

## Towards a ‘modern progressive society’: the National Coalition and social reform, 1973–7

The 1970s was a time of crisis internationally, when governments struggled to cope with rising inflation and public indebtedness in the aftermath of the first oil shock. It was also a period of social change, of demands for divorce and abortion, and second-wave feminism campaigned for greater rights for women. But as many of the contributors to *The shock of the global* have shown,<sup>1</sup> amidst the political, social and economic turmoil, there was development and transformation. Ireland was not isolated from many of these trends that marked the 1970s. This article is concerned with the Fine Gael–Labour government of 1973 to 1977, in particular with the social reform agenda pursued by a coalition of one party (Fine Gael) that had advocated a ‘Just Society’ in the 1960s, and another (Labour) that had declared that the seventies would be socialist. They presented themselves at the 1973 general election as the socially progressive parties in the political system, attempting to outflank Fianna Fáil, which, in contrast, emphasised the Northern Ireland security question during the campaign. As the National Coalition grappled with fiscal expansion and the effects of stagflation, important changes occurred in the realm of social policy. Legislation affecting the status of women, recognising female heads of household and offering support to families of physically and mentally disabled children were all indicators of change. But while these policies often reflected demand for change from sections of society, the debate that surrounded them pointed to a continuing conservatism. This article examines the conditions that allowed for the coalition’s formation, the governing parties’ priorities, factors that influenced policy formulation, and the reception and consequences of those decisions.

### I

In 1973 the Irish electorate was offered a genuine alternative to the incumbent Fianna Fáil government for the first time in sixteen years. This was the product of discussions between Labour and Fine Gael that had been occurring haltingly since the middle of 1972. The two parties ran a co-ordinated campaign at constituency level, although this did not extend to joint advertising, for the general election the following year. The centrepiece was a joint fourteen-point programme that narrowly propelled them into office. The formation of the coalition represented a major reversal in policy for Labour and was made possible by a reconsideration of strategy by that party, as well as by changes within Fine Gael.

<sup>1</sup> Niall Ferguson, Charles S. Maier, Erez Manela and Daniel J. Sargent (eds), *The shock of the global: the 1970s in perspective* (London, 2010).

Throughout the 1960s, Labour had maintained an anti-coalition stance. In doing so, it denied Fine Gael the opportunity to enter government, as the latter party was not strong enough to form a single-party administration. Thus, Fianna Fáil's position as the incumbent was never seriously threatened. Labour's position was the product of its involvement in the two inter-party governments (1948–51, 1954–7) in which it felt that its identity, as well as some of its core values, had been compromised. At the first party conference after leaving office in 1957, Labour voted against any future coalitions. From the mid-1960s, the party began the process of assessing its policy strategy. In seeking to secure its place in the political spectrum, the leadership unveiled a definite, left-orientated position at the 1966 national conference. The party turned its back on the prospect of coalition – effectively opting out of government – to pursue a longer-term strategy of developing into an effective socialist party, capable of overtaking Fine Gael and entering government alone. This optimism reflected a desire to better society that characterised not just Ireland but also elsewhere in the mid-1960s. The policies articulated also represented the interests of the younger, energetic members of Labour. At the 1967 conference, party leader Brendan Corish made the now well-known declaration that 'the seventies will be socialist' and promised a set of policies that would allow Labour to 'Build the New Republic'. The strategy should also be viewed in the context of wider developments within the political system. In 1963 Fianna Fáil's Seán Lemass suggested that 'the time has come when national policy should take a shift to the left', and, as discussed below, Fine Gael also began to develop a set of social and economic policies that were intended to create a more 'just society'. As Michael Gallagher has observed, 'Labour was in some danger of being left behind'.<sup>2</sup> This shift was recognised by Michael O'Leary, a senior member of the party who represented the Dublin North Central constituency, ahead of the aforementioned 1966 national conference: both parties had 'gone to the left ... they speak with the tongues of socialists'.<sup>3</sup> It would be a mistake, however, to believe that there was a full conversion. It has been noted that the manifesto produced by Labour for the 1969 election was at odds with the ideological profile of the parliamentary party, which included rural deputies less enthused with the type of socialist doctrine being espoused.<sup>4</sup>

Despite the disappointment of two by-elections in the aftermath of that conference, Labour approached the 1969 general election in a buoyant mood. A bruising experience at the polls, however, caused some members to re-think their strategy, although the trade union element remained opposed. The party increased its share of the vote nationally by just over 1.5 per cent, but the figure of 17.02 per cent was bitterly disappointing. As Niamh Puirseil has pointed out, disappointment with the results is best understood when they are considered in light of the inflated expectations that had preceded them. A poll commissioned by the party and conducted by Gallup had put Labour on 29 per cent in Dublin

<sup>2</sup> Michael Gallagher, *The Irish Labour Party in transition, 1957–82* (Manchester, 1982), p. 55.

<sup>3</sup> Quoted in Niamh Puirseil, *The Irish Labour Party, 1922–73* (Dublin, 2007), p. 239.

<sup>4</sup> Tom O'Connor and Anthony O'Halloran, *Politics in a changing Ireland, 1960–2007: a tribute to Seamus Pattison* (Dublin, 2008), p. 76.

and 18 per cent outside the capital.<sup>5</sup> The party came in at just over 28 per cent in Dublin, but only achieved 13 per cent in the rest of the country. The predicted breakthrough did not materialise, and Labour actually lost four seats. As the leadership acknowledged the failure of the strategy, a special delegate conference was called for 13 December 1969.<sup>6</sup> Other issues also weighed on the mind of Brendan Corish. The arms crisis in particular had convinced him that an urgent change in policy was needed in order to oust the troubled Fianna Fáil government.<sup>7</sup> As he put it to the delegates attending the conference, ‘I see Fianna Fáil in action every day. I see the threat to our democracy as long as they remain unchallenged.’<sup>8</sup> A small group of anti-coalitionists – led by Noël Browne – opposed any reversal of policy, but their decision to abstain from the vote resulted in a victory by 396 votes to 204 to end the anti-coalition stance.

There were also changes within Fine Gael that made the possibility of coalition more attractive than had previously been the case. The timing was important. As Labour T.D. (and future minister) Barry Desmond recalled, by 1973 ‘nobody doubted that we were entering a period in which no single party could preserve its hegemony alone in government.’<sup>9</sup> At the same time that Labour was conducting its internal review and re-assessing strategy, a debate had been ongoing within Fine Gael about the future direction of the party. An article from 1958 in *Fine Gael Digest* observed that there was a lack of knowledge about the party’s activities.<sup>10</sup> The following year, John Grattan Esmonde, a future T.D. for Wicklow, writing in the party’s *National Observer* newspaper, argued that deputies were not doing enough to communicate policies to the public, with the result that there was an air of indifference towards Fine Gael.<sup>11</sup> By 1960 former taoiseach John A. Costello privately expressed the fear that the ‘label of conservatism or Toryism’ would be affixed to Fine Gael.<sup>12</sup> These were valid concerns; Fine Gael had done little to carve out a distinct role for itself in the party system, while the lack of policy development gave the party a stale appearance, suggesting that it was either unwilling or unable to change. In April 1964, Declan Costello, son of John A. Costello, T.D. for Dublin North-West and a member of the frontbench, put before the party a proposal that offered Fine Gael an opportunity to challenge such perceptions. In a circular to all members

<sup>5</sup> Puirseil, *Irish Labour Party*, pp 264, 270.

