

THE "MECHANIZED TOILER"  
 (Constructivist-symbolical drawing by Krinski)

No. 11

# RIPENING OF TIME

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the Labour Movement overcomes its contradictions and goes beyond the juxtaposition, good and great. The fight against capital would be so much easier. If the Labour Movement, or parts of it, join the bourgeoisie ( as they did on the national question and are still at it in the 6 Cos on the question of ' 6 Counties Independence ' ) then we will fight against them. The drama will be longer, the fight against capital and State bloodier. And the risks of this latter eventuality are big indeed - both here and in England, Scotland and Wales.

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On another level , we see this contradiction between the working class and the Labour Movement as a reflection of the primary contradiction inside Marxism between *theory and practice* . Or *strategy and tactics* . The theory and strategy of revolutionary Marxism can be nothing else but revolution. This, we believe, is the conscious strategic choice of many working class comrades too. But on the level of tactics , or practice, which really means organisation, the question becomes more complex and thorny. The continuity of struggles becomes an easy thing - as long as bosses and capital are there one can fight. But how the tactics and the organisation of these struggles could or will unify on the level of organisational practice for working class power. THAT IS THE BIGGEST PROBLEM.

You can approach this by two directions : either you adopt an entrant, conservative, cautious approach of gradualism or you adopt a more adventurous and unrestricted approach , forever negating the cowardice of the petit-bourgeoisie for theory and ' unplanned ' situations. We have chosen the second path ; we have left behind us the days of repetition, of vulgarity and gossip passing itself for politics. These things still persist in the various HQs around North Centre Dublin. And this is why so few working class people will be found singing hymns to socialism there. Whether our approach is right or wrong time will judge. In the meantime until we are proven we are wrong we will continue in our path for working class power and communism. This is our programme and our strategy - for whatever it is worth.

( The essay which follows was first presented by a comrade of the Editorial Collective to a Conference in Warwick University in England on July 8th 1978. It has been since edited and extended through further discussion and study. )

# Changing patterns of domination since World War II

## Introduction

The first question we must immediately answer is ' why ' Since World War II ' ? Why start at 1946 ? Why not 1932 - the year De Valera's Fianna Fail came to power ? Why not 1958 - the year Fianna Fail introduced its programme for economic expansion ?

Our answer is , as yet , provisional. We are stressing the importance of the entire post world War II period because it is in this era that we situate a gigantic restructuring of social classes , of the State and the entire political and economic fabric of the Irish social formation. And we do include the 6 Cos into this formulation - although this essay will not deal with the specific form this restructuring took in the northeastern part of the island.

Ireland has been fully integrated into the imperialist chain, as a dominated link , since the middle 40s. This is what we intend to examine and, hopefully, prove in this essay.

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The post World War II era is a specific phase of the era of imperialism. An era which started in the last two decades of the 19th century and through which capital established itself as a dominant social relation in all parts of the world ( 1 ). Throughout the imperialist era, capital brings most social formations directly under its rule. These are social formations which , historically, under the colonial era, had provided raw materials, markets and labour power for the dominant political centres of capital.

(1) Issues 1 and 2 of ROT treated the subject of imperialism in greater depth.

Capital, all through the imperialist era, but especially since World War II, begins to dominate the entire economy and to reproduce capitalist relations of production from the INSIDE of most dominated social formations. This changing pattern of domination by capital is clearly exemplified through massive social upheaval, wide-spread conflict and *recomposition* of social classes and thus of the State. This is really what we mean by the above term *insertion of the social formation inside the imperialist chain*.

The era of imperialism can be broken up into three distinct phases: (2)

1. From the 1880s to the very severe world crisis of 1929-30
2. From the early thirties to World War II
3. From the end of World War II to the crisis of 1972-75. (3)

This essay will concentrate on the third phase as it unfolded in the 26 Cos.

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It can be generally argued that this third phase, in Ireland, is one of intense and acute contradictions: both national and class contradictions accumulate to shake the foundations of the entire social structure. Especially the 1960s were, and were clearly felt to be, by the bourgeoisie if not by the entire people, "a decade of upheaval, a decade through which fears grew for the social fabric of society....the old structures of society were breaking down.... new attitudes were being painfully developed...." (4)

But why? And how? These are the two questions this essay will try and answer. Undeniably, some of the answers lie in the specific traits of class struggle *inside* the 26 Cos; others are the effect of decisions made outside Ireland which had huge consequences on the class forces in Ireland. Consider, as an example, the following point: (5)

"In 1947....there was a rapid and major shift in U.S. policy. The previous emphasis on the establishment of multilateralism and the consolidation of U.S. dominance was reversed and policies of strengthening the capitalist system as a whole came to the fore"

If this is true, then obviously the effects on the 26 Cos must have been quite extensive. And indeed they were. The intervention of the State was changing form. Emerging from the War era, the Free State introduced planning in the economy for the first ever time in its history:

"It is worth emphasizing at this point that the beginnings of economic planning are to be found in this period...predating by seven years Dr. T.K. Whitaker's famous memo to the Dpt. of Finance in 1956, which is still popularly believed to be the point of departure for government economic programming." (6)

- (2) See RoP 2,3,4: 'Internationalisation of Capital' for periodisation.
- (3) An essay is currently in preparation on the phase 1972-1977
- (4) C. McCarthy. 'The Decade of Upheaval'. I.P.A. 1973. p. 8/9.
- (5) Armstrong, Glynn, Sutcliffe, Harrison. Unpublished Thesis. 1976.
- (6) J. Murphy. 'Ireland in 20th Century' p.123. Gill & MacMillan.

This is the bourgeoisie talking of itself and its history. It is how they understand the State becoming an economic structure and as such an *agent of production*. This again does not start from nil in the period under examination....but what is specific to the post-World War II phase is the distinct inter-relation between State and non-national capital as opposed to the unsuccessful attempts of the De Valera State in the 30s at an 'independent' capitalist development.

The post-World War II Free State is a new type of State: it is the State of social capital, the State guarantor of capital as a whole. The theoretical tools for the comprehension of this new type of State can be found in Marx's analyses of social capital.

