

# A Semi-State Archipelago without Ships

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*Seán Lemass, economic policy and the absence of an Irish  
Mercantile Marine*

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**Abstract**

*Ireland's sovereignty has always been tied to the sea and its resources. As a new report makes clear, once its seabed area is taken into account Ireland is one of the largest EU states.<sup>1</sup> Yet the state has consistently failed to utilise its 900,000 square km of marine resources. With the Irish government now under pressure from the EU-IMF troika to accelerate the sale of state assets, the issue of economic sovereignty has come under the media spotlight. The issue of economic sovereignty is closely linked to the protectionism pursued by early Fianna Fáil administrations under Minister for Industry and Commerce Seán Lemass. By looking back to this early period, this paper argues that the ownership of state assets is central to the assertion of national sovereignty. At the same time it takes issue with the media tendency to nostalgise about this 'golden age' and juxtapose it against current conditions. It does so by highlighting the gaps in early economic sovereignty, examining Sean Lemass's failure to establish an Irish mercantile marine in the 1930s and 1940s and linking this to the state's continued failure to utilise its marine sector for the benefit of all.<sup>2</sup>*

During the Celtic Tiger years, name-dropping Seán Lemass (1899-1971) became *de rigeur* for Ireland's politicians. In his autobiography, former Taoiseach Bertie Ahern said 'I never miss a chance to state my belief that Lemass was in the vanguard of almost every great event and decision that shapes the Ireland in which we live'.<sup>3</sup> An examination of Dáil records from the last decade or so bears out this last claim. References to Lemass and the 'Lemass legacy' were made repeatedly by Ahern, his coalition partners, and their political rivals in a discursive battle over who was fit to don the emperor's robes. Political

<sup>1</sup> See 'briefing documents' at [www.ouroceanwealth.ie](http://www.ouroceanwealth.ie).

<http://www.ouroceanwealth.ie/Briefing%20Documents/Our%20Ocean%20Wealth%20Briefing%20Documents%20for%20Consultation%20Part%20I%20context.pdf>.

<sup>2</sup> This article is chiefly indebted to conversations I have had with two fine researchers of Irish economic history in this period: John King and Peter Rigney.

<sup>3</sup> Albert Reynolds, *My Autobiography* (Dublin, 2009), p. 13; Bertie Ahern, *The Autobiography* (Dublin, 2009), 19.

discussions in which Lemass's greatness was heralded covered an eclectic range of topics.<sup>4</sup> Confirming this trend in 2009, Ahern's successor Brian Cowen invoked Lemass in justifying his government's fateful banking bail-out.<sup>5</sup>

A visionary commonly invoked as the 'father of modern Ireland' Lemass was, at the same time, capable of mistakes. Tony O'Reilly, Ireland's first billionaire and arguably the greatest success story of Ireland's 'economic miracle', said of Lemass, his personal hero, 'he had what every great politician needs: he was an extraordinarily good poker player!'<sup>6</sup> O'Reilly's observation, ostensibly flattering, is more astute than many of the platitudes on Lemass offered up by politicians. Lemass liked nothing more than a game of poker and, as all card-sharps know, sometimes the gamble fails to pay off. This short article offers an example of one of those critical gambles that foundered: the failure of Lemass and his government colleagues to establish an Irish merchant marine in the 1930s. It demonstrates that state ownership of transport assets, then and now, is integral to the question of national economic sovereignty.

### **The British and Irish Steam Packet Company**

The current ascendancy of air travel has obscured the primacy of shipping in the early decades of independence. In the revolutionary period, Sinn Féin prioritised the establishment of an Irish merchant navy. Several famous events in the national struggle had illustrated the centrality of maritime movement of resources to national aspiration. These included the debacle of Roger Casement aboard the *Aud*; the use of the *Helga* to shell Dublin; nationalist gun smuggling; and later Free State forces' amphibious landings during the Civil War.<sup>7</sup>

<sup>4</sup> Lemass was cited in debates ranging from condolences on the death of former members of the house, to the awarding of Ireland's second mobile telephone licence, to broader questions about Irish entrepreneurial culture. See Mary Harney, Dáil Debates, vol. 509, col. 1062, 20 October 1999; Michael Lowry, Dáil Debates, vol. 464, col. 1614, 30 April 1996; Eoghan Harris, Seanad Debates, vol. 196, col. 212, 23 June 2009.

<sup>5</sup> Brian Cowen, Speech at the launch of *Judging Lemass* in the Royal Irish Academy, Dawson Street, Dublin, 29 September 2009.

<sup>6</sup> Sir Anthony O'Reilly's comments to the author on Seán Lemass, 17 June 2010.

