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| Title | Institutionalising changing conceptualisations of charity in Ireland: Charitable loan fund societies in Ireland 1729-1823 |
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| Publication date | 2022-09 |
| Original Citation | O'Connor, R. (2022) 'Institutionalising Changing Conceptualisations of Charity in Ireland: Charitable Loan Fund Societies in Ireland 1729-1823, <i>Studia Hibernica</i> , 48 (1), pp. 37-61. doi: 10.3828/sh.2022.3 |
| Type of publication | Article (peer-reviewed) |
| Link to publisher's version | https://doi.org/10.3828/sh.2022.3 - 10.3828/sh.2022.3 |
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| Download date | 2024-11-13 11:12:17 |
| Item downloaded from | https://hdl.handle.net/10468/13663 |

Institutionalising Changing Conceptualisations of Charity in Ireland: Charitable Loan Fund Societies in Ireland 1729 - 1823

Abstract This paper provides a detailed account of the origins, ethos and distribution of charitable loan fund societies in Ireland between 1729 and 1823. Charitable loan fund societies differed from other early financial institutions because they were area-based philanthropic societies that sought to animate a philosophy of poverty relief that advocated self-help and self-reliance. They were institutional articulations of early modern ideas about the role and nature of charity and how charitable acts should be administered. This paper explains the origins of the first charitable loan fund established by Dean Jonathan Swift in St Patrick's Parish, Dublin city and provides new insights into the origins of the second loan fund operated by the Dublin Charitable Musical Society. It traces the spread of thirty-two charitable loan fund societies across Ireland in the second half of the eighteenth century and the first two decades of the nineteenth century and places them in the wider context of the associational culture that emerged in Ireland from the mid-eighteenth century. It provides a very brief account of the origins and *modus operandi* of each charitable loan society and argues that a critical factor impeding the greater spread of the loan fund schemes was a lack of capital.

Key words: Charitable Loan Fund Societies, Charity, Philanthropy, Poverty, Dean Jonathan Swift, Charitable Musical Society

Introduction

The extent of charitable loan fund societies and their role in shaping responses to poverty relief in the eighteenth the early nineteenth centuries have been significantly underestimated. The *ad hoc* and voluntary origins of charitable loan societies have hindered the ability of researchers to identify the number and geographical distribution of loan fund schemes. By interrogating diverse archival sources this paper collates and contextualises information on thirty-two charitable loan funds in twenty-three locations in sixteen counties.¹

Ireland's first charitable loan fund scheme was launched in 1729 by Dean Jonathan Swift in St Patrick's Parish in Dublin city. It sought to assist tradesmen who had fallen on hard times. Swift's loan fund scheme was extremely significant because it represented the first institutional articulation in Ireland of one perspective on the debate about the nature of charity and poverty alleviation that had started in Europe centuries earlier. Charity in medieval Europe can best be understood as a social contract where 'unwritten rules of dependence and responsibility' played a critical role in underpinning the social order.² Traditionally, responsibility for charitable acts rested with members of the affluent classes.³

¹ These sources included trade directories and almanacs, statistical accounts, annual reports, topographical dictionaries, pamphlets, journals and periodicals, newspapers and parliamentary select committee reports and inquiries

² Larry Geary and Oonagh Walsh, 'Introduction', in Larry Geary, and Oonagh Walsh (eds) *Philanthropy in nineteenth-century Ireland*, (Dublin, 2015), 17-18

³ See James W. Brodman *Charity and religion in medieval Europe*, (Washington, 2009), 9-45

Charity to one's fellow man was an obligation imposed by religious beliefs and a function of one's status in society:⁴ 'to withhold assistance would have been sinful; the poor were entitled to the excess wealth of the rich'.⁵ Unsolicited acts of generosity such as distributing alms to the poor in a non-judgemental way represented a form of absolution for the donor.⁶ This framing of eleemosynary charitable acts was strongly based on the writings and philosophy of Saint Benedict and particularly in his edict 'Let the greatest care be taken, especially in the reception of the poor and travellers, because Christ is received more specially in them'.⁷

In the early modern period, the medieval understanding of Christian charity underwent a radical transformation in Europe.⁸ There was a realisation that, given the persistence of high levels of poverty, traditional forms of charity appeared to have failed. The cost to the wealthy of providing this charity was also an important issue. This prompted a reconsideration of approaches to poverty alleviation. Further, the motivation(s) to provide charity as well as the criteria used to decide who should benefit from it were questioned. Deeply ingrained beliefs and practices were dismantled and replaced by new conceptualisations of charity that were anchored in the Reformation and the rise of capitalism.⁹ Across Europe, social and economic changes associated with the shift from feudalism to capitalism 'made an ever-larger segment of the population vulnerable to poverty' as wealth was concentrated in fewer hands.¹⁰ This challenged the capacity of the existing charitable model to cope. As the poor gravitated to cities in ever-increasing numbers "attitudes toward them seemed to change".¹¹

Responding to poverty through charitable acts was no longer framed solely as a religious duty. Charity was embedded in an unyielding moralism based on promoting a strong work ethic.¹² Influenced by Enlightenment ideology, the desire to make the lower social

⁴ Louis A. Landa, 'Jonathan Swift and charity', *The Journal of English and Germanic Philology*, (henceforth *JEGP*) 44:4 (1945) 337-50.

⁵ Esther Chung-Kim, *Economics of faith: Reforming poor relief in early modern Europe*, (Oxford, 2021), 3

⁶ Georg Rusche, and Otto Kirchheimer, *Punishment and social structure*, (London, 2009)

⁷ <https://www.documentacatholicaomnia.eu/03d/0480-0547>, Benedictus Nursinus, *Regola*, EN.pdf, 60

⁸ Brodman *Charity and religion in medieval Europe*; see also, Chung-Kim, *Economics of faith: Reforming poor relief in early modern Europe*

⁹ Frederick P. Powell, *The politics of Irish social policy*, (New York, 1992)

¹⁰ Thomas M. Salfey 'Introduction' in T. M. Salfey (ed) *The reformation of charity: The secular and the religious in early modern poor relief*, (Leiden, 2003), 4

¹¹ *Ibid*, 5

¹² Powell, *The politics of Irish social policy*

classes less dependent on charity was framed in terms of social progress. At the core of this new approach to managing poverty and the changing nature of charity was an 'emphasis on the virtues of industry and the evils of unqualified assistance'.¹³ Unemployment and underemployment were perceived as indicators 'of individual laziness or other character defects' and not a consequence of wider economic or political circumstances.¹⁴ A clear distinction was drawn between the *deserving poor* and the *undeserving poor*: 'the poor were examined, categorized, assisted and regulated in an effort to limit their numbers and control their activities'.¹⁵ Able-bodied beggars capable of work were categorised as *undeserving poor* who did not merit charity and were expected to take responsibility for their economic wellbeing and to try to improve their financial situations. It was argued that donations to able-bodied beggars merely facilitated unproductive lifestyles and diverted charity from those in genuine need of assistance.¹⁶

This shift in thinking about charity represented a fundamental rebalancing of the social contract embedded in the charitable act. Hughes argues that it was also part of a wider reframing of charity, where contemporaries would have perceived charity as having 'a religious inspiration and purpose' while philanthropy was of 'a more distinctly secular orientation'.¹⁷ Philanthropy removed the non-judgemental element involved in donating to the poor. Gratuitous charity was deemed 'positively harmful to the fabric of society'.¹⁸ From this period, the impulse for eleemosynary charity where 'one-off or very specific donations in cash or in kind to address an immediate crisis' were made, was anchored more in religious and compassionate responses whereas philanthropic schemes aimed at 'providing persons with the tools for self-improvement' were more secular in nature.¹⁹

In England, poor law legislation enacted by Elizabeth I in 1601 created a state apparatus that gave some expression to these new secular ideas around charity.²⁰ Similar

¹³ Ciarán McCabe, *Begging, charity and religion in pre-famine Ireland*, (Liverpool, 2018), 183

¹⁴ Larry Geary, 'The best relief the poor can receive is from themselves': The society for promoting the comforts of the poor' in Geary and Walsh (eds) *Philanthropy in nineteenth-century Ireland*, 41

¹⁵ Salfey, *The reformation of charity*, 1

¹⁶ Landa, 'Swift and charity', *JEGP*, 337-50.

