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the Policy Process 1948 - 1964**

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# **TOWARDS A CORPORATE STATE? SEAN LEMASS AND THE REALIGNMENT OF INTEREST GROUPS IN THE POLICY PROCESS 1948- 1964**

## **ABSTRACT**

This paper analyses the transformation of Irish economic policy formulation from the formation of the first inter-party government in 1948 to the breakdown of Ireland's application to join the EEC in 1963. It shows that the influence of trade unions, employers' groups and farmers' organisations on policy making in the period marked the inception of a corporatist style approach to national policy making. This period saw a general evolution in the process of the formulation of public policy towards a more conscious and overt tripartite set of arrangements. There was a gradual maturation of relations between the emerging interest groups and the government in the policy realm. The formalisation of these interest groups wherein they played a role in the long term policy planning process is emphasised. While their various representatives made strenuous efforts to advance their members' sectional interests, all groups were able to take a strikingly dispassionate and long term view of the country's economic prospects. This paper stresses the importance of Sean Lemass both in opposition and in government and argues that he was the key player in moving the country from a policy of protectionism to one where interdependence with other economies was assumed. By pointing out explicitly to the various economic actors in the Irish body politic that ideological change was needed in the formulation of economic policy, the Fianna Fail government of 1957-1961 was able to set out a concrete agenda for the development of the Irish economy by the early 1960s. Export-led industrialisation and economic co-operation with Europe were at the heart of these new methods. Ultimately Irish economic policy formulation had moved dramatically in an ideological sense in the fifteen years since 1948: the new ideology was a formalised proto corporatist style social democracy which involved all the key players collectively in responsible decision making.

## **INTRODUCTION**

The decision of the Fianna Fail government to seek membership of the European Economic Community [EEC] in 1961 marked the climax of a transformation in Irish economic policy formulation. From 1948 when the first inter-party government took office, successive governments were plagued by a series of balance of payments crises and a general economic malaise which by the time Fianna Fail regained office in 1957 had reached epidemic proportions. It had become painfully obvious within the policy making arena that protectionism, in place since 1932, and the country's over reliance on the British market offered no real future for Irish agriculture or industry.

Yet this view was not unanimous within or outside the government. Some policy makers were reluctant to accept any form of multi-lateral trading arrangements which would weaken protected industry and the country's privileged access to British markets. By the end of the 1950s, however, this had become very much a minority view associated mainly with the Department of Industry and Commerce and sections of a number of interest groups, most notably parts of the trade union movement and segments of the protected industrial sector. The process by which Ireland moved from a protected economy to one in which interdependence with other economies was assumed was one in which interest groups participated fully. By the time of the failure of the first application to join the EEC in 1963, economic actors, whether state, political or interest group realised that Ireland's economic future could not prosper in economic isolation. They were active partners with government in pursuing an aggressive agenda for economic growth. Fundamentally it was the government not the market which brought these actors into the process and it was the government in both its political and administrative forms which gave the lead in promoting new economic strategies. By pointing out explicitly to the various economic actors in the Irish body politic these new approaches, the government was able to set out a concrete agenda for the development of the economy by the early 1960s. Export-led industrialisation and economic co-operation with Europe were at the heart of these new methods.

## **A CHANGE IN POLICY FORMULATION**

How and why did Lemass bring this interest groups with him in this journey towards free trade? The course of Irish economic policy formulation between 1948 and 1964 was determined largely by the political instability which plagued successive