<sup>7</sup> The issue of shipping was discussed during the Anglo-Irish talks of December 1921, when David Lloyd George sought to prevent 'the boycotting of English shipping'. See notes by Robert Barton of two sub-conferences held on December 5/6 1921, National Archives of Ireland (hereafter NAI) Department of External Affairs (DE) 2/304/1. Accessible at difp.ie (12 January 2011). For the *Helga* see Timothy Collins, 'The helga/Muirchu: her contribution to Galway maritime history',

Yet after independence, British domination of Irish shipping continued. Services across the Irish Sea were operated by British companies, which employed many Irish people but whose ships were registered in British ports. 'Irish' ships flew under the red ensign of the British merchant fleet and sailed under British Board of Trade regulations; examinations for certificates of maritime competency were held in Ireland, but the question papers were British; and the Irish tricolour was completely absent from the high seas.<sup>8</sup> More importantly, Ireland was totally dependent on British companies for the importation of essential bulk cargoes like wheat, maize, timber and fertilisers as well as coal supplies from Wales.

With air travel in its infancy, controlling shipping was critical in securing economic sovereignty. Pointing to Irish subservience to British commercial interests, the popular nationalism of Fianna Fáil promised to establish a firmer foothold for Irish economic sovereignty.<sup>9</sup>

Soon after the party was elected in 1932 the youthful new Minister for Industry and Commerce, Seán Lemass, invited Ireland's ship owners to government buildings. As well as conveying passengers between Britain and Ireland, the cross-channel ships operated by these magnates carried vast cargoes of goods, food stuffs, and livestock between the two islands.<sup>10</sup> In line with Fianna Fáil's protectionist agenda, Lemass proposed to them that 50 per cent of staff employed on their ships be Irish.<sup>11</sup>

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*Journal of the Galway Archaeological and Historical Society* 54, 102 (2002), 141-67. On the overlooked role of British naval interests during the Irish Civil War see John Linge, 'The Royal Navy and the Irish Civil War', *Irish Historical Studies* 31, 121 (1998), pp. 60-71.

<sup>8</sup> Department of Industry and Commerce, Memorandum for the Government, 20 June 1947. NAI, DT S 13116(B). In 1938 the government approved a proposal to issue an Irish system of examination for the issue of Irish certificates of competency, but this was deferred as both Ireland and Britain prepared for the Second World War.

<sup>9</sup> For a succinct analysis of the economic appeal of Fianna Fáil see Mary E. Daly, *Industrial Development and Irish National Identity, 1922-1939* (Dublin, 1992), 61. For an account of economic policy in the 1930s see Cormac Ó Gráda and J. Peter Neary, 'Protection, economic war and structural change: the 1930s in Ireland', *Irish Historical Studies* 27, 107 (1991), pp. 250-266.

<sup>10</sup> 'Coast Lines Organisation in Peace and War', MMA B/CST/20/1.

<sup>11</sup> *Irish Press*, 10 May 1932.

This remained a proposal, however, and not a demand. This was because the largest of the shipping companies represented at the meeting was the ferry operator, British and Irish Steam Packet Company (B&I).<sup>12</sup> B&I was always regarded as 'an Irish company'. However it operated as a subsidiary of the giant British shipping company Coast Lines Ltd, which was based in Liverpool.

In the 1920s B&I expanded, confirming its dominance over the Irish shipping trade. In 1926 the company acquired controlling stakes in smaller shipping companies operating from Dublin's North Wall and other Irish ports.<sup>13</sup> In 1930 *The Times* reported on Coast Lines' highly profitable business. The company provided a complete link of shipping services around the British coast, with operations in 24 ports and agents in the others.<sup>14</sup>

If Lemass and the Fianna Fáil administration wanted to end the British grip on Irish business, it followed that the shipping trade would be a critical part of the plan. And if the Irish state wanted to enter the mercantile marine market, the Irish arm of Coast Lines' operation – B&I – was key.

Yet the economic war, which began in July 1932, did not bring with it the founding of an Irish merchant fleet to challenge British commercial hegemony in the sector. After the conflict began, officials from the Department of Finance noted anxiously that the dispute would leave Ireland's food supplies in a dire position.<sup>15</sup> While Lemass had set about establishing a series of semi-state companies to bridge the gap in native capital and expertise,<sup>16</sup> it seemed that the elephant in the room was being ignored.

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<sup>12</sup> The companies represented were B&I, Michael Murphy Ltd, Palgrave Murphy Ltd, Burns Laird Ltd, the City of Cork Steampacket Co., Sligo Steam Navigation, and Thomas Heiton Ltd. For the history of Palgrave Murphy see Cornelius Smith, *The Shipping Murphys: the Palgrave Murphy Shipping Line, 1850-1926* (Dublin, 2004).