¹⁷ Hugh Cunningham 'Introduction' in Hugh Cunningham and Joanna Innes (eds) *Charity, philanthropy and reform: From the 1690s to 1850* (London and New York, 1998), 2

¹⁸ Powell, *Politics of Irish social policy*, (New York, 1992), 4

¹⁹ Geary and Walsh, *Philanthropy in nineteenth-century Ireland*, 14-15

²⁰ Catherine Cox, 'Health and welfare, 1750-2000' in Eugenio F. Biagini, and Mary E. Daly, (eds) *The Cambridge social history of modern Ireland*, (Cambridge, 2017), 261-81

legislation to this was not extended to Ireland until 1838, and by then the ideas underpinning the philosophical and ideological charitable shift were quite pervasive.²¹ These ideas were first introduced to Ireland by the New English settlers after the Cromwellian invasion in 1649. William Petty, described as ‘the archetypal expression of the ‘early modern’ in Ireland’, was in the vanguard of this movement.²² Petty was ‘an acquisitive adventurer and a practical genius of phenomenal range and versatility’.²³ Having secured the proprietorship of significant lands in South Kerry, his passion for “numbers, precision and forward planning” has left a legacy of unique statistical surveys of the lands he acquired.²⁴ He oversaw the transfer of Irish land to the Cromwellian army. His abilities in quantifying and categorising are epitomised in his organisation, administration and execution of the Down Survey which estimated and mapped Ireland’s population.²⁵ He was among the first to suggest categorising the Irish poor into impotent and able-bodied. The impotent merited charity, the rest were undeserving poor. Reducing Irish society to little more than a balance sheet, Petty estimated the number of ‘impotents’ at 2,000 and allowing 50 shillings per annum, per head to cover their needs, he assessed the cost of looking after the deserving poor – children, the aged, the sick, the lame, the blind – at £8,000. He concluded that all others experiencing poverty ‘are probably but the faults and defects of government and discipline’.²⁶

In the eighteenth century and first four decades of the nineteenth century, in the absence of any permanent state-sponsored poverty relief in Ireland these new ideas about poverty and its alleviation were increasingly manifested in the voluntary sphere. The activities of organisations such as the Society for Promoting the Comforts of the Poor, mendicity societies, benevolent and friendly societies and indeed the first of this type of society, charitable loan funds, were examples of relief-focused initiatives that refused to tolerate ‘idleness’ or ‘laziness’. They re-wrote the social contract that underpinned charitable acts. Many of these charitable loan societies were also part of a wider associational culture among the Irish upper and middle classes where the impulse for ‘sociability and improvement

²¹ Niall Ó Ciosáin, *Ireland in official print culture, 1800-1850* (Oxford, 2014)

²² William J. Smyth, *Map-making, landscapes and memory: A geography of colonial and early modern Ireland c.1530-1750*, (Cork, 2016), 15

²³ Theodore W. Moody, ‘Introduction’ in T. W. Moody, F. X. Martin, and F. J. Byrne (eds), *A new history of Ireland Vol. 3: Early modern Ireland 1534-1691*, (Oxford, 1976), lvii

²⁴ William J. Smyth ‘The ‘conquest’ of Iveragh peninsula: Mapping and surveying, c.1598-c.1700’ in John Crowley and John Sheehan, (eds) *The Iveragh peninsula: A cultural atlas of the Ring of Kerry*, (Cork, 2009), 168

²⁵ Ted McCormick *William Petty and the ambitions of political arithmetic*, (Oxford, 2009)

²⁶ William Petty, *The political anatomy of Ireland*, (London, 1691), 77

became intertwined in a variety of clubs, particularly those with a charitable, improving and intellectual bent'.²⁷ The idea for such clubs and societies had spread to Ireland from Great Britain where over many decades informal gatherings evolved regulations and structures: 'their defining characteristics were minimal, a set of rules, a declared purpose and a membership defined by some formal act of joining. These organisations acted independently of the family, household and neighbourhood, firm or work group'²⁸. Originating in London at the end of the sixteenth and beginning of the seventeenth centuries, they spread to England and 'thence somewhat unevenly to the rest of the British Isles'.²⁹ England's proximity and close political and social ties to Ireland saw the spread of associational culture to Ireland in the early seventeenth century, as the 'elite along with professional, business and artisanal classes' took their lead from developments in Britain society.³⁰ In Ireland such associations which combined leisure with the promotion of individual and communal improvement gained traction from the mid-eighteenth century. By the latter decades of the eighteenth century, as was the case in Britain, associations and societies 'founded to promote an improving agenda or to provide charitable assistance' were a well-established part of the fabric of ascendancy Irish society and culture.³¹

However, Ireland never fully transitioned from the early Christian and medieval form of charity. Both medieval and early modern modes of charity operated in tandem throughout the seventeenth, eighteenth and nineteenth centuries.³² In some instances, the same wealthy families acted as patrons of both new and older forms of charitable interventions. Furthermore, in more prosperous periods, the new more philanthropic articulations came to the fore and there was a strong emphasis on identifying the deserving poor and integrating them more securely into the economy. However, in times of crises and extreme events such as localised famines and spikes in food prices, older forms of charity reasserted themselves and people simply donated whatever was needed to the poor until the crises had passed. The

²⁷ James Kelly and Martyn J Powell 'Introduction' in James Kelly and Martyn J. Powell, *Clubs and societies in eighteenth century Ireland* (Dublin, 2010), 21

²⁸ Robert J. Morris "Clubs, societies and associations" in Francis M L Thompson (ed) *The Cambridge social history of Britain 1750-1950: Volume 3 Social agencies and institutions* (Cambridge, 1990) 395

²⁹ Peter Clark, *British clubs and societies 1580-1800: The origins of an associational world* (Oxford, 2000)

³⁰ William Murphy, 'Associational life, leisure and identity since 1740' in Biagini and Daly (eds) *The Cambridge social history of modern Ireland*, 383-401

³¹ Kelly and Powell 'Introduction' in Kelly and Powell, *Clubs and societies*, 35

³² William Shaw Mason, *A statistical account or parochial survey of Ireland drawn up from the communications of the clergy, Vol. III*, (Dublin, 1819), 81

operation and endorsement of a dual charitable model created an ambiguity around the nature of charitable social contract. For both donors and recipients of charity it created ambiguity, confusion and tensions that lasted well into the nineteenth century.³³ Outside of urban areas and larger towns, in the absence of a state coordinated system of relief, a deeply ingrained and effective system of 'mutual aid' among the poorer Irish classes persisted based 'on the informal solidarity of rural society'.³⁴ This Irish mutual aid did not make any distinction between the deserving and undeserving poor and was therefore 'condemned for undermining the fabric of society' by those who advocated a philanthropic approach.³⁵

The first institutional articulation in Ireland of the early modern conceptualisation of charity was the highly original and innovative charitable loan fund established by Dean Jonathan Swift in 1729. This scheme was Swift's response to the challenges imposed by increasing levels of poverty and growing numbers engaged in begging in his parish. It emerged from his interest in the evolution of Ireland's financial institutions and systems which were themes he repeatedly addressed in his pamphlets. His views on the causes of Ireland's economic and financial difficulties were explained in *A Short View of the State of Ireland* (1728) and *A Modest Proposal* (1729) where his opinions on both bankers and landlords to whom he attributed the bulk of Ireland's woes are both explicitly and implicitly expressed.³⁶ The rise in the numbers begging was a consequence of a sequence of poor harvests that devastated rural areas and a manifestation of a wider economic downturn in the 1720s and 1730s.³⁷ 'adding to those who are beggars by profession, to the bulk of farmers, cottagers and labourers, with their wives and children, who are beggars in effect.'³⁸ This increase was also

³³ Peter Gray, 'The great famine, 1845-1850' in James Kelly, (ed) *The Cambridge history of Ireland, Volume III, 1730-1880*, (Cambridge, 2018) 639-665

³⁴ Peter M. Solar, 'Occupation, poverty and social class in pre-famine Ireland, 1740-1850' in Biagini, and Daly, (eds) *The Cambridge social history of modern Ireland*, 36

³⁵ Powell, *Politics of Irish social policy*, 13

³⁶ See for example, Ian Higgins, 'Jonathan Swift, financial revolution, and Anglo-Irish print culture', *The eighteenth century theory and interpretation*, Vol 54, 2013, <https://ecti.english.illinois.edu/volume-54-2013-supplement/jonathan-swift-financial-revolution-and-anglo-irish-print-culture/> [Accessed 9 December 2021]

³⁷For an account of this economic depression see David Dickson, (2018) 'Society and economy in the long eighteenth century', in James Kelly, (ed) *The Cambridge history of Ireland Volume III 1730 -1880*, (Cambridge, 2018) 153-178 and R. F. Foster, 'Ascendancy and Union', in Roy F. Foster (ed) *The Oxford illustrated history of Ireland*, (Oxford, 1991), 161-212.