These are preliminary notes on what was happening to the State and the bourgeoisie. But what about the working class - the farmers? Here silence reigns among bourgeois historians. The militancy of the struggles of the proletariat are mute or "impossible to communicate" as a Trade Union official put it to us. Dire silence on the forties, fifties and sixties. Contrast this to the continuous rubbish on the thirties and the seventies. Is it an accident? We do not think so.

The integration of Ireland into the imperialist chain had as a pre-condition a massive process of *defeat and restructuring* of the popular forces. As such, and this is our first argument, the integration of Ireland into the imperialist chain was A POLITICAL OBJECTIVE of the Irish bourgeoisie. The memories of the twenties and then the temporary flicker of the middle thirties obliged capital to undertake a conscious process of social mystification of the process of production, of the source of surplus value.... a social mystification which would hopefully hide the origins of working class struggles.

A primary element of this process of mystification was the blurring and destruction of class unity. If the political objective of the Irish bourgeoisie was to ally itself with multinational capital - the first DIRECT TARGET was the smashing of the image built by the struggle of the working class north and south - an image of *unity, identity, militancy and general class interest*. That image, led and nurtured by new class vanguards, came forth so strongly in the sixties.

Capital had to restructure the class and smash that unity. To what extent was capital successful in this operation can be seen today as we witness the Irish proletariat, desperately divided, vertically and horizontally, trying to assert its economic and political independence - indeed *autonomy from State and capital*. Desperately struggling while held down by million and one divisions imposed on it: native / migrant, women / men, urban / rural, skilled / unskilled, manual / intellectual, young / old, in Unions / out of Unions. One has to admit that the political objectives of capital have been successful.

A success, of course, magnified hundred fold by the deepening and extension of the primary division of the Irish people : 6 / 26 Counties. A division which fragments the struggle for national liberation and makes the nationalisation of the war a very hard objective indeed.

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These are , in summary, some of the points under study in this essay. The entire post World War II phase will be looked at in two main periods:

1. The first period , starting in the immediate aftermath of World War II and continuing until 1954

A short span of 3 years as a transition in crisis until 1957

2. The second period, the decade of upheaval, from 1957-58 to the crisis of the early seventies. ( 7 ).

(7) In future issues of RoT we will examine in detail the nature of the crisis of the 1970's.



## Phase I : 1946-54

### I. Economic development

The War years had strengthened the landed and merchant fractions of the Irish bourgeois class - on the shoulders of the proletariat and also at the expense of other fractions of the ruling class. This relative strength of the dominant fractions of the bourgeoisie, due mainly to the huge increase in the export of non-processed agricultural produce to the food-starved European capitals of the War Zone, is well illustrated by the Irish post-War external assets figure of £400m. At the same time , Post Office and Bank deposits had doubled compared to the pre-war figure ; marking a significant increase in the share of surplus controlled by banking capital ( 8 ).

Industrial capital, on the other hand, was hit by wartime shortages of most of the imported raw materials for industry. The volume of industrial output was halved in a whole range of non-monopoly industries. ( 9 ).

Agricultural output was booming; it reached £105m. per annum, whereas industry and services together amounted to £ 66m. ( 10 ) This descriptive post-World War II image of the 26 Cos is one of a social formation in which landed, banking and merchant capital are hegemonic while industrial capital, and especially the traditional industries of footwear, hosiery and textiles are in serious decline.

It is this background which provides the structural basis for State intervention . This intervention, at this precise moment of Irish history, is not so much politically opportune but technically necessary if capital as a whole is to survive. The future of capital has to be protected ; the overall power of capitalist relations of production stabilised ; tomorrow assured. These are the Keynesian themes at work.

The weakness of industrial capital is the primary pre-occupation of the State inside this process. And it is towards the overcoming of that historical weakness that State intervention is geared. It is crucial here to grasp precisely how the State is functioning not as a simple tool of the hegemonic fractions of capital , but as an economic and political Headquarters for social capital as a whole. The development of an industrial infrastructure and the

(8) Jack Gale. 'Oppression and Revolt in Ireland'. p. 135 1975.

(9) J. Meehan. 'The Irish Economy since 1922'. pp II7/238.

(10) Meenan. op cit. pp 224/236.



## II.

# Political changes

With this economic background established we can now proceed to look at the more overtly political developments of the period which are characterised by the *lengthy process of regroupment* which took place inside the Irish bourgeoisie :

1948 saw Fianna Fail out of power for the first time since 1932. They were replaced by a Government made up of 5 political Parties : The drain from the land and the attack on small farmers had provoked the emergence of a small farmer Party called *Clann na Talmhan* ( Children of the Land ) based primarily in the West and the South of the 26 Cos. This development ate away at the rural small farmer base of Fianna Fail. At the same time, the rupture of bourgeois and petit-bourgeois republicanism led to the emergence of an urban based petit-bourgeois Party , *Clann na Poblachta* ( Children of the Republic ) , led by Sean McBride - former Chief of Staff of the IRA. This Party had a considerable base inside the traditional urban petit-bourgeois and sections of the proletariat. It especially attracted national school teachers - following their long and bitter dispute with the Government in 1946. The Labour Party had split earlier and both wings were in the 5-Party Coalition. The Blueshirt Party Fine Gael made up the grand contingent. This Coalition was a project of unity of all the excluded sections of capital and petit-bourgeoisie to force Fianna Fail into a process of regroupment and concessions.

The membership of *Clann na Poblachta* was divided on whether their Party should participate in the Inter-Party Government, as it was then called. The leadership pushed the Party into the Coalition - although their majority was very slim. This Coalition was vital for capital at this point... it negotiated a new Trade Agreement with Britain implementing a full return to pre-war positions. It seceded from the Commonwealth, declared the Republic and implemented the vital re-arrangements in legislation so that Marshall Aid funds could be put into use. But the internal solidity of the Coalition was weak. And what brought it down was the attempt to introduce some social reforms , contingent maybe to the changing pattern of imperialist domination, but certainly contradictory to the dominant interests of the country at that time : landed capital. The Health reforms put forward by *Clann na Poblachta*, and accepted by the other 4 , were opposed violently by the Church - traditional power centre of landed capital - and the medical profession. The fragile Coalition splintered immediately.

