785. Note: The par of exchange was £108.33 Irish per £100 English with the effective rate of exchange close to par in the 1780s. (Source: author's analysis based on the *Ledgers of Imports and Exports, Ireland*, CUST 15, various issues, National Archives, Kew Gardens, London.)

Ireland's textile manufactures, other than its linen industry, since they were largely restricted to the domestic market.⁶¹

Concentrated in the capital city, textile communities took it upon themselves to block British imports of textiles and other manufactures in a non-importation campaign that proved highly successful. Manufacturing work in Dublin remained strongly influenced by the city's guilds, where only Protestants had the right to be masters, but Catholics may have accounted for as much as two-thirds of the journeymen they employed.⁶² It was journeymen's committees that laid the foundations for a non-importation campaign aimed squarely at British manufactures, with support from most newspapers in Dublin, even those that favored the government. The non-importation campaign led to calls to buy only Irish manufactures and intimidation, and even violence, against importers of British goods and the warehouses where

⁶¹Dickson estimated that there were more than 10,000 men and women directly engaged in textile-related employment in the capital and once we allow for their families their importance in a population of 200,000 or so becomes clear: see David Dickson, *The First Irish Cities: An Eighteenth-Century Transformation* (New Haven, 2021), 105–106.

⁶²Jacqueline Hill, *From Patriots to Unionists: Dublin Civic Politics and Irish Protestant Patriotism, 1660-1840*, (Oxford, 1997), 138–165.

Table 2
 Leading Irish Textile Exports to Britain, March 25,
 1763–March 25, 1785 (values are in Irish £)

| <i>Year ended March 25th</i> | <i>Linen</i> | <i>Linen Yarn</i> | <i>Worsted (Bay) Yarn</i> | <i>New Wool Draperies</i> | <i>Old Draperies</i> |
|----------------------------------|--------------|-----------------------|-------------------------------|-----------------------------------|--------------------------|
| 1774 | 1 237 122 | 175 166 | 95 881 | 504 | |
| 1775 | 1 458 544 | 183 593 | 118 346 | 1 004 | |
| 1776 | 1 435 111 | 216 915 | 129 791 | 530 | |
| 1777 | 1 387 584 | 178 190 | 170 055 | 867 | |
| 1778 | 1 542 749 | 168 653 | 184 134 | 833 | |
| 1779 | 1 335 043 | 214 021 | 151 409 | 1 939 | |
| 1780 | 1 219 921 | 254 220 | 127 321 | 1 082 | 865 165 |
| 1781 | 961 456 | 223 215 | 122 786 | 552 | 28 686 1 247 |
| 1782 | 1 646 138 | 169 127 | 125 732 | 1 482 | 42 075 1 544 |
| 1783 | 1 014 198 | 214 878 | 100 016 | 1 032 | 67 257 13 530 |
| 1784 | 1 664 686 | 198 081 | 150 845 | 1 132 | 83 287 11 766 |
| 1785 | 1 778 509 | 173 053 | 142 093 | 1 428 | 96 253 11 416 |

Source: author's analysis based on the *Ledgers of Imports and Exports, Ireland*, CUST 15, various issues, National Archives, Kew Gardens, London. Numbers indicated in this table are "in Irish £."

they were stored. But distress in the textile sector was not confined to Dublin, diffusing through the country as Irish exports of linen cloth and yarn declined (Table 2).⁶³ In the face of widespread economic distress, Ireland's armed militia, the "Volunteers," lent its support to the non-importation campaign.⁶⁴

Dispatches to London from Lord Buckinghamshire, Ireland's lord lieutenant, became "more and more disquieting." Concerned about where economic distress and political protest might lead, the British government solicited "several persons of the first rank and consequence in Ireland" for their views on Ireland's distress and its causes and remedies. The causes mentioned represented a long list including "the great drains of absentees," "the smallness of Capital" in Ireland, its high cost of interest, the lack of an established credit, and "the increased depravity in the manners of the people." Various suggestions were made for the "means of Relief," including a direct import trade with the

⁶³Alice Effie Murray, *A History of the Commercial and Financial Relations between England and Ireland, from the Period of the Restoration*, rev. ed. (London, 1907), 75; Louis M. Cullen, "Problems in and Sources for the Study of Economic Fluctuations, 1660–1800," *Irish Economic and Social History* 41 (2014), 1–19, table 1; James Kelly, "Scarcity and Poor Relief in Late Eighteenth-Century Ireland: The Subsistence Crisis of 1782–4," *Irish Historical Studies* 28:109 (1992–93), 38–62.

⁶⁴O'Connell, *Irish Politics and Social Conflict*, 129–167; Eoin Magennis, "Mathew Carey, 'Protecting Duties' and the Dublin Crowd in the Early 1780s," *Éire-Ireland* 50, nos. 3 & 4 (2015): 173–198.

colonies and the creation of a national bank. However, none of Ireland's elites mentioned the protection of the Irish market as a possible remedy, converging instead on an extension of Ireland's foreign trade as a solution.⁶⁵

The acting chancellor of the exchequer, John Foster, was particularly forthright that: "[n]othing short of a total Repeal of all Restrictions and a Trade as free as the Trade of Britain" would answer Ireland's needs." Foster argued that "if our Trade were free from Restrictions we should not interfere with her Markets abroad equally to what those Restrictions are likely to make us do at Home." He highlighted Ireland's increased importance as an export market for Britain, now that "America is lost as a Market," and suggested it was "incumbent on her to provide that the Markets of Ireland be not lost likewise."⁶⁶

What Irish political elites meant by "free trade," therefore, was an extension of Ireland's trade. That was the response to Ireland's distress that the British parliament had already envisaged but Irish political elites insisted on the need to go further. In Britain, it seemed complicated to make more concessions, given the widespread perception that enough had been done for Ireland and that British merchants and manufacturers suffered from sufficient problems of their own. But in Ireland the growing support for non-importation agreements throughout the country meant that political inaction was no longer an option.

When the Irish parliament began its new session in October 1779, it made it clear that it would request an extension of trade. Political support mounted in the weeks that followed as the Volunteers put their weight behind a campaign for "free trade." Fiscal concerns served as additional motivation for the Irish parliament since the non-importation campaign weighed heavily on the imports that served as the main sources of Ireland's customs revenues (Figure 1). That made the dangers that Foster had evoked all too real for British manufacturers and merchants and by December 1779 Britain was prepared to make further concessions to Ireland.

These concessions proved historically significant, not only in removing longstanding restrictions on Irish exports of raw wool, woolen manufactures, as well as glass and glass manufactures, but also in

⁶⁵George O'Brien, "Irish Free Trade Agitation of 1779," *English Historical Review* 38, no. 152 (Oct. 1923): 565; *English Historical Review* 39, no. 153 (Jan. 1924).

⁶⁶Foster drew his salary as customs officer of Ireland and used detailed trade data to make his points, pointing out that British imports to Ireland had diminished by more than £600,000 in the last year, a decline of about a third, and "will probably fall near a Million this Year": Opinion of John Foster, 7 July 1779, in George O'Brien, "Irish Free Trade Agitation of 1779," *English Historical Review* 39, no. 153 (Jan. 1924): 96-97, 102.

loosening the Navigation Acts to allow Ireland to engage fully in direct trade with the British plantation economies and other colonies.⁶⁷ However, a significant condition was imposed on Ireland's access to the colony trade in the form of major alterations in the duties on Irish exports and imports to reduce the impact on British manufacturers and merchants. Moreover, no reciprocity was granted in trade in colonial goods between the sister kingdoms with Britain maintaining that privilege. Finally, even if a "national Bank" was part of William Knox's "principal plan" for Ireland, and he had "often deliberated upon" a plan for "establishing a system of credit" there, it played no part in the new arrangements.⁶⁸

Epitaph for Ireland's Extension of Trade, 1780–1784

Greater freedom for Ireland's trade was celebrated as a major victory by many people in and out of doors. It was soon followed, as Irish "improving" elites had anticipated, by major reforms to ensure it delivered on its economic promise.⁶⁹ However, the sobering reality of "free trade" in an empire at war led to growing disillusion in Ireland. Under political pressure due to a resurgence of imports, parliament investigated the state of Ireland's manufactures to issue a damning indictment of the lack of economic improvement since the country's hard-won extension of trade.