<sup>6</sup> *Ibid.*, pp 264, 285.

<sup>7</sup> Ministers Charles Haughey and Neil Blaney were sacked from the cabinet after allegedly attempting to import arms for use by the I.R.A. in Northern Ireland. Liam Cosgrave received a tip-off about the plot and approached taoiseach Jack Lynch who confirmed the allegations. Peter Berry was the civil servant who initially learnt of the plan to bring arms and ammunition into Dublin airport. His diaries reveal that Lynch, having been informed, had decided to bury the issue. He was only prompted to act after Cosgrave pressed him on the matter. See Stephen Collins, *The Cosgrave legacy* (Dublin, 1996), pp 103–6.

<sup>8</sup> Barry Desmond, *Finally and in conclusion: a political memoir* (Dublin, 2000), p. 55.

<sup>9</sup> *Ibid.*, p. 56.

<sup>10</sup> *Fine Gael Digest*, viii, no. 1 (Feb. 1958), p. 2.

<sup>11</sup> John Grattan Esmonde, ‘Should Fine Gael go it alone?’ in *National Observer*, ii, no. 5 (Nov. 1959), p. 5.

<sup>12</sup> John A. Costello to James Dillon, 13 Jan. 1960 (University College Dublin Archives (U.C.D.A.), John A. Costello papers, P190/340).

of the parliamentary party on 27 April, he appealed to his colleagues on two grounds: firstly, that his policies were the 'right ones for the country', and secondly – foreshadowing Labour's reassessment in 1966 – that they offered Fine Gael an opportunity to define its role in Irish politics. Costello argued that, if adopted as official policy, his proposals would have a dramatically favourable effect on the party's fortunes.<sup>13</sup>

Costello's recommendations were discussed over four meetings of the parliamentary party, beginning on 29 April. The document's greatest opponent was Gerard Sweetman. The fifty-five year-old conservative T.D. for Kildare and former minister for Finance in the second inter-party government (1954–7) was arguably the strongest voice on the front-bench. He was concerned for the implications that the proposed policy shift might have on the party, both electorally and financially. However, Costello was fortunate to have the support of some of the Fine Gael heavy-weights. Two interventions in particular were of crucial importance. The first came from Patrick McGilligan, a veteran member of the party who had held his seat continuously since a by-election in November 1923. John O'Donovan, T.D. for Dublin South-East, had suggested in 1955 that McGilligan had 'the power of persuasion' over the party leader, James Dillon.<sup>14</sup> Indeed Dillon – though not necessarily agreeing with the content of McGilligan's assessment – considered the intervention to have been of 'priceless value'.<sup>15</sup> The second, perhaps more surprising, endorsement of importance was that of Liam Cosgrave. Although he was not an ardent supporter of Costello's ideas – indeed, his endorsement was made with reservations – he took a pragmatic approach that was motivated by a desire to achieve power. Though only forty-four, he was one of the longest serving members of Fine Gael. Having been in Leinster House for twenty-one years, he had sat on the government benches for a total of only six years during that time. He saw in the document an opportunity to challenge the dominance of Fianna Fáil.<sup>16</sup> Speaking to delegates at the party's Ard Fheis, which occurred as the internal discussion was occurring, he did not make explicit reference to the document, but referred to the necessity of keeping 'slightly to the left'.<sup>17</sup> As he put it to those assembled, 'if we are content merely to be critics of Fianna Fáil we will accept a negative role which may be a self-satisfying ordinance but is, in fact, frustrating and unrewarding.'<sup>18</sup> The 'Just Society' provided the scope to offer a credible alternative.

In order to satisfy Sweetman, a compromise was agreed that resulted in some amendments to the original eight-point plan circulated by Costello, including the

<sup>13</sup> Circular to Fine Gael parliamentary party, 27 Apr. 1964 (in possession of Costello family). Costello was first elected to the Dáil in 1951 at the age of twenty-five, initially representing the working-class constituency of Dublin North-West. There he witnessed the effects of relative poverty, unemployment and emigration, which were particularly acute in his constituency but were also in evidence across the country. These experiences drove his desire for reform.

<sup>14</sup> Quoted in David McCullagh, *The reluctant taoiseach: John A Costello* (Dublin, 2010), p. 296.

<sup>15</sup> Meeting of the Fine Gael parliamentary party, 26 May 1964 (Fine Gael minute books, in possession of Maurice Manning).

<sup>16</sup> Interview with Donal Flynn of Dublin (21 June 2011).

<sup>17</sup> *Irish Independent*, 20 May 1964.

<sup>18</sup> *Irish Times*, 2 May 1964.

addition of a ninth point, which catered for the interests of the agricultural community. The document was subsequently sent to the party's policy committee, chaired by Cosgrave. The reality, however, was that the majority of the drafting was conducted by Costello – assisted by some supporters, including Garret FitzGerald – at his home. The resulting manifesto, which gave expression to the views he had outlined in April 1964, observed that

too many are unemployed and are forced to emigrate; too many ... are employed at miserably low wages and salaries; too many have only a small income or pension; many survive on a bare subsistence from a small farm; many are kept just above starvation level ... by the inadequate social welfare payments they receive; many live in squalor and appallingly overcrowded conditions.<sup>19</sup>

Despite the unease among certain elements of the party, no alternative policies had emerged to rival Costello's offerings. The 'Just Society', therefore, became official Fine Gael policy for the 1965 general election by default. James Dillon's speech at the press launch clearly indicated that the party was not united behind the document. To the assembled journalists, the party leader declared: 'we shall rely on private enterprise. We are a private enterprise party.' In two short sentences he appeared to contradict the content of a manifesto that advocated greater state involvement. The half-hearted endorsement that the document received from the leadership drastically undermined its impact. In its post-election analysis, headquarters acknowledged that reports of splits militated against the party, but described the dissension as 'imaginary' and the creation of political correspondents.<sup>20</sup> Though Fine Gael had always been a coalition of interests, the media was correct to be sceptical. For many politicians, support had been given based on the absence of any alternative. Costello would grow disillusioned and later announced his retirement from politics in 1967 (although it should be noted that personal circumstances were also a factor in his decision). By the time that Garret FitzGerald became leader in 1977, the language of social justice had given way to pluralism in the party's documents.

Though a desire to reform society drove Declan Costello, there was also a practical political dimension to his proposals. An exchange in the minute books of the Fine Gael party from 1964 indicated that Costello, aware of his party's inability to form a government on its own, had advocated an alignment with Labour.<sup>21</sup> The efforts to re-direct the party's policy outlook at the instigation of Costello brought Fine Gael closer to Labour ideologically. Labour publicly criticised *Towards a just society* when it was published, but it has been suggested that some senior members were privately impressed by his efforts.<sup>22</sup> Indeed, when Brendan Halligan became political director of the Labour Party in 1967, one of the tasks set for him by Brendan Corish included recruiting Declan Costello.<sup>23</sup> Personnel changes were also significant. Gerard Sweetman had died in a car crash on 28 January 1970, and, recalling his political outlook, *The Irish*

<sup>19</sup> *Towards a just society*, 1965 (in possession of the Costello family).

<sup>20</sup> Notes for National Council meeting, 4 May 1965, (U.C.D.A., Fine Gael election papers, P39/GE/125).

