

ABSENTEEISM

ECONOMICALLY CONSIDERED :

A PAPER READ BEFORE

THE DUBLIN STATISTICAL SOCIETY,
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BY

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THIS society was established in November, 1847, for the purpose of promoting the study of Statistical and Economical Science. The meetings are held on the third Monday in each month, from November till June, inclusive, at 8, P. M. The business is transacted by members reading written communications on subjects of Statistical and Economical Science. No communication is read unless two members of the council certify that they consider it in accordance with the rules and objects of the society. The reading of each paper, unless by express permission of the council previously obtained, is limited to half an hour.

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*Absenteeism Economically Considered.* By the Honorable John P. Vereker, Barrister-at-Law.

Gentlemen,—In addressing you this evening, I am anxious to confine myself as much as possible to absenteeism considered as a mere question of pounds, shillings, and pence, and as it affects the transfer of wealth from one country to another. I propose to examine the truth of the two conflicting theories, by which some economists maintain that every pound sent away, in the shape of absentee rent, is a complete loss or annihilation of that portion of the income or capital of the country; and by which others assert that so far as her wealth and prosperity are concerned, it is a matter of indifference whether a few or the whole of her wealthy inhabitants desert her shores, and reside abroad. But in treating of this question, I find it almost impossible to confine myself within those narrow bounds, and to do at the same time anything like justice to the subject; for many other considerations purely economical are involved in the question, in a manner that at first sight is apt to escape our observation. For instance, in our calculations of the losses a country sustains by absenteeism, we are entitled to take into account its effects upon the progress of manufactures, and to presume that peace and security for property exist, without which manufactures cannot prosper; and if on examination it appears that non-residence is a cause or promoter of insecurity, we are entitled to take into account the evils that consequently result, as well as the expense it entails upon the country, in the support of additional military and police—in the enforcement of justice, and the punishment of offenders. These subjects must be examined before we can estimate the mere economic evils of absenteeism; and to them and other similar circumstances it will be necessary to allude occasionally in as brief a manner as possible, for I feel that I should otherwise leave the portion of the subject most important, even as an economic question, untouched; and in doing so, I shall strictly observe the most salutary of all our rules—that which prohibits the introduction of any sectarian or political topic into this society.

Absenteeism is at present one of "*the unsettled questions in political economy.*" In discussing its effects upon the welfare of a country, some of the most distinguished professors of the science, arguing from premises universally admitted, have widely differed in their conclusions. Now Locke, in his "Essay upon the Human Understanding," remarks, that whenever competent persons come to different conclusions from the same data, it will generally be

found on examination, that the different results which follow arise from a latent ambiguity in some of the terms used by them. This was actually proved to be the fact in the case of Malthus's theory of population. After it had given rise to many conflicting arguments, Archbishop Whately, with his usual acuteness, clearly demonstrated that the difficulty altogether arose from an undetected verbal ambiguity in the word "tendency;" and to guard myself from this error, from which I feel much of the difficulty experienced in the examination of the effects of absenteeism upon the wealth of a country arises, I feel it necessary, before I enter into this subject, to explain the meaning I wish to convey when I allude to the effect of any particular thing upon the wealth and prosperity of a country. A country, then, is wealthy "when its entire produce is shared among its inhabitants, and when this affords an adequate fund of subsistence for every industrious individual then and there existing;" and by "an adequate fund of subsistence" is meant, a sufficiency to enable an industrious man to enjoy every necessary of life, and to save enough, with a reasonable amount of abstinence, to enable him to guard against the accidents of time and fortune, and to obviate the various casualties to which he may be exposed. On the other hand, anything that disturbs these conditions will detract from the wealth of a country.

This definition may not perhaps be considered philosophically correct, and may be open to some trifling objections; but if it assists me in making myself intelligible this evening, it will have fully answered all I desire.

I felt it more necessary, at the commencement of this subject, to make the foregoing remarks, as I shall presently have occasion to point out the errors into which I conceive other writers have fallen, from neglecting to attend to this apparently trifling circumstance.

Another thing that has contributed to render discussions upon the question of absenteeism difficult and uncertain is, that the subject is spread over so large a space, and embraces so many different topics of importance easily confounded with one another, that we seldom find two persons meeting at exactly the same point, and asserting, the one the affirmative, the other the negative. To obviate this difficulty, and to narrow the discussion into the smallest possible compass, the simple question to which I propose to call your attention this evening is this:—"Whether, in consequence of the existence of absenteeism, a single pound note is transferred across the narrow seas with which Ireland is surrounded, and spent at the other side of those seas, which, if absenteeism did not exist, would be spent in Ireland." I care not whether Cape Clear is impoverished to enrich the Giant's Causeway, or whether Connemara is poor and barren because the Hill of Clontarf is rich and fertile. Those questions, no doubt, are of great importance, and will be duly examined when the social state of Ireland is under consideration; but they have nothing whatever

to do with the abstract question of political economy to which I have the honor of calling your attention this evening:—"Whether the wealth of Ireland is diminished by absenteeism, or not; and whether a single pound-note (or what it will purchase) is consumed abroad, which, but for the existence of absenteeism, would have been consumed at home?"