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All through this period, reformism and social-democracy were in crisis. The Labour Party and the Trade Union Movement were both split. The *Socialist Programme* of the Labour Party which was drawn up in the thirties and included nationalisation of basic industries, State

control of the banks and the objective of a *Workers Republic* had disintegrated. Even the concept of a 'Workers Republic' was dropped after an onslaught by the Church. James Larkin, head of the Workers Union of Ireland, opposed Government measures to centralise the Trade Unions - which meant favouring the Irish Transport and General Workers Union - the biggest Union in Ireland which had, at that point, 150,000 of the 360,000 Trade Union members in the 26 Cos. The ITGWU was then closely tied to national bourgeois interests and supported Fianna Fail in the 1951 elections. It attempted to use the Supreme Court to enforce single negotiating rights and also tried to expel the British-based Unions , and Larkin's WUI, from the Trade Union Congress.

Larkin was a member of the Labour Party and in 1943 contested and won a seat in the Dail. A move to expel him from the LP as a *communist* failed and as a result 5 Labour TDs, who were based in the ITGWU, left the Labour Party and formed the *National Labour Party*. Soon afterwards the ITGWU disaffiliated from the Labour Party.

These events were the background of the major split in the Trade Union Movement in 1945, when the ITGWU, with some other Irish-based Unions, left the Trade Union Congress and set up the Congress of Irish Trade Unions " to be free..", in their words , "...from the domination of British-based Unions ". The WUI, the second largest Trade Union, remained in the TUC. This split was to last until 1959 when the wounds healed and all sides agreed to set up the ICTU.

These contradictions inside the Trade Unions , and social-democracy in general, reflected accurately the wider struggle taking place between the two major fractions of the Irish bourgeoisie : landed capital/commercial capital on the one side industrial capital on the other. The ITGWU was strongly under the influence of Fianna Fail while the WUI was aligning even at that period with the ideologues and managers of the most advanced fractions of finance capital inside the overall process of restructuring.

The post-World War II years were marked with widespread unemployment and unprecedented levels of emigration. Both were surpassed only in the years of post famine Ireland in the 1850s and 60s . The unemployment figures were the highest ever until 1975. The rural proletariat was decimated. Marshall Aid reversed the short-lived flow into agricultural employment, accelerated the depopulation of the countryside and intensified the attack on the small farmers. *Clann na Talmhan* was a Parliamentary attempt to stave off this assault but failed to achieve any significant impact. The rural electrification scheme of 1945 heralded as a *concession to the poverty of the small farming population* , primarily benefitted the big and middle farmers, since it took place in a context of a general capitalisation of land and a destruction of small property. By the way, it has never been completed to this very day.

Petit-bourgeois republicanism sought working class support , mainly through *Clann na Poblachta* and certain sections of the proletariat responded favourably. But the fragmentation of the popular masses as a whole , well reflected in the splits and conflicts inside the Trade

Unions and the Labour Party, was never really stemmed. Bourgeois politics divided the people continuously. A number of bitter contradictions among workers came to the fore and further splintered the unity of the exploited. For example, the Clontarf Bus Depot dispute had very negative effects on the militancy of the busmen - in this dispute the ITGWU came out on strike in opposition to two of its members joining the ( ENGLISH based ) National Union of Railwaymen.

And the bourgeoisie profited from this weakness. The 1941 Wages Standstill Order ( under the Emergency Powers Act no.83 ) prohibited wage increases and strikes ; between 1939 and 1946 the working class experienced a decrease in its standard of living of around 30% . In 1946 the Government introduced an Industrial Relations Bill " to mediate and moderate wage claims " ; the Labour Court was set up during the same year.

Nevertheless, wage claims came in thick and fast - there was a long and bitter teachers strike from March to October 1946 . From this strike the Irish National Teachers Organisation ( INTO ) emerged as one of the most militant Unions of the period. The strike was lost but unrest, especially among white-collar workers, was continuous and widespread. The Government was forced to concede quite a substantial wage increase through a Wage Agreement at the end of 1946 ; it was also forced to make cuts in the defence spending while, at the same time, increase pensions and payments to widows and orphans . The 1946 Agreement held until 1950. ( 16 )

In 1950 , with Marshall Aid funds drying up, ( 17 ) a new period of working class offensive opened up. Starting with the critical Bank strike of 1950 a whole series of disputes broke out : many were centered in the Transport Industry . Dockers and seamen were involved in a major shipping strike . 30 coastline ships were tied up at Dublin, Belfast, Cork, Waterford, Liverpool and Fishguard when B&I crews refused to sail without compensatory leave being paid. Three more strikes followed in quick succession involving railway workers, vehicle assembly workers and gas workers.

The transport workers led this offensive in the early 50s against a background of centralisation and re-organisation of the transport industry. C I E was set up in 1945 bringing under State capital the transport sector's fragmented commercial capital. Capitalisation of the transport industry was extensive and the objective of this process was to subsume the process of circulation of capital into the overall needs of the productive cycle - indeed into the cycle of production itself. Marx explained this development in his writings on the sphere of circulation in Capital Vol.II in the following way :

" The circulation, i.e. the actual locomotion of commodities in space, resolves itself into the transport of commodities. The transport industry forms on the one hand an independent branch

(16) McCarthy. op cit Ch 2.

(17) The Marshall Aid funds officially stopped in 1951.

of production and thus a separate sphere of investment of productive capital. On the other hand, its distinguishing feature is that it appears as a continuation of the process of production within the process of circulation and for the process of circulation. " ( 18 )

Many of the wage claims were won - despite the presence of the Labour Party(ies) in Government - as were some improvements in welfare. Social-democratic influence was forcing some space for bargaining and negotiation. In 1951, Bank workers won a large wage increase ; then CIE workers, printers, gas workers, electricity workers and flourmill workers put in more claims. This phase was finally ' resolved ' in 1952 when the Government conceded a new , across the board, increase of 12 shillings and six-pence a week. (19)

This working class agitation hit the already deeply divided Inter-Party Government. Weakened by inter-bourgeois contradictions, attacked by the offensive of the farmers over milk prices and now assaulted by the working class the Coalition wilted. Elections were called and Fianna Fail, supported by the ITGWU, came to power but with a minority Government.