<sup>21</sup> Meeting of the parliamentary party, 26 Feb. 1964 (Fine Gael minute books).

<sup>22</sup> Gallagher, *Irish Labour Party*, p. 55.

<sup>23</sup> Brendan Halligan speaking on 'What if Declan Costello had become leader of Fine Gael?', *What if...?*, RTÉ Radio 1, first broadcast 17 Sept. 2006.

*Times* suggested that his economic policies had had the ability to make Labour 'wince'.<sup>24</sup> Though Sweetman would have welcomed the opportunity to sit on the government benches once more, his criticisms of Declan Costello's original 'Just Society' proposals indicate that he would have struggled with and been resistant to the type of policies pursued by the National Coalition. Halligan later recalled that had Sweetman been active in politics in 1973, any arrangement between Labour and Fine Gael would have been unthinkable.<sup>25</sup> Sixteen years on the opposition benches can have a sobering effect, however, and had Sweetman still been alive in 1973, given the other factors that motivated the coalition, it is unlikely that his presence would have been a major impediment. His absence, though, arguably allowed for smoother negotiations.

Conor Cruise O'Brien, the Labour T.D. for Dublin North-East and minister for Posts and Telegraphs in the government, later recalled that the coalition 'on the whole worked remarkably smoothly', and he attributed this to the positive working relationship between Liam Cosgrave as taoiseach and Brendan Corish as tánaiste.<sup>26</sup> The coalition acted and viewed itself as an homogenous unit. As Cosgrave put it, 'the legislation on all matters was approved by the government.'<sup>27</sup> Similarly, when asked how much of the socially progressive legislation that emerged was due to Fine Gael and how much was due to Labour, Richie Ryan replied, 'it was due to the government.'<sup>28</sup> Differences in opinion are to be expected in coalition governments, but the stability of the coalition was only seriously threatened once when social welfare subsidies faced cuts as Finance minister Richie Ryan prepared his final budget.

## II

Under the title *There is an alternative*, the future coalition partners released their statement of intent. It was an attractive package for an election that was dominated by the economy; an Irish Marketing Surveys poll for the *Irish Independent* found that the cost of living was the issue of most concern to voters.<sup>29</sup> The fourteen-point programme included economic and social reform, a new housing strategy, amendments to rates and taxes, a reassessment of education policy and an end to discrimination against women. The implementation of these proposals, it was argued, would transform Ireland into a 'modern progressive society based on social justice'.<sup>30</sup> If the traditional one-hundred-day marker is used as an indicator of government performance, the National Coalition had a positive start. Richie Ryan delivered his first budget as minister for Finance to the Dáil in May 1973. An extra £30 million in spending

<sup>24</sup> *Irish Times*, 29 Jan. 1970.

<sup>25</sup> Brendan Halligan speaking on 'What if Declan Costello had become leader of Fine Gael?'.  
<sup>26</sup> Quoted in Collins, *The Cosgrave legacy*, p. 205.

<sup>27</sup> Correspondence with Liam Cosgrave of Dublin (19 Feb. 2010).

<sup>28</sup> *One-to-One* interview conducted by David McCullagh, first broadcast 26 Oct. 2009, RTÉ 1.

<sup>29</sup> *Irish Independent*, 26 Feb. 1973.

<sup>30</sup> Statement of intent (Irish Labour History Museum and Archive (I.L.H.M.A.) Brendan Corish papers).

was available to him as a result of E.E.C. membership. Ireland no longer had to pay agricultural subsidies, which had become substantial, and those savings were re-directed into social improvement, with social welfare being the main beneficiary. In order to honour the National Coalition's social commitments, Ryan also took the same approach as his Fianna Fáil predecessor, George Colley, and planned for a current budget deficit. In doing so the previous year, Colley had broken with the tradition of balancing the budget that dated to the foundation of the state. The strategy was broadly in line with advice from the O.E.C.D. and the National Economic and Social Council (N.E.S.C.).<sup>31</sup> Ryan's money bill was described by *The Irish Times* as 'the greatest social welfare budget of all time',<sup>32</sup> while Liam Cosgrave declared at his party's Ard Fheis three days later,

These measures collectively represent the most revolutionary and progressive single step towards a society of justice and compassion that has ever been taken in the history of this State; and it represents only the first such step which it is the intention of this government, with the people's support, to take in pursuit of a better Ireland.<sup>33</sup>

Although *The Irish Times* was a sympathetic newspaper and Cosgrave could be expected to give such a boastful speech at the first gathering of his party since entering government, the thrust of both their analyses was fair. The budget did contain a body of progressive policy on social reform, and it built on the process of developing income maintenance services initiated under Fianna Fáil. The age for receipt of the old age pension was reduced from seventy to sixty-nine years, and by 1977 it had been lowered to sixty-seven. The means test for disabled persons, as well for old age and widow's non-contributory pensions, was also relaxed. A new home care allowance was made available for physically and mentally disabled children under sixteen years resident at home. Previously, there had been no direct help available – a situation of which Declan Costello had been particularly critical in *Towards a just society*.

The content of the budget was shaped to an extent by public demands. The Irish Women's Liberation Movement had been formed in 1971, and in its *Irish women: chains or change* report the following year listed those areas in which it considered that reform was required: equal pay, equality before the law, equal education opportunities, contraception, and justice for deserted wives, widows and unmarried mothers. The budget, by providing for unmarried mothers and deserted wives, represented significant changes in the area of family policy, at once recognising wider changes in Irish society and bringing Ireland closer to the norms of European social democratic welfare states. A means-tested deserted wives allowance had been introduced by the Fianna Fáil government in 1970. However, if a deserted wife was divorced abroad by her husband, she became ineligible for the allowance. Ryan's budget reversed that policy, and it gave an extra £1 per week in the payment. In the area of children's allowance the monthly allowance was to be increased by £1.50 for each child, while the cut-off age was raised from sixteen to eighteen years for those continuing in full-time education or serving an apprenticeship. The Social Welfare Act that followed in 1974 built

<sup>31</sup> Cormac Ó Gráda, *A rocky road: the Irish economy since the 1920s* (Manchester, 1997), p. 69.

<sup>32</sup> *Irish Times*, 12 Mar. 1973.

<sup>33</sup> Speech to Fine Gael Ard Fheis, Mansion House, Dublin, 19 May 1973 (N.A.I., DT 2004/22/37).

on the budget provisions and made mothers the beneficiaries of the allowance (payment had previously been made to fathers). The Maintenance Orders Act, 1974, which came into force on 1 April 1975, provided for the reciprocal enforcement of maintenance orders with the United Kingdom. A.D.A.P.T – the association for the deserted or alone parent – and the Action, Information and Motivation (A.I.M.) group had been active in lobbying for these provisions. Following on from a recommendation from the Commission on the Status of Women, Ryan also announced in his budget speech a plan to provide for unmarried mothers on a basis similar to that of deserted wives. Maura O’Dea, who had founded the Cherish organisation in 1972, had been particularly active in lobbying for such a provision. One of Cherish’s aims was ‘to make the single mother and child accepted members of society’.<sup>34</sup> The reaction to this legislation highlighted the extent of the single-parent stigma and the persistence of traditional values. The government was hit with a barrage of letters accusing it of condoning promiscuous behaviour by financially rewarding unmarried mothers – a woman ‘who has sinned’, as one critic put it.<sup>35</sup> The line of continuity amidst change in Ireland was particularly evident in the discussions surrounding these new measures. However, in recognising the reality of female heads of household, the provisions for single mothers and deserted wives gave an important state guarantee of support for motherhood outside of the traditional nuclear family.<sup>36</sup>