I will endeavour to prove that the effect of absenteeism is to change capital from the manufacture of goods for home consumption, to the manufacture of goods for foreign consumption; and to divert the goods from the home market to the foreign market; and from home consumption to foreign consumption; and from the enjoyment of those who inhabit the country in which the goods have been created by their industry, in connexion with the natural advantages of their soil, to the enjoyment of foreigners who have had neither hand, act, or part in their creation.

Dean Swift and Bishop Berkeley, both of them original thinkers, and no mean adepts in the science of political economy as understood in their days, were of opinion that the poverty of Ireland resulted from absenteeism. Dean Swift has enumerated among the causes of a country's prosperity the following:—The residence of the prince or chief administrator of the civil power; the concourse of foreigners for education, curiosity, or pleasure; the exclusive disposition of all places of honor, profit, and trust among the natives of a country, or those who, from long residence, regard its interests as their own; the expenditure of the rents of land and the profits of employment in the country that produced them, and not in another; and a disposition to wear their own manufactures. After reviewing at some length the effects of absenteeism, and its extent, he comes to the conclusion "that if we *do* flourish, it must be against every law of nature and reason, like the thorn at Glastonbury that blossoms in the midst of winter." Bishop Berkeley asks, "Whether there be upon earth any christian or civilized people so beggarly, wretched, and destitute as the common Irish? Whether there be any other nation possessed of so much good land and so many able hands to work it, which is yet beholden for bread to foreign countries? And whether, if there was a *wall of brass* a thousand cubits high round this kingdom, our natives might not, nevertheless, live cleanly and comfortably, till the ground, and reap the fruits of it?"—whether, in fact, these advantages would not result if absenteeism ceased to exist? Adam Smith, the great founder of modern political economy, was also of the same opinion. He, like Mr. J. S. Mill in more modern times, in enumerating the wealth of Great Britain, excluded that portion of the funds which was held by foreigners and absentees. In allusion to Ireland he is more explicit; thus he says:—"Those who live in another country contribute nothing by their consumption towards the support of the government of that country in which is situated the source of their revenue. If in this latter country there should be no land

tax, nor any considerable duty upon the transference either of moveable or immoveable property, *as is the case in Ireland, such absentees may derive a great revenue from the protection of a government to the support of which they do not contribute one shilling.* This inequality is likely to be greatest in a country the government of which is in some respects subordinate and dependent upon that of some other. The people who possess the most extensive property in the dependent country will, in this case, generally choose to live in the governing country. *Ireland is precisely in this situation ;* and we cannot therefore wonder that the proposal of a *tax upon absentees* should be so very popular in that country."

To those who are not deeply versed in the principles of political economy, these statements would appear sufficiently plain, and would seem to require no demonstration; and accordingly they were for a long time adopted as received and incontrovertible facts. But latterly some economists have taken considerable pains to prove that absenteeism is not really injurious to us; that the revenue spent abroad is really spent at home; and that the money paid every day to the English or French labourer and artizan is, in reality, spent among the Irishmen who are starving for want of it at home. Mr. M'Culloch is the leader of the sect of political economists who have adopted these views, and his evidence before the committee of the House of Commons, in the years 1825 and 1830, is often referred to and quoted; but it will be necessary, before we can review his evidence in a satisfactory manner, to examine as briefly as possible the principles upon which the international trade of different countries depends, and by which the distribution of the precious metals throughout the world is governed.

All intercourse between individuals or communities took place in primitive times by barter. The shoemaker was obliged to purchase the bread he required with the articles he manufactured; and the butcher, before he could purchase a hat, was under the necessity of discovering a hatter in want of meat. All this was very troublesome—often impossible; but by the use of money, that is to say, of a universally recognised medium of exchange, all these difficulties were overcome. The hatter was enabled to purchase meat from a butcher who stood in need of nothing but a pair of shoes; for the butcher, as soon as he received the price of his meat, could purchase with it the shoes he required: yet all dealings are still substantially carried on by barter, and by barter alone; for he who sells his productions for money, and purchases another man's commodities with that money, indirectly exchanges his productions for those goods. And the same may be said of international commerce; their trade is a mere interchange of exports and imports, the one must exactly pay for the other. "Gold and silver," says Mr. Ricardo, "having been chosen for the general medium of circulation, they are, by the competition of commerce, distributed in such proportions among the different coun-

tries of the world, as to accommodate themselves to the natural traffic which would take place if no such metal existed, and the trade between countries were purely a trade of barter." Adopting this principle, the truth of which is universally admitted, we will confine our observations at present, for the sake of simplifying the subject, exclusively to cases of barter.