It immediately made some uncontroversial changes in Health and Welfare. Living standards were falling again. The Trade Unions were now campaigning against price increases - inflation was galloping. Women telephonists were on a work-to-rule , seamen won a £7 a week rise having rejected a Labour Court recommendation for a £2 rise. Then, from June to November 1952, workers in 1,000 hotels and restaurants had a long drawn-out dispute at the end of which they won higher wages and the right to the 10% service charge. Workers from Northern Railways, Belfast transport workers, bakers from Limerick, cinema workers, CIE electricians and newspaper workers were all in dispute - more or less at the same time. Now the emphasis was shifting from the transport industry to the service industries where employment and productivity were increasing while wages were depressed. The increases won since the War were being eaten away by inflation. Unemployment was still very high and the Dublin Unemployed Association was fighting the Police in the streets. Emigration was still draining the blood of the working class.

After the 1952 Agreement the Unions negotiated a wage pause for 2 years. It was called the formula and the Trade Unions were in charge of its implementation. A new era was being entered into.

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(18) K. Marx. Capital Vol II p. 155 . Lawrence & Wishart.

(19) C. McCarthy. op cit Ch. 2.

A number of initial political conclusions can be drawn now from this first phase .

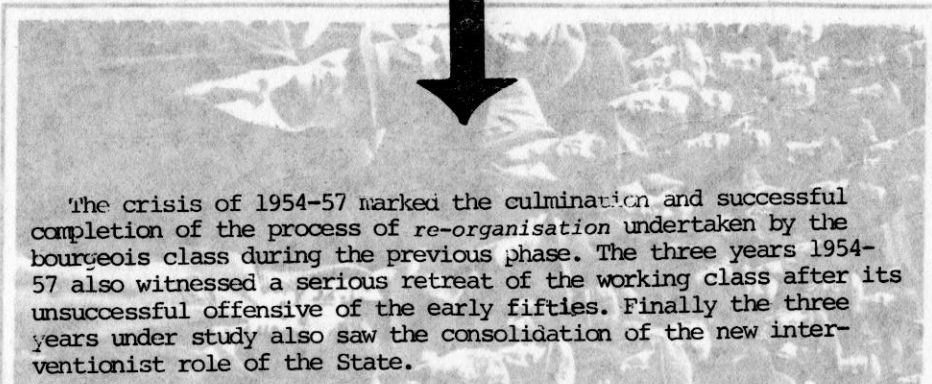

The massive intervention of U.S. capital in the productive sector of the economy provoked a crisis of the power bloc. The conditions - were progressively created for the emergence of a new fraction of the bourgeois class, tied but not subservient to U.S. interests. this fraction has been called elsewhere a *domestic bourgeoisie* or a *bourgeoisie of the interior* . These deep transformations of the bourgeois class and its need to restructure the economy necessitated increased State intervention . This was the response of the ruling class to the demands of the proletariat.

But the Irish bourgeoisie is weak, dependent and without a strong base of accumulation. And the Irish proletariat knows how to fight. This contradictory dynamic of the class forces led to the crisis of 1954-56. The proletariat was strong enough to resist but not strong enough to defend its gains. The comprador fraction was strengthening and beginning to impose itself.

The State intervention of the period, characterised by *long term* development programmes , building of infrastructure, capitalisation of agriculture and State productive investment - all necessitated the integration of social-democracy into the State apparatus. The Free State has never been able to be autarcic from capital ; this is because of its historical roots, the partition of the country and the overall extremely contradictory make-up of the bourgeoisie. But also because of the political rigidity ( strength ? ) of the proletariat which never acceded to carrying the full weight of independent capitalist development.

This was the background inside which the working class response developed in the first post War phase until 1954. A response which was led primarily by the transport and service industry workers and marked by an exceptionally high degree of militancy but a gaping absence of independent political organisation .

## The Crisis of 1954 - 57



The crisis of 1954-57 marked the culmination and successful completion of the process of *re-organisation* undertaken by the bourgeois class during the previous phase. The three years 1954-57 also witnessed a serious retreat of the working class after its unsuccessful offensive of the early fifties. Finally the three years under study also saw the consolidation of the new interventionist role of the State.

On an international scale these were years of economic and political crisis too : the Korean War, Suez and the 1956 Hungarian revolution were taking place in quick succession. The immediate effect of this international situation on the 26 Cos was the immediate cessation of capital inflow into the country - in fact, for each of the three years 1954-57 the capital inflow was negative. This was in marked contrast to the earlier phase when nearly half of the GDP consisted of capital inflow. Between 1953 and 1958 the figure fell to around 10% . This was the lowest rate recorded in the entire post War period ( 20 ) .

The very tense international situation was paralleled in Ireland with a renewed military campaign by the IRA - this in the middle of severe anti-communist hysteria inspired by the American efforts in the Cold War as well as a huge inflation provoked by the Korean War.

In 1954 the 2nd Inter-Party Government came to power in the 26 Cos. ( It is significant to note here how the Coalition Governments come to power always at a time of transitional crisis - this was to be repeated in the last crisis of the early seventies ) . By this time *Clann na Talmhan* had disintegrated, the Labour Party re-united, *Clann na Poblachta* lost much of its petit-bourgeois support while *Fine Gael* was rapidly gaining strength. Leo Crawford , General Secretary of the Congress of Irish Unions defined 1954 as " a year free of agitation " . In fact there were 81 ' recorded ' disputes, the most important of which took place in the docks and the E S B . The increases won were minimal so that ( again in Crawford's words ) " ....the working class could help to reduce unemployment and keep down the cost of living " . ( 21 ) .

(20) McAleese. op cit. p.12.

(21) Quoted in C. McCarthy. op cit. Ch. 2.





1955 was a very bad year. There was an initial attempt to organise a national wage campaign under the banner of *Restoration of 1939 standards*. It was clear now that the wage rises won in the early 50s had in no way compensated for the rising prices of the period: the standard of living of the proletariat was still lower than in 1939 - as was the case in most European countries. There was a lot of agitation and finally both Trade Union Congresses agreed to accept an increase of 10 shillings a week maximum - the working class had lost still another important battle. ( 22 ). Jobs were being lost in important sectors of employment: for example in the building industry the decade of 1951-61 saw a loss of nearly 30,000 jobs. Mining and the State sector in general were also hit: a total of 13,000 men and 36,000 women lost their jobs in these years. ( 23 )

The combined crisis of manufacturing and agricultural employment gave rise to a gigantic figure of emigration: close to half a million people left the country in three or four years. ( 24 ). The highest emigration and unemployment figures were recorded between 1954-57. Simultaneously the balance of payments deficit was increasing. The Irish economy was at a standstill and in bits.