<sup>13</sup> These included Michael Murphy Limited, M.J. Begg & Company, the Dublin General Steamship Company, and the Dundalk and Newry Steamship Company. For the company's expansion at this time see Hazel P. Smyth, *The B&I Line* (Dublin, 1984). See *Thom's Directory*, 1925.

<sup>14</sup> *The Times*, 5 June 1930.

<sup>15</sup> Ronan Fanning, *The Irish Department of Finance, 1922-58* (Dublin, 1978), p. 270. Britain, unlike Ireland, had its maritime trade with the Commonwealth to fall back on.

<sup>16</sup> See Daly, *Industrial Development*.

A letter to the *Irish Independent* in February 1933 correctly identified merchant shipping as the missing link in the growing chain of Irish protected industries and semi-state concerns. 'In the effort being made to start and revive industries in the Saorstát, no notice seems to be taken of an industry that once flourished in every town on the sea coast - the mercantile marine.' The letter went on to outline how the state owned just 25 auxiliary motor vessels and 12 small steamers and was losing out to 'foreign monopolies' which controlled the cargo trade. Ireland paid £400,000 per year for foreign-imported cargoes, the author claimed, while privately-owned Irish ships were being bought up by companies 'allied to colliery interests'. Lemass should grant protection to Irish shipping, the piece concluded: buying ships was, in the early years of Depression-ravaged Europe, 'never cheaper'; 'give the seafaring community a chance!'<sup>17</sup>

Industry professionals echoed these sentiments. In 1934 a renowned Irish ship captain openly criticised the government's inaction on the matter. Free State ships were being driven out by foreign competition, he claimed. Ireland's independence did not extend to the sea, where it 'had no place on the high seas because even ships registered in Dublin fly the red ensign'.<sup>18</sup> An Irish merchant marine, argued the President of the Irish Chamber for International Trade, would end dependence on the British market by bringing Irish malt to Switzerland, tweed to Sweden, herrings to Poland, and the country's cattle, beer and biscuits to the entire world.<sup>19</sup>

As the first letter indicated, the Irish government was well placed to take advantage of the low prices for ocean-going vessels during the shipping depression of the 1930s. Moreover, the reckless business dealings of Lord Kylsant, the owner of Coast Lines, were to bring him notoriety as the man who sank the White Star Line. Kylsant's corporate irresponsibility provided a unique opening for the Free State government. Kylsant's business empire, which

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<sup>17</sup> *Irish Independent*, 23 February 1933.

<sup>18</sup> Captain J. Counsell of the Saorstát Mercantile Marine Shipmasters' Officers and Engineers Association, cited in the *Irish Press*, 6 September 1935.

<sup>19</sup> P.L. McEvoy, cited in the *Irish Independent*, 4 October 1935.

included the shipping line of *Titanic* fame and the Belfast shipbuilder Harland and Wolff, collapsed in 1931 and Kysant was imprisoned.

A receiver was appointed by the British government to dispose of Kysant's holdings. He approached the Irish government in 1935, proposing to sell them B&I. The importance of B&I to the Irish economy had already been amply illustrated during the Economic War. When the Irish government ceased cattle exports in December 1933, B&I cattle ships were the last to sail from the North Wall to Liverpool and the first to sail back when trading resumed in January 1934.<sup>20</sup> Furthermore, the government had committed itself to an Irish merchant marine. In 1935 Lemass boasted that the 'central direction of transport services' had been achieved on the railways.<sup>21</sup> The air services then in their infancy would, he promised, come 'under Irish control'. When, lastly, Lemass came to shipping, he admitted 'delays' in 'the development of an Irish mercantile marine'. He claimed to be aiming to secure 5 per cent ownership of Irish Sea traffic, but admitted 'progress is much slower than I had hoped'. He nonetheless stated that setting up a merchant marine was 'not merely a matter of national prestige, but also of vital economic importance.'<sup>22</sup>

Lemass, then, might have been expected to bite the British receiver's arm off when B&I was offered to the Irish state B&I in 1935. Instead the Irish government demurred on the offer. In July 1935 Lemass made a tour of B&I's Dublin premises alongside the company's general manager, David Barry. Both Barry and Lemass expressed their hope for friendlier trade relations between Britain and Ireland and both men said that they looked forward to the founding of an Irish merchant marine.<sup>23</sup> The flirtation between the Free State and B&I was seen by many as a strong indication that the formation of an Irish merchant fleet,

<sup>20</sup> *Irish Independent*, 24 December 1933 and 4 January 1934.

<sup>21</sup> Lemass held a long-standing grudge against the Great Southern Railway company, which