Under all ordinary circumstances, where a country is possessed of an abundance of labour, and of natural resources capable of being easily developed, her wealth and prosperity will depend altogether upon the industry of her inhabitants; all the foreign produce she consumes being purchased immediately, or after one or more exchanges, with the produce of her industry, exportation and importation will exactly balance one another; and an accurate return of the amount of her exportations—representing the surplus portion of her revenue which she is enabled to expend in foreign luxuries or comforts—will in general be a fair criterion of her wealth; for we must remember that every country, with exceptions so trifling as not to require particular attention, produces within itself all the necessaries of life. Under a wholesome state of things, the fact of a country's importing anything at all is a proof of wealth, for she is obliged to pay by her exports for whatever she imports; and if those exports consist of the necessaries of life, it will be evident that she produces more than enough; and if those exports consist of home-produced luxuries, it will follow that her inhabitants possess a tolerable amount of wealth, as otherwise they would be too much occupied in the production of necessaries, to be able to invest their time in the manufacture or creation of luxuries.

There are, however, many cases in which a country is obliged to export its produce without receiving any equivalent: subsidies to an army engaged in a foreign war; a tribute to another country; remittances to unproductive colonies, and rents paid to non-resident proprietors, are cases of this kind. This will appear more evident if we trace, in one particular instance, the process through which the rent is paid by his tenant to an absentee proprietor, eliminating all immaterial facts for the sake of rendering the example more clear. Some writers have calculated that the rent annually paid to Irish absentees amounts to six millions; some others to five millions; Mr. M'Culloch to three millions and a half. Let us take four millions. Let us assume, for simplicity's sake, that there is but one absentee landlord, that he has but one tenant, and that there is but one export harbour in Ireland. All dealings between individuals and countries, as we have already seen, actually take place by barter, and a nation makes all its payments in reality with the product of its natural resources, and of the industry of its inhabitants. The revenue of Ireland consists altogether of its agricultural produce, and it is therefore in cattle or corn that the rent of the absentee will be actually paid. In the case we have supposed, his agent will arrive with a number of

vessels at the export harbour; the tenant will hand him over corn or cattle to the value of four millions, which his country will lose for ever, while *the only equivalent* either the tenant or the country will receive for that enormous amount of wealth, will be *the receipt in full* for the tenant's rent from the absentee landlord.

Now the case is exactly the same where payments are made in money, not in kind. The effect is not so visible nor so immediate, but it is really the same. Money, as a medium of exchange, possesses a sort of elasticity, and may be compared, in commerce, to the compensation balance or wheel in mechanics; where things go too fast, it acts as a check; where things go too slow, it acts as a spur. Coin is of *real* value in commercial dealings; it is not only a convenience, but, by the time it saves—and time is money—it actually adds to the wealth of a country. The precious metals being therefore objects of universal desire all over the world, it is impossible for more money to find its way into and remain in a country, than that which is actually required for its currency. Let us now examine Ireland as a trading country. She will of course export all she can sell at a remunerative price, and import all she requires from abroad. The payments for these goods will be actually made in bills of exchange, drawn by the merchants upon one another; but if, in the course of trade, Ireland has imported goods exceeding by £100,000 the value of her exportations, she will have to pay this balance *by cash abstracted from her currency*. The circulating medium, therefore, which was hitherto, as we have shewn, only sufficient for the purposes of commerce, will now become insufficient; and the currency that remains will be spread over the entire country in a more attenuated form. The absence of money will be everywhere felt; and a desire coupled with an effort to obtain it on the part of those who have the power, will be universally diffused. But to get it back from another country, *it must be bought*; and as we have already assumed in this example, that Ireland had exported *all she could profitably export*—and every country does this—it will follow that she will be constrained (subject however to some slight qualifications, which will be noticed hereafter), under the elastic pressure created by the absence of a portion of her currency, to sell at a loss, until she recovers the balance. But, as it is improbable that the absence of a portion of the circulating medium of the country should be so immediately felt, the result will be—and the result practically is—a tendency on the part of the country in the situation in which we have supposed Ireland to be, to sell all her exports at a cheaper rate than she would in the legitimate course of commerce; so that the loss, instead of falling exclusively and heavily upon the portion of her exports *exported to purchase back the £100,000 above-mentioned*, will be evenly diffused or spread over *the whole* of the manufactures or produce exported by her, as well for the payment of the necessary imports, as for the re-purchase of the £100,000. I am aware that a country in such a position as that in which I have supposed