³⁸ Jonathan Swift, (1729) *A modest proposal: For preventing the children of the poor people in Ireland, from being a burden to their parents of country; and for making them beneficial to the public*, published in *Volume IV of the author's works containing a collection of tracts relating to Ireland*, (1742) Essex Street, Dublin, 262-274.

driven by what Swift argued were unsustainable and unrealistic levels of taxation ‘stripping the country of its wealth’³⁹ Swift’s charitable loan fund fundamentally altered the nature of the charitable social contract. It made ‘donations’ in the form of small loans to carefully selected entrepreneurial tradesmen, craftsmen and artisans on the understanding that the money was to be invested directly in their businesses and any profit made was used to repay the loan. In line with early modern thinking on charity, Swift’s loan fund scheme was designed to promote a specific social and moral agenda. The scheme alleviated poverty by promoting a work ethic. Also, good financial habits were learnt, as the poorer tradesmen were taught to take responsibility for their longer-term financial well-being so that in times of illness, old age or death they could provide for their families rather than become dependent on charity. The repaid money was then used to make new loans to new clients. Consequently, the original capital was constantly recycled and had a far greater impact and longevity than money donated as gratuitous charity.

Dean Jonathan Swift’s Charitable Loan Fund Scheme 1729-1745

Swift’s writings convey a deep concern for the Irish people. There is a sense of anger and frustration with England’s exploitation of Ireland and an abiding desire for social, economic and political justice permeates his work. In an essay written in 1728 he portrayed a country that was exploited, hungry, and poverty stricken:

The miserable Dress, and Diet, and Dwelling of the People. The general Desolation in most parts of the Kingdom. The old Seats of the Nobility and Gentry all in Ruins, and no new Ones in their stead. The Families of Farmers who pay great Rents, living in Filth and Nastiness upon Butter-milk and Potatoes, without a Shoe or Stocking to their Feet, or a House so convenient as an English Hog-sty to receive them. These indeed may be comfortable sights to an English Spectator, who comes for a short time only to learn the Language, and returns back to his own Country, whither he finds all our Wealth transmitted.⁴⁰

Swift understood that the causes of poverty were complex but was convinced that at its root was a systematic inflation of land valuations to maximise rents repatriated to England. His charitable loan fund scheme was a response to the lack of specie circulating in Ireland, an

³⁹ Charles I. McGrath, ‘The grand question debated’: Jonathan Swift, army barracks, parliament and money’ *Eighteenth-Century Ireland / Iris an dá chultúr*, 2016, Vol. 31, 132

⁴⁰ Jonathan Swift, ‘A short view of the state of Ireland’ published in *Volume IV of the author’s works containing a collection of tracts relating to Ireland*, (Dublin, 1742), 247-8

issue he first explored in an essay in 1720.⁴¹ It was also a response to what he perceived as the exclusive nature of private banks and the exploitative practices of pawnbrokers.

After the death of his wife Esther in 1728, he devoted his energies to the development of a charitable loan fund scheme that he launched in 1729. The earliest account of how this loan fund scheme operated was provided by Laetitia Pilkington who was at one time a close friend of Swift's.⁴² Her insights were based on a conversation with Swift's housekeeper Mrs Brent who explained:

he keeps £500 in the constant Service of industrious Poor; this he lends out £5 at a Time, and takes the Payment back at 1s. a Week; this does them more Service than if he gave it to them entirely, as it obliges them to work, and at the same Time keeps up this charitable Fund for the Assistance of many. You can't imagine what Numbers of poor Tradesmen, who have even wanted proper Tools to carry on their Work, have, by this small Loan, been put into a prosperous Way, and brought up their Families in Credit. The Dean has found out a new Method of being charitable, in which however, I believe, he will have but few Followers.⁴³

Despite her description of the success of Swift's loan scheme, Brent's pessimism about others initiating similar schemes was probably based on her in-depth understanding of the work involved in operating the scheme. It was labour intensive and time consuming. Applicants had to be screened and repayments monitored. This required ongoing weekly administration. However, perhaps the greatest obstacle was a lack of seed capital. While the need for similar schemes was obvious from the uptake of Swift's scheme, Brent believed that very few people with the means, would commit such large sums from their personal resources to the alleviation of the poor. Swift's scheme was designed to lift people permanently from poverty while promoting a work ethic. The loans were for reproductive purposes only. His intention was that the loans would generate a greater amount of income than was necessary to repay the loan. He lent primarily to weavers, but also other tradesmen and artisans such as carpenters, basket makers, glaziers and bakers. He provided the capital that enabled tradesmen survive difficult periods or expand their businesses during periods of prosperity. Demanding small regular repayments meant that the money was constantly in circulation and therefore it achieved a benefit that was disproportionate to the size of the fund.

⁴¹ Jonathan Swift, 'A proposal for the universal use of Irish manufacture in cloaths and furniture of houses etc utterly rejecting and renouncing every thing wearable that come from England' published in *Volume IV of the author's works containing a collection of tracts relating to Ireland*, (Dublin, 1742), 21-32.

⁴² *Newcastle Courant*, 11 June 1748

⁴³ *Ibid*, 4

Sheridan, Swift's biographer explained that he gave considerable thought to the design and structure of this loan scheme. Swift worked 'with great caution and attention, trusting little to the representation of others, but seeing everything with his own eyes, perhaps no equal sum deposited of in that way was ever productive of so much good'.⁴⁴ However, whether Swift developed his scheme independently, as Sheridan implies, or whether he was influenced by others, is open to question. It is likely that he was influenced by others in his social circle and further afield. It is possible to discern Dutch and Italian influences in his scheme.⁴⁵ A pamphlet by David Bindon published in 1724 that explored the possibility of making loans to tradesmen was circulating widely when Swift developed his charitable loan fund.⁴⁶ However, at the beginning of the pamphlet Bindon explained that the ideas he advocated were a synthesis of ideas already widely discussed and contained 'very little of my own invention'.⁴⁷ The scheme proposed by Bindon was very different to the scheme ultimately devised and implemented by Swift. However, both agreed that the increase in the number of the beggars, vagrants and vagabonds and the general lack of money in circulation was caused by 'the export of specie from Ireland to absentee landlords'.⁴⁸ Therefore, a charitable financial institution that perpetually recycled the same money had many advantages.

This is what makes Swift's charitable loan fund important. He devised a vehicle that animated these ideas in a highly effective way. The fact that Swift was so deeply embedded in his community gave him a significant advantage in managing risk:

... he felt that his first obligation was to the small tradesmen and weavers who lived in the vicinity of the Cathedral and in the adjacent liberties. These people, who suffered periodically from reduced trade and unemployment, were under his constant observation, ... They represented a stable population - the deserving poor - for whom the problems of administering charity were comparatively simple. The difficulties lay in another quarter, from the strolling beggars who came in from other parishes, and in particular from the mendicants and vagrants who gravitated to Dublin from other parts of Ireland,

⁴⁴ Thomas Sheridan, *The life of the Rev Dr Jonathan Swift, Dean of St. Patrick's, Dublin*, (London, 1787), 2nd edition

⁴⁵ Eoin McLaughlin, *Microfinance institutions in nineteenth century Ireland*, unpublished PhD thesis submitted to NUI (Maynooth, 2009)

⁴⁶ David Bindon, *A scheme for supplying industrious men with money to carry on their trade and for better providing for the poor of Ireland*, (Dublin, 1729), 2nd edition

⁴⁷ *Ibid*, 3

⁴⁸ McLaughlin, *Microfinance institutions Ireland*, 33

especially in the spring and summer months. Swift had a special animus against these perpetual swarms of foreign beggars.⁴⁹

Much of the success of Swift's scheme was based on the rigour with which he screened his applicants.⁵⁰ He denied 'strolling beggars' access to his charitable loan scheme and catered only for those who were resident in St Patrick's Parish. He believed, as did many others, that many beggars did not deserve charity because they 'were either responsible for their own misery through idleness or consciously engaged in begging in a systematic and organised way as a means of earning their livelihood'⁵¹. In fact, this exclusionary approach was very much in keeping with early modern attitudes. It also anticipated the *modus operandi* of mendicity societies that emerged in the early 1800s.⁵² The first of these was established in Belfast city in 1809 and was replicated in most of the cities and towns of Ireland. These societies forced beggars to work for food and lodgings, returned beggars to their home parishes, actively discouraged on-street donations to beggars, and sought to criminalise begging by advocating fines and punishment for persistent begging.⁵³

What little information is extant about Swift's scheme was provided by his biographer Sheridan.⁵⁴ There were four key elements to his scheme. Firstly, small interest free loans were allocated to carefully selected beneficiaries. Secondly, the rate and schedule of repayments were predetermined. Thirdly, collateral was not required but Swift did demand two cosignatories on all loans. These people were liable for the loans in the event of non-repayment. Finally, Swift maintained recourse to legal sanction to recoup loaned money. These four principles provided a template for all subsequent loan fund schemes in Ireland.⁵⁵ Under Swift's scheme sums of £5 or £10 were loaned. Weekly interest free repayments were demanded at 2 or 4 shillings in the pound. This meant that all loans were fully repaid in 50 weeks. Repayments were made from the first week a loan was issued. Therefore, money was constantly recycled into the fund and available to be reissued as new loans.