governments throughout the period. This instability can be put down to voter disenchantment with the economy. The elections of 1951, 1954 and 1957 were fought principally on economic issues. While there were differing viewpoints within both Fianna Fail and Fine Gael on the course economic policy should take, voters inevitably blamed the party in government for the stagnation in the economy. De Valera, although not a firm supporter, in any sense, of the new financial thinking which had taken root in the Department of Finance with the appointment of T.K. Whitaker as Secretary in 1956, nevertheless realised that old remedies had not helped Fianna Fail politically. By the time Fianna Fail had lost power for the second time in six years in 1954, de Valera was remote from much of the debate raging within the party and the country at large. He was, however, politically astute enough to know that economic retrenchment as associated with Fianna Fail when they went to the country in 1948 and 1954 had been rejected by the electorate. Fine Gael, for their part, were equally as divided. In such circumstances the original dynamic for change in the Irish economy came from two sources: factions within the main political parties, and within the civil service. Within this governmental arena financial ideology reared its head. Supporters of both an activist approach and of the traditional retrenchment approach to economic policy existed in both camps and the story of the development of economic policy in this era was one of a struggle fought out between these two groups at a number of levels.

The introduction of Keynesian economic policies by the first inter-party government in 1948 was the first concrete change in economic policy for a generation (Fanning, 1978; Lynch, 1969) . It had its dynamic within both administrative and political frameworks. The driving force behind the introduction of this policy lay in the political field. Patrick McGilligan, James Dillon and Sean MacBride all propagated a change in the prevailing financial ideology within which Irish governments pursued policy.<sup>1</sup> On the opposite side of the political fence Sean Lemass, who was involved in a long running battle with Sean MacEntee as to the course Fianna Fail should take in economic policy, can be said in theory to have supported this departure, though in the tribal nature of Irish political discourse he opposed most of that government's economic and industrial policy, the creation of the Industrial Development Authority being a notable example. The first inter-party government saw some intrinsic opposition to this about turn in economic policy from within the civil service. Both the Central Bank and the Department of Finance took the view that such Keynesian

policies would bankrupt the nation. Yet within the civil service, some key individuals most notably the young Patrick Lynch, who had been seconded from the Department of Finance to act as John A. Costello's personal economic advisor, were avid enthusiasts of a Keynesian agenda. A new generation of civil servants who were advancing up the administrative ladder were looking farther afield in their quest to develop the Irish economy. Men like Lynch, T.K. Whitaker, J.C. Nagle, Charles Murray, Tom Barrington and Tadhg O'Cearbhaill interested themselves in the economic workings of other states and took on wider tasks than those traditionally associated with the Irish civil service.<sup>2</sup> Whitaker, for instance, though a staunch defender of traditional Finance thinking during the first inter-party government, actively studied economic policy formulation in other countries and used this wider experience once he eventually became Secretary in 1956. The first inter-party government can be seen as a prime example of the primacy of politics over economics within a government framework as the hegemony of Finance and the Central Bank was to some extent dissipated by the active political leadership of some government departments.

#### **DIFFERENCES WITHIN FIANNA FAIL**

The administrative side of government regained control once Fianna Fail resumed office in 1951. The appointment of MacEntee to Finance was the signal for the department to reassert itself in the wake of McGilligan's path breaking stewardship. This reassertion must be viewed, however, in terms of Finance stressing the age old solutions for economic problems that were associated with that department since the early 1920s. MacEntee was a classic deflationist. He was a firm believer in the market and abhorred the Keynesian policies of his predecessor. With J.J. McElligott who had been Secretary of Finance since 1927, MacEntee set about placing financial policy back on the straight and narrow path of deflationary virtue (Lee, 1989, p. 324). Fine Gael, back in opposition, lost their collective nerve leaving it to the Lemass wing of Fianna Fail to provide the active opposition to such traditional thinking. The minutes of the Fianna Fail parliamentary party show quite clearly how wide this dispute was. Lemass could not afford to leave MacEntee with a clear run and control of economic policy: There was no guarantee that he would automatically replace de Valera once 'the chief' retired.

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<sup>1</sup> McGilligan was Minister for Finance, Dillon Minister for Agriculture and MacBride Minister for External Affairs in the first inter-party government.