Ireland to be, could, by exercising great self-denial, and by abstaining from the consumption of foreign articles, easily, by her exports sent abroad in the legitimate course of trade, re-purchase the £100,000 already mentioned; but nations seldom possess so much public virtue; and besides, even if they did, as it would take a long time by such means to repair the loss of currency, it is very probable that the damage and inconvenience experienced by the merchants, would really exceed in amount the losses they would sustain by actually purchasing back, by a rateable tax, the deficit that had taken place in the currency.\*

There are several other points to which it is necessary to allude before we can be satisfied that this subject has been thoroughly examined in all its bearings. We have already reviewed, to a certain extent, the effects produced by the loss of a portion of her currency upon a country. But they are far more complicated than would at first sight appear. Let us for a moment examine the effects produced upon the money-prices of commodities in the countries to which the £100,000 has been imported, and from which it has been exported. Let us call the first country England, and the second country Ireland. By the import of the £100,000 into England, money-prices will of course rise, and by the export of that amount, money-prices will, for the same reason, fall in Ireland. Let us suppose, for the sake of example, that by this process money-prices have doubled in England, and been reduced one-half in Ireland;† and supposing that before the disturbance of the currency, a yard of cloth sold in England for two shillings, and a yard of linen sold in Ireland for the same price, putting the cost of carriage, &c., out of the question altogether, it will follow that the yard of cloth would have exchanged for the yard of linen; but by the rise in money prices we have supposed in England, the yard of cloth will sell there for four shillings, while the yard of linen will only sell in Ireland for one shilling. The English merchant will therefore be able, by bringing over a yard of cloth to Ireland, to purchase—not one yard of linen as he would have formerly done, but four yards. While all this is affecting the English market, a counterbalancing process is also at work. The Irish merchant could, before the change in money prices, have sold his linen in England for two shillings; but money prices having doubled in

\* The word “merchant” is here used in its widest signification.

† This will not, of course, be the case literally, unless under these circumstances:—1st. That Ireland exports the whole £100,000 to England; 2ndly. That the currency of England and Ireland are equal; 3rdly. That the currency of each country is £200,000. Where these relations vary, the effects vary also, and lead to results new and interesting; and the more the subject is investigated, the more laws and consequences—novel and important—unfold themselves before us, and seem

“———— in wilds immeasurably spread,  
To lengthen as we go.”

An examination of these topics would alone afford materials for several interesting papers.

England, he can now sell it there for four shillings; with which he can now purchase the yard of cloth as he could have done before. Now if this reasoning was literally correct, uncontrolled by any modifying circumstances, the conclusion drawn from it by some eminent writers on political economy would be perfectly correct. Under such circumstances, the Englishman in Ireland would be able to purchase much more than the ordinary amount; while the Irishman in England at best would only be able to purchase what he could always have obtained. These two causes, qualifying one another, would prove, however, invariably injurious to the country that had been obliged to export her currency; and would compel her inhabitants to pay dearer for every article of foreign produce consumed by them.

This statement, however, is not literally correct, but is modified by a number of controlling causes which I must now endeavour to examine. It is not literally true that if the money price of cloth in England was two shillings a yard, and the currency was doubled, cloth would rise to four shillings; for cloth is largely consumed abroad, and its price in England of two shillings is a price that does not depend upon the home market alone, but depends also on the foreign demand. It would therefore be necessary, in order to double the money-price of cloth in England, to double the currency of every foreign market in which cloth was sold. The English merchant of course, when, by the increase of the currency in England, the money price had risen to four shillings a yard at home, would not sell it to the foreigner for less; the foreigner would therefore take but a small amount, and the residue would be sent back to England, where competition in the now over-stocked market would rapidly bring down the price. And linen, for the same reasons, (by inverting the argument) would not fall one half in price by the loss of half the currency of Ireland.

It must also be borne in mind, that Ireland was one of the countries that consumed cloth, and upon whose consumption the price of cloth to a certain extent depended. And now, far from being able to pay double, her own currency being diminished one-half, she can only afford to pay half what she did. She will therefore consume less; and more unsold cloth will be thrown back upon the English merchant's hands, and the price of cloth will fall still more. And by again inverting this argument, and applying it to England, viewed as a consumer of Irish linen, it will be evident that linen will fall still less in Ireland. It will therefore follow that the loss to Ireland will not be nearly so great as might at first appear. The effect of the rise on foreign goods and the fall in the home-market will be to act as a premium on exportation, and a prohibitive duty on importations. The use of foreign luxuries will therefore be limited to a considerable extent until the currency is gradually restored; for in purchasing them, the Irishman, now able to pay less, will be required to pay more. But whether these circumstances will do more than cover the additional price the Irishman is obliged to pay for the foreign

luxuries he consumes, or whether it will even do this, or whether it will restrict the use of foreign commodities so much as to compel foreigners to pay such a country for part of her productions in gold, and thus restore the currency, is a question purely statistical, and for the solution of which I fear we do not at present possess sufficient materials. I believe, however, that those who have studied the subject will agree with Mr. John Stuart Mill, that the country that exports her bullion, or that pays in money an absentee rent—in fact, the tributary country, will not only lose the entire tribute paid, but something additional, in the high price it will be obliged to pay for imports, and the low price at which it will be obliged to sell its exports. As his ideas differ in many respects from what I have said, I feel it necessary to give his opinion in his own words:—