⁴⁹ Landa, 'Jonathan Swift and charity', *JEGP*, 339

⁵⁰ McLaughlin, *Microfinance institutions in Ireland*, 37

⁵¹ Gordon Rees, 'The most miserable scene of universal distress': Irish pamphleteers and the subsistence crisis of the early 1740s' *Studia Hibernica*, 41 (2015), 91

⁵² See Chapter 5, McCabe, *Begging, charity and religion in pre-famine Ireland*, 146-84

⁵³ Powell, *Politics of Irish social policy*

⁵⁴ Sheridan, *The life of the Rev Dr Jonathan Swift*

⁵⁵ Aidan Hollis and Arthur Sweetman 'The life-cycle of a microfinance institution: the Irish loan funds', *Journal of Economic Behavior & Organisation*, 46:3 (2001), 291-311.

The benefits achieved by Swift's loan scheme influenced others to fill the void when his fund ceased. Contrary to his housekeeper, Mrs Brent's prediction that 'he will have but few Followers', his loan fund provided a template to relieve poverty that was used in Ireland for nearly two centuries.⁵⁶ She did not anticipate the extent to which the loan fund model would be incorporated in Ireland's emerging associational culture. She did not foresee that the raising of seed capital for loan fund societies would become part of the eighteenth century's entertainment calendar – a vehicle for social gatherings and activities such as those engaged in by the Dublin Musical Society and innumerable charitable sermons.

The Dublin Charitable Loan Society and the Dublin Musical Society

The second charitable loan was an amalgam of two autonomous societies, the Dublin Charitable Loan Society the Dublin Musical Society. In the early eighteenth century it was common to arrange musical recitals in theatres and churches to generate funds for charitable causes. The Dublin Musical Society originated as the Bull's Head Tavern Musical Society in 1716 and in 1724 it changed its name to the Charitable and Musical Society (CSM). From that year it decided to use the funds from performances to relieve insolvent debtors.⁵⁷ Membership of clubs and societies 'was usually clearly defined, either by creed whether religious or political, or by occupation, or class'.⁵⁸ What made the CSM different to other associations of the period was the 'remarkable diversity of membership'.⁵⁹ In October 1741 the CSM opened their own music hall in Fishamble Street. Starting in September each year, performances took place every Tuesday, and commenced at 6.30pm.⁶⁰ While the proceeds from concerts were indeed directed to relieve imprisoned debtors, the Society did provide £32 to alleviate the suffering of those impacted by the 1740-41 Blián an Áir famine in three Dublin parishes.⁶¹ The form of charity engaged in by the CSM was of the gratuitous kind, embedded in the medieval charitable tradition.

⁵⁶ *Newcastle Courant*, 11 June 1748, 4

⁵⁷ William H. Grattan Flood 'Fishamble st music hall, Dublin, from 1741 to 1777', *Sammelbände der Internationalen Musikgesellschaft*, Oct - Dec (1912) 51-57.

⁵⁸ Patrick Walsh 'Club life in late seventeenth- and early eighteenth-century Ireland: in search of an associational world, c.1680-c.1730, in Kelly and Powell, *Clubs and Societies*, 47

⁵⁹ *Ibid*, 48

⁶⁰ *Pue's Occurrences*, 23 Sept 1749, 3

⁶¹ James Kelly, 'Coping with crisis: the response to the famine of 1740-41' *Eighteenth-Century Ireland/Iris an dá chultúr*, 27 (2012) 99-122

In 1756, eleven years after Swift's death, James Dillon established the Dublin Charitable Loan Society. This society filled the void left by the demise of Swift's charitable loan fund and ultimately enjoyed a much greater degree of longevity. It offered interest free loans of between £2 and £5 to be repaid at 6d. in the pound weekly. Dillon advanced £80 as seed capital for the provision of interest-free loans to Dublin tradesmen.

In 1757 the CSM decided to formally collaborate with the Charitable Loan and from that date 'applied the receipts of their concerts to Loan society purposes' only.⁶² From 1757 both societies worked closely together to generate the funds needed to make loans to tradesmen in Dublin city. Commenting on this collaboration, *The Freeman's Journal* observed that it was from this 'period the present institution may more properly be placed'.⁶³ Ultimately both societies merged into a single entity. During the 1750s and 1760s the loan fund was commonly referred to as the 'Charitable Loan' in newspaper reports, however, by the mid-1770s it had become popularly known as the CMS and after 1787 became formally known by that name.⁶⁴

While very little information exists about Swift's loan fund significant data can be compiled on its successor. On 7 June 1764, the *Freemans Journal* published an account of income received by the Charitable Loan and showed that through a combination of donations and funds generated by musical performances, the funds available increased annually between 1756 and 1762 (Table 1).

Table 1 The source of funding for the Charitable Loan

| Year | Donations and Subscriptions | CSM Performances | Total Fund |
|------|-----------------------------|-------------------------|-------------|
| 1756 | £80-00-00 | | £80-00-00 |
| 1757 | £112-01-03 | £77-16-07 £185-00-07 | £374-18-5 |
| 1758 | £60-14-03 | £320-10-11 | £756-03-07 |
| 1759 | £22-19-03 | £184-19-0 | £964-01-10 |
| 1760 | £15-13-09 | £264-08-08 | £1249-17-03 |
| 1761 | £14-13-09 | £87-07-05 | £1218-13-02 |
| 1762 | £86-05-03 | £117-04-05 | £1367-04-01 |

Source: *Freemans Journal* 2 June 1764, p.2

⁶² Charles A. J. Piesse, (1841) *Sketch of the loan fund system in Ireland: and instructions for the formation of a new society with the loan fund acts and an index thereto*, (Dublin, 1841), 10

⁶³ *The Freeman's Journal*, 2 June 1764, 3

⁶⁴ *Saunders's News-letter*, 5 July 1787, 3

This demonstrates that over time the Charitable Loan became increasingly dependent on income from the CMS. While many donations to the Charitable Loan were made by private individuals including the named partners of many leading Dublin banks such as Gleadowe, La Touche and Colebrook, musical performances accounted for 70% of income in 1757, more than 80% every year between 1758 and 1761.⁶⁵ This may explain why the CMS eventually lent its name to the loan fund.

By 1772 the Charitable Loan had ‘relieved 6156 Families, to whom they lent £28314 13s. 6d.’ and the value of the fund was over £3000 all of which ‘was in the Hands of poor industrious Trades-folk’.⁶⁶ The constant recycling of the same money was critical to the social and economic impact of the loan fund. ‘The managers meet every Tuesday at the Music-Hall, to lend out the Money as it comes in ... The Weekly Receipts are immediately lent out to keep the Fund constantly circulating’.⁶⁷ And as prescribed by Swift they engaged in a robust screening of potential borrowers: ‘They personally inspect the Condition and Character of Persons to be relieved and Sufficiency of their two Securities’.⁶⁸

Between March and July 1773, the activities of the CMS were temporarily suspended. The *Hibernian Journal* reported allegations of misconduct by the treasurer Arthur Craven noting ‘a charitable Scheme, under the Direction of Honest men, may, by *one knave* be ruined’.⁶⁹ During these months, the monies of the loan fund rested in Gleadowe’s bank and were not circulated.

Table 2 illustrates the amount of money loaned to individuals, and the number of family members that benefited from loans between 1780 and 1815.

Table 2 Loans made by the CMS, 1780-1832

| Years | Amount £ | No. of Loans | Family members |
|-----------|----------|--------------|----------------|
| 1780-1792 | 9,438 | 2,460 | 12,097 |
| 1793-1800 | 1,514 | 399 | 1,859 |
| 1801-1815 | 1,781 | 461 | 2,093 |

Source: Compiled from data in Watson (1792, p.86); Watson Stewart, (1800, p.123); (1815, p.229).

In the thirty-six years between 1780 and 1815 the CMS assisted 3,320 tradesmen and artisans. This represents an average of less than two loans a week across the entire city of

⁶⁵ *Hibernian Journal*, 13 August 1773, 1

⁶⁶ Samuel Watson’s *Gentleman’s and citizen’s almanck*, 75

⁶⁷ *Ibid*, 75

⁶⁸ *Ibid*, 75

⁶⁹ *Hibernian Journal*, 7 May 1773, 1

Dublin and is small compared to the 6,156 assisted in the seventeen years between 1756 and 1772. This may explain why in tabulating its impact the loan fund society included the number of family members associated with the persons who received loans. The key obstacle that hindered the loan fund and limited its ability to assist tradesmen was a shortage of capital. All the cash available was in constant circulation, 'The circulating cash at present is but small in Proportion to the many Applications by deserving poor People in Trade, who daily seek relief from this loan'.⁷⁰ The scale of poverty in Dublin city far exceeded anything one charitable loan fund could address.