It was no accident then that the focus of *political activity* left the economic arena and concentrated in agitational and often violent politicking. With the economic militancy of the working class temporarily blocked the bourgeois fractions found ample breathing space for inter-bourgeois conflicts. In 1955, landed capital set up the *National Farmers Association*. This body was dominated from the very beginning by big ranchers and its founding convention was attended by the U.S. Ambassador William M. Taft.

The IRA Border Campaign which started in 1956 was producing severe contradictions inside the bourgeoisie and the Inter-Party Government. Although the IRA statement of 1956 excluded attacks on " *Free State Army and Police* ", 600 military attacks were carried out in the 6 Cos causing a lot of damage. 32 British soldiers were wounded. And when two Republican militants, South and O'Hanlon, were killed in an attack on Brookeborough Barracks in Co. Fermanagh, the outcry led to the withdrawal of Clann na Poblachta from Government.

The Inter-Party Government finally fell in 1957. Republicanism & reformism had finally converged in Coalition but as part of an alliance dominated by the comprador bourgeois interests of Fine Gael. It was inevitable that the national question, as well as questions of social reform, would undermine this alliance and bring about its downfall.

The Fianna Fail Party in its post-1958 version expresses well this compromise and the wretched partnership between the newly formed bourgeois fractions and the comprador bourgeoisie.

- (22) The decline in living standards occurred in many European countries.  
 (23) See RoT no. 4 p. 61.  
 (24) D. O' Mahony, 'The Irish Economy' p. 63.

During the crisis, the bourgeoisie was building up its strength. The Irish Management Institute, the Confederation of Irish Industry and the Irish Exporters Association played a crucial part in organising and politically expressing the interests of capital. In particular the I M I provided a means of direct contact and exchange between State officials, US industrialists and Irish employers and managers. Their role ranged from the promotion of US technology to providing advice to non-monopoly capital on mergers and take-overs. Simultaneously, Fianna Fail reorganised itself as well. New faces, new promises and new policies marked the 1957 Election Campaign. Clearly what was merging at that point, 12 years after the War, was a compromise and an unsteady alliance between the landed and industrial fractions of the bourgeoisie. The State had played its role well - the long and well nurtured interests of industrial capital were about to bear fruit.

On a more theoretical point, we can see here the political effects of the unfinished nature, of the blockage, of the bourgeois democratic revolution. On the one hand, the history of the 26 Cos State and the illegitimate statelet in the 6 Cos had a long tradition of armed violence and repression. Repeated introduction of internment without trial, juryless courts and States of Emergency. On the other hand, the compromise between the landed and industrial interests was marked by the continuing if unsteady alliance of Church and State. This process has been generally associated with the growing domination of industrial capital which slowly eats away the power base of the landed interests. We say generally because in Ireland that alliance was marked by an equilibrium which prevented industrial capital from using this 'compromise' in its favour - and this for a long long time; in fact until very recently. This equilibrated alliance was the final result of the regroupment of the bourgeoisie over the previous 12 years. And it is this alliance which has blocked, so far, the process of bourgeois democratisation in the areas of family law, criminality, contraception/abortion and the continuing, though not unchallenged dominance of the Church over education.

This equilibrium was essential in establishing a unity of the bourgeoisie against the interests of the masses; in that sense it was catastrophic for the people. But it also determined a fundamental weakness inside the ruling class in so far as it limited the possibilities of the industrial fraction to modernise society and mould the social formation in its image of its needs. Finally that historical compromise of the Irish industrial bourgeoisie also put severe strains in the flexibility and marge for manoeuvre of the ruling class; it limited its capacity to concede to any democratic demand without plunging into economic and political crisis. It should also be noted that this compromise also limited the development possibilities of modern revisionism among the labour movement.

The Fianna Fail Party in its post-1958 version expresses well this compromise and the unequal partnership between the newly emerging domestic bourgeoisie (bourgeoisie of the interior) and the US-dominated foreign capital and its comprador fractions.

By 'domestic bourgeoisie' we are referring to

"..This bourgeoisie which exists alongside sectors which are genuinely comprador, no longer possesses the structural characteristics of a national bourgeoisie though the extent of this differs from one social formation to another....As a result of the reproduction of US capital actually within these social formations, it is, firstly, implicated by multiple ties of dependence in the international division of labour and in the international concentration of capital under the domination of US capital, and this can go so far as to take the form of a transfer of a part of the surplus value it produces to the latter. Secondly, what is more, it is affected, as a result of the induced reproduction of the political and ideological conditions of this dependence, by dissolution effects on its political and ideological autonomy vis-a-vis US capital....it is not a mere comprador bourgeoisie - significant contradictions thus exist between the domestic bourgeoisie and US capital. Even if these cannot lead it to adopt positions of effective autonomy or independence towards this capital, they still have their effects on the State apparatuses of these formations in their relations to the US State....." (25)

One final observation: the thinking behind the projects of this domestic bourgeoisie was 'the theory' of some bourgeois economists, led by T.K. Whittaker - Secretary of the Department of Finance. It was Whittaker who put, in 1958, the Programme for economic expansion' on the agenda. He, and his colleagues, had already seen the limitations of Keynesianism and began counteracting the classical Keynesian thinking by a new set of economic theories. They leaned towards a process of 'regulating' the economy via an extended inflow of capital rather than the traditional regulatory mechanisms of consumption and control of public spending.

After 1957, foreign capital inflow oriented towards exports in capital intensive factories, provided the only possible outlet for this new-look Fianna Fail. It gave it a mechanism of regulation which did not require the integration of the proletariat via Welfare State, social democracy etc. This was the project of capital and its Fianna Fail at the beginning of the second post-World War II phase in 1958. Sweet dreams which were to be shattered brutally only a few years later by a militant and aggressive working class.



ive investment by international capital. The crisis and the transition were over. The character of this second phase was being defined and shaped by the bourgeoisie in conjunction with foreign capital.