Internal Reforms of Ireland's "System of Political Economy"

Only months after "free trade" was secured, the Irish parliament's Grand Committee for Trade proclaimed "[t]hat unless Combinations can be effectually suppressed, no material Benefit in manufacture is likely to arise from a free Trade" and proposed harsh measures for suppressing them.⁷⁰ Led by Lucius O'Brien, the Grand Committee for Trade reported in early 1780 that "illegal and dangerous combinations"

⁶⁷See, for example, Eoin Magennis, "Mathew Carey, 'Protecting Duties' and the Dublin Crowd in the Early 1780s," *Éire-Ireland* 50, nos. 3 & 4 (2015): 173–198; David Lammey, "The Free Trade Crisis: A Reappraisal," in *Politics, Parliament, and People: Essays in Eighteenth-Century Irish History*, ed. Gerard O'Brien (Dublin, 1989), 74, 75; O'Connell, *Irish Politics and Social Conflict*, 129–167.

⁶⁸Knox, *Extra-Official*, 9; extract of a letter from Mr. Knox to Mr. Eden, 6 Dec. 1781, in Knox, 166–169.

⁶⁹These warnings were clearly expressed in the comments sent to the lord lieutenant by Irish political elites: see O'Connell, *Irish Politics and Social Conflict*, 129–167.

⁷⁰Parliamentary concern with combinations was not new in Ireland and had already given rise to several anti-combination laws: see Patrick Park, "The Combination Acts in Ireland, 1727–1825," *Irish Jurist* 4, no. 2 (Winter, 1979), 340–359. The Grand Committee claimed that existing legislation could be more strictly enforced but insisted that "some new Law should be immediately made" to ensure the suppression of combinations.

existed in almost every branch of trade in the city of Dublin and the Liberties and had extended “the influence of their illegal contrivances through every part of the kingdom.”⁷¹ Scrutiny of the parliamentary investigation leaves little doubt that it was aimed at the Dublin journeymen who had played such a crucial role in instigating the nonimportation movement the previous year.

However, the investigation had a broader preoccupation than restoring social order, which was to highlight economic problems with guild regulation of manufactures, especially in Dublin. The tension that emerged between social control and economic liberty was evident in other parts of Europe in the second half of the eighteenth century.⁷² What was striking about the Grand Committee’s investigation, however, is the extent to which witnesses pointed to a better way of regulating the rewards and discipline of work that they saw as characteristic of English manufactures. Put differently, “improvers” in Ireland construed British colonial capitalism not only as men like Knox and Burke conceived of it but also as having clear implications for the rewards and discipline of work.

Witnesses blamed combinations for driving up the price of work in Irish manufactures with one suggesting that “the Journeymen are now the Masters, and those formerly deemed Masters their Slaves.”⁷³ Moreover, Benjamin Houghton, a “considerable Manufacturer in new Draperies and mixed Goods” in Dublin, received support from other testimony for his claim that the problem of pay was related to discipline. He stated that: “the People in England” were “much more regular” in their manufacturing work, working “six Days in the Week,” while in Dublin and its environs “a great Part of the Men work but four, and generally spend the Rest of the Week in drinking Spirits, consequently they must have more Wages for the four Days.”⁷⁴

Besides excessive wages and lack of discipline, witnesses complained of other problems created by combinations, such as restrictions on women being employed as weavers.⁷⁵ And they argued that combinations had caused the decline of existing branches of trade and prevented the establishment of new ones by inducing men of large capitals to withdraw or withhold their money from risky manufactures. They called for the

⁷¹Sir Lucius O’Brien, “Report of the Grand Committee for Trade,” (hereafter Report of O’Brien Committee), 3 Mar. 1780, in *Journals of the House of Commons of the Kingdom of Ireland* (Dublin, n.d.), Appendix, x.

⁷²For a recent discussion, see Lorenzo Avellino, “‘They Have No Property to Lose’: The Impasse of Free Labour in Lombard Silk Manufactures (1760–1810),” *International Review of Social History* 68, no. 31 (2023): 135–155.

⁷³Report of O’Brien Committee, x.

⁷⁴Report of O’Brien Committee, cxiii; see also testimony from Robert Stephenson and George Holmes, x.

⁷⁵Report of O’Brien Committee, x.

unequivocal suppression of combinations so that, as Houghton observed: “[t]hings, if left free, will find their own Level.” Convinced that certain manufactures would be carried on to better advantage in the Irish countryside than the capital, as was “the Mode in England,” Houghton suggested that “those whose Capitals are now engaged in such Trade” could then bring about the change if it was to their “Advantage.”⁷⁶ Leaving things free to “find their own level” would also deal with “Idleness and four Days working in the Week”; that was crucial, he said, since “if we don’t work cheap, and six Days in the Week, and keep the Children to work, we cannot rival other Countries.”⁷⁷

In passing the Combination Act of 1780, the Irish parliament approved highly repressive anti-combination legislation largely based on the recommendations of the Grand Committee for Trade.⁷⁸ Irish reformers took further steps that affected Irish manufactures, notably the regulation of the quality of textiles.⁷⁹ More ambitious still, they applied themselves to the challenge of creating a “National Bank” to foster a system of credit creation in Ireland in the likeness of the British system. William Knox was solicited for a detailed guide on the matter and took as his guide “[t]he plan of the Bank of England,” since it was “for commercial purposes, the most perfect that can be imagined.” To that end, he proposed a national Irish bank that would lend upon government securities and promote the discounting of merchants’ and manufacturers’ bills of exchange.⁸⁰

It was John Foster who took the lead in establishing the Bank of Ireland along such lines in 1782 with valuable support in his efforts from the La Touche family, a wealthy family of Irish bankers, who were major subscribers to the bank’s stock and provided the first governor in the person of David La Touche.⁸¹ However, the establishment of the Bank of

⁷⁶ Report of O’Brien Committee, x.

⁷⁷ Report of O’Brien Committee, cxiv.

⁷⁸ Combination Act, 1780, 19 & 20 George III, c 19 [Ire.]. Being absent from work for three days was enough to allow a journeyman or apprentice to be convicted of unlawful combination along with a long list of other acts, such as destroying machinery or preventing its introduction.

⁷⁹ See, notably, Mr. Mason, “Report from the Grand Committee of Trade,” 6 Mar. 1782, in *Journals of the House of Commons of the Kingdom of Ireland*, Parliament, House of Commons, Kingdom of Ireland, (Dublin, 1782), Appendix, ccclxxxvi–cccxcix, and John Foster, *Report from the Committee on the State of the Linen Manufacture and the Linen Trade*, First Report, 25 Dec. 1781, in *Journals of the House of Commons of the Kingdom of Ireland* (Dublin, 1781), Appendix, ccccxvi–cccxxxviii.

⁸⁰ Extract of a letter from Mr. Knox to Mr. Eden, 6 Dec. 1781 in Knox, *Extra-State*, Part the Second, 166–169.

⁸¹ Hall, *Bank of Ireland*, 30–47; Malcomson, *John Foster*, 60; see also 37–38; A. M. Fraser, “David Dignes La Touche, Banker, and a Few of His Descendants,” *Dublin Historical Record* 5, no. 2 (1943): 55–68; David Dickson and Richard English, “The La Touche dynasty,” in *The gorgeous mask: Dublin 1700–1850*, ed. David Dickson (Dublin, 1987); <https://www.ucl.ac.uk/lbs/person/view/46255>.

Ireland did not overcome the challenges of credit even for Ireland's most important export industry. Soon there were abuses to be regulated such as the charging of excessive rates of interest and the failure to honor the payment of bills of exchange. The Belfast Linen Hall announced it would open a bank or discounting office, modeled on the practice of the Chester Linen Hall, but it was still not open for business by mid 1784.⁸² And by that time, the patience for piecemeal reform was wearing thin in Ireland.

A Damning Indictment of Ireland's Extension of Trade

Only a few months after the battle for Irish "free trade" had been won, Foster himself had admitted "that the non-import associations . . . have done us more service than the whole of the free trade will do these fifty years." And he wondered if they had been "fools" to give away "[a] market certain, steady, and within our own power at all times" for "the speculative gain of hunting beyond seas for uncertain precarious markets not under our control and subject to all the casualties of War, Political Interests and Foreign Treaties."⁸³ A couple of years later, Foster's evaluation was widely expressed in and out of doors as the sober reality of living with Irish "free trade" in a British Empire sank in.

There were several important features of this sobering reality, including Ireland's obligation to alter its duties as a condition of direct access to colonial markets, and the difficulties of seeking foreign markets as a member of an empire at war with its best customers.⁸⁴ The Irish government had made efforts to promote exports directly through the use of bounties and other forms of parliamentary appropriation but with limited success. Perhaps most controversially, "free trade" facilitated a huge rebound in Irish imports, and a renewal of complaints about England's taking advantage of Ireland's subordinate role in the British imperial economy (Figure 4).