Yet the activities of the loan fund and the sums of money involved were deemed of sufficient importance to merit legislation to both regulate and accord official sanction to its activities. In 1778 the *Charitable Musical Society Act* was passed, and it gave the society 'extensive powers ... to open branches throughout the country' and continue to disperse funds to the industrious poor.⁷¹ The desire by the CMS to become a co-ordinating body for charitable loan fund societies may have been a reaction to the establishment of six autonomous charitable loan societies in other cities and towns between 1764 and 1774. While this desire to become a coordinating body for all charitable loan societies re-emerged in the 1790s it continued to operate as a loan fund. The last recorded activity of the CMS is in the fifth annual report of the Loan Fund Board in 1843. This report recorded that in 1842, the CMS had a fund of £4299 and in that year made 182 loans. After 1843, the CMS disappears from the record.

Eighteenth Century Charitable Loan Societies established outside of Dublin city

In the 1760s and 1770s the impetus to establish loan fund societies emanated from urban-based Protestant communities. The diversity of membership in the CSM was not reflected in loan schemes that emerged across the rest of the country. Loan funds were operated by members of the Protestant ascendancy and provided urban tradesmen with access to capital in times of crisis, preventing an irreversible slide into poverty and reducing the likelihood that they would become a long-term burden to the public. The seed capital was provided by city corporations, societies and wealthy private individuals keen to sustain employment and promote a work ethic. The sums loaned were largely available to Protestant

⁷⁰ Watson's *Gentleman's and citizen's almanck*, 75

⁷¹ Piesse, *Sketch of the loan fund system in Ireland*, 9-10

tradesmen. In cities and larger towns many loan schemes provided 'outlets for sociable and philanthropic association among prosperous Protestant men'.⁷² In smaller settlements the loan funds were operated by individuals keen to ameliorate poverty through the promotion of enterprise and industry. Archival evidence indicates that, as Barnard suggested charitable loan fund schemes were initiated and operated by individual or groups of 'Protestant men'. There is no evidence of women being involved as instigators of any loan schemes. This accords with Sonnelitter's observation that 'the creation of voluntary societies caused a recasting of gender roles when it came to charitable and philanthropic works: they were almost exclusively male, allowing few roles to those women who were interested in philanthropy'.⁷³

In the 1760s, three loan fund schemes were established in Belfast city, Coleraine (County Derry) and Waterford city. The first indication that the idea of establishing charitable loan funds had spread beyond Dublin city was a report in the *Dublin Courier* in March 1760: 'We hear from Waterford, that a council has lately been called to consider a method (instead of entertainments) to employ a sum of money ... that ... may be lent out in small sums to the poor industrious tradesmen of that city, interest free, according to the plan of the managers of the charitable loan in Dublin.'⁷⁴ However, a loan fund was not established in Waterford city until 1768. P. F. Johnston and E. Moylan in evidence to the *Poor Inquiry (Ireland)* stated that 'The Waterford charitable loan was established 5th January 1768, ... since which period the sum of £33,609 was lent in small sums (interest free) to 15,050 persons'⁷⁵

The first charitable loan society outside of Dublin city was established in Belfast city, however, the precise date it commenced is unknown. In December 1764, the *Belfast Newsletter* reported that 'at a General Meeting of Subscribers to the Belfast Charitable Loan (held on 6 December 1764), thirty-eight Weavers are considerably in Arrear to the Scheme: many of them for great Lengths of Time, and for very large Proportions of the Sums originally lent'.⁷⁶ The fact that loans were in arrears for 'great Lengths of Time' suggests that the loan fund must have operated at least from early in 1764 and perhaps originated before this. Another loan fund was initiated in Coleraine, County Derry, in 1764. No information is

⁷² Toby Barnard 'The Dublin society and other improving societies, 1731-85' in Kelly and Powell, *Clubs and Societies*, 88

⁷³ Karen Sonnelitter, *Charity Movements in Eighteenth-century Ireland: Philanthropy and Improvement*, Volume 16 of Irish historical monographs series, (Suffolk, 2016)

⁷⁴ *Dublin Courier*, 24 March 1760, 2

⁷⁵ *Poor Inquiry (Ireland)*, Appendix C, Part I, (London, 1836), 102

⁷⁶ *Belfast Newsletter*, 21 December 1764, 2

available about this loan fund except that that loans of two guineas were made to ‘industrious workmen’ and were repayable at a monthly rate of 3s. 6d.⁷⁷

In the 1770s three further loan fund societies were established in Limerick city, Kilkenny city and Navan (County Meath). In Limerick city the capital for the loan fund was provided by Edmund Sexton Pery, a significant Irish landowner and speaker of the Irish House of Commons from 1771 until 1785. The Pery Loan Fund commenced in 1770 and ‘afforded accommodation to many thousands by loans of three guineas each’.⁷⁸ In 1810, this loan fund merged with another to form the Pery Jubilee Loan Fund. This fund still operated in 1914 when the Loan Fund Board made its final report.⁷⁹ In 1915 loan funds became the responsibility of the Department of Agriculture and Technical Instruction.

The inaugural meeting of a Kilkenny Charitable Loan Society took place on 14 January 1771 in Kilkenny city. Donations from seventeen individuals generated a fund of over sixty guineas. At the first meeting ‘Eleven poor tradesmen of said City who had applied, were relieved with two guinea each, interest free, on giving security to repay at a rate of one shilling per week for each guinea borrowed’.⁸⁰ Two years later George Murphy, the secretary of the Kilkenny Charitable Loan Society provided an overview of the loan fund. By then the value of the loan fund had increased to £200 from subscriptions and theatrical performances and seven hundred and twenty loans of two guineas had been made. Repayments of two shillings per week were required ‘which payments likewise being put out the very Day received, caused the sum of above £1400 to circulate’⁸¹. A charitable loan society also operated in Navan in 1774 but nothing is known of the society beyond a request by Rev. Daniel Augustus Beaufort for assistance in securing weaving looms for ‘dispensing among the Poor weavers of this Neighbourhood’.⁸²

The only loan fund established in the 1780s was in Cork city in 1785. It registered with the CMS. Interestingly, both loan funds shared a common origin. In 1774, Henry Sheares, a partner in the Cork city-based bank Rogers, Travers and Sheares (1755-1776) established a society for the Relief and Discharge of Persons Confined for Small Debts. The original purpose

⁷⁷ Samuel Lewis, *A topographical dictionary of Ireland*, Volume I, (Dublin, 1837) 387

⁷⁸ Samuel Lewis, *A topographical dictionary of Ireland*, Volume II, (Dublin, 1837) 276

⁷⁹ *Seventy-seventh annual report of the loan fund board of Ireland*, (London, 1914) 8

⁸⁰ *Finns Leinster Journal*, 16 January 1771, 2

⁸¹ *Hibernian Journal*, 14 May 1773, 3

⁸² *Saunders’s News-letter*, 23 May 1774, 3; and 25 May 1774, 3

of the CMS was also to assist imprisoned debtors. Margot Finn's *The Character of Credit: Personal Debt in English Culture, 1740-1914*, helps to explain why imprisoned debtors were viewed more sympathetically to other prisoners and why such societies as these were established.⁸³ She explains that in this period both society and economy were in transition. Legacies of earlier eras created the moral and social space for such debt relief societies; complex and deeply ingrained social contracts based on reciprocity, gifting, personal connections and character persisted in an era when financial transactions shifted to institutions. In this period of transition, old and new forms of financial transactions co-existed and this complicated the relationship between creditors and debtors. Perhaps societies established to discharge small debts became attracted to the work of charitable loan fund societies because the provision of credit at an early stage could prevent incarceration. They may have perceived loan fund schemes as being better aligned ideologically and philosophically with the principles of philanthropy and, therefore, the transition from 'relief and discharge of small debt societies' to 'charitable loan fund societies' might best be interpreted as part of the ongoing shift away from eleemosynary charitable modes.

Sheares, who died in 1776, was a noted philanthropist who 'identified himself with every movement for the amelioration of the condition of the poor'.⁸⁴ In March 1785, the trustees of this society 'were empowered' by the CMS to lend money, interest free, to tradesmen in sums of £2 to £5.⁸⁵ This arrangement may have re-invigorated the CMS's ambitions to establish a network of charitable loan societies across the country. In a pamphlet published in 1792, Charles Laurent, Registrar of the CMS detailed how a charitable loan fund franchise might work.⁸⁶ It advocated a charitable loan society in each of the '260 Baronies in the Kingdom'.⁸⁷ While Piesse suggested that the CMS did establish some branches throughout the country, the Cork City Charitable Loan Society is only one of two identified by this research that was established under the auspices of the CMS⁸⁸.