Lemass could not leave the economic assert itself over the political within the administrative framework of government at this time. Thus his disputes with MacEntee over the whole thrust of economic policy can be seen in these terms. One such dispute erupted in late 1952 when Deputy Michael Moran urged that 'a special meeting be held in the near future for a full discussion of Government policy'. A meeting of the full Fianna Fail parliamentary party in January 1953 was consequently devoted entirely to economic policy. During the course of the discussion de Valera explained that the policy of the party was 'to pay its way and that any additional services called for by the people could only be paid for by taxation' and stressed that 'increased production - principally from the land - was the remedy for most of our problems'. While this was traditional Fianna Fail policy it did not satisfy all within the party, and within six months a motion sponsored by twenty deputies was put before the parliamentary party declaring:

The party is of the opinion that in present circumstances a policy of financial austerity is no longer justified and requests the government to frame a progressive policy suited to the altered situation, with a view especially to putting an end to the undue restriction of credit by the banks, and making low interest loans available for farmers and house purchasers.<sup>3</sup>

The debate which followed this motion lasted through July and when no decision was reached was then postponed until after the summer recess. The topic, however, was not discussed again until January 1954. The minutes of this particular meeting are brief simply declaring that

after a number of teachtai had contributed to the debate, the acting minister for Finance, Prionsias MacAogain [Frank Aiken], replied and An Taoiseach made a comprehensive statement on the party's

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<sup>2</sup> Both Whitaker and Murray became Secretary of the Department of Finance, Nagle became Secretary of the Department of Agriculture, O'Cearbhaill became Secretary of the Department of Labour and Barrington became the first director of the Institute of Public Administration.

<sup>3</sup> Fianna Fail, Parliamentary Party Minutes, 441/A, 22 July 1953.

financial and economic policy, Deputy Carter withdrew the motion on behalf of the teachtaí who signed it.<sup>4</sup>

There is no further record in the Fianna Fail parliamentary party minutes dealing with economic policy until January 1957, by which time the second inter-party government had almost run its course. The attempts by some deputies to place government economic policy on an expansive footing did not succeed as financial policy continued to be restrictive notwithstanding the launching of a national development fund for capital projects in 1953. Despite this scheme Fianna Fail would go to the country in 1954 defending a strictly conservative economic record. The result was to be a second spell in opposition within three years as they lost four seats in the general election and saw John A. Costello form a new administration. When Fianna Fail regained office in 1957, de Valera, crucially, relegated MacEntee from Finance. In essence this left Lemass with the scope to reshape economic relations in the way he wanted. This was principally due to the electoral fortunes of Fianna Fail, and not to any great shift in financial ideology. De Valera, although he can have had little stomach for it himself, undoubtedly realised that in the electorally fluid 1950s, economic expansion could well mean political success.

## **TOWARDS THE CORPORATE STATE**

It is within these parameters that one can see Lemass's courtship of the various economic interest groups in the period. He instinctively knew that the development of the country in economic terms necessarily revolved around a corporatist style arrangement with the government leading these groups in a new economic partnership. For that to happen, Lemass realised that government in its political form would have to be the hegemonic player in the administrative system. Of even more importance was that he be at the head of such a system, and for that to happen he would have to devise a long term economic strategy that would return Fianna Fail to government. While he bemoaned the fact that civil servants did not do enough independent thinking, he was firmly of the belief that it was political government which should lead. It is in these terms that one can see the evolution in the process of the formulation of public policy towards a more conscious and overtly corporatist set of arrangements. Within these parameters, the political interests, particularly in the form of Lemass, would lead, but it was intrinsic that individual interest groups play a full and active role. Thus the formalisation of the identities of the major interest

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<sup>4</sup> *ibid*, 27 Jan. 1954.

groups - farmers; business; and trade unions - began (Murphy, 1996). Moreover aspects of the civil service became more active as the 1950s continued. Ultimately Whitaker's Economic Development (1958) was the culmination of a major strand of activism within parts of the higher echelons of the civil service. A decade earlier there had not been anyone saying that civil servants had a long term policy planning role in economic and social affairs. While it is true that many decision makers in the civil service were happy to take a back seat and perform their tasks as they had always done, there was a vigorous band within administrative circles who believed that it was not just the job of the senior civil servant to advise, but it was also imperative that they do some independent thinking which could then be presented to their political masters. Although the period of the second inter-party government was a time when traditional economy was in the ascendant as the policies pursued by that government mirrored the previous administration, once Fianna Fail regained power in 1957 the civil service, or more correctly some sections of it, should be seen as an acknowledged part of any tripartite arrangement between Lemass and the various economic partners (Lalor, 1996).