The response of the proletariat to this process was anything but passive. Between 1958 and 1963 the working class lived a situation of 'rapid economic growth'. The GDP had increased by 25%; investment had doubled, emigration reduced by 40% and unemployment by 35%. Wages went up by 20% and twice as many factories were built than in the previous 5 years. ( 26 ). This was what the foremost bourgeois paper 'The Irish Times' said of 1958 in its Annual Review:

" A bewildering succession of new developments marked the year 1958 in the Irish economy. New events and new ideas crowded the scene and a new spirit very different from the dejection of 1956 and most of 1957 motivated the actors..." ( 27 )

Net capital inflow, which was £17lm. in the years 1947-58, increased to £357m in the years 1959 to 1970. Throughout the 1960s, 15% of GDP came from capital inflow - a high figure yet significantly lower from the figure of 42% recorded at the beginning of the first phase. 30% of this inflow was in the form of direct investment, another 37% went as loans to semi-State enterprises and to the Government itself. ( 28 ) .

The traditional manufacturing industries continued to decline ; but the inflow of non-national capital produced net gains in manufacturing employment. Between 1960 and 1966 , new firms based on this capital inflow accounted for 33% of the growth in output in the transportable goods industries , as well as 90% of the increase in exports and about 66% of all new jobs created. A pattern of capital intensive, export-oriented, grant aided foreign industry was clearly emerging. That was a crucial change. ( 29 ) .

The ideological cement necessary in order to fortify these new developments was consolidated in the early 60s by the setting-up of RTE - a national body which was to act ever since as a mouthpiece of pro-imperialist ideology.

If we look at the 13 years 1960 to 1973 , we get the following overall picture of the changes operating in the Irish economy :

This economic project was the first clear statement of a policy for encouraging non-national capital into the 26 Cos in order to resolve the problem of ' industrial development ' . It inserted the economy of the 26 Cos into a new international division of labour and production , carving out an economic and political space for the new growing domestic bourgeoisie within the inter-

national restructuring of capital. The needs of the bourgeoisie subjectively incapable of carrying out the industrial project without subjecting itself to the international division of labour and production.

- (26) C. McCarthy. op cit Ch. 2.
- (27) Irish Times. Annual Review. 1958.
- (28) McAleese op cit p. 24
- (29) McAleese op cit p. 26

- 1 Agricultural employment declined  
from 38% in 1960 to 25% in 1973  
(It was 45% of the labour force in '45)
  - 2 Industrial employment grew  
from 22% in 1960 to 45% in 1973
  - 3 Services industry employment grew  
from 39% in 1960 to 45% in 1973
  - 4 The overall numbers at work declined by 3,000
  - 5 Emigration continued at a rate of 5% per 1,000 people per year
  - 6 Net capital inflow was £343m. making up 15% of the G.A.P. (US hegemony!)
  - 7 Over 400 companies were set up at a rate of one a fortnight. (!)
- Chords are important! Played adequately!
- ↑ we have an industrial working class
- ↑ line up numbers

It was only after the State conceded all these demands that landed capital retreated - and the alliance of industrial and landed capital cemented again.

By 1973 30% of manufacturing employment was in the hands of international capital. The composition of foreign capital investment was also important to take into consideration. U.S. capital represented 25% of new companies and 34% of total investment in the ten years between 1960 and 1970 . Today U.S. capital makes up more than 50 per cent of all non-Irish investment. 24% of this investment came from domestic sources , another 19% from Britain and 18% from the rest of Europe and Japan. ( 31 ) .

Foreign capital investment was concentrated in pharmaceutical, chemical, engineering, synthetic textiles and electronics industries. These are the 'dynamic' sectors of Irish industry. Foreign capital though destroyed in its wake almost all of the traditional industries : textiles, clothing, leather and footwear were hardest hit. The overall effect was a massive increase in the capital:labour ratio of the economy. ( 32 ) . Between 1960 and 1973 Gross Stock of Capital ( excluding agriculture and transport ) increased by 250% in the 26 Counties. ( 33 )

During the same period, there was a similar trend in the capitalisation of agriculture. While employment in agriculture decreased by 34% productivity trebled. By 1973 agriculture was beginning to lose its privileged mantle in the economy. State sector employment was growing and was now accounting for 25% of total employment - implying a rapid growth of the new petit-bourgeoisie.

- (30) 'A study of Two Open Economies - Irish Economic Activity' Edited by Gibson & Spencer: pp 23/30.
- (31) See RoT 4 p. 61.
- (32) What Marx calls an increase in the organic composition of capital.
- (33) Gibson & Spencer. op cit p.18

The balance of trade was -£27lm. in 1973. The composition of trade had changed as well. Manufactured goods had increased as a proportion of exports by 100%. The source as well as destination of trade had also undergone changes : Britain retained a stable 50% of imports into the 26 Cos but its share of exports was reduced by 30%. (The EEC countries took the greatest part of these exports) . ( 34 )  
The 26 Cos joined GATT in 1965 and the EEC in 1973.

In 1967 , the big farmers had mobilised huge numbers all over the country in an attempt to reassert the economic and political interests of landed capital which were beginning to suffer under this tremendous growth of industrial capital. This was a direct challenge to the State and revealed deep rifts inside the bourgeoisie. The big and middle farmers forced a whole series of concessions .. negotiations with the EEC which had broken down in 1963 were re-opened under this pressure of landed capital which stood to benefit from the EEC. As the 26 Cos became a member of GATT , all talk of extending the PAYE taxation system to farmers was dropped ( not to be raised until 14 years later in 1978 ) and State Aid to major co-operatives guaranteed. It was only after the State conceded all these demands that landed capital retreated - and the alliance of industrial and landed capital cemented again.

The 60s were also marked by a rapid concentration in banking capital. Between 1965 and 66 , in one year, the 8 Associated Banks were reduced to 4 - two of them British. During the decade North American and Industrial Banks doubled their assets in the 26 Cos. The number of non-Associated Banks rose from 14 to 34 in the 12 years between 1960 and 1972. Their total assets shot from £70m. to £490m - an increase of 700% . The Bank strike of 1970 resulted in a greater emphasis and reliance on the merchant and industrial banks in which U.S. capital was threatening, for the first ever time, the dominance of British banking capital. Since 1970 8 new merchant banks have set up shop in the 26 Cos. ( 35 )

For the bourgeois class as a whole, the 1960s was the decade in which the agricultural base of the economy was gradually transformed into an industrial base. T.Baker and J.Durkan in the *Quarterly Economic Commentary* of the ESRI put it the following way :

" With very little doubt the 1960s have been the most successful decade in the recorded economic history of Ireland. The population decline has been reversed and living standards raised. Also there has been an impressive transformation from a basically agricultural economy, with industry serving a relatively static protected local market, towards an internationally competitive industrial economy."