By late 1783, therefore, Ireland's political elite faced renewed pressure for economic reform. Dublin was in a dire economic condition in the winter of 1783–1784 as an estimated 20,000 people in the city

⁸²Brenda Collins, Trevor Parkhill, and Peter Roebuck, "A White Linen Hall for Newry or Belfast?" *Irish Economic and Social History* 43, no. 1 (Dec. 2016): 50–61.

⁸³John Foster to Sackville Hamilton, 29 Mar. 1780, FM, D562/8371, PRONI. Hamilton was Foster's colleague in the Irish administration, and secretary for port business at the time: see Patrick M. Geoghegan, "Hamilton, Sackville," *Dictionary of Irish Biography*, accessed 5 Mar. 2024, <https://www.dib.ie/biography/hamilton-sackville-a3762>.

⁸⁴Duties on imports of refined sugar proved particularly controversial in Ireland as did the closure of one of the only "friendly" markets when Portugal refused to extend Ireland the same access to its market that it had long accorded Britain: see Nini Rodgers, *Ireland, Slavery and Anti-Slavery: 1612–1865* (Houndmills, 2007), 173–176; James Kelly, "The Irish Trade Dispute with Portugal 1780–87," *Studia Hibernica* 25 (1990): 7–48.

were reduced to dependence on poor relief.⁸⁵ Moreover, political protest assumed a more radical turn than in the late 1770s with parliamentary reform agitating political debate alongside protection for Irish trade and manufactures.

Dublin manufacturers were again behind a flood of petitions to the Irish government and parliament but this time they conveyed specific demands for protection of the Irish market and restrictions on exports of vital materials like worsted and linen yarn. Under growing pressure, the House of Commons established a committee in October 1783 to consider “what measures may be proper for the improvement of the manufactures of this kingdom.”⁸⁶ Led by Luke Gardiner, a member of parliament for Dublin, the committee examined a large number of Irish manufacturers and merchants, some of whom had given testimony in earlier inquiries.⁸⁷

Witness after witness described the devastating effects of increased English manufacturing imports, as well as the weakness of Irish manufactures on export markets since the extension of Irish trade. The committee completed this testimony with systematic evidence compiled from Ireland’s trade statistics on imports and exports for a wide sample of manufacturing trades, including woolen and worsted goods, hats, wrought silks, stockings, cottons, printed cotton and linens, and sail cloth. In summarizing it, Gardiner emphasized that “the importation of foreign manufactures into this kingdom, has of late years considerably increased, and still continues to do so” and he argued “that this great importation, by impeding our manufactures,” not just woollens but “every infant manufacture,” is the cause of “the greatest poverty and distress.”⁸⁸

The reference to Ireland’s “infant manufactures” was an acknowledgement that free trade had meant derisory gains for Irish exports in most manufacturing trades. Outside of Ireland’s established export industries, worsted manufactures registered the strongest export performance, but that still left worsted exports far behind established categories of textile exports (Table 2). Although Gardiner said he would never criticize the expedient of “opening our export trade,” that is what

⁸⁵ Kelly, *Prelude to Union*, 141–150; Kelly, “Scarcity and poor relief,” 55–7.

⁸⁶ The *Parliamentary Register*, or, *History of the proceedings and debates of the House of Commons of Ireland*, 14 Oct. 1783–14 May 1784, 3:27.

⁸⁷ Luke Gardiner, *Report from the Committee Appointed to Enquire into the State of the Manufactures of this Kingdom, and What may be the Necessary for the Improvement Thereof, and also into the Quantity and Value of the Exports and Imports of Ireland*, 5 Mar. 1784 (hereafter *Report from Gardiner Committee*), in *Journals of the House of Commons of the Kingdom of Ireland* (Dublin, 1784), Appendix, cxxxv–ccvi.

⁸⁸ The *Parliamentary Register*, or, *History of the proceedings and debates of the House of Commons of Ireland*, 14 Oct. 1783–14 May 1784, 2:130.

he did in concluding that “an export trade is beginning at the wrong end; unless there is an home consumption it will never avail.”⁸⁹

The Gardiner investigation studied trade in raw materials as well as finished goods. For industries like silk and cotton, witnesses reported that they had to buy their imported materials on less favorable terms than British manufacturers. Even for domestically sourced materials, Irish manufacturers complained they were at a disadvantage compared to the British. Worsted manufacturers reported that British manufacturers were driving up prices for Irish yarn by “sending large Orders into this Country” but jealously guarding their own better-quality yarn behind their prohibition on its export.⁹⁰

The rich body of evidence generated by the Gardiner investigation made it clear that the extension of Ireland's trade had been of limited benefit for Ireland's infant manufactures with the only glimmer of hope being the improvement in worsted manufactures. When it came to Ireland's staple manufacture – the linen industry – witnesses initially seemed to strike a different note. Indeed, William Ogle of Newry went as far as to say that “we have now every possible Advantage we can hope for in our Linen Manufacture; every Market in the Universe is open to us.”⁹¹ But when asked about the direct export of Irish linen, Ogle admitted he did not think “we are by any Means in that progressive State which we ought to be, nor equal to that of the English or Scotch in that Respect.”⁹² Several reasons were offered by Ogle and others for Irish difficulties, including problems with the quality of Irish linens and the fact that being “a young Country in Commerce compared with England” Ireland did not have its extensive Correspondence abroad, and “we are not able to give the Credits they give.”⁹³ Thus, it seemed that even Ireland's established linen manufacture had gained little from the greater autonomy of Irish trade, remaining hugely dependent on British merchants for access to British and other overseas customers.

Pitt's Role in an Irish Battle Over “Men of Capitals,” 1784

The investigation into the state of Irish manufactures brought to light a clear desire for a new route to improvement in Ireland. In presenting his report to parliament, Luke Gardiner made a proposal for comprehensive protection of the Irish market to induce “men of capitals” to commit their money to the improvement of Irish manufactures. However,

⁸⁹ *Parliamentary Register*, 1783–4, 129.

⁹⁰ *Report from the Gardiner Committee*, cxxxv.

⁹¹ *Report from the Gardiner Committee*, clxii.

⁹² *Report from the Gardiner Committee*, clxiii.

⁹³ *Report from the Gardiner Committee*, clxiii, clxii, clx.

leading men in the Irish government sabotaged the Gardiner plan to create space for an alternative plan for economic improvement. Pitt came to play an important role, as we shall see, by taking sides in this fierce Irish battle over economic improvement.

The Gardiner Plan for Irish “Men of Capitals” and its Sabotage

By the time Gardiner reported to parliament, he could draw on several pamphlets by prominent Irish Patriots, including Henry Flood and Richard Griffith, calling for Irish protection from British competition.⁹⁴ Still, he chose to present his proposed reform in explicit imitation of the system of political economy that had fostered British prosperity, pointing to England's protection of its own manufactures, and insisting “her system of policy is the cause of her grandeur.”⁹⁵ More generally, he exhorted his fellow parliamentarians to “see what works, let us copy the conduct of England, of France, and other commercial countries; and that is by protecting our manufactures at home.”

In presenting his diagnosis of the difficulties that Irish manufactures faced, he observed that “every cause but the true one” had been offered for Ireland's distress, including the “indolence” and “drunkenness” of “the working manufacturers.” He attacked these “illiberal suggestions” and argued that the real problem was a lack of employment. The true cause of Ireland's manufacturing weakness relative to England, Gardiner claimed, was that: “In England they have large capitals; they can buy and sell much cheaper than our manufacturers, who have in general very small capitals.”⁹⁶ Gardiner insisted that: “[i]n England they give two years credit, when we can scarcely give six months, which induces people to deal with them.” Moreover, “men of large Capitals” could “turn their capitals oftener, so that if they sell, even for less than others, the quick disposal of their goods will not fail to bring them at the end of the year a much greater profit.”⁹⁷

The advantage of protecting the Irish market, Gardiner claimed, was that it would overcome Ireland's structural disadvantage compared to England by attracting men of large capitals. Reserving the Irish market for these men would guarantee their profits and make them willing to put capital into risky manufacturing. What Gardiner

⁹⁴ Even before his investigation was complete, Gardiner had said that he would leave restrictions on raw materials to another committee, presumably to avoid conflict with the landed interests that dominated the Irish parliament: *Parliamentary Register*, 1783–1784, 129.