There was a gradual maturation of relations between the emerging interest groups and the government in the policy realm during this period. Relations between both the second inter-party government and the Fianna Fail government which succeeded it, and the National Farmers Association [NFA], had been fraught with difficulty since the NFA's foundation in 1955. This relationship, stormy at the best of times, took on an even more acrimonious tone once the abrasive Paddy Smith became Minister for Agriculture in 1957. By 1964 the government were in the process of redefining their relations with the agricultural lobby. After some nine years of vigorous lobbying the NFA were to receive formal recognition, as the government declared that in future they would welcome regular and full discussions and consultations with them in the formulation of government policy, both broad and specific. For Paddy Smith the government's difficulty had been in finding a

basis for fruitful co-operation while the NFA reserve the right to be destructively critical of every move made by me to help farmers, and to use meetings with me and



my officials as the basis of biased attacks on us and on government policy.<sup>5</sup>

He thus considered that the government might as well be dealing with the NFA on a formal footing in the future. He was of the opinion that a well organised farmers' organisation had a really valuable job to do and that it was in his own interests to work with them and give a fair hearing to any proposal of a constructive nature that they might put before him. Thus in the Dail on 16 February 1964 Lemass gave official recognition to the NFA:

We recognise that the NFA has a special status among farmers organisations insofar as it is interested in all branches of agriculture and we made it clear to them that we welcome the prospect of regular comprehensive consultations and discussions with them in connection with the formulation of agricultural policies in the broad sense as well as their practical co-operation in respect of the different aspects of agriculture. This special status will be taken into account by us in appointing farmers' representatives on boards and so on.<sup>6</sup>

While the NFA received formal government recognition, Smith was disturbed at the whole thrust of Lemass's economic policies. After Lemass took over as Taoiseach in 1959, Smith found it increasingly difficult to accommodate himself to Lemass's economic and social viewpoints (Robins, 1993, p151). Lemass's co-opting of the farmers into a formal negotiating relationship with the government was mirrored in his attitude to the unions. Smith, however, saw the courting of the unions as sacrificing rural to urban interests. While one can see both Lemass's courting of the unions and his formalising of relations with the NFA as the beginnings of a corporatist-style approach to government in the early 1960s, in that a formal political structure was put in place which integrated the NFA and Congress as socio-economic groups through a system of representation with the government, the farmers' organisations and the farming community in general were extremely wary of

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<sup>5</sup> N[ational] A[rchives], D[eartment of the] T[aoiseach], S.17543A/63, Smith to Lemass, 20 Nov. 1963.

<sup>6</sup> Dail Debates, vol. 206, col. 1794, 16 Feb. 1964.

Lemass. The farming lobby's disappointment at losing out on the enlarged market of the EEC made them only more determined to advance their cause by any means possible. The government, notwithstanding the fact that the relationship had been formalised, continued to find it difficult to maintain harmonious relations with the farming bodies. An increase in government subventions in 1963, such that the cost of these agricultural supports to the taxpayer for the first time exceeded £40 million, did not satisfy the NFA. Moreover they proclaimed that the increase was entirely due to them. Lemass echoed the frustrations of the government:

Notwithstanding the dimensions of this support to agriculture, notwithstanding the substantial increase in the volume of this support in recent years, the Government were getting very little thanks from the professional spokesmen of farmers' organisations. I want to make it clear that we are not looking for thanks ... But I want to say that I, and all members of the Government party, are becoming increasingly fed up with the constant propaganda which is being circulated amongst farmers that these provisions were made, this assistance given, and these new schemes of agriculture devised not because we wanted to do so but because we were forced into giving them by reason of pressure and agitation. This is not true; it was never true and it never will be.<sup>7</sup>

He also claimed that ordinary farmers in the community had a very lively appreciation of what the government had done and was striving to do to improve the situation for them. His quarrel was with the NFA, not ordinary farmers.