⁸³ Margot C. Finn *The character of credit: Personal debt in English culture, 1740-1914* (Cambridge, 2003)

⁸⁴ Charles M. Tenison 'The private bankers of Cork and the south of Ireland', *Journal of the Cork Historical & Archaeological Society*, 1:12 (1892), 246; Henry Sheares was also a politically reforming and 'liberal' MP for Clonakilty (1761-1767), and father of the United Irishmen Henry and John Sheares - see T. de Valera 'Letters of Henry and John Sheares' *Dublin Historical Record*, Vol. 43, No. 2 (Autumn, 1990), 58-69

⁸⁵ Lewis, *Topographical Dictionary*, Vol. I, 428

⁸⁶ Charles Laurent, *A scheme for establishing general charitable loans throughout Ireland*, (Dublin, 1792)

⁸⁷ *Ibid*, 10

⁸⁸ Piesse, *Sketch of the Loan Fund System in Ireland*

In 1792, a second charitable loan society was established in Kilkenny. In its first year it made one hundred and thirteen interest free loans to the value of £2,571-6d. However, a lack of capital hindered the society from having the impact it desired. 'The fund being now exhausted, and a number of very deserving objects still applying for the benefit of it, the Managers therefore entreat those gentlemen who have promised their aid to it, will be so good as to pay in their subscriptions'.⁸⁹ As this society makes no reference to the first charitable loan fund established in Kilkenny city in 1771, it may be assumed that it had ceased to operate in the intervening years.

The Robinson Loan Fund in Armagh town was established in 1794. Its capital was derived from a bequest of £200 by the Primate of All Ireland Archbishop Richard Robinson. This fund was held in trust by the corporation and loans were made interest free but a fee of 6d. for every £1 was charged to borrowers to cover costs incurred. Unlike other loan funds, it made larger loans of between £10 and £30 which was well in excess of what lower-tier tradesmen at whom all other loan funds were targeted, could risk borrowing.⁹⁰

In the late 1790s Sir John Anderson, a major landowner and banker in Fermoy, County Cork established the Fermoy Charitable Loan Fund with a donation of £400. The loan fund made interest free loans that were repaid in weekly instalments to tradesmen that ranged in size from 11 shillings to £5. Reflecting on the impact of this loan fund, his son Sir James Anderson praised it for instilling 'habits of punctuality' and noted that any losses were quite insignificant 'comparatively speaking to the good it did'.⁹¹

In 1799 the Society for Promoting the Comforts of the Poor (SPCP) was established to help tackle increasing levels of impoverishment. The SPCP was modelled on the Society for Bettering the Condition and Increasing the Comforts of the Poor in England (established in 1796) which, in turn, was modelled on similar societies in Europe.⁹² It linked poverty relief to social and economic development and espoused a model of charity that vigorously opposed eleemosynary charitable acts. It sought 'to improve the morals and conditions of the labouring classes of the community; to encourage industry, temperance cleanliness, and good

⁸⁹ *Finns Leinster Journal*, 5 May 1792, 3

⁹⁰ Lewis, *Topographical Dictionary*, Vol. I, 74; and *Municipal corporations (Ireland) appendix to the first report of the commissioners: Part 1 southern, midland, western, and south-eastern circuits and part of the north-eastern circuit*, (London, 1835), 685

⁹¹ Sir James Anderson, in evidence to the *Select committee on the employment of the poor in Ireland*, 16 July 1823, (London, 1823), 124

⁹² Geary, 'The best relief the poor can receive is from themselves'

order amongst them; and to relieve their distresses without damping the spirit of exertion'.⁹³ However, the work of the SPCP can only be fully understood, when viewed not solely as a philanthropic society, but as a society with wider social, economic, cultural and political objectives. The modernising and moral philosophies of the SPCP were anchored in the Protestant ascendancy worldview: 'philanthropic gestures often masked less obvious social, economic and political objectives'.⁹⁴

The SPCP was therefore attracted to the ethos and philosophy of charitable loan fund societies and in its annual reports provided case studies of the activities of loan funds. It also further embedded loan fund societies in the wider associational culture that was flourishing in the latter decades of the eighteenth and early nineteenth centuries. The first annual report of the SPCP noted that charitable loan funds had operated for some years in Castleknock (County Dublin), Raphoe (County Donegal), Newport (County Mayo) and Carrick-on-Suir (County Waterford). The existence of these loan funds was not recorded elsewhere. It also noted that new loan funds attached to SPCP initiatives were established in 1800 in the parishes of Killishee, County Kildare and Castletown Delvin, County Westmeath. Associations such as the SPCP facilitated the spread of loan societies to more remote and rural locations and appears to have diluted the need for people of the highest social status to specifically act as patrons for charitable loan societies.

As well as loan funds, the SPCP was also enamoured by the aims and objectives of benevolent or friendly societies because they offered 'a way in which the poor and potentially poor could save themselves from destitution'.⁹⁵ Members of friendly societies committed to making regular monthly payments that insured them against illness, old age and looked after their families in the event of their death. The *Friendly Societies Act* (1793) passed in Britain was extended to Ireland in 1797 and from 1799, the SPCP sought to both establish and revive friendly societies that had played a role in managing poverty at a local level but had collapsed in the wake of the 1798 Rebellion.⁹⁶ The new legislation was intended to promote the wider development of such societies and gave members 'the right to sue their officers in the courts

⁹³ *The first number of the reports of the society for promoting the comforts of the poor*, (Dublin, 1800), p.xiii

⁹⁴ Geary and Walsh, *Philanthropy in nineteenth-century Ireland*, 22

⁹⁵ Anthony D. Buckley, (1987) 'On the club': Friendly societies in Ireland', *Irish Economic and Social History*, 14 (1987), 41-2

⁹⁶ *The first number of the reports of the society for promoting the comforts of the poor*, (Dublin, 1800)

for neglect without any 'fee, reward, emolument, or gratuity' being paid'.⁹⁷ Many SPCP friendly societies and agricultural societies established loan funds. The SPCP was active for little more than a decade but in this period several societies were founded in cities, towns and parishes across Ireland.⁹⁸ However, while the SPCP did not endure, some of the charitable ventures established by these autonomous societies, including charitable loan funds, significantly outlived the SPCP.

By using the vehicle of friendly societies, the SPCP facilitated the migration of loan funds down the settlement hierarchy and introduced them to rural parishes and smaller settlements. Unlike the urban-based loan funds that were aimed at tradesmen and artisans, the Castletown Delvin loan fund supported cottiers.⁹⁹ The Castleknock Farmers Society (County Dublin) established in 1797 'resolved that funds ... be lent every year, interest free, on such security as should be approved of, to such persons as should establish a village-shop or shops within the united parishes, furnished with such articles as are generally made use of by labourers, manufacturers and mechanics'.¹⁰⁰

The archival record indicates that between Swift's inaugural loan fund in 1729 and 1800 eighteen charitable loan societies had been established: Dublin (1756), Belfast (c.1764) Coleraine (c.1764), Waterford city (1768), Limerick city (1770), Kilkenny city (1771), Navan (1774), Cork city (1785), Kilkenny city (1792), Armagh (1794), Fermoy (late 1790s) Castleknock (1797) Raphoe (date unknown), Newport (date unknown), Carrick-on-Suir (date unknown) Killishee (1800), and Castletown Delvin (1800). Reflecting the artisan clientele at which they were largely aimed, the earliest charitable loan funds were based either in cities or large towns with strong market functions, located on key roadways between these cities. However, in the final years of the eighteenth century and in the first decade of the nineteenth century, under the influence of the SPCP loan funds diffused down the settlement hierarchy and were established in smaller settlements and in rural areas.