⁹⁵ *Parliamentary Register*, 1783–1784, 126.

⁹⁶ *Parliamentary Register*, 1783–1784, 127.

⁹⁷ *Parliamentary Register*, 1783–1784, 128.

proposed, therefore, was a plan for economic improvement that anticipated more celebrated plans, notably Alexander Hamilton's *Report on the Subject of Manufactures*, in proposing trade protection as a lever for the development of infant manufactures.⁹⁸ Several members of parliament immediately offered their support, with Alderman Warren of Dublin exhorting the House to "do something" given the "misery" that prevailed and since he "heard it frequently from gentlemen, do not do this or that since Great Britain has not done so," now that they had "her example of imposing protecting duties, why not follow it?"⁹⁹ However, Gardiners' supporters proved no match for the Irish government's onslaught, spearheaded in the Commons that day by John Foster, now formally chancellor of the exchequer.

The Irish government's opposition to the Gardiner report had been articulated months earlier in a memorandum on "protecting duties" that John Parnell, a friend and colleague of Foster, had prepared on the evidence submitted to the Gardiner Committee. Parnell acknowledged Irish difficulties in competing with British manufactures, noting that "[t]hese facts as stated are true," but took issue with "the causes which are assigned" to them and "the remedies which are proposed."¹⁰⁰ He argued that: "[t]he present decline of trade and the increase of imports, do not arise from the inequality of the imposition of duties," since that inequality had existed even when trade was more prosperous. In fact, "the inequality of duty has no real operation: for the inferior quality of the manufacture of Ireland, would prevent its import into England, even if it should not be subject to any duty whatsoever." The real cause, Parnell suggested, was that: "the trade of the both countries, suffered considerably by the war, & England having lost many of its foreign markets, was induced to extend the sale of its manufactures in Ireland, by prolonging its credits: which made the general calamity operate in Ireland with increased effect."¹⁰¹

That calamity, in generating calls for protecting duties in Ireland, now threatened to provoke retaliation across the sea in an increase in English duties on Irish linens. Parnell insisted that an Irish system of protecting duties, "however decisive in argument," must "by a separation of interest be in the end productive of disunion." Parnell admitted that raising Irish duties would have fiscal benefits, but he

⁹⁸ As we shall see below, the Gardiner report may have had some influence on the Hamilton report through the ideas of prominent Irish journalist, Mathew Carey.

⁹⁹ *Parliamentary Register*, 1783–1784, 130; For Foster's intervention, see *Parliamentary Register*, 1783–1784, 130–131.

¹⁰⁰ John Parnell to Thomas Pelham, 31 Dec. 1784, *Protecting Duties*, Bolton Manuscripts, MS 15,846/(2), NLI.

¹⁰¹ Parnell to Pelham, 31 Dec. 1784.

insisted the judicious course of action was “[t]he reduction of the import duties in England, to the same standard, with those now payd on the import of English goods into Ireland.” Equalizing duties in this way was appealing for its political rather than economic implications: as Parnell observed, it “would remove the ground of complaint; & would not, as I apprehend, in any degree affect the interests of England.”¹⁰²

Parnell’s memorandum offers insights into the reasoning behind John Foster’s parliamentary opposition to Gardiner’s proposed system of protecting duties a few months later. Foster launched his attack by claiming that the facts adduced by Gardiner “were imputable to other causes.” “The greatness of England,” Foster asserted, “was to be attributed to other causes, as well as to protecting duties; to the accession of wealth she acquired from her West India islands and colonies.” Then he went after core elements of Gardiner’s analysis, suggesting that there was no real distress in “our woolen manufacture” given the recent decrease in imports of English woolens, fustians and other textiles.¹⁰³

In fact, the Irish government’s objection to protecting the country’s woolen and worsted trade went deeper since its plan for economic improvement covered agriculture as well as manufactures. In his earlier memorandum, Parnell had observed that “much greater consequence has been given to the woolen trade of Ireland than it seems to merit” since “if agriculture continues to be encouraged, it will in a great degree prevent the further increase of wool.”¹⁰⁴ What Parnell meant by “agricultural encouragement” was “Foster’s Corn Law,” introduced by the Irish parliament to give stronger encouragement for a shift from pastoral to arable farming.¹⁰⁵ Clearly, the government had no appetite for re-generating Ireland’s sheep flocks to rival the supply of raw wool on which British manufactures relied, even though other European states were pursuing just such efforts.

Gardiner was furious, accusing Foster of being “very dexterous in adducing specious arguments” and failing to mention that the recent slackening of English textile imports was a direct consequence of the non-importation campaign.¹⁰⁶ Nevertheless, he failed to rally further support from his fellow parliamentarians. And he concluded that they

¹⁰² Parnell to Pelham, 31 Dec. 1784.

¹⁰³ *Parliamentary Register*, 1783–1784, 132.

¹⁰⁴ Parnell to Pelham, 31 Dec. 1784.

¹⁰⁵ As Malcomson explains, Foster’s Corn Law (23 & 24 Geo. III, c. 19 [Ire.]) granted bounties on the export of corn and imposed duties on corn imports on a sliding scale linked to Irish prices: Malcomson, *John Foster*, 69).

¹⁰⁶ *Parliamentary Register*, 1783–1784, 141.

were “so decidedly against the resolutions, he would not trouble them with any more of them.”¹⁰⁷

The defeat of Gardiner’s system of protecting duties was a resounding parliamentary victory for an Irish government that had its own plan for Ireland’s “improvement.” That it was a public disaster was clear a few days later when the Irish House of Commons was informed of: “[a]n outrageous mob which broke into this House this day, and behaved riotously and abusively to several of the members.”¹⁰⁸ Foster was singled out for vilification by journalists and rioters with Mathew Carey’s *Volunteers Journal* featuring his corpse on a gallows as “the arch traitor Jacky Finance.”¹⁰⁹ Writing as “Hibernicus,” Carey had been a passionate advocate for the Gardiner report, echoing its view that “having no capitals, we can give no credit; not being able to give credit, we cannot export to foreign markets.”¹¹⁰ However, Carey and other critics were silenced after Foster hastily urged the house to restrain the liberty of the press. Some members strongly objected to his undue haste, but Gardiner expressed strong support, insisting that “had I foreseen what was to happen, I never would have undertaken the cause of the manufacturers.”¹¹¹

Carey soon fled Ireland for his safety and settled in Philadelphia, where he was to receive a more favorable hearing for his economic ideas.¹¹² In Ireland, Carey’s nemesis resorted to carrot as well as stick by introducing significant new bounties for Irish manufactures, but Foster’s scheme did little to mollify Dublin’s manufacturing communities. They were furious at the refusal of the Irish parliament to restrict English imports, and turned to stricter, often violent, enforcement of non-importation and non-consumption campaigns against British goods. Public protest at the Irish parliament’s intransigence on economic issues became entangled with the anger provoked by another categorical refusal of parliamentary reform and campaigners encouraged Protestant Dissenters and Catholics to unite around economic and political reform in challenging Ireland’s Anglican oligarchy.¹¹³

There was uproar in the parliament and tumultuous debates about how to proceed, but Foster showed remarkable wiliness in steering his

¹⁰⁷ *Parliamentary Register*, 1783–1784, 143.

¹⁰⁸ On Monday, 5 Apr. 1784 (*Parliamentary Register*, 1783–1784, 143)

¹⁰⁹ *Volunteers Journal*, 5 Apr. 1784; Magennis, “Mathew Carey,” 192.

¹¹⁰ “Hibernicus,” “Thoughts on the State of the Infant Manufactures of This Country,” *Volunteers Journal*, 31 Mar. 1784, 1.

¹¹¹ *Parliamentary Register*, 1783–4, 168

¹¹² Stephen Meardon, “A Reciprocity of Advantages’: Carey, Hamilton, and the American Protective Doctrine,” *Early American Studies: An Interdisciplinary Journal*, volume 11, no. 3 (2013): 431–454.

¹¹³ Kelly, *Prelude to Union*, 81.

parliamentary colleagues towards delegating the political economy of Irish improvement to the king's governments in Ireland and Great Britain. Foster was the one who proposed the precise wording of the Irish parliament's invitation to these governments to form "a wise and well digested plan for a liberal arrangement of commercial intercourse between Great Britain and Ireland" on "the broad basis of reciprocal advantage" for the purpose of "strengthening the empire at large, and cherishing the common interest and brotherly affection of both kingdoms."¹¹⁴ Thus, the parliamentary storm was calmed with an opportunity for Pitt's government to intervene in an Irish debate about economic improvement.