Yet there can be little doubt that ordinary farmers looked to their respective organisations for leadership and indeed blamed the government for what they saw as their increasing difficulties. The NFA was mobilised from the bottom upwards (Collins, 1993, p.111). Any improvement in the general position of agriculture would be credited to their leadership, not to the government. In essence it was in an atmosphere of mistrust and suspicion that state - farmer relations were conducted in

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<sup>7</sup> Dail Debates, vol. 206, col. 1218, 12 Dec. 1963.

this period, a time when the government was trying to broaden Ireland's industrial base and in which the farming community feared that they would be left behind as industry boomed in a rising tide of prosperity. Yet this period also saw the formal recognition of the role of farmer organisations in the formulation of policy. It was perhaps naive of Lemass to expect that, having invited the farmers to sit at the policy table, they should abandon the confrontational style that had in their eyes won them that approach. For all their blueshirt antecedents (Manning, 1986), by the early 1960s the NFA had come to be seen by Fianna Fail ministers as a troublesome but essentially apolitical grouping: ten years earlier they would have regarded them simply as Fine Gaelers on tractors (Murphy, 1996, p.198). The depoliticisation of interest group politics as seen in the formalisation of relations between the Fianna Fail government and the NFA, can be viewed as an example of how far Lemass had gone in his attempts to create new political relationships and structures in the Ireland of the early 1960s.

While clearly the farmers remained the most overtly selfish and sectional group, even they came to take some heed of the 'national' as distinct from the purely agricultural interest. Moreover the vision articulated by the Irish Congress of Trade Unions [ICTU] is really quite striking, in that they were able to take a dispassionate and long term view of the country's economic prospects in addition to attempting to advance the long term sectional interests of their members. The crucial moment in the development of union/ business/ government relations in the period was the establishment of the Committee on Industrial Organisation [CIO] in 1961 in which Congress and the Federation of Irish Industries [FII] were directly represented. Originally Congress was left out and had to demand to be included. Garret FitzGerald (1991, p.59), who at this stage was an advisor to the FII, argued that it had to work with the government in a general review of economic policy and approached Whitaker as to the feasibility of the study. This was truly a radical step for business to take. Whitaker readily agreed and FitzGerald maintained that it was simply due to an oversight that the unions were omitted:

they proved to be the most constructive partners.  
Indeed, insofar as tensions existed within the  
committee they proved - as I had anticipated - to be  
between the Department of Industry and Commerce on  
the one hand and the rest of us, with Finance, the CII

and ICTU endeavouring as a troika to nudge that department into psychological acceptance of free trade.

When the CIO reports began to appear in the autumn of 1962 they showed the weakness of Irish industry, especially when it came to export potential. Not all industrialists were in favour of entry to the EEC. One was Aodogan O'Rahilly, a successful businessman who was involved in the production of roofing tiles and became chairman of Bord na Mona in 1959. Although a close associate of Lemass, he was deeply worried:

while I welcomed foreign investment, I believed that if we were going to enter the EEC then our sovereignty would be lost and in a free trade environment we would quickly go under. I drew comparisons between entry to the EEC and the passing of the Act of Union as I foresaw Irish industry dying, just as what happened in the early 1800s due to the operation of economic laws. In many ways I suppose I was an old style Fianna Fail nationalist.<sup>8</sup>

More typical, however, was the response of Jack Fitzpatrick of the FII who told *Hibernia* that Ireland would join the EEC and the result would be the 'blossoming of our economy'.<sup>9</sup> Officially the FII had become a supporter of Whitaker's policy of economic planning. It noted in its official journal that

in the midst of the activities in preparing for entry into the EEC it is good to see that the Government have not lost sight of their economic planning programme which will have an important bearing on our preparedness to face the challenge of the common market.<sup>10</sup>

The CIO was part of a continuing corporatist-style initiative by Lemass to involve the unions and industry in the policy of economic development in that it saw the development of a political structure which organised the socio-economic groups

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<sup>8</sup> Author's interview with Aodogan O'Rahilly, 14 May 1994.