⁹⁷ Buckley "On the club" *IESH*, 42

⁹⁸ Geary, 'The best relief the poor can receive is from themselves'

⁹⁹ *The first number of the reports of the society for promoting the comforts of the poor*, (Dublin, 1800), 110

¹⁰⁰ *Ibid*, 11-12

Charitable Loan Societies 1801 - 1820

Significant famine events occurred in 1800-01 and 1816-18¹⁰¹. A drought in 1800-01 and excessive rainfall in 1816-18 demonstrated the vulnerability of the potato crop to extreme short-lived weather events. These two potato failures led to a combined total of 80,000 deaths.¹⁰² There were also lesser famine events in 1807, 1809, 1811 and 1812.¹⁰³ The need to respond to these immediate food crises resulted in a shift to more gratuitous forms of charity. 'The Dublin administration was more active after 1800, importing food and supplementing local funds, an involvement prompted more by fears of unrest than by a new concern for the poor'.¹⁰⁴

This shift to gratuitous forms of charity helps explain why there are no records of any loan funds starting between 1801 and 1805. Between 1806 and 1809 eight loan funds schemes commenced. Two charitable loan societies were established in 1806 in Fiddown, County Kilkenny and Cashel, County Tipperary. The Fiddown Loan Fund began with seed capital of £150 and made interest free loans in sums of between one and four guineas repayable over forty-two weeks. Between 1806 and 1813 it made over 600 loans to the value of £2,000 and in that period 'none of the money [was] ever unemployed'.¹⁰⁵

The Cashel Loan Fund was an SPCP initiative linked to the Cashel Charitable Society. In 1806, the Cashel Loan Fund made 218 loans. As well as cash, spinning wheels were provided to promote employment and weekly repayments were made until the full cost of the spinning wheels was repaid. The benefits that accrued were judged to be significant: 'industry has been encouraged, beggary diminished, and many enabled to earn an honest livelihood, who otherwise have been helpless to themselves and a burthen to the public'.¹⁰⁶ In 1808 a charitable loan was established in Fethard, County Tipperary. No activities relating to this loan fund have been recorded apart from a note in the *Poor Inquiry (Ireland)* which stated that it was started with seed capital of £75.¹⁰⁷

¹⁰¹ Mary E. Daly 'Famines and famine relief' in Biagini and Daly, (eds) *The Cambridge social history of modern Ireland*, (Cambridge, 2017), 38-52.

¹⁰² Ibid, 40

¹⁰³ *Census of population, 1851, Part V.*, 235-241

¹⁰⁴ Daly, *The Cambridge Social History of Modern Ireland*, 40.

¹⁰⁵ Shaw Mason, *A statistical account or parochial survey of Ireland, Vol. I*, (Dublin, 1814), 368-9

¹⁰⁶ Ninth number of the reports of the society for the promotion of the comforts of the poor, (Dublin, 1808), 164-70

¹⁰⁷ *Poor Inquiry (Ireland)*, Supplement to Appendix C, Part I, (London, 1836), 46

The following year, in 1809, five loan funds were established in Dublin city, Derry city, Dungannon (County Tyrone), Monkstown (County Dublin) and New Ross (County Wexford). The seed capital for both the Londonderry Charitable Loan Society and the Dungannon Charitable Loan Fund was derived from charity sermons involving the Bishop of Derry. The Monkstown Loan Fund operated under the auspices of the SPCP Monkstown Poor Fund and was structured as a friendly society.¹⁰⁸ Nothing is known about the charitable loan society based in New Ross, County Wexford apart from the date it was founded. However, the Dublin-city based Meath Charitable Loan Society became quite significant entities and remained active for a considerable period.

The Meath Loan Fund (1809) was established using 'the unappropriated balance made in the collection made in the same year for the Distressed Manufacturers'. These funds were lent interest free 'to indigent tradesmen and manufacturers, without either parochial or religious distinction'¹⁰⁹ This is the first time a loan fund appears to have crossed the religious divide and made funds available to Roman Catholics. Throughout the 1810s this society generated income by organising a series of fund-raising sermons in St Catherine's Church on Thomas Street in Dublin. By 1817, it had made 3,752 interest-free loans. 'In the great majority cases these loans have been the means of enabling the Borrowers to keep themselves and families above want, and in many instances the assistance thus afforded, has led the family to independence and comfort'.¹¹⁰

The Londonderry Loan Fund was established by Rev. George Hay and was based in Derry city. Like the Meath Charitable Loan this loan fund was available to Roman Catholics and the seed capital of £500 was generated by three public sermons 'preached by the Lord Bishop of Derry, by a Presbyterian minister, and by a Roman Catholic clergyman'.¹¹¹ Between 1809 and 1830, this fund made 12,600 loans to the value of £27,300.¹¹² Derry Corporation made an annual donation to the Loan Fund from 1809-1829 and when they ceased the Irish Society made a grant of £10 to defray administrative costs.¹¹³

¹⁰⁸ *Saunders's News-letter* 2 Oct 1815, 4

¹⁰⁹ *Saunders's News-letter*, 26 March 1811, 3

¹¹⁰ *Saunders's News-letter* 19 December 1817, 4

¹¹¹ Francis C. Trench, *Remarks on the advantages of loan funds for the benefit of the poor and industrious, with directions for their establishment*, (London, 1833), 15

¹¹² *Ibid*, 15

¹¹³ Lewis, *Topographical dictionary*, Vol. II

In late 1809 the Dungannon Charitable Loan Fund was established. Capital of £150 was raised by 'a Charity Sermon preached in Dungannon Church by the Lord Bishop of Derry'.¹¹⁴ This loan fund made interest free loans of between £2 and £5 repayable over forty weeks. The extent to which charitable loan funds operated in isolation from each other can be understood from a comment made by the Dungannon Charitable Loan Fund: 'We do not know of any similar establishment except in Dublin and Derry; but we feel confident that when its merits become more generally known, there will be sufficient public spirit found in many respectable towns, to take up a business which we believe is in their interest, and we are sure is their duty'.¹¹⁵ This statement was made despite the fact that charitable loan societies dated back to 1729 and this was the twenty-sixth such loan fund scheme to be established. Outside of Ireland's cities, many loan fund schemes operated at quite localised scales or under the auspices of SPCP societies or independent friendly, agricultural or improving societies. The transmission of information about loan funds was hindered by poorly developed transport and communications networks in Ireland. However, while newspapers promoted the activities of loan fund schemes in Ireland's largest cities, transplanting the idea of standalone loan fund societies to smaller towns required both seed capital, and a patron of high social standing willing to oversee the enterprise. For standalone charitable loan fund societies to be established a person of the highest social status was necessary to attract the support of the lesser gentry. While examples of loan fund schemes can be found in places like Castleknock, Monkstown, Fiddown and Fethard, they were not generally widespread in rural areas. Whenever they were established in such places, evidence suggests loan fund schemes usually piggy-backed on more broadly based clubs and societies such as friendly societies and agricultural societies or both. The social prestige derived from instigating a loan fund scheme was not as significant in rural areas as in cities and larger towns where newspapers extolled the activities of organising members and regularly published lists of their donations. In the absence of this social recognition, which was a key motivating factor for many in cities and towns, the amounts of seed capital in rural loan fund schemes remained small and difficult to accumulate and consequently they became one of a range of services offered by friendly, agricultural and improving societies rather than independent and autonomous societies. An example of how difficult it was to secure seed capital and the use

¹¹⁴ *Belfast Commercial Chronicle*, 20 January 1810, 4

¹¹⁵ *Ibid*, 4

of friendly society subscriptions to generate loan fund capital can be seen below in the case of the Carrigaline Friendly Society.

Between 1810 and 1819 six loan fund societies were established. In Limerick city a loan fund was established in 1810 to celebrate the fiftieth year of the reign of George III. Donations to the value of £1,200 were received. The largest loan available was £4 and repayments were made on a weekly basis¹¹⁶ However, soon after it was established, this loan fund merged with the pre-existing Pery Loan Fund (established 1770) to form the Pery Jubilee Loan Fund and in this format, it remained active until 1915.

A charitable loan fund, the Carrigaline Friendly Society and Charitable Loan, County Cork was established in 1813. Founded by Thomas Newenham, a significant landholder and Cork city banker, his greatest challenge was to acquire sufficient seed capital to launch the loan fund. Much effort and networking went into gathering the initial sum which was sourced over quite a significant geographical area:

Lady Mount Sandford, of Castlereagh, contributed £30; Mr. Sandford of Stoweymead in Somersetshire, £10; and Mr. R. Newenham of Cullenswood, near Dublin £5. These contributions together with the deposits of members on admission, amounted shortly after the institution of the society, to £111. 10s. which sum was almost immediately lent out among the poor and industrious members.¹¹⁷

Loans of between £2 and £5 were made requiring monthly repayments. Unlike its predecessors, borrowers were charged interest.