A Rival Plan for Men of Capitals

When the lord lieutenant of Ireland wrote to William Pitt a month later, it was not Foster's restoration of parliamentary calm that was on his mind, but the popular fury that the chancellor had provoked with his implacable opposition to Gardiner's reform. The duke of Rutland informed Pitt of the extraordinary degree of public disorder in Ireland, and emphasized the urgent need "to strike out such regulations as may appease and conciliate the spirit of dissatisfaction and discontent which has obtained in this country, and at the same time not materially embarrass the commerce and manufactures of Great Britain."¹¹⁵ Pitt was deeply concerned about social disorder in Ireland but asked Rutland "to temporize" as he worked on a "systematic line of conduct" to extricate "the interests of this country in Ireland from the delicate situation in which they are placed, and of preserving the tranquility of that kingdom."¹¹⁶

It was not Rutland but his chief secretary, Thomas Orde, with whom Pitt corresponded in the crucial months before he settled on an outline of his Irish propositions. Orde faced serious challenges in generating the economic information required since he had arrived in Ireland only a few months earlier. Of necessity, he had to rely on more knowledgeable people, but he lamented the "ignorance of the country in matters of trade and commerce," not just the manufacturers but the merchants too who were all in favor of protection. Orde explained that "we have justly treated the Clamour of the Mob as contemptible and sought to distinguish them from the calm Representatives of those whose Opinions

¹¹⁴ *Parliamentary Register*, 1783–1784, 222.

¹¹⁵ Duke of Rutland to William Pitt, 16 June 1784, *Correspondence between the Right Honble. William Pitt and Charles, Duke of Rutland, Lord Lieutenant of Ireland, 1781–1787*, A14648, Bolton Manuscripts, NLI.

¹¹⁶ William Pitt to Duke of Rutland, 24 July 1784, A14648, Bolton Manuscripts, NLI.

may really in some Measure be considered as the Sense of the Country.”¹¹⁷ Still, he noted there were “difficulties and hazards” in relying even on “our own *very good* friends,” who did not hesitate to shift the scale “in their own favor from any commercial arrangements.”¹¹⁸

Orde surely had Ireland’s lord chancellor in mind since Foster had supplied him with the economic papers he had sent to Pitt by early September. These papers were still incomplete, he noted, since “Mr Foster in particular has not yet furnished me with his Ideas upon the construction of the Navigation Act, and you are aware that how much depends upon the disposal of that very interesting Question.”¹¹⁹ As Orde told Pitt, the lord chancellor had declared his support in parliament for “the most liberal extension” of the Navigation Act’s privileges to Ireland and so could “be expected to be biased towards such a reading.”¹²⁰

Although Pitt lacked the information to devise a detailed economic plan, he was willing to commit to its general principle: that “the System of Commerce should be so arranged as to extend the aggregate wealth of Great Britain and Ireland to its utmost limit” without favor to one part of the empire or the other, “though *with some Restrictions arising from the actual Circumstances*.”¹²¹ But he acknowledged that applying his liberalising principle to “the points that now present themselves for discussion”—“the Proposition of Duties on certain Commodities” and “the modification of the Navigation Act”—was “not without Delicacy and Difficulty.”¹²²

Pitt agreed with Orde “that the Internal Poverty and Distress of the Country is the Radical Cause of all the Discontent that prevails” and “that the Cure must be gradual and probably slow.” That meant, Pitt believed, that “[t]he utmost present Effect then of any Measures we can take, will be to remove or diminish the Pretexes of discontent,” while the cause of it “must be the work of time.”¹²³ In emphasizing the importance of reducing the “pretexts” of discontent, Pitt echoed the Irish government’s logic on equalizing duties on manufacturing trade between Ireland and Britain. However, that raised the question of what to offer Britain’s “own very good friends” that they believed might really enrich Ireland. Fortunately, one very good friend was on hand with a readymade answer.

¹¹⁷Thomas Orde to William Pitt, 7 Sept. 1784, MS 16,355, Bolton Manuscripts, NLI.

¹¹⁸Orde to Pitt, 31 Aug. 1784, MS 16,355, Bolton Manuscripts, NLI.

¹¹⁹Orde to Pitt, 31 Aug 1784; Orde to Pitt, 7 Sept. 1784, MS 16,355, Bolton Manuscripts, NLI.

¹²⁰Orde to Pitt, 7 Sept. 1784.

¹²¹Pitt to Orde, 19 Sept. 1784, MS 16,355, Bolton Manuscripts, NLI; see also Pitt to Rutland, 7 Oct. 1784, A14648, Bolton Manuscripts, NLI.

¹²²Pitt to Orde, 19 Sept. 1784, MS 16,355, Bolton Manuscripts, NLI.

¹²³Pitt to Orde, 19 Sept. 1784.

In a detailed letter to Orde dated September 15, 1784, John Foster claimed there was no legal basis for any differential treatment of Ireland and Britain under the Navigation Act. He warned that if Britain continued to insist on one, the Navigation Act “would of course cease to be of force here.” Foster insisted that “in the present serious state of affairs,” the motives “ought to be very powerful indeed” that would induce Britain “to shake the validity of the Navigation Act in so large a part of the remaining Empire as Ireland.”¹²⁴

Foster was quite specific about the economic risks involved, insisting it would give “an instant stop” to “almost half the commercial intercourse between the two Kingdoms.” Here, he echoed the logic he had employed five years earlier but now his focus was on Britain’s re-exports to Ireland, which he emphasized were nearly equal to British exports of its own produce. He warned that re-exports to Ireland from Asia, Africa, and America “must cease to come here,” and “not a particle” of East India goods could come though “Ireland has been a better customer for them than all America,” indeed “than any country in the universe.”¹²⁵

Foster’s economic threats were not subtle, but he soon switched to a more conciliatory tone. It might seem, he said, “that Ireland possessing superior advantages of situation, may become a depot to supply a great part of the British consumption of such Goods.” But Foster insisted that “if that should happen, it will be British Capital and British ships that must make the Depot” and only “when the English merchant finds it in his interest, that is when it is England’s gain that it should be so.” Thus, the chancellor suggested that British “men of capitals” had the power to determine Ireland’s economic fate.¹²⁶

The chancellor was clear that the advantages for Ireland would be an increase in reciprocal trade with faraway places. With the British market open to him, a merchant operating out of Ireland could “import without fear when he sees that a new and neighbouring market will be open to him for the redundancy.” Crucially for Ireland, as Foster observed, “import is valuable as it pays for export in the American trade.” He was even more explicit when it came to the East Indian trade, insisting that the East India Company “should supply Ireland as she does Britain.” Although “we cannot oblige her to take our produce in manufactures,” Foster argued “she should be at liberty to do it, if any of them suit the Eastern market.” After all, “if the object of such a company

¹²⁴Letter from John Foster, 15 Sept. 1784, *Trade and Commerce*, Construction of the Navigation Act, Bolton Manuscripts, MS 16,356, NLL.

¹²⁵Letter from John Foster, 15 Sept. 1784.

¹²⁶Letter from John Foster, 15 Sept. 1784.

for the Empire be to sell its manufactures, she ought to sell from every part of the empire."¹²⁷

Foster's emphasis on the need for closer ties with British men of capitals was an implicit acknowledgement of Ireland's limits in promoting her own manufactures through foreign trade. At the Linen Board, where Foster exercised decisive influence, the tight control exercised by London merchants over the African and West Indian trades had been the focus of heated debate only months before. John Arbuthnot, Foster's appointee as linen inspector of Leinster, Munster and Connaught, had been asked by the board to evaluate a scheme by the former linen inspector, Robert Stephenson, for the promotion of linen production in Munster.

One of Stephenson's proposals was to give premiums to "the first three Companies of Merchants residing in Ireland" who fitted out ships from Munster "for the Coast of Africa and West Indies . . . with proper assorted Cargoes for the Slave Trade."¹²⁸ Arbuthnot mocked his rival's suggestion "[f]or if Mr. Stephenson imagines that a Cargo of Slaves, when arrived at any of the Islands, can be driven into Market, and sold like Sheep, for ready Money, he is greatly mistaken; nor can they, but by the merest Chance, be bartered for Sugar, Cotton, Coffee, Indigo, or Rum, which must be consigned to the wealthy West-India Merchant in Europe, who is Nurse to the Plantation." Arbuthnot made it clear that Ireland had no chance of succeeding in the African or the West Indian trade on its own: since payment for slaves was made in bills, no "African shipper" would fit out a ship without the guarantee that the "great West India Houses" would accept them.¹²⁹ Foster's plan was to foster ties with powerful West India merchants through the extension of the privileges of the Navigation Act to Ireland.