The coalition’s aim to improve society was further reflected in the crash housing programme introduced in May 1973. The dire housing situation had been one of the factors that influenced Declan Costello’s ‘Just Society’ proposals in the 1960s. In 1963 – less than one year before he unveiled his proposals – he had contributed to a Dáil debate prompted by the collapse of tenement housing in Dublin’s inner city which had claimed the lives of four people and led to the evacuation of 155 families. The establishment by Fianna Fáil of the National Building Agency in 1963 had resulted in the construction of 111,000 new dwellings by 1970. However, population shifts over the next decade led to an increased demand for housing as immigration began to outstrip emigration for the first time since records began.<sup>37</sup> The National Coalition had pledged to increase house-building to 25,000 units per year in the fourteen-point programme. Quarterly bulletins released by the Government Information Bureau show that the target was repeatedly met, if not surpassed. Over 100,000 new houses – an average of more than 25,000 a year – were constructed during the Coalition’s time in power; a record at the time. The Coalition also made concessions to those wishing to purchase and expanded the provisions of the 1966 Consolidated Housing Act. On 24 May 1973 the cabinet approved an amendment to house purchase loans, which saw the upper limit on loans for local authority housing increased to £4,500 and access to those loans broadened by raising the income qualification to £2,000 per annum.<sup>38</sup>

<sup>34</sup> *Cherish News*, Jan. 1974.

<sup>35</sup> Eibhlín Ní Threumhóir, secretary, Single Women’s Association, to Liam Cosgrave, 31 May 1973 (N.A.I., DT, 2004/21/54).

<sup>36</sup> Eileen Connolly, ‘The Republic of Ireland’s equality contract: women and public policy’, in Yvonne Galligan, Eilís Ward and Rick Wilford (eds), *Contesting politics: women in Ireland, north and south* (Oxford, 1999), pp 74–89 at p. 85.

<sup>37</sup> Anne Power, *Hovels to high rise: state housing in Europe since 1850* (London, 1993), p. 339.

<sup>38</sup> Cabinet minutes, 24 May 1973 (N.A.I., DT, 2004/20/1).



One of the government's more controversial measures to promote social justice was the wealth tax introduced in 1975. In their fourteen-point programme, the coalition partners had pledged to relieve the 'heavy and unjust burden on ordinary house purchasers and farmers' by abolishing estate duties and replacing them with 'taxation confined to the really wealthy and to property passing on death outside the immediate family'. The wealth tax was part of a new set of capital taxes introduced by the government, which also included a capital gains tax and a capital acquisitions tax on gifts and inheritance, designed to replace estate duties. The *Irish Times* political correspondent Dick Walsh, described it as the second most divisive decision by the government, after the contraception legislation.<sup>39</sup> The response received from socially and morally conservative elements in society once more reflected the difficulty in formulating and implementing legislation that was perceived to challenge traditional Ireland. The original proposals that were outlined in the 1974 white paper were considerably watered down due to the pressure of interest groups and the final terms of the wealth tax bore little resemblance to them. The public opposition, discussed presently, was mostly a reaction to the white paper proposals, and such was the strength of feeling that it continued unabated even after the revised terms were published. The 1974 proposals included a modest threshold of estates over £40,000 and few exemptions, but the actual thresholds introduced were far higher: £70,000 for a single person, £90,000 for a widowed person and £200,000 for married persons.<sup>40</sup> With the modifications and extensive list of exemptions, the number of people liable was considerably reduced, with the consequence that the wealth tax, as a 1985 E.S.R.I. paper concluded, 'must be regarded as a costly failure'.<sup>41</sup>

The wealth tax was intended to promote horizontal equity by means of progressive taxation. It would supplement income tax by also targeting other forms of assets beyond income. This redistribution of wealth in a more equitable manner was deemed necessary. As a note from the Department of Finance pointed out, 'one of the criticisms levied against the estate duty system is that over the years, as a result of inflation and the general increase in values, the tax now catches persons who were never intended to be affected by it, or presses more heavily than intended on some categories.'<sup>42</sup> The idea of targeting the 'really wealthy' was repeatedly emphasised. Speaking to the Junior Chamber Ireland luncheon, Ryan explained that 'only a relatively small number – about 500 quite wealthy people – will be financially disadvantaged, including those who have been successfully avoiding tax by means of legal loopholes'.<sup>43</sup> However, Senator Alexis Fitzgerald, son-in-law of, and former adviser to, John A. Costello, appeared to identify the root of the concern of many at the time:

<sup>39</sup> *Irish Times*, 13 July 1974.

<sup>40</sup> Cedric Sandford and Oliver Morrissey, *The Irish wealth tax: a case study in economics and politics*, Economic and Social Research Institute paper 123 (Dublin, 1985), p. 21.

<sup>41</sup> Sandford & Morrissey, *Irish wealth tax*, p. 5.

<sup>42</sup> Note on contribution of an annual wealth tax and a gifts tax to curbing wealth concentration prepared for meeting of cabinet sub-committee, 20 Nov. 1973 (N.A.I., DF, 2005/9/166).

<sup>43</sup> Address by Richie Ryan to Junior Chamber Ireland luncheon, 28 Apr. 1974 (N.A.I., DT, 2005/7/292).

those objecting were either directly affected, or were 'hoping one day to be rather better off than they are now'.<sup>44</sup> For farmers, in particular, this was a genuine worry. Between 1970 and 1974, the price of land significantly outstripped consumer prices: the consumer price index rose by 42 per cent compared to the 256 per cent increase in the index of land prices. If these increases persisted, it was feared that those below the threshold would be brought over it.<sup>45</sup>

Farmers and business owners were particularly vocal in their opposition. Richard Bourke, a Kildare-based farmer, claimed the tax would put him out of business in three or four years,<sup>46</sup> while Anne Cassin, who had a 250-acre farm in Dublin, stated that there was 'no way' she would be able to pay.<sup>47</sup> Ned McGuire, the former co-owner of the upmarket department store Brown Thomas, argued that the rates were 'savagely high' and complained that the new tax 'could not be better designed to make life impossible in Ireland'.<sup>48</sup> Traditional Fine Gael voters – whom Cosgrave would have had in mind in 1964 – were particularly uneasy. Dr G. P. Crookes, a long-term supporter of the party who wrote to the taoiseach in 1974 to register his disappointment, was not alone in questioning his continued allegiance to Fine Gael.<sup>49</sup> Party branches, such as Broadford and Monasterevin, mindful of the farmer vote, also passed resolutions registering their opposition to the measure.<sup>50</sup> It was hardly surprising, therefore, that John Bruton, parliamentary secretary to the minister for Education, communicated to Cosgrave the feeling that the tax had 'fundamentally shaken the confidence of our supporters'.<sup>51</sup>

Unsurprisingly, many of those who criticised the wealth tax identified it as a Labour-inspired policy. Letters received at the Department of the Taoiseach urged Cosgrave not to 'sell out to Labour', while also suggesting that Fine Gael was being a 'slave to Labour just to stay in power' and that the legislation had been 'introduced under pressure from the Labour Party'.<sup>52</sup> The wealth tax had actually been introduced at the instigation of Garret FitzGerald (although many have argued that he would have been more suited to the Labour Party). It had been one of his long-term aims, but his attempts to have it incorporated into *Towards a just society* in 1965 had been rejected by Liam Cosgrave's policy committee on the grounds that it would prove an unpopular measure – a presumption later vindicated.