“Before closing this discussion, it is fitting to point out in what manner and degree the preceding conclusions are affected by the existence of international payments not originating in commerce, and for which no equivalent in either money or commodities is expected or received; such as a tribute or remittances of rent to absentee landlords, or of interest to foreign creditors, or a government expenditure abroad, such as England incurs in the management of some of her colonial dependencies.

“To begin with the case of barter. The supposed annual remittances being made in commodities, and being exports for which there is to be no return, it is no longer requisite that the imports and exports should pay for one another; on the contrary, there must be an annual excess of exports over imports, equal to the value of the remittance. If, before the country became liable to the annual payment, foreign commerce was in its natural state of equilibrium, it will now be necessary for the purpose of effecting the remittances, that foreign countries should be induced to take a greater quantity of exports than before, which can only be done by offering those exports on cheaper terms, or in other words, by paying dearer for foreign commodities. The international values will so adjust themselves, that either by greater exports, or smaller imports, or both, the requisite excess on the side of exports will be brought about, and this excess will become the permanent state. The result is, that a country which makes regular payments to foreign countries, besides losing what it pays, loses also something more, by the less advantageous terms on which it is forced to exchange its productions for foreign commodities.

“The same results follow on the supposition of money; commerce being supposed to be in a state of equilibrium when the obligatory remittances begin, the first remittance is necessarily made in money. This lowers prices in the remitting country, and raises them in the receiving. The natural effect is that more commodities are exported than before, and fewer imported; and that on the score of commerce alone, a balance of money will be constantly due from the receiving to the paying country. When the debt thus annually due to the tributary country becomes equal to

the annual tribute or other regular payment due from it, no further transmission of money takes place; the equilibrium of exports and imports will no longer exist, but that of payments will; the exchange will be at par; the two debts will be set off against one another; and the tribute or remittance will be virtually paid in goods. The results to the interests of the two countries will be as already pointed out; the paying country will give a higher price for all that it buys from the receiving country; while the latter, besides receiving the tribute, obtains the exportable produce of the tributary country at a lower price."

Now, gentlemen, referring to the definition I gave above, as a test by which to discover whether any given circumstance diminishes the wealth of a nation, it will follow that that nation experiences a loss of wealth, which exports, for any reason whatsoever, a single bale of merchandise for which it receives no equivalent; for the inhabitants, circumvented by that *wall of brass* described by Bishop Berkeley, or confined within the narrow compass of the four seas that surround them, lose—one or more, or perhaps all of them—that *portion* of the produce or wealth of their country.

We are now in a condition to examine Mr. M'Culloch's opinions on absenteeism. The following extracts from his evidence before the House of Commons on the state of the Irish Poor, in 1830, are often triumphantly referred to as a complete refutation of the opinions long held by eminent men on the disastrous effects of absenteeism:—

"Q. 6604. For the proportion of those provisions sent from Ireland which are applied to the revenue of the absentee proprietor, what does Ireland get in return?—She pays the rents of the absentees; she feeds and clothes those persons in England she would have to feed and clothe at home, were there no absentees.

"Q. 6637. Can you say what is given in return to Ireland for that portion of the produce which goes to the expenditure of absentee proprietors in England?—The return is that she gets the absentees kept in England. She gets those persons kept here (in England), who, if there was a stoppage of their remittances, she would be obliged to keep at home; and she keeps them cheaper in England than she could keep them at home; a fact which is evinced by the circumstance of their coming over here,"

Now from this it is evident that Mr. M'Culloch was of opinion, that the movements and the residences of individuals were wholly determined by motives of economy; whereas it is notorious that this is not the case; and that Irishmen go to England *to spend*, and either go abroad or sometimes come home *to save*. And it is also evident that he confounded the name borne by the absentee with the country in which he ought to have resided; and the welfare of the one with the welfare of the other. It is a matter of perfect indifference to Ireland, as a country, whether she sends annually £4,000,000 to Irish absentees in England, who do not

even call themselves Irishmen, or whether she sends it to the same parties in Paris, or to the President of the French Republic. To Ireland it is a matter of perfect indifference; and the absentee, the moment he deserts her shores, becomes to all intents and purposes as dis severed from his country as if he had never belonged to her; and to speak of the luxury and enjoyment in which an absentee lives in England as a benefit to his countrymen at home, is as much a confusion of terms, and a palpable fallacy, as if we were to envy the blessings Ireland derived from the building of an Irish steam mill in Glasgow, or from the planting of an Irish vineyard on the banks of the Rhine, or the erection of an Irish factory in Timbuctoo.