Pitt placed Foster's reinterpretation of the Navigation Act at the economic core of the answer he offered to his great Irish question. However, neither Pitt nor Orde endorsed the logic behind the Chancellor's plan. On legal principle, it seemed clear to them that Ireland could not pretend to equal treatment with Britain as a matter of justice. With respect to Foster's economics, Orde had taken to his own study of Irish economic affairs and believed the chancellor was preoccupied with the "superficial" advantages of the position and quality of Ireland's ports even

¹²⁷Letter from John Foster, 15 Sept. 1784.

¹²⁸*A Proposition Addressed to the Nobility and Gentry of Munster by Robert Stephenson, for Restoring and Introducing the Linen and Other Manufactures into the 6 Counties of Munster* (1784), MS 15,827, Bolton Manuscripts, NLI.

¹²⁹*The Respective Reports of John Greer, Esq.; Inspector-General for the Province of Ulster, and of John Arbuthnot, Esq.; Inspector-General for the Provinces of Leinster, Munster and Connaught, on Mr. Robert Stephenson's Schemes and Proposed Premiums for the Provinces of Ulster and Munster* (June 1784), NLI, Bolton Manuscripts, P2502(5), 26.

though England's dominance was based on more substantial advantages: "The variety and extent of her manufactures enable her to make up assortments more expeditiously and upon better terms than Ireland can do, her established correspondences, great capitals, and long experience in foreign trade, and the credit she can give to those who deal with her, enable her both to sell and to purchase at foreign markets with very superior advantages over Ireland."¹³⁰

One could hardly ask for a better synthesis of the accumulated advantages of British colonial capitalism. Of course, it was some similar assessment that led Foster to think that the only way to overcome such structural disadvantages was by turning Ireland into a depot of imperial trade. But Orde dismissed his plan, opining that "an equal construction of the act of Navigation" seems to be "of the most trifling consequence." So trifling, indeed, that the chief secretary wondered why it was the centerpiece of Foster's plan. He speculated that "popular objects frequently arise from trivial interests of individuals," noting that on a couple of occasions, Irish merchants had imported too much of a particular article "but the import not being admissible in England, their disappointment has been made a matter of national concern."¹³¹

It was precisely such skepticism about Foster's reasoning that led Orde and Pitt to make his reinterpretation a central feature of the Irish proposals. As Orde observed: "the mischief which would probably arise from a more liberal Interpretation of the Navigation acts are so small . . . that it appears highly advisable not to resist this favorite object of the Irish from which they can derive but trifling advantages."¹³² As Pitt explained to Rutland, the benefit of offering this "*mere and absolute favour*" to Ireland—"a departure from the principles of the Act of Navigation, which has been so long idolised in this country"—proved "the liberal and conciliating spirit which induces us to agree to the proposal." As Pitt observed, "it is a liberty which Ireland has strongly solicited, and on which she appears to set a high value." Echoing the logic that William Knox had expressed fifteen years earlier, Pitt noted that "it gives them an interest in the protection of our colonies and the support of our trade equal in proportion to our own."¹³³

Thus, Pitt saw imperial advantage in supporting Britain's Irish friends beyond helping them to silence the "Clamour of the Mob." Offering a commercial deal that these friends seemed to value gave Pitt

¹³⁰Construction of the Navigation Act, n.d., no page numbers, *Trade and Commerce*, Bolton Manuscripts, MS 16,356, NLI.

¹³¹Construction of the Navigation Act, MS 16,356, NLI.

¹³²Construction of the Navigation Act, MS 16,356, NLI.

¹³³Pitt to Duke of Rutland, 7 Oct. 1784 and Duke of Rutland to Pitt, 6 Jan. 1785, A14648, Bolton Manuscripts, NLI.

his most compelling justification for the fiscal obligation he planned for Ireland. Pitt believed that Lord North's British government had made a grave error in 1778 and 1779 in making significant trade concessions to Ireland without making the country pay for these "privileges" and he was committed to establishing the principle of a direct fiscal obligation for Ireland to defraying the costs of the British Empire.¹³⁴ Besides Ireland's existing expenditures on Britain's standing army, therefore, Pitt proposed a new fiscal contribution equal to "the future surplus" of a designated stream of Irish fiscal revenues – the "hereditary revenues" – "beyond its present produce, estimated at the medium of the four or five last years."¹³⁵

Ireland's hereditary revenues fluctuated largely in response to Ireland's trade and the benchmark for Pitt's "medium" were years marked by trade disruption. That meant that Ireland's new fiscal obligation would be significant, whatever the impact of Pitt's commercial propositions, as long as Irish trade rebounded after the end of the American war. Both Rutland and Orde strongly opposed the fiscal proposal, and Foster advised Pitt against it, but the prime minister was determined to protect his own priorities.¹³⁶ When Pitt's proposals were presented to the Irish parliament, therefore, they took the form of nine provisions on trade arrangements between the sister kingdoms and a tenth provision on Ireland's fiscal arrangements (online supplement).¹³⁷

Pitt's Proposals on the Pyre of Colonial Capitalism

The first proposal stated the general principle behind a permanent settlement of the intercourse and commerce between the two kingdoms. Next came the core elements of Pitt's commercial proposals: the reinterpretation of the Navigation Act and the removal of prohibitions

¹³⁴ See, especially, Pitt to Duke of Rutland, 4 Nov. 1784, and 4 Dec. 1784, A14648, Bolton Manuscripts, NLI.

¹³⁵ Duke of Rutland to Pitt, 6 Jan. 1785, A14648, Bolton Manuscripts, NLI. The "hereditary revenues" had been created in 1662 and 1663 and consisted primarily of customs and excise duties as well as hearth money and quit rents.

¹³⁶ That was true not only with respect to his fiscal provision but also with a plan for parliamentary reform for Ireland. Pitt proposed "a sober and rational reform," one "from which Catholics are excluded (which beyond a doubt they must be)" to "separate the cause of Reform from theirs, and by that means to unite the Protestant interest against them:" William Pitt to Thomas Orde, 19 Sept. 1784, Bolton Manuscripts, MS 16,355, NLI. He gave up on that plan only when his own London ministry forced him to withdraw Irish parliamentary reform to avoid "shocking or startling any of the friends to Government while the great commercial arrangement is in agitation:" see Pitt to Duke of Rutland, 11 Jan. 1785, Bolton Manuscripts, A 14,648, NLI.

¹³⁷ They were made public by Thomas Orde in his presentation to the Irish House of Commons on 7 Feb. 1785 *Parliamentary Register*, or, *History of the proceedings and debates of the House of Commons of Ireland*, 20 Jan. 1785–7 Sep. 1785, 4:120–125.

and the creation of equal duties on trade in “the growth, product or manufacture of the other.” In presenting the second proposition to the Irish parliament, Orde emphasized that it “for ever abolishes the unfavourable construction of the navigation act” and meant that “Ireland, from her happy situation, may become an emporium of trade, and even Great Britain may supply herself from her markets.”¹³⁸ Had he said what he believed, of course, he would have admitted the economic potential of the revision of the Navigation Act seemed “trifling” to him. On the third proposition, Orde observed that it eliminated “the danger of losing the British market” for Irish linens created by “the violence and indiscretion of some men in Ireland, who have by a non-importation agreement endeavored to exclude British manufactures.”¹³⁹ Here he came closer to telling the truth in pointing to the proposition’s political value as an obstacle to the Gardiner plan or any subsequent effort to protect Irish manufactures against British competition. But he omitted to mention that the Ireland’s government believed that giving Irish manufactures easier access to the British market would make no difference at all to their economic prospects and, for that reason, to British manufacturers.

These proposals represented the commercial cornerstones of Pitt’s Irish proposals since gave the British government’s Irish friends what they wanted in return for a formal Irish commitment to a direct fiscal contribution to the costs of the British Empire. To design the other propositions, John Foster and John Beresford had gone to England to work with British government officials, and the most important result of their efforts in economic terms was undoubtedly the seventh proposition. It maintained England’s prohibition on exports of its own raw wool and woolen yarn, a prohibition that Pitt should have removed had he been committed to placing Irish and British manufactures on a more equal footing.¹⁴⁰ Indeed, Pitt recognized that “[i]n the great article of the woollen, if we confine the raw material to ourselves, and let Ireland do the same, perhaps the produce of Ireland, and what she can import from other places, can never enable her to supplant us to a great extent in this article.” But he was clear that “[t]his undoubtedly must be our policy” and “it can never, in my opinion, be thought any exception to the general freedom of trade.”