In reality, the 26 Cos continues to have a strong agricultural base: 25% of the labour force are employed on the land while nearly half of exports are agricultural produce. Industry in the 26 Cos is not so much " internationally competitive " , as Baker and Durkan

would have it, as internationally very much dependent. It manufactures minute parts of vertically or horizontally integrated multinational products, whose life-span is determined by the rate of profit and political adventures of international capital.

Substitute it  
for the  
middle class

## The petty bourgeoisie

(petite?)

The 1960s was a period in which the petit-bourgeoisie, at least its traditional fraction, continued and expanded its function as an executive class. In 1967 small shopkeepers and publicans were 34% of the Dail TDs although they represented only 9% of the population. Farmers, on the other hand, began to gradually lose their status and political significance ; while over a third of the people still lived on the land only 24% of the Dail TDs were connected with the land in any way at all.

At the same time, there was a dislocation inside the political Parties ( especially Fianna Fail ). Because of the large number of petit-bourgeois politicians in the corridors of power an inevitable centralisation of the Administration came about. The Dail was distanced from the effective centres of power - capital did not want to waste its time discussing with the representatives of a vocal but economically insignificant class. Ministers made their important speeches not to the Dail but in the real and effective centres of political/economic power : The Irish Management Institute, the Confederation of Irish Industry, the Chambers of Commerce and the policy meetings of the State managers.

This may go some way towards explaining the individualised, diffuse and almost internalised anti-Statism of the Irish proletariat as well as sections of the bourgeoisie. This is a class aversion, if not hatred , of the traditional petit-bourgeoisie , which has dominated the State apparatus in Ireland since independence: education, civil-service, church, police, Army and Trade Unions.

This is how Charles McCarthy puts it :

" There is a kind of hopeless conviction in Ireland that even if one could articulate one's problems there is no-one there to listen. This is how many people, from the unskilled worker to the bank official see it. The complaint is not so much that there are faceless men , but that the men who command power regard you as faceless. This is what becomes unbearable. " ( 36 )

# The proletariat

For the proletariat, the 1960s was a decade of offensive. It was a decade in which while total employment remained practically static (it in fact increased by 1%), the internal composition of the working class changed drastically. It was also a decade in which the Trade Unions were totally integrated into the process of State planning. Employment in agriculture declined, in the services and manufacture it increased quite considerably.

Those simple, and often reproduced, facts hide a very substantial movement inside the labour force which had a major political objective for capital: to paralyse the militant skilled workers who had played historically a vanguard role in the working class movement. The skilled worker was on his way out from the centre stage - a new image, a new vanguard: the massified unskilled worker was being born.

What characterised the militancy of the sixties was not only the number of strikes (busmen, building workers, skilled power workers, unskilled workers in the peat bogs, bank officials, school teachers, building workers, printing workers - to mention just the important strikes) but also, and this is crucial:

- their mass character
- their prolonged duration, and,
- the fact that they were mainly concentrated in the State sector.

The contradictory forces contained within the process of restructuring broke it open in the 1960s. The primary element in this process was the violent and militant response of the working class - north & south. While the attempts of the late fifties for a sustained counter-offensive were defeated, producing retreat and demobilisation, the 1960s opened up with a string of strikes - an offensive which was to last the decade.

The other side of Fianna Fail's programme for *Economic Expansion* was an austerity programme directed against the working class. Food subsidies were abolished, income tax and taxes on consumption goods were increased. In 1959, wage rises were restricted to 10 shillings a week maximum - but in certain cases workers fought and won revisions of the entire wage scale. With the easing of the economic crisis, unemployment and emigration were reduced substantially. The stage was set for class confrontation.

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The early sixties witnessed a truly mass offensive. The character of this offensive can be attributed directly to the massive restructuring of the economy undertaken by State and capital in the earlier years. The State sector, or public sector as some call it, where so much reorganisation had taken place, was the privileged area for struggle. This offensive of the proletariat far outweighed the attack of the 50s...in importance, in numbers of strike(r)s and especially in its effect. The disputes of the 1960s were further complicated by the changing composition of the labour force, through which relationships between craft workers and general workers were transformed.

The working class offensive carried demands for:

- Shorter hours,
- A five-day week,
- Fringe benefits, etc.

As a result of these struggles the Trade Union Movement was re-composed too. A number of new Unions were set up: the National Busmen Union (1965), the Irish Telephonists Association (1965) and the Irish Post Office Officials Association are three examples of this internal shake-up.

All through the early sixties the ESB Clerical workers were undeniably the most militant vanguard section. All 3 demands above were won by ESB workers in 1961. When the Government tried to get acceptance of a new National Wage Agreement based on an increase of 14 shillings a week, the ESB electricians upped the figure to 25 s a week - and got it. As Charles McCarthy put it, "it was clearly a situation of rising expectations". (37)

Further wage claims followed: claims on status and differentials, on prices, on conditions, because of high profits came thick and fast. Workers accepted no limit on wages. Reformism was united, strong and pushing. Huge gains were made and they were for real. But a little shadow slowly began to cover the bright sky of the working class offensive. In 1963 the notion of productivity was introduced, for the first ever time, into wage negotiations. The real implications of this were not felt until the end of the decade - for the time being the proletariat was breaking through reformist limits and not until 1973 did social-democracy succeed in re-integrating the working class into the ideology of State management.

1962 was the year of the demand for a 5-day week and reduced working hours. (38) By 1964 building workers had won a one and a quarter hour reduction of the working week - in 1965 another hour and a quarter. In 1964 wages rose by 12% - in 1965 by 4%. In 1965 all workers were pushing for a two-and-a-half hour reduction of the working week. In 1966 pay increases were around 11% accompanied by improvements in hours and service pay. In 1967 there were extensive demands for sick-pay and pensions, as well as longer holidays. The 40-hour week was won but industry-wide settlements were creeping in; in 1968 a 2-year wage agreement was proposed by the ICTU. In 1969, maintenance craftsmen went on a 6-week strike, winning large increases inside a 40-hour week.