In his autobiography, FitzGerald contended that the measure was undermined by the Department of Finance, which he recalled as having been 'vehemently opposed'. He maintained that ten days after the National Coalition took office a

<sup>44</sup> Alexis Fitzgerald to Liam Cosgrave, 8 Mar. 1974 (N.A.I., DT, 2005/7/292).

<sup>45</sup> Sandford & Morrissey, *Irish wealth tax*, p. 31.

<sup>46</sup> Richard Bourke to Liam Cosgrave, 4 May 1974 (N.A.I., DT, 2005/7/293).

<sup>47</sup> Anne Cassin to Liam Cosgrave, 1 May 1974 (N.A.I., DT, 2005/7/294).

<sup>48</sup> Ned McGuire to Liam Cosgrave, 19 Mar. 1974 (N.A.I., DT, 2005/7/292).

<sup>49</sup> G.P. Crookes to Liam Cosgrave, 20 June 1974 (N.A.I., DT, 2005/7/294).

<sup>50</sup> Branch resolutions, 5 and 10 May 1974 (N.A.I., DT, 2005/7/293).

<sup>51</sup> Quoted in Diarmaid Ferriter, "'The stupid propaganda of the calamity mongers?': the middle class and Irish politics, 1945–97" in Fintan Lane (ed.), *Politics, society and the middle class in modern Ireland* (Basingstoke, 2010), pp 271–88 at p. 281.

<sup>52</sup> Anne Ahearne to Liam Cosgrave, 20 Mar. 1974; Anne Ahearne to Percy Dockrell, 19 Mar. 1974; Peter Roper to Percy Dockrell, 21 Mar. 1974 (N.A.I., DT, 2005/7/292). The file contains various other letters expressing similar views.

memorandum from the department recommended abandoning the election promise.<sup>53</sup> These recollections are certainly in keeping with FitzGerald's own interpretation at the time. In 1974 he had circulated a report to his cabinet colleagues regarding the progress of a cabinet sub-committee in relation to its work on capital taxation. In it, he made reference to the Finance minister's argument against the implementation of the government's election commitment.<sup>54</sup> However, the opposition might not have been as strenuous as FitzGerald suggests. His report earned him a strong rebuke from Richie Ryan, who considered it 'discourteous and disingenuous' that the minister for Foreign Affairs would draft a report on the workings of a committee that fell under the remit of another department. More significantly, he denied FitzGerald's claims, and suggested that a 'readiness to suspect and to accuse' be 'replaced by a willingness to discuss'.<sup>55</sup> That there was some opposition, especially from the Finance civil servants, cannot be denied. This was based predominantly on the concern that revenue raised from the new tax would fall short of the existing yields. A briefing note for the cabinet sub-committee in mid-1973 pointed out that in countries operating a wealth tax, the proportion that the tax represented of total revenue was very small,<sup>56</sup> while a memo from late 1973 claimed that 'an annual wealth tax at the rates contemplated will not be a sufficient substitute' for death duties.<sup>57</sup> An O.E.C.D. report from 1979 found that in 1976, Switzerland was the only one of the European countries with a wealth tax that raised more than one per cent of total tax revenue. For the other countries, including Ireland, the yield was below 0.5 per cent.<sup>58</sup> Annual wealth taxes generally did not raise revenue. But despite concerns behind the scenes, Ryan publicly endorsed the tax, and it seems more likely that if the measure was undermined and FitzGerald's own party wavered in its support, it was due to external pressures and electoral considerations.

The wealth tax was a blow, not just to Fine Gael, but also to the government. As a result of the controversy, the coalition received little credit for abolishing death duties. Such was the opposition to the measure by the middle classes that by the time Fine Gael returned to power under Garret FitzGerald in 1981, it prevented his party from 'responding to continuous pressure from Labour to restore the system'.<sup>59</sup> In addition to costing Fine Gael votes, there was a further downside to the new tax. The concerns of the Department of Finance were justified when the tax generated less money than the old death duties that it had replaced. It was subsequently abandoned in April 1978 by the new Fianna Fáil government. An E.S.R.I. study found that it was only in 1980 that the revenue from capital gains tax and capital acquisitions tax plus the wealth tax – although it had been abolished two years earlier, it still generated some revenue – exceeded in nominal terms the revenue generated by death duties alone in 1973–4. The revenue raised from the capital taxes package in 1980, in terms of

<sup>53</sup> Garret FitzGerald, *All in a life: an autobiography* (Dublin, 1991), pp 298–302.

<sup>54</sup> Draft report on progress of economic sub-committee of cabinet in relation to work on capital taxation, 2 Jan. 1974 (N.A.I., DF, 2005/9/166).

<sup>55</sup> Richie Ryan to Garret FitzGerald, 7 Jan. 1974 (N.A.I., DF 2005/9/166).

<sup>56</sup> Brief for meeting of cabinet sub-committee, 17 July 1973 (N.A.I., DF 2005/9/166).

<sup>57</sup> Memorandum on alternative system of capital taxation, [Nov. 1973], (N.A.I., DF 2005/9/166).

<sup>58</sup> Quoted in Sandford & Morrissey, *Irish wealth tax*, p. 13.

<sup>59</sup> FitzGerald, *All in a life*, p. 300.

1973 prices, was £6.4 million, less than half the yield of death duties in 1973. Furthermore, it has been estimated that had the death duties not been abolished, they would have yielded £21.6 million in 1973 prices in 1980.<sup>60</sup>

### III

Much of the legislation thus far discussed reflected changes in society and demands from various lobby groups to which the government chose to respond. However, the coalition also found itself presented with policy issues on which it was forced to legislate. The fourteen-point programme, which made an express promise to introduce legislation to 'end all forms of existing discriminations against women', was framed at a time when there were certain expectations of policy on women's rights. The U.N. had designated 1975 the Year of the Woman, while equal pay had been one of the preconditions of Ireland's membership of the E.E.C. Such European directives on equality were the product of public policy worked out by member states as a collective response to domestic pressure for change.<sup>61</sup> In Ireland, the Commission on the Status of Women, which had been instituted in 1969, had issued its final report at the end of 1972. The combination of these, together with the activity of various women's organisations, ensured that women's issues were a dominant theme on the political agenda.

The importance of Europe as an agent for change in Ireland can be clearly seen at this time in relation to equal pay. Following a meeting in Brussels in April 1973 to discuss the commitments of the new member states, the government issued a statement confirming its commitment to Article 119 of the Treaty of Rome (which required parity of salary), noting that significant steps had already been taken through the terms of the 1972 National Wage Agreement and the appointment of an Equal Pay Commissioner.<sup>62</sup> However, behind the scenes the government was less keen to uphold the commitment to equal pay. Though the government was anxious to protect the less well-off from the unexpected downturn in the economy, the financial burden of implementing equal pay in the public sector was considered too great. Estimated to be in the region of £14.5 million per annum, Richie Ryan had expressed concern about the cost implications almost as soon as the preparatory documents crossed his desk.<sup>63</sup> He reiterated his concerns several months later in a circular to his cabinet colleagues in which he advocated delaying implementation until 1977.<sup>64</sup> As attorney general, Declan Costello advised the government that any measures to delay the introduction would have no legal standing without a derogation from Brussels.<sup>65</sup> He subsequently travelled to Brussels to lodge the request, but it was formally rejected by the European Commission on 14 April 1976. The Anti-Discrimination (Pay) Act, which had been passed in 1974, thus came into effect, although the

<sup>60</sup> Quoted in Sandford & Morrissey, *Irish wealth tax*, p. 37.