There are two arguments in extenuation of absenteeism that appear to require particular notice. The first is by those who admit that absenteeism does injure Ireland, by withdrawing that fund which would otherwise give employment to Irish labourers, and custom to Irish tradesmen; but then they say the tradesmen and labourers follow the demand, and emigrate from their own country to where the wealth taken from it has gone; therefore Ireland does not suffer. It is evident that this is again a mere confusion of terms, and that a few individuals are confounded with the entire country; for here it is admitted that the employer leaves the country; that he takes with him the money that used to give employment; and that, owing to the poverty thereby produced, the labourers and tradesmen are also obliged to emigrate. The fallacy of this proposition will be sufficiently evident by taking an extreme case. Supposing all the employers were to leave the country, and carry with them their entire annual incomes, every labourer or tradesman, whose previous occupation had been to produce what ministered to pleasure or luxury, and the great mass of professional men filling every grade in the social scale, would all be immediately thrown out of employment. A few, perhaps, would be able to overcome the obstacles presented to the settlement of strangers in a foreign land; but the greater portion of them would probably perish by starvation; and the population of the country would, in a short time, be reduced to perhaps a tenth of its former amount. Those who maintain that such things are not injurious to a country must attach to the phrase, "the wealth of a nation," a signification totally at variance with the ordinary acceptation of that term. The same reasoning applied to England would, *mutatis mutandis*, amount to this; that the entire mass of English factory proprietors might emigrate to France, and commence operations there, without detriment to their own country; as the immense multitude of labourers thereby thrown out of employment would follow them to France, and settle permanently there. The English tax-payers would soon feel that some of those who had shared the taxes with them had withdrawn their wealth from the country.

The second argument is best stated by an extract:—"If we did not take wines from the continental nations, for instance, we

should not send to the continental nations our cottons and hardware; and the same principle applies to all the countries of the earth with which we have commercial intercourse. The landlord, therefore, by consuming the foreign wines, encourages our own manufactures of cotton and hardware as much as if, drinking no foreign wine at all, he applied the money so saved to the direct purchase of cotton and hardware at home. But he even bestows a greater encouragement upon native industry by consuming wine which has been exchanged for cotton and hardware, than if he abstained from drinking the wine; for he doubtless himself uses as much cotton and hardware as he wants, as well as the wine; and by using the wine he enables *other people in Europe* to use the cotton and hardware, who would otherwise have gone without it."

If my reasoning hitherto has been correct, this argument will appear erroneous in many respects. The first is this; that whether we take foreign wine or not, the foreigner will purchase from us any thing he requires, provided we offer it, duty, &c. included, cheaper than he can purchase it at home. The second error appears to be this; that it does not admit that the less we consume of foreign produce, and the more we export, the cheaper we will obtain the foreign produce we do purchase; for the foreigner having paid us a balance in gold, will be obliged to purchase it back from us with his exports; and the less willing we are to purchase them, the more will he be obliged to reduce their price, till he at last tempts us into purchasing them from him. There are various other errors in the above extract, which are so evident as not to require particular notice.

I have now, I hope, demonstrated that absentee rent is like a tribute; and that it must invariably be paid in kind: for if paid out of the currency, it leads to a series of evils so great as to compel the immediate repurchase of the currency thus lost. If the absentee rent amounts to four millions a year, we consume produce or create capital less by four millions than it would otherwise have been. Our exports must consequently exceed our imports by that amount every year. The fallacy into which most economists fall when they speak of absenteeism will now be evident. They say absenteeism *creates an additional demand* for Irish manufactures, to the amount of four millions annually; whereas it will now be apparent, not that it creates a demand, but that it *compels a sale*—that it compels a sale, from the proceeds of which the inhabitants residing within the limits of that country derive no advantage whatever. And that is not the only evil which she suffers: for a country, like an individual that is *compelled* to sell, does so always at a loss; whereas the country\* to which these articles must be

\* This will be equally the case if the purchasing country comprises two or more countries, or the whole of the mercantile world exclusive of the selling country.

sold, and which may or may not purchase at its own option, will always make a good bargain, and will never purchase the goods except it can do so on highly advantageous terms. One is compelled to sell; the other must be tempted to buy.