<sup>9</sup> Fitzpatrick is quoted in *Hibernia*, Mar. 1962.

<sup>10</sup> *Industrial Review*, The Journal of the Federation of Irish Industries, vol. 18, No. 5, Sept - Oct. 1961.

through a system of representation and co-operative mutual interaction at the leadership level and social control at the mass level. Moreover Lemass's desire to incorporate the unions found an echo in the dominant trend of corporatist thinking within the trade union movement itself (Hutton, 1991, p.63). The Employer-Labour conference came into existence in 1962 and the National Industrial and Economic Council [NIEC] was established a year later. These new agencies paralleled the state's commitment to economic planning, although if Ireland had succeeded in gaining entry to the EEC in 1963 it is doubtful what impact they would have subsequently had in policy formulation (Girvin, 1994, p.127). The unions did play a positive role in bodies such as the CIO and the NIEC with both Donal Nevin (1995) and John Carroll (1996), former General Secretaries of ICTU and the Irish Transport and General Workers Union [ITGWU] respectively arguing that they could have taken the attitude that 'it is none of our business, but instead played a positive role'. Although Congress only gave lukewarm support to the original EEC application they offered no dissension to Lemass's strategy when they met him in January 1962. Lemass urged them to accept that changes were underway in Ireland's relationship with the wider world and that existing preferential arrangements with Britain were already weakened. He reiterated his intention to seek membership under the best terms possible, but said that they would have to operate on the assumption that tariffs would have to be removed by the beginning of 1970. He stressed that it was his view that

state aids to industry designed to promote efficiency should be regarded as desirable ... though the form of aid in some cases would be modified ... In general it appeared likely that the question of adjustment to common market conditions would be a problem of the position of individual firms rather than industrial groups.<sup>11</sup>

This implied that even in the absence of EEC membership considerable changes in the Irish economy would be necessary.

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<sup>11</sup> NA, DT, S.17120A/62, Meeting between the Taoiseach, the Minister for Industry and Commerce and the Irish Congress of Trade Unions, 11 Jan. 1962.

## DEVELOPING A FREE TRADE ETHOS

In essence by the early 1960s the government had decided that the future direction of the Irish economy lay in it being associated with the EEC. The trade union movement were initially lukewarm in their endorsement of this approach but were co-opted by Lemass and subsequently involved in discussions on the future development of economic policy. Wage negotiations overlapped throughout this period with the evolution of an external economic stance and the union movement recognised that higher wages and higher productivity depended on the expansion of the Irish economy. The government, industrial groups and the trade unions recognised that industry would have to develop rapidly to meet the rigours of free trade competition. As John Conroy, General President of the ITGWU, pointed out at the time:

freer trade is coming and unless we all realise this and prepare we will find that every workshop and factory not fully and efficiently equipped will cease to produce to economic requirements and all the employees will find themselves unemployed.<sup>12</sup>

The CIO had pointed out the inadequacies of industry to cope with the transition from a protective framework to an interdependent economy. All parties involved recognised that there could be no return to a protectionist position and they resolved to adopt a trilateral approach in their attempt to revolutionise the Irish economy in the light of new free trade conditions. A consensus had emerged that it was better to face an unpredictable world as a member of an economic alliance rather than as an isolated economy, and an export-led growth initiative was to be adopted. Ireland's economic interests had taken on a wider agenda, one which required the input of the farming community, industry and the trade unions. Thus in many ways the position of the business leadership was quite similar to that of the unions as the debates about entry to Europe gathered pace in the late 1950s and early 1960s. While there were two distinct views about any proposed entry of a trading bloc within the business community as well as the unions, it is clear that they realised that the country's economic fortunes and those of their members were interlinked.