In 1813 a loan fund society was also established in St. Peter's Parish, Dublin city. It made interest free loans of between £1 and £5 repayable at a rate of '5d. in the pound weekly'.¹¹⁸ Once St Peter's Parish Loan Fund was established the Meath Loan Fund which had operated across all of Dublin city excluded loan applications from this parish.¹¹⁹ The loan fund was established with the sum of £50 donated by twenty-seven individuals.¹²⁰

A charitable loan fund was operating in Enniscorthy, County Wexford in 1814. 'The indigent in the union are relieved by a charitable loan, an institution, from which are lent

¹¹⁶ Lewis, *Topographical dictionary*, Vol. II, 276

¹¹⁷ William Shaw Mason, *A statistical account or parochial survey of Ireland drawn up from the communications of the clergy*, Vol.II, (Dublin, 1816), 132

¹¹⁸ John Watson Stewart, *The treble almanack containing John Watson Stewarts almanack, The English court registry, Wilson's Dublin directory with a new correct plan of the city*, (Dublin, 1815), 119

¹¹⁹ *Poor Inquiry (Ireland)*, Appendix C, Part II, 22

¹²⁰ *Saunders's Newsletter*, 25 May 1813, 3

every week, occasional small sums, interest free, which has considerably contributed to promote the comforts of this class of people'.¹²¹ The precise date this loan fund was established is not known. In 1814, the Glendermott Charitable Loan, County Derry was established. Like the Cork City Charitable Loan Society, this society registered with the CMS. The *Poor Inquiry (Ireland)* lauded the Glendermott Charitable Loan 'as an instance of the successful administration of a fund of this kind'.¹²²

The last charitable loan society funded wholly by private donations was established in 1819 brings the story full circle. On 7 June 1819 a concert was held in the St Patrick's Cathedral 'the profits from which were to be applied to the formation of a charitable loan fund to assist the necessitous artists and manufacturers of good character, within the liberties of the Deanery of St Patrick's'.¹²³ St Patrick's Parish was where Dean Swift had initiated the first loan fund ninety years earlier. The stated aims of the proposed charitable loan society – 'not only to succour meritorious industry, but to aid in the success of the very laudable efforts now pursuing for the suppression of mendicity' - show that the ideology and philosophy that had inspired Swift had not merely survived but had deepened and become more entrenched in the intervening years.¹²⁴

The landscape in which charitable loan funds operated changed dramatically in 1823. A severe famine occurred in several counties in Ireland in 1821 and 1822 when wet weather severely limited the potato harvest. To ameliorate the suffering caused by this famine a fund established by the London Relief Committee received donations of £331,081.¹²⁵ While the bulk of this fund was transferred to Ireland in 1822 during the famine, when the famine ended a significant sum remained unspent. Attracted by the ethos and the philosophy of promoting self-reliance, the London Relief Committee decided that charitable loan fund societies based on Swift's model best accorded with their aims to provide both relief and stimulate development on an ongoing basis. Consequently, a donation of £55,107 from the London Tavern Committee was transferred to Ireland to be used as seed capital for loan fund societies

¹²¹ Shaw Mason, *A statistical account or parochial survey of Ireland, Vol. I*, (Dublin, 1814), 352

¹²² Poor Inquiry (Ireland) Appendix C, Part I, 74

¹²³ *Saunders's News-letter*, 5 June 1819, 2

¹²⁴ *Ibid*, 2

¹²⁵ Richard R. Madden on 30 April 1855 in evidence to the *Select committee on loan societies (Ireland)* (London, 1855), 329-346

in counties worst impacted by the famine, namely Galway, Mayo, Sligo, Leitrim, Roscommon, Cork, Kerry, Clare, Tipperary and Limerick.¹²⁶

To this point, charitable loan societies primarily focused on extending credit to urban tradesmen who were already participating in the monetised economy. Tradesmen were well suited to the scheme because of regularity of their incomes. However, the loan fund societies established from 1823 were initiated to alleviate poverty by helping cottiers and labourers to make the transition from the subsistence to the monetised economy. This changed the fundamental dynamics and geography the loan fund societies. With easier access to seed capital, between 1823 and 1845 almost 600 loan fund societies were established, primarily in rural areas, across the island of Ireland.¹²⁷ The rapid expansion of these financial institutions enabled new ideas about the nature of charity and the idea of philanthropy to reach remote rural areas. However, it must be noted that many of these loan funds societies were short-lived as they were entirely unsuited to the economic environment to which they were introduced. The scheme was not designed for occupations where income was irregular and, as a result, it was particularly unsuited to those engaged in agriculture.

Unlike charitable loan societies, the new loan fund societies charged interest on loans to cover administrative costs to protect the capital in the fund. Due to the size of the grant made by the London Tavern Committee and the requirement to charge interest, the British government underpinned the donation with new loan fund legislation which was passed in 1823. To promote the expansion of loan fund societies, this legislation exempted them from the Stamp Tax which banks paid at a rate of 2% and reduced their dependence on donations by allowing loan fund societies to accept deposits. Existing loan funds that had registered under the 1778 *Charitable Musical Society Act* continued to operate under that legislation and offer loans interest free. Further loan fund legislation was enacted in 1836 and culminated in the *Bill for the Amendment of the Laws relating to Loan Societies in Ireland* (1838).

Conclusion

Charitable loan societies played an important role in redefining the social contract that underpinned acts of charity in the eighteenth and nineteenth centuries. These societies were

¹²⁶ Ibid

¹²⁷ Ray O'Connor *From Private Banks to Credit Unions: A Historical Geography of Financial Institutions in Ireland (c.1680-2001)*, unpublished PhD thesis submitted to University College Cork (Cork, 2019)

the first charitable institutions to make distinction between the 'deserving' and the 'undeserving' poor when deciding who should benefit from charity. Operated by the Protestant Ascendancy, they were male dominated societies that advocated social and economic progress. They sought to instil a strong work ethic and greater self-reliance among the Protestant poor by encouraging a culture of entrepreneurship.¹²⁸ The careful screening and selection of beneficiaries was central to this process.

This paper outlined the origins of the first loan fund scheme devised by Swift and explained how it encapsulated early modern ideas about charity and the deserving poor. It provided greater clarity about the origins of the Dublin Charitable Loan and its relationship with the CMS. It then traced the spread of the charitable loan fund schemes across the country and demonstrated that the basic systems for issuing loans and scheduling repayments devised by Swift provided a template for all subsequent charitable loan societies. While such loan fund schemes operated on a quite limited scale, with only thirty-two being established before 1823, this represents a much higher number of charitable loan schemes than previously accepted.

Most charitable loan schemes were established in Ireland's cities and in large towns but by the turn of the nineteenth century some loan fund schemes commenced in smaller and more rural settlements. The key agent responsible for this migration to smaller settlements and rural areas was the spread of clubs and societies and the emergence of a wider associational culture. This paper specifically recognises the role of the SPCP between 1799 and 1809 in facilitating the spread of charitable loan schemes to smaller rural settlements. Under the SPCP, loan funds were not stand-alone ventures, but were part of a wider suite of initiatives including friendly societies and agricultural societies. Loan fund societies were an ideal fit for the ideology espoused by the SPCP that can be encapsulated in the twin beliefs that 'idleness produces beggary' and 'industry drives out want'.¹²⁹

Levels of poverty in the eighteenth and early nineteenth century far exceeded the capacity of loan schemes to make an impact on the scale required. In fact, population growth and increasing levels of poverty in Ireland exceeded the capacity of all types of clubs, societies and associations, not just the charitable loan societies to keep up with demand for their

¹²⁸ Hollis and Sweetman, 'The life-cycle of a microfinance institution: the Irish loan funds',

¹²⁹ *The twenty-sixth report of the society for bettering the condition and increasing the comforts of the poor* (London, 1806), quoted in Geary, 'The best relief the poor can receive is from themselves', 38

services.¹³⁰ Despite the social and economic benefits that were believed to derive from charitable loan fund schemes, and supportive legislation from London, their work was hindered by insufficient capital, and they were invariably over-subscribed. Funded by a combination of private donations and the proceeds of entertainments the money available to issue as loans never matched the demand. Given the small amount of seed capital available to most loan societies, the desire to maximise the benefits of quite small sums of money by keeping them in constant circulation characterised all loan fund schemes. It was not until an external source of funding emerged in 1823 that the number of loan fund schemes multiplied. With this injection of external seed capital from London, the key factor that inhibited the spread of charitable loan societies was removed and the history of charitable loan societies swung on its axis and faced in a new direction.

The assessments of the charitable loan fund societies and the benefits derived from them in the archival record is invariably provided by supporters or advocates of the loan societies who were imbued with a zeal to promote the ideology they espoused. Whether they were as effective in addressing poverty as they are portrayed to have been is a question that may perhaps never be accurately answered. The voices of the recipients of the loans are absent from the archive. Geary commented on this silence when confronted by the same issue when evaluating the work of the SPCP: 'missing from the equation- and the extant literature offers little assistance – is the way in which ... the deserving and respectable poor, viewed the intervention'.¹³¹ All that can be said for certain is that charitable loan societies, did provide a safety net in times of economic distress for a select few. In the absence of any other forms of welfare, relief or assistance, they provided them with an option that would otherwise not have been available. If charitable loan societies were indeed oversubscribed, it speaks to a willingness by some poor to engage with such agencies. They played a crucial role in animating and spreading an ethos and ideology by providing an institutional structure for a more philanthropic and judgemental form of charity than had existed to that point. They provided the template for the provision of relief the next two hundred years in Ireland.

¹³⁰ Kelly and Powell, *Clubs and societies in eighteenth century Ireland*, 30

¹³¹ Geary, 'The best relief the poor can receive is from themselves', 58