Of course, it was an important exception since Ireland’s woolen manufactures seemed the most likely source of any significant

¹³⁸ *Parliamentary Register*, 1785, 121.

¹³⁹ *Parliamentary Register*, 1785, 122.

¹⁴⁰ An analysis presented to the Gardiner Committee showed that Irish manufacturers paid 14s., whereas their British counterparts paid only 9s. for one stone of the same quality wool: *Report from the Gardiner Committee*, cxlvi.

improvement in Ireland's manufacturing prospects.¹⁴¹ Foster knew that, since his scheme of manufacturing bounties had been taken up largely by Dublin manufactures, especially in the woolen and worsted trade.¹⁴² However, the chancellor's ambition was to channel Irish economic improvement in new directions and, in this regard, he got something of his own from the seventh proposition since it allowed both kingdoms to introduce restrictions deemed "expedient from time to time upon corn, meal, malt, flour and biscuits," thus protecting Foster's Corn Laws.

Having gotten a great deal of what he wanted for Ireland, the Chancellor was determined that the Irish parliament would approve Pitt's proposals as quickly as possible. Several members objected, pleading for more information and time, even a week, to consider the proposals and consult with merchants and manufacturers about them.¹⁴³ But Foster replied that "[i]f I at first was inclined to hasten the debate, I am now much more inclined that way."¹⁴⁴ He proceeded to move the propositions, knowing well that he had lined up the votes he needed. Every motion to amend or to postpone discussion was voted down by a large majority. It was only the fiscal provision that raised any real danger in the Irish parliament, but Foster came prepared to disarm criticism with two amended propositions that made Ireland's additional fiscal contribution conditional on a balanced government budget. On Saturday, February 12, 1785, with all of the proposals approved, the Irish chancellor sent them off to his king in the "sanguine hope" of their "confirmation" in Great Britain.

The same day, Foster took a further step towards realizing his vision of an improved Ireland. His report on the scheme of manufacturing bounties hastily introduced at the height of parliamentary agitation made it clear that men of capitals had not been forthcoming in sufficient numbers to move Irish manufactures to the countryside since it was Dublin manufactures that had applied for most of the bounties. Still, Foster was insistent that "the said Manufactures can be carried on with greater Advantage, and more Benefit to the Nation, in the Country Parts of Ireland, than in the Metropolis."¹⁴⁵ Thus, he proposed that future

¹⁴¹Pitt to Duke of Rutland, 6 Jan. 1785, A14648, Bolton Manuscripts, NLI.

¹⁴²Even in the newer but smaller branch of cotton and cotton mixed goods, it was Dublin manufactures that showed the most promise: John Foster, *Report on Bounties, from the Committee Appointed to Enquire into the Expenditure of £15,000 Granted Last Session of Parliament for the Purpose of Paying Bounties on the Sale of the Manufactures of Wool, of Wool Mixed, of Cotton, of Cotton Mixed, Thread, Kentings, and Manufactures of Iron and Copper*, 12 Feb. 1785, in *Journals of the House of Commons of the Kingdom of Ireland*, vol. 20, 20 Jan. 1785–7 Sept. 1785 (Dublin, 1785), Appendix, cccliii–ccclx.

¹⁴³*Parliamentary Register*, 1785, 174.

¹⁴⁴*Parliamentary Register*, 1785, 176.

¹⁴⁵John Foster, *Report on Bounties*, 12 Feb. 1785.

bounties should favor country over Dublin manufactures and that incentives be given to encourage any Dublin manufacturers “who shall be desirous to remove their Manufacture to the Country.”¹⁴⁶

Clearly, Foster was determined to undermine Ireland's urban manufactures and with them the economic bases of popular dissent there. But he could do nothing about the opposition to Pitt's proposals that was building across the Irish Sea. As is widely recognized, John Holroyd, the earl of Sheffield and an Irish peer, played an important role in stirring up British manufacturing opposition to Pitt's proposals, along with William Eden, a former chief secretary of Ireland. As early as October 1784, as Kelly explained, “the two men resolved to oppose Pitt's plan for a commercial arrangement with Ireland as soon as they learned what was afoot from Foster and Beresford, with whom they were regular correspondents.”¹⁴⁷ In the ensuing months, Sheffield worked on a pamphlet, publishing the first part in February 1785 to warn of the dire consequences of Pitt's proposals for British manufactures.¹⁴⁸

In writing his pamphlet, Sheffield drew on his extensive knowledge of foreign trade and the manufacturing regions around Yorkshire, but his greatest advantage was his deep knowledge of Foster. As Malcomson explains, Holroyd was the chancellor's only English connection of any significance, and they shared a particular “interest and expertise in all things connected with agriculture, trade and economics.”¹⁴⁹ Sheffield's pamphlet cleaved closely to Foster's logic on the key elements of Pitt's proposals with one important difference: Sheffield evaluated it from the perspective of British, rather than Irish, manufactures.

Regarding equal duties on Irish-British trade, Sheffield echoed the Irish government's stance, insisting that “to lower the British inoperative duties to the Irish” would remove unnecessary duties that “only serve to irritate” and thus “suppress the clamours of the discontented in Ireland.”¹⁵⁰ Sheffield anticipated English woolen

¹⁴⁶What “encouragement and assistance” meant was “the Distribution of the Wheels, Reels, Looms, Jennies, Carding Machines, and other Implements necessary in any of the said Manufactures,” and the “apprenticing of Children of proper Ages, from the public Charities” to be trained in the countryside “in the most advantageous Mode of Industry”: John Foster, cccliii.

¹⁴⁷Kelly, *Prelude to Union*, 113.

¹⁴⁸John Baker Holroyd, 1st earl of Sheffield, *Observations on the Manufactures, Trade, and Present State of Ireland* (London, 1785), P1750, NLI.

¹⁴⁹Malcomson, *John Foster*, 32. Sheffield may have contributed to Foster's thinking on the Navigation Acts in his earlier influential pamphlet on commerce with the United States (with Pitt played an unwitting role in the process), although other imperial specialists of Irish affairs like William Knox, as we have seen, had expressed similar views: Holroyd, *Observations on the Commerce of the American States with Europe and the West Indies; Including the Several Articles of Import and Export; and on the Tendency of a Bill now Depending in Parliament* (London, 1783); Knox, *Extra-Official State Papers*, Part the Second, 10–12.

¹⁵⁰Holroyd, *Observations on the Manufactures*, 22–23.

manufacturers' objections to his reasoning, but he cautioned them to think more carefully. It might be true that some Irish woollens were as good and cheap as English manufactures, and that Irish woollen manufactures were increasing. But Sheffield noted that they were concentrated in Dublin, "the most improper place for the manufacture, and where it is much to be wished it may not flourish." And he insisted that Ireland "has not a sufficiency of wool to carry those manufactures to any great extent" and paid high prices that "must prevent her" from posing a serious competitive threat to England.¹⁵¹

When Sheffield turned to the Navigation Act, he continued to echo the Irish government's logic but this time to vigorously oppose Pitt's proposals. Just as Foster had envisaged the Navigation Act as a lever for Ireland to attract British merchant capital, and foster Irish manufactures through reciprocal trade with America, Africa and Asia, so Sheffield argued that it was Great Britain's "only barrier remaining against the migration of her manufactures and merchants." He cited the preamble of the act on the reasons for "confining Colonial and foreign trade," which included "securing a vent for woollen and other manufactures." And he insisted that "mere mercantile gain is an inconsiderable object, when compared with the various advantages of the exchange of commodities; with the value and quantity of industry, which the above system of trade diffuses throughout the community; with the employment given to an incredible number of people."

If Ireland was extended the benefits of the Navigation Act, Sheffield argued, "the merchants of Britain would be encouraged to avail themselves of the peculiar situation of Ireland, to carry on the whole of their re-export trade through that country, and they would find means of supplying three fourths, perhaps, of their cargoes from thence. They would fix houses in Ireland, transmit capitals, and by degrees, migrate thither themselves." And since the value of trade under the Navigation Act was "best ascertained by the quantity of employment and maintenance given to the industrious part of the community," towns like Glasgow, Liverpool and Bristol would feel the effects of Ireland becoming a depot for imperial trade in their manufacturing hinterlands.¹⁵²

Sheffield's pamphlet was a substantive and rhetorical *tour de force* since it attacked the commercial core of Pitt's Irish proposals by hoisting Foster on his own petard. Its warnings echoed through Britain's manufacturing community like thunder in the weeks that followed. And although there had been a sharp recovery in exports with the conclusion of peace, many British manufacturers expressed concern about holding

¹⁵¹ Holroyd, 24; see also 25–26.