<sup>61</sup> Connolly, 'The Republic of Ireland's equality contract', p. 85.

<sup>62</sup> Report of Article 119 Special Group meeting, 2 & 3 Apr. 1973 (N.A.I., DJ 2005/14/01).

<sup>63</sup> Minutes of government meeting, 21 June 1973 (N.A.I., DT 2004/21/611).

<sup>64</sup> Memorandum for government, 29 Nov. 1973 (N.A.I., DT 2004/21/611).

<sup>65</sup> Minutes of government meeting, 20 Jan. 1976 (NAI, DT 2005/133/396).

practicalities of securing equal pay remained problematic. As Margaret Ayres has noted, ‘a common theme was that equal pay would not happen automatically but had to be fought for and this required help from the unions.’ The Trade Union Women’s Forum, which had held a ‘How to get equal pay’ meeting in April 1976, subsequently published *Make sure you get equal pay* the following year.<sup>66</sup>

During the 1973 campaign, Labour’s Ruairí Quinn had argued that ‘an end to all forms of social and economic discrimination against women’ would have to be coupled with ‘change in the contraception, divorce and adoption laws’.<sup>67</sup> Divorce law was not publicly addressed until the 1980s, while the provision of contraception had not been dealt with in the fourteen-point programme. The outgoing Fianna Fáil government had been reluctant to act on the issue, but the new government was forced to deal with the reality of having to legislate for the sale of contraceptives as a result of the Supreme Court ruling on the McGee case in December 1973. Twenty-nine year-old Mary McGee had taken a challenge to the High Court after customs officers seized contraceptive jelly sent to her through the post from England. McGee, who already had four children, suffered from toxæmia, a condition that can affect the placenta and put the mother at risk of stroke or even death. It had already caused serious complications during her previous pregnancies and her doctor advised that a further pregnancy placed her at serious risk of suffering a cerebral thrombosis. Her High Court case failed, prompting the challenge to the Supreme Court where the majority of judges ruled in her favour. Not only did this force the government to re-consider the matter, but the whole episode also highlighted the differences between the liberal and conservative members of the coalition on matters of moral concern. These divisions mirrored tensions in broader society.

The legislation introduced by the minister for Justice was limited in scope, providing for the sale of contraceptives only in restricted circumstances. It showed the continued reluctance by political parties to formulate policy in the area of morality that challenged traditional thinking. Patrick Cooney’s Importation, Sale and Manufacture of Contraceptives Bill, 1974 never made it on to the statute books due to a free vote on the government side. Liam Cosgrave, joined by six of his party colleagues, entered the *Nil* (no) lobby and voted with the opposition, helping to defeat the bill by 75 votes to 61. Labour’s Dan Spring did not travel to Dublin for the vote. He was attending a civil court case in Cork that day, but many of his colleagues interpreted his absence as a political statement. The rural T.D. was out of sympathy with the more socially liberal members of his party.<sup>68</sup> Though it is peculiar for a taoiseach to vote against his own government, Cosgrave’s actions were hardly surprising. Nor were his views incompatible with his earlier support for creating a ‘Just Society’: Declan Costello’s document had not dealt with moral issues. Indeed, Costello, as attorney general, took a cautious and conservative stance on the issue of contraceptives, often frustrating Cooney.<sup>69</sup> Furthermore, in an interview

<sup>66</sup> Margaret Ayres, ‘Equal pay in the 1970s? Delays, dissent and disinterest’ (M.A. thesis, University College, Dublin, 2010), p. 35.

<sup>67</sup> *Irish Times*, 13 Feb. 1973.

<sup>68</sup> Stephen Collins, *Spring and the Labour story* (Dublin, 1993), pp 45–6.

<sup>69</sup> Diarmaid Ferriter, *Occasions of sin: sex and society in modern Ireland* (London, 2009), p. 421.

published at the start of 1974, Cosgrave had expressed the view that Irish people were ‘opposed to any form of what one calls “permissive society”’.<sup>70</sup> The flood of letters that reached the Department of the Taoiseach appeared to confirm this. The correspondence was interspersed with communications from such groups as Irish Women United,<sup>71</sup> a group of ‘women’s liberationists’ who came together in 1975. They advocated free legal contraception in the belief that ‘women in Ireland should have the full right to control their fertility’.<sup>72</sup> However, the majority of those letters supported Cosgrave’s decision, which many interpreted as a stand against the moral corruption of Irish society. Similar letters continued to reach his department in the years that followed in response to Senator Mary Robinson’s attempts to introduce a private members’ bill, which one voter claimed would become the ‘means of weakening the social, moral and physical structure of our society and would inevitably cause a serious upheaval in the whole fabric of society’.<sup>73</sup> His was not a singular view. Conor Cruise O’Brien’s speech to the annual conference of the Irish Humanist Association in March 1976 in which he criticised the defeat of the 1974 bill, as well as promoting a more liberal agenda, was also a cause for concern. He had expressed the view that

an electorate almost all of whose members have been brought up to believe that divorce and contraception are in all circumstances morally wrong, will have difficulty in seeing why these should not be legally prohibited, particularly if they are informed by their spiritual leaders that it is the duty of legislators to see to these.<sup>74</sup>

The government collectively distanced itself from his pronouncements. In response to a parliamentary question from Joe Dowling, Fianna Fáil T.D. for Dublin South-West, the minister for Justice explained that the speech represented the personal view of Cruise O’Brien.<sup>75</sup> Angela Macnamara – the most well-known agony aunt in Ireland in the 1960s and 1970s – perhaps best captured the extent to which traditional Ireland was willing to embrace change. In her memoirs she recalled of the 1970s, ‘While a new freedom was welcome, it needed to be subject to the teachings of the Higher Power.’<sup>76</sup> Cosgrave’s decision in the division contrasted with Ruairí Quinn’s pronouncements on the campaign trail and reflected the policy differences within the coalition partners. It also severely undermined the coalition that had worked so well from the outset. Barry Desmond, T.D. for Dún Laoghaire–Rathdown and a future minister for Health, recalled in his memoir that ‘the government was never to recover its internal trust’ after Cosgrave’s vote, the impact of which on the coalition’s unity was ‘corrosive’.<sup>77</sup> As the government’s time in office was coming to a close, the taoiseach was asked in an interview for *Le Monde* if he envisaged any contraception policy. He simply replied, ‘No’.<sup>78</sup> Although, as discussed earlier,

<sup>70</sup> Interview with Cosgrave by Philippe Heymann, *Vision*, 30 Jan. 1974 (N.A.I., DT 2004/22/36).

<sup>71</sup> Irish Women United to Liam Cosgrave, 2 Dec. 1975 (N.A.I., DT 2006/133/215).

<sup>72</sup> *Banshee: Journal of Irish Women United*, i, no. 1 (1975), p. 2.

<sup>73</sup> Patrick Curran to Liam Cosgrave, 23 Nov. 1975, (N.A.I., DT 2006/133/215).