The maintenance strike of 1969 was the peak of the working class offensive. At that time Ireland was third in the strike league of 18 countries in Europe and North America. That is how in fact the league position changed through the years 1960-69:

(37) McCarthy. op cit. p. 10.

(38) McCarthy. op cit. p. 53.

In 1960 :	11th	In	1965 :	1st
61 :	4th		66 :	3rd
62 :	7th		67 :	5th
63 :	4th		68 :	6th
64 :	1st		69 :	3rd

The peak strike years were 1964-66. Trade Union membership, as a result of this huge agitation had doubled since the 50s - it was now one of the highest in Europe. By 1968 52% of the labour force was in Trade Unions. The State industries ( primarily ESCB, CIE and Bord na Mona ) had levels of unionisation approaching 90%. The rate in the manufacturing industry was 77% while in Public Administration it was 74%. Thus, in the middle sixties, the most Unionised working class headed the strike league of the world.

Right through this period though, there were a number of attempts to integrate the militancy of the proletariat into the State. In 1962 the first Employer - Labour Conference took place. In 1963 the National Industrial Economic Council of State, Employers and Unions was set up. In 1967, AnCo, the State Industrial Training Body was established by the *Industrial Training Act*.

The final year of the offensive was 1970 when strikes amounted to over 1 million days - a figure which was reduced to 250,000 days in 1971 - the first year of the ' new type Wage Agreement '. The year which had preceded the negotiations for a Wage Agreement, 1969, was marked by major disputes : a national strike by secondary school teachers affecting 570 schools, maintenance strikes affecting over 200 firms, agricultural labourers who won a wage rise of 30 shillings a week, 20,000 craftsmen who demanded the same rise as won by the maintenance men, Post Office Officials who went on a 5-week strike, 60,000 building workers who won a 20% wage increase, again 12,000 teachers who finally got their 4% increase and finally the Gardai who got an increase of 30 shillings a week. The political atmosphere was tensing up....there was a boom on.

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The bourgeoisie had to regroup - it had to respond to that challenge. The maintenance dispute had developed into a near general strike situation. The situation in the 6 Cos was breaking up. The solidarity among working class people, their class unity, their militancy had to be broken.

And that is why the National Wage Agreements were introduced - as a key weapon in stemming the tide and turning the tables. Between 1960 and 1965, the working class offensive had won clear gains for all the people. In those 5 years wages had increased by 45% while prices only went up by 23%. Between 1965 and 1970 wages increased by 80% while prices increased by 33%. Even if one is to take into account the introduction of the PAYE system as a more efficient way of ripping off money from the people, this still leaves us with a net gain of 15% for the 60-65 period on top of a net gain of 25% for the 5 years to 1970.

The National Wage Agreement was designed to take all power away from the shop-floor and put it back into the negotiating procedures of the Employer / Labour Conference. It also attempted to destroy working class solidarity expressed by the massive respect afforded to the gate-picket. Irish workers would not pass pickets of other workers. The NWA limited and curtailed the use of pickets; it introduced the two-tier system according to which if a group of workers from one Union placed a picket - that picket would not have to be respected by other Unions unless the ICTU gave the strike an all-out clearance.

This was a license for scabbing and slowly tore apart one of the most effective traditional ways of defence of working class gains. The sight of Trade Unionists today mocking and disregarding pickets, official and unofficial, contrasts so heavily with the situation in the sixties when a workers' picket was respected in 9 out of 10 occasions. The bourgeoisie had won a precious victory there.

The National Wage Agreement also institutionalised the means of negotiating parity claims, bonus claims, sick pay, productivity agreements etc. The National Wage Agreement was introduced to smash, once and for all, the cumulative class effect of militancy inside the proletariat with different sections using the gains won by others as leverage....an essential part of class unity. The acceptance of the National Wage Agreement by the Trade unions in 1971 opened up a new era in the class struggle of the 26 Cos.

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# Conclusion

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...number of conclusions can be drawn from the second phase :

\* The rigidity of the working class, its inflexible response to the attempted process of restructuring, meant that the ruling class was incapable of counteracting the tendency of the rate of profit to fall. And that tendency was seriously at work during the sixties primarily because of the rising organic composition of capital.

\* The working class response to the rising and high productivity contained in the increasing capital intensity of production was to push for higher wages while cutting the length of the working week. This seriously jeopardised the rate of extraction of surplus value.

\* Gains by the proletariat, real and material, meant that inducements to foreign capital, an essential part of the bourgeois project, could not rely anymore on cheap labour. The bourgeoisie was forced to divert surplus into increased grants, tax incentives, training and equipment subsidies - thus increasing its overall dependence.

\* The methods used by workers, their social practice, were diverse and in no way limited to defensive forms of action. Alongside the picket line came working to rule, sit-ins, occupations, go-slows, sabotage and absenteeism. From this angle, of an overall 180 million workdays in 1970, 1 million were gained in strikes while 18 million days were gained through absenteeism. An eloquent reminder of what the working class does in its fight against work.

These are, of course, very initial conclusions. Bourgeois history does not record most of the responses of the proletariat. But those responses are well detailed in the memories of those who made that history - in the collective experience and memory of that period. So our task in that area continues.

By 1969, Fianna Fail had dropped its II. Plan - quietly and without ever publishing its results. A III. Plan was introduced for the years 1968-72. It was becoming clear that the rigidity of the proletariat north and south was making necessary a new and enormously devastating crisis. The crisis of 1972-75/6 had to come. And indeed it came swiftly.

The success of this renewed attempt by the bourgeoisie to disorganise the people, and to prove Marx, and to a certain extent Keynes wrong, will be the subject of another paper. It would be useful to close this chapter by reminding our readers what Keynes, that excellent bourgeois theoretician, had asserted about his class: "On the long run we are all dead!" Couldn't be said better.

The Ripening of Time Collective  
Dublin December 1978

# Irish Republicanism, Socialism Imperialism

by Derry Kelleher

"All that is  
human must  
retrograde if  
it does not advance"

Gibbon

dedicated to:

Callaghan O'Herlihy