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<sup>12</sup> Conroy is quoted in the *Irish Press*, 10 July 1963.

## CONCLUSION

In essence Lemass, from 1957 the undisputed prime economic player in government, embarked on a programme to haul the Irish economy out of the dark ages of financial austerity, mass emigration and inadequate employment. He did this by setting out to establish a broadly European style proto-corporatist social democracy, involving all the key players collectively in responsible decision making. By the early 1960s most states in Western Europe were actively intervening in the economy in order to achieve the economic expansion that their citizens were demanding. This was particularly true of the Scandinavian states, although most other countries also pursued a consensual approach to economic management in this period (Katzenstein, 1985). Lemass wanted Ireland to share in the rapid economic growth that had been a feature of most European states after the second world war. He had a long range vision for the Irish economy and realised that age old methods had not worked in the past and were most unlikely to do so in the future. His relations with ICTU and the NFA are clear examples of his attempts to build such a social democracy. The emergence of both players as recognised elements in national policy making is the crucial sign in Lemass's attempts to build what we might call the broad based church of economic interest groups. It was essential that both farmers and unions be involved as well as business. While Lemass's views did not please everyone in Fianna Fail as witnessed particularly by the resignation of Paddy Smith as Minister for Agriculture in 1964, the Fianna Fail of the early 1960s was a distinctly different party to that which had lost power in 1948. A new generation of politicians, influenced greatly by Lemass, were comfortable with the innovative direction of economic policy that had Europe as its ultimate goal and left behind outmoded theories of self sufficiency.

By the early 1960s Europe was in fact the goal of the majority of politicians and interest groups, with even the Catholic Church voicing no overt protest (Cassidy, 1996). By the time of the application to the EEC in 1961 all the interest groups which Lemass had co-opted in his quest to make Ireland a more competitive economy were advocates of entry. Policy was to be formulated with these interest groups in mind. Thus Lemass resolved that the state would have to show the way. His opportunity presented itself out of a national economic malaise and he was determined not to waste it. The government of which he was all but nominally in charge from 1957 on would pursue policies of economic expansion and would engage with the economic

interests to see its aims succeed. Ultimately it was politics which had reasserted itself.

Yet Lemass still faced opposition from his old stomping ground of Industry and Commerce. While it was Whitaker who convinced Lemass that free trade had to be taken on board, it was Lemass who had to ensure that Industry and Commerce left their protectionist mentality behind (Whitaker, 1994). He did this to such an extent that by 1963 Industry and Commerce were maintaining that they 'wholeheartedly' supported a phased cut in tariffs.<sup>13</sup> While European economic integration was not an explicit feature of either Economic Development or the First Programme for Economic Expansion (1958), developments within the economic superstructure had shown policy makers that they could not exist independently of the free trading blocs that had emerged in Europe from the 1950s onwards. This was particularly true once Britain decided that she could no longer ignore these developments. Whitaker was the main instigator in Ireland's move towards economic interdependence with Western Europe. Lemass took some convincing, but once persuaded, he became the most enthusiastic advocate of membership to such a bloc, in Ireland's case the EEC, since Britain had applied to join that body, and used his political power to ensure that some of the more reluctant civil service departments supported him. Ireland's economic needs had taken on a new agenda. An activist Taoiseach, Lemass, had brought his party with him, and in the process had fundamentally changed their economic philosophy. Assisted by dynamic elements within the civil service had embarked on a route that assumed interdependence with other economies. To secure a consensus on this he engaged in meaningful and formal dialogue with economic interest groups. By 1964 the primacy of the political process was fully recognised. Civil servants and the economic interests had a vital role to play but it was Lemass who was in charge of economic development.

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<sup>13</sup> D Finance, F.121/36/63, Department of Industry and Commerce, Memorandum for the government, unilateral 10% tariff cut, Nov. 1962.



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