<sup>74</sup> Address by Conor Cruise O’Brien to annual conference of the Irish Humanist Association, County Down, 27 Mar. 1976 (N.A.I., DT, 2006/133/215).

<sup>75</sup> *Dáil Éireann deb.*, cclxxxix, 899 (6 Apr. 1976).

<sup>76</sup> Angela Macnamara, *Yours sincerely* (Dublin, 2003), p. 71.

<sup>77</sup> Desmond, *Finally and in conclusion*, p. 232.

<sup>78</sup> Transcript of *Le Monde* interview, 13 May 1977 (N.A.I., DT 2007/116/337).

the National Coalition encountered opposition to the progressive wealth tax, it was arguably more difficult for the government to tackle areas of moral concern. The new Fianna Fáil government eventually passed legislation in 1979, but, like Cooney's offering, it was not designed to be a liberal measure either. Rather, it was 'conceived in conservative and restrictive terms'.<sup>79</sup>

For conservatives, concern about the availability of contraceptives was part of a broader fear. In Britain, access to the pill gave women control over their fertility, breaking the link between pleasure and procreation.<sup>80</sup> The availability of contraception was identified in British conservative circles as threatening to uproot sexuality from its grounding in marriage, and fears of promiscuity and a perceived increase in abortion had fuelled opposition to birth control.<sup>81</sup> There were similar concerns in Ireland. When Mary Robinson drafted her first bill in 1971, Desmond O'Malley, then minister for Justice in a Fianna Fáil government, had argued that those who advocated change did not 'appreciate the practical difficulties in the way of permitting married couples access to contraceptives without at the same time making them readily available to single persons and even young adolescents'. His fear that there would be no way to prevent the single woman from accessing contraception was the main stumbling block to the drafting of legislation.<sup>82</sup> Similar concerns were expressed regarding the National Coalition's bill.

Furthermore, international developments contributed to concerns that the liberal agenda would lead to the legalisation of abortion in Ireland. The UK's abortion act of 1967 had contributed to the momentum for reform of abortion law internationally. But it was really *Roe v. Wade* (1973) in America – which found that, except in narrow circumstances, the constitution of the United States did not permit the government to interfere with a woman's right to choose abortion – and the aforementioned McGee case that caused concern for pro-life campaigners in Ireland who feared that these judgments would be used as the pretext for introducing abortion. A leaflet produced by Catholic Family Life made a clear link between the two: 'Abortion cannot be divorced from contraception.'<sup>83</sup> Letters expressing similar sentiments were sent to the new Fianna Fáil government from the League of Decency and the Council of Social Concern.<sup>84</sup> And when the Well Woman Centre opened on Dublin's Lower Leeson Street in January 1978, it was picketed by members of Mná na hÉireann and Parent Concern who carried posters that read 'Parents! Contraception means promiscuity and abortion!'<sup>85</sup> When Fianna Fáil was preparing to frame its legislation, a request was transmitted from the

<sup>79</sup> Brian Girvin, 'Contraception, moral panic and social change in Ireland, 1969–79', *Irish Political Studies*, xxxii, no. 4 (Dec. 2008), pp 555–76 at p. 555.

<sup>80</sup> *Ibid.*, p. 557.

<sup>81</sup> Barbara Brooks, *Abortion in England, 1900–1967* (London, 1988), p. 12.

<sup>82</sup> Quoted in Girvin, 'Contraception, moral panic and social change in Ireland, 1969–79', p. 567.

<sup>83</sup> *Who killed junior?* booklet issued by Catholic Family Life, n.d., (N.A.I., DT 2010/53/241).

<sup>84</sup> Marion Kennedy, Parents' Committee, League of Decency, to Gerald Collins, minister for Justice, 3 Feb. 1978; Nial Darragh, chairman of Council of Social Concern, to Jack Lynch [1979?], (N.A.I., DT 2010/53/241).

<sup>85</sup> *Irish Times*, 18 Jan. 1978.

Department of Foreign Affairs to the Irish ambassadors to London, Luxembourg, Paris, Rome, Bonn, Brussels and Copenhagen asking for information on the legal position of these E.E.C. member states on contraception. The letter included a question about the number of abortions carried out over the previous five-year period.<sup>86</sup> Although it was not until the 1980s that the bitterly divisive abortion debate emerged, it quietly helped shape the response to the demand for change in the 1970s.

#### IV

As indicated, in the area of moral issues the demand for change from a small minority went unanswered, but the Coalition did affect some change in the area of social reform. However, the government's capacity to deliver its programme was restricted by a downturn in the world economy. The economic optimism that greeted the Coalition as it came to power was short-lived. The international oil crisis caused by the Arab–Israeli war resulted in the quadrupling of crude oil prices from \$3 a barrel to \$12. This was a worrying development for a country like Ireland which relied on the Middle East for 90 per cent of its oil needs.<sup>87</sup> Public sector borrowing requirements soared as a result, from 8.6 per cent of G.N.P. in 1972/3 to 12.9 per cent by 1976/7.<sup>88</sup> Cosgrave acknowledged that the country was living beyond its means as spending outstripped incoming revenue. He warned that 'if we are to ride out the storm ... nothing less is needed than a united national response.'<sup>89</sup> The cost of the national pay agreements was a particular cause for concern, prompting the taoiseach to make a televised appeal for a pay pause at the end of 1975. In a year in which the economy had shrunk by 3 per cent, the agreement had resulted in a 20 per cent to 30 per cent increase – levels Cosgrave claimed 'would have been grossly excessive even under the most favourable economic conditions'.<sup>90</sup>

By April 1977, as Richie Ryan prepared to frame what would be his last budget, large-scale projects were being ruled out. A letter to the Department of the Taoiseach from Finance that month outlined how personal taxation, the borrowing requirement, and the level of G. N. P. were 'already at excessively high levels'.<sup>91</sup> Additionally, according to a memo from the department, provisions for new services or for an expansion of existing services that involved further expenditure would not be considered.<sup>92</sup> Among them was a proposal from

<sup>86</sup> Letter from Damien Boyle, Rúnaí, Department of Foreign Affairs, to ambassadors, 12 May 1978 (N.A.I., DT 2009/111/49).

<sup>87</sup> Interview by Kingsbury Smith, *Boston Herald American*, 2 Sept. 1974 (N.A.I., DT 2004/22/36).

<sup>88</sup> Cormac Ó Gráda and Kevin O'Rourke, 'Irish economic growth, 1945–88', in Nicholas Crafts and Gianni Toniolo (eds), *Economic growth in Europe since 1945* (Cambridge, 1996), pp 388–425 at p. 402.

<sup>89</sup> Statement issued 26 Sept. 1974 (N.A.I., GIS 2/ 92).

<sup>90</sup> Speech to the annual dinner of the Dún Laoghaire Chamber of Commerce, 24 Jan. 1976 (N.A.I., DT 2004/22/59).

<sup>91</sup> Department of Finance to Department of the Taoiseach, 14 Apr. 1977, (N.A.I., DT 2007/116/434).

<sup>92</sup> Department of Finance memo, Apr. 1977, (N.A.I., DT 2007/116/434).



John Bruton, parliamentary secretary at the Department of Education, which sought to tackle the problem of youth unemployment. Bruton argued that there were obvious electoral advantages to such measures.<sup>93</sup> There were 440,000 first-time voters on the register for the 1977 election, many of whom were yet to commit to any party. But despite the potential electoral rewards, the Department of Finance felt that Bruton had underestimated the cost of the programme, prompting Cosgrave to express the view that he could not approve the publication of the policy document. This minor episode offers a glimpse into the conditions under which the government framed legislation.