¹⁵² Holroyd, 35, 39, 43.

on to their traditional markets now that they had to compete for them with other states. Given that uncertainty, it seemed like madness to dissipate the remaining commercial privileges that British manufacturers and merchants enjoyed by allowing Ireland to share them.

It was such fears that the “manufacturing Lunaticks”—Matthew Boulton, James Watt and Josiah Wedgwood—expressed in their private correspondence, and that mobilized manufacturers across Great Britain to oppose Pitt’s proposals. More than anyone else, it was Josiah Wedgwood who led this campaign as chairman of the General Chamber of Commerce. He denounced theorists like the Dean of Gloucester, Josiah Tucker, who applied the principle that poor countries could only catch up slowly with rich ones. That would be true for Ireland, he said, “if she had the arts of manufacturing, or all that part of them in which she now falls short of England, to learn *ab origine*, by her own industry and application.” And it might be true, he explained, “if the English merchant or manufacturer was debarred from transporting his *capital*, as well as his *knowledge* and *experience*, to a land where he can employ them far more beneficially to himself than he can here.” But it would not be the case, he insisted, if Pitt’s proposals were passed since “Ireland would soon become the *grand emporium*, the *medium* through which the principal part of all the foreign commerce of England would be carried on.”¹⁵³

Neither Pitt nor Orde saw this attack coming since they did not conceive that powerful men of capitals would leave Britain to make their fortunes in another part of the empire. But it was that possibility that Sheffield and Wedgwood took seriously. Over and above their specific circumstances, the fear that united British manufacturers was the image that Wedgwood and Sheffield evoked of an offshore trading emporium for England’s great men of merchant capital supplied by cheap manufactures from Ireland’s countryside. That fear, of course, was the mirror image of Foster’s hope for the future of Ireland but his hope was to be dashed in Britain.

As Pitt’s proposals wound their way through controversy and caviling, the proposals were qualified and extended to protect Britain against a potential flight of its capital, and the manufacturing skills and machines that might follow. When the proposals returned to Dublin—qualified and elaborated in twenty propositions—they had become Pitt’s British propositions. Their character was so altered as to make them displeasing even to Ireland’s political elite, something that became clear

¹⁵³ Letters of Josiah Wedgwood, vol. 15, 1781–1794, 21–22, Josiah Wedgwood, *Reply to Dean Tucker’s Pamphlet*, Reflections on the Present Matters in Dispute between Great Britain and Ireland, 1785.

when the furor in Britain roused Irish parliamentarians to actually study the details of what was being proposed before they voted on them.¹⁵⁴

Conclusion

Political historians have cast the key stakes involved in Pitt's Irish proposals in terms of ideological commitments about trade. In this paper, in contrast, I focus on the concrete economic issues involved. To do so is to recognize that Pitt's proposals emerged from years of debates in which contemporaries conceived of the British Atlantic as an economic system in which participants had opportunities and constraints that depended on their status in the British Empire with respect to trade, navigation and credit arrangements. I use the term "British colonial capitalism" to evoke the economic system they described and to distinguish it from the commercial or merchant capitalism more commonly used to characterize the period before the widespread diffusion of machines and factories in Britain.¹⁵⁵ To insist on British colonial capitalism, rather than colonial capitalism in general, is to implicitly acknowledge that other empires provided the political backdrop for different types of economic system that are not dealt with in this paper.¹⁵⁶

Speaking in terms of British colonial capitalism offers insights about power and profit in the British Atlantic that are concealed behind terms like "mercantilism" and "free trade." These terms convey an image of a commercial society in which people profit through work and exchange, and power is the reserve of the state. Instead, as late as the mid 1780s, the British Atlantic economy was understood by those who tried to

¹⁵⁴In Feb. 1785, when Pitt's Irish proposals were presented to the Irish parliament, members were told that there was no officer in Ireland capable of furnishing information on bilateral trade, existing duties, etc., that parliamentarians requested. In Aug. 1785, in contrast, the Appendix is full of tables, replete with such information and much more, as well as copies of evidence given to the British parliament: see 12 Aug. 1785, *Journals of the House of Commons of the Kingdom of Ireland* (Dublin, 1784), Appendix.

¹⁵⁵See, for example, Jan Luiten van Zanden, "Do We Need a Theory of Merchant Capitalism?," *Review (Fernand Braudel Center)* 20, no. 2 (Spring, 1997): 255–267; Jürgen Kocka, *Capitalism* (Princeton, 2016); Jairus Banaji, *A Brief History of Commercial Capitalism* (Chicago, 2020).

¹⁵⁶One major distinction that contemporaries made between the French and British imperial economies, for example, related to credit, notably the fact that French manufacturers offered only six months credit compared to eighteen months for their British counterparts: Great Britain. Parliament, House of Commons. *Report of the Lords of the Committee of Council Appointed for the Consideration of all Matters Relating to Trade and Foreign Plantations Submitting to His Majesty's Consideration the Evidence and Information They Have Collected in Consequence of His Majesty's Order in Council*, 11 Feb. 1788 (London, 1788), part V, House of Commons papers, Great Britain parliament.

imitate and perpetuate it as a form of capitalism that depended on imperial privileges and restrictions. In line with Giorgio Riello's recent argument, British industrialization was seen as inextricably linked to the privileged access that British manufactures enjoyed to markets at home and abroad.¹⁵⁷ For the British to take advantage of their trade and navigation privileges, however, "capitals" were essential for offering cheap and lengthy credits. We know that British capitalism was soon to be remade, but this paper makes it clear that even after the American Revolution, contemporaries were more preoccupied with shoring up colonial capitalism than with ushering a new system of industrial capitalism.

Emphasis on British colonial capitalism offers insights not only on the "head" of the empire but also on the important and unusual "member" of the British Empire that is the focus of this study. As we have seen, Ireland's dependent relationship to the British imperial economy, and the perceived failure of "free trade" to overcome the country's poverty, led Irish "improvers" to consider bolder approaches to economic improvement. Their responses generated a fierce rivalry over plans for Irish improvement, but their rival plans agreed on one crucial point: the importance of attracting "men of capitals" to Ireland to overcome the structural advantages it had accumulated as a member of the British empire.

The lens of British colonial capitalism allows us to understand why the structural advantages and disadvantages of the head and members of an empire were so persistent precisely because they could not be altered by extending trade or shipping privileges. It proved especially difficult to replicate Britain's system of credit creation in other parts of the British Empire. That was widely understood in Ireland by the time Pitt arrived and explains why the battle among Irish "improvers" shifted from trade arrangements to the broader institutional conditions they deemed necessary for Ireland to participate on more equal terms in British colonial capitalism.

Clearly, this story of Irish improvement offers scope for fruitful comparison with other members of the British Empire. Comparisons of the political economy of manufactures offer avenues for further exploration as existing research on the connections between Mathew Carey and Alexander Hamilton suggests. On the crucial theme of the credit system, both India and the United States offer fertile ground for comparison with Ireland, given historical research already undertaken on both cases.

¹⁵⁷Giorgio Riello, "Cotton Textiles and the Industrial Revolution in a Global Context," *Past & Present*, Volume 255, Issue 1, May 2022, 4.

This paper also contributes to our understanding of European political debates in the second half of the eighteenth century following the “economic turn.” Certainly, it is a warning against too ready a use of the term “economic enlightenment” to characterize the patterns we observe across European states. Irish “improvers” from William Knox to John Foster were determined that Ireland would derive greater benefits from what we now acknowledge as the most noxious features of the British imperial economy. Their awareness of the brutality of the African slave trade and American plantations did not diminish their ambitions for Ireland’s increased participation in the profits these trades seemed to offer. As far as domestic political economy was concerned, moreover, Foster and other members of Ireland’s political elite were keener on repression than freedom for most of the Irish population and willing to justify it in religious terms. They certainly cared for improvement, not just for their own direct benefit but also to diminish the widespread poverty they saw as an embarrassment and a threat, but it is difficult to see what interpretation of enlightened would make them so.

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