Hence it will follow that the value and amount of our exports, far from being a proof of our wealth or prosperity, as Lord Montague and Mr. Montgomery Martin assert, is, on the contrary, a conclusive proof of our poverty, and of the enormous tribute drawn from our country by absenteeism. As well might it be said that the shopkeeper, who is compelled by pecuniary misfortunes to sell "at an enormous sacrifice," not only his stock in trade, but the fixtures and furniture of his shop, was in a prosperous condition because his "exports" were very great. And the only difference between the condition of such a shopkeeper and that of Ireland is, that the one gets *some* pecuniary consideration for whatever he parts with, and that the other gets *no* equivalent whatever for the greater part of her exports, to the amount of four millions annually. Mr. Butt, in his able lectures upon Irish manufactures, has compared our export trade to that of the captive Jews:—"Had the land of Goshen been separated from Egypt by the sea, the children of Israel, according to this theory, would have carried on a very thriving export trade in the products of the brick-kiln, when they were bound to supply a certain quantity to their task-masters." "Our provisions are sent abroad," he says, "with just as little advantage to the country from the act of exportation, as, in the case we have supposed, the Israelites would have derived from the exportation of their bricks."

It is now necessary to return to the first example I gave, of the case of an absentee whose rent was wholly paid in kind. We there found that the entire rent paid was for ever lost to the country. But in answer to this, it is sometimes said that it is a matter of perfect indifference where a wealthy man resides, as his whole income is unproductively consumed by him; and consumption being an annihilation of property, it matters not where it is annihilated. But this argument proceeds upon an assumption which is totally false. The portion of a resident proprietor's fortune *unproductively consumed by himself and family* bears only a very small proportion to the residue of his income. The rest either supports tradesmen and servants in the country where he resides, or is productively expended; and though it is true, as it is sometimes said, that if the absentees resided in this country, a great portion of their incomes would be devoted to the purchase of foreign commodities and manufactures, or consumed in unproductive expenditure, yet if we assume the extreme, rather the impossible case, of a landlord's spending his entire income upon foreign productions alone, his countrymen will nevertheless derive considerable advantage from his expenditure. The retail dealer and the wholesale merchant will each of them retain his profits and commission, averaging from twenty to thirty per cent each; and thus a large portion of his in-

come will remain in the country, while the whole of it will circulate in a fertilizing stream throughout the land, like the Rhine, which loses itself in the sands before its waters can mingle with the ocean. And though a great portion of a resident gentleman's income may be, and sometimes is expended unproductively, yet a great part of it will be spent, perhaps unintentionally, in increasing the resources of the country, and adding to its real wealth. We may mention as examples, the money expended on permanent buildings, on the reclamation of waste lands, in drainage, and in improvements upon his estate, by which the produce of the land, and consequently the revenue of the country, is permanently increased; whilst the wages he pays to his workmen are often employed by them, under his superintendence, in reproductive works of the same kind. But when such a landlord becomes an absentee, those improvements are suspended, or go to enrich the soil or beautify the buildings of some foreign country; the bustle of active industry is then heard no more; gloomy silence every where prevails; and many a rising town turns into a "deserted village."

Let me mention two more evils that result from absenteeism. The first is the loss of the absentee himself, considered merely as a labourer, whether corporeal or mental I care not. An industrious country being like a hive, where every one has his allotted task to perform and place to fill, the loss of a single individual is a loss to the community at large. The other objection is ably handled by Dr. Longfield:—"It is admitted," he says, "and even relied upon as an argument on the other side, that the effect of absenteeism (they call it the only effect,) is to divert capital from manufactures for home consumption to manufactures intended for exportation; that is, from a trade in which the returns are quickly made to one in which they are received after a longer period." And he adds in another place, "A capital of £1,000, if employed in a manufacture which returns it in two years, will give an income of £50 a year to ten labourers; but if it is employed in business where the return is made in a period of six months, it will give the same employment and wages to forty labourers."

Bearing in mind what has already been said, it will follow that the exports of Ireland annually exceed her imports by £4,000 000—the amount of the absentee remittances. Ireland, therefore, in consequence of the existence of absenteeism, loses annually the enjoyment of foreign luxuries to that amount; or more probably, the advantages that would result from the profitable investment of a great portion of that sum in this country. Let us now consider what effect the investment of such a sum in Ireland would be likely to produce.

The entire rental of Ireland, according to the poor-law valuation, amounts to about thirteen millions a year. It will therefore follow that nearly one-third of her entire rental is abstracted without yielding any return; or in other words, that an annual sum of four millions, which, if absenteeism did not exist,



would be annually added to the wealth of the country, and in all probability invested directly or indirectly in trade or commerce, vanishes annually out of the country as completely as if it was cast into the sea. The linen trade, generally spoken of as the staple of the country, according to a calculation in the work upon Ireland published by Mr. and Mrs. S. C. Hall, ( and subsequently adopted by Sir R. Kane,) is supported and entirely dependent upon a capital of five millions ; and yet it gives constant employment to half a million of persons, distributing annually the sum of £1,200,000 in wages. What immense advantage would therefore accrue to Ireland, if the amount, or even a portion of the amount, annually lost by absenteeism, could be preserved in the country and profitably invested ! What industry would it reward ! — what commerce and trade would it stimulate !

Let us reflect on this. Every four years a sum of money greater than three times the entire capital embarked in the linen trade of Ireland—to the existence of which the comfort and prosperity of Ulster are mainly due—is taken out of the country, and expended or invested in foreign climes—a sum of money which, invested in trade or commerce in our country, would enable in eight years the sum of more than £7,500,000 to be annually spent in paying wages to native workmen—a sum exceeding half the present rental of Ireland !

Hence it appears beyond all doubt, that the poverty of Ireland, the absence of capital and enterprise, her delapidated resources, her expiring commerce and bankrupt tradesmen, her unexplored treasures and unworked mines, her barren wastes, and above all her unemployed population, must be referred to the enormous sums of money withdrawn from the country in the shape of absentee rent. When we reflect upon the evils that poverty and the want of employment—the inability to exercise the natural right every body possesses “in the sweat of his brow to eat bread,”—produce in a country, and when we remember that all the parliamentary committees that have taken the affairs of Ireland into consideration, and all the writers who have reviewed the sad tale of her sorrows—however widely they have differed in their political or religious creeds—have all attributed her present condition to the *want of capital*, surely it must be evident to everybody, that all other remedies must completely fail in producing any beneficial change, as long as the disease—a drain of capital—is permitted to continue. As well might we expect that medicine will cure the patient who is bleeding at every pore. The blood must first be stopped, and remedies can be afterwards applied.

“Ireland is now suffering,” says Mr. Nicholls, in his first report respecting the introduction of Poor-laws into Ireland, written in August, 1836, “Ireland is now suffering under a circle of evils, producing and reproducing one another. *Want of capital* produces want of employment. Want of employment, turbulence, want, and misery. Turbulence and misery, insecurity. Insecurity pre-

vents the introduction and accumulation of capital, and so on. Until this circle is broken, the evils must continue, and probably augment."

And the same opinion might be supported by extracts from every parliamentary paper relating to Ireland for the last thirty years. The absence of capital is, then, the root of all our evils; preventing even the introduction of capital, and offering the most serious obstacle to the success of the English manufacturer in this country; for as soon as a factory is established, or mining operations commenced, hosts of starving wretches apply for employment; for to them to work for sixpence a day is an object of ambition; and when they are rejected, and see starvation staring them in the face, they attempt, first by lawful means, and then by intimidation, to supplant those whom they consider their rivals. This is the secret of the disappointments and failures that sometimes attend enterprising individuals in Ireland; and it is certain that if money circulated more freely, and employment could be more easily had in this country, these evils would cease to exist. It is also to the absence of employment that the intense competition for land that existed in Ireland before the "potato failure" was attributable; and the agrarian outrages that arose from that competition, as well as the subdivision of land, the over-population of the country, and the appalling misery that so strangely finds its home in the midst of the most bountiful gifts of nature.

Having already trespassed so much upon your patience, I am able only to make one short observation on the most important portion of this subject—the social and moral evils that absenteeism entails upon Ireland. It is not so much because our country is drained of its wealth, that it is reduced to its present condition, but because it is also widowed of its natural protectors. The same operation that deprives us of the fruit of our industry and of the wealth of the country, deprives us at the same time of the intelligence, education, and moral power that ought to guide and direct mere brute force. We lose not only our money, but with it civilization and peace; and when we consider the disproportion between the rich and the poor, particularly in a country like Ireland, where there is no middle class, it is evident that the gentry only hold their places by their moral influence:—

"For those who think must govern those that toil;"

But what moral influence has an absentee? In a country like ours, the crown and the poorest person in the kingdom are united by an unbroken chain, composed of links mutually dependent upon one another; but in Ireland one of the most important links in that chain is wanting; and while the poor man feels all the hardships of paying a heavy rent to a person whom he has never seen—aggravated in most cases by the unnecessary harshness of the agent or driver—he possesses none of the advantages other nations derive from a resident proprietary; uncheered by a smile, unen-

couraged by a kind word, he cannot even appeal against the extortion or the severity of the bailiff; for the landlord, who ought to stand towards him *in loco parentis*, "is afar off, and hideth his face from him in the needful time of his trouble."

I have thus endeavoured, in the limited period I possessed, to call your attention to this subject—so interesting and important to Irishmen; and though I cannot help regretting that it has not been undertaken by some more competent person than myself, yet I feel gratified with the reflection, that, if I have thrown no new light upon the question, I have at any rate called your attention to it this evening. And for my part, the more I study the subject, the more convinced I am of the truth of Swift's saying already quoted, "that if we do flourish, it must be against every law of nature and reason, like the thorn at Glastonbury, that blossoms in the midst of winter."