## V

External economic forces resulting from the Arab–Israeli war determined to a large extent the way in which the coalition framed its legislation. Its approach was not unique, and public indebtedness was not unusual in the European context, although the Irish level was matched only by Greece, Portugal and Italy.<sup>94</sup> In outlining his economic strategy for 1976, Richie Ryan had identified three problematic areas: excessive rate of price inflation, unemployment and the high rate of government expenditure.<sup>95</sup> The coalition had thus failed to satisfy one of its major aims: ‘to stabilise prices, halt redundancies and reduce unemployment’.<sup>96</sup>

By 1976, an E.E.C. report estimated inflation to be at 18.9 per cent, the highest in the Community.<sup>97</sup> When the coalition left office, unemployment was up from 71,435 in 1973 to 115,942, representing an increase from 7.9 per cent of the insured labour force to 12.5 per cent.<sup>98</sup> The growth in expenditure on social security was largely a response to the high rate of unemployment. The Coalition’s legacy of public indebtedness, coupled with the spending promised by the 1977 Fianna Fáil manifesto, left the country’s economy in a vulnerable state when the second global energy crisis occurred towards the end of the 1970s.

There were, however, indicators of change during the coalition’s time in power. In terms of the broader social reform strategy, Fine Gael and Labour delivered an important package, building on a welfare state that had been expanding since the mid-1960s. In the decade between 1966 and 1976, the number of recipients of social assistance payments rose steadily, from 213,794 in 1966 to 344,461 by 1976.<sup>99</sup> Allowing for population change, there was an increase in real terms of aggregate social welfare spending during the coalition’s time in power.<sup>100</sup> Gross expenditure on social welfare increased from 6.5 per cent

<sup>93</sup> John Bruton to Liam Cosgrave, 19 Jan. 1977, (N.A.I., DT, 2007/116/434).

<sup>94</sup> Ó Gráda, *A rocky road*, p. 30.

<sup>95</sup> *Dáil Éireann deb.*, cclxxxvii, 622, (28 Jan. 1976).

<sup>96</sup> Statement of intent (I.L.H.M.A., Brendan Corish papers).

<sup>97</sup> Diarmaid Ferriter, *Ambiguous republic: Ireland in the 1970s* (London, 2012), p. 480.

<sup>98</sup> Dermot Keogh, ‘Ireland, 1972–84’, in J. R. Hill (ed.), *A new history of Ireland*, vii: *Ireland, 1921–84* (Oxford, 2003), pp 356–94 at p. 367.

<sup>99</sup> Tony McCashin, ‘Social policy: 1957–82’ in Frank Litton (ed.), *Unequal achievement: the Irish experience, 1957–1982* (Dublin, 1982), p. 208.

<sup>100</sup> *Ibid.* p. 209.

of G.N.P. in 1972/3 to 9.3 per cent by 1975<sup>101</sup> and to 10.5 per cent by the time the coalition left office in 1977; most benefits rose by 125 per cent, greatly exceeding the increase in both wages and prices.<sup>102</sup> Spending continued to grow until the mid-1980s. Overall, as Tony McCashin's research shows, the real living standards of the poor increased significantly.<sup>103</sup>

Important developments occurred which led to improvements in financial support and equal pay for women, benefits for the elderly and disabled, improvements in social housing and reform of the tax system. But if the Coalition had increased public expenditure and introduced a package of social reform to buy votes, its social policies proved to be of little electoral benefit as the two parties faced the polls. Richie Ryan, widely praised for the first budget that he delivered, was subsequently depicted as 'Richie Ruin', the Minister for Hardship, by *Hall's Pictorial Weekly*. In a re-enactment of his 1976 budget speech on RTÉ's satirical television programme, the minister was seen to promise the provision of bowls of gruel to mothers and children, the re-opening of work houses and the return of the ration book.<sup>104</sup> Though it is often repeated that there was widespread expectation that the Coalition would be the first in the history of the state to be returned for a second term, a memorandum to the cabinet marked 'top secret' in 1975 warned that it was 'self deluding to pretend that the possibility of electoral defeat is not a real one'. Inflation, farmer incomes and unemployment were identified as the key areas most likely to cause defeat. The frank document pointed out that 'inflation continues to undermine [the government's] image of competence. Unemployment is at its highest peak in peacetime.'<sup>105</sup> The first opinion poll conducted after the dissolution of the Dáil confirmed that the government faced the defeat suggested two years earlier. Conducted by Jack Jones's M.R.B.I., it put the coalition partners on just 35 per cent (Fine Gael, 25 per cent; Labour 10 per cent), compared to Fianna Fáil on 59 per cent.<sup>106</sup>

What is particularly interesting about the developments that occurred during the administration is the identity of the actors and agents for change who impacted on the formulation of such social policies. The E.E.C., the Commission on the Status of Women, and the various women's and lobby groups were important in that respect. Pointing to the low number of female deputies in the parliament, Frances Gardiner argues that such pressure groups were essential for influencing policy-makers in the realm of women's issues.<sup>107</sup> Essentially what Finola Kennedy noted of the twentieth century was particularly true of the

<sup>101</sup> Fiona Dukelow, 'The path towards a more "employment friendly" liberal regime? Globalisation and the Irish social security system' in Bean Cantillon and Ive Marx (eds), *International co-operation in social security: how to cope with globalization?* (Oxford, 2005), pp 125-56 at p. 136.

<sup>102</sup> Collins, *Cosgrave legacy*, p. 158.

<sup>103</sup> McCashin, 'Social policy: 1957-82', p. 206.

<sup>104</sup> Excerpt from *Hall's Pictorial Weekly* ([http://www.rte.ie/laweb/II/II\\_t10b.html](http://www.rte.ie/laweb/II/II_t10b.html)) (15 Nov 2010).

<sup>105</sup> Memorandum to the cabinet, 1975 (I.L.H.M.A., Brendan Corish papers).

<sup>106</sup> Jack Jones, *In your opinion: political and social trends through the eyes of the electorate* (Dublin, 2001), pp 15-16.

<sup>107</sup> Frances Gardiner, 'Political interest and participation of Irish women, 1922-1992: the unfinished revolution' in *Canadian journal of Irish studies*, xviii, no. 1 (July 1992), pp 15-39 at p. 21.

National Coalition's time in power: governments were slow to legislate 'until stimulated to so do by some element of public demand, or left with no option due to a decision of the courts'.<sup>108</sup> Furthermore, as Brian Girvin observed, considerable change could occur but within 'political, institutional and cultural continuity'.<sup>109</sup> New policies, designed to transform society, certainly emerged during the coalition's time in power, but there was also a clear line of continuity with traditional Ireland, and the politicians – many of whom shared those views – were not always willing to challenge the latter. The tensions this created foreshadowed the fault lines that would become more prominent as the 1980s unfolded.

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<sup>108</sup> Finola Kennedy, *Cottage to crèche: family change in Ireland* (Dublin, 2001), p. 239.

<sup>109</sup> Brian Girvin, 'Continuity, change and crisis in Ireland: an introduction and discussion' in *Irish political studies*, xxiii, no. 4 (Dec. 2008), pp 457–74 at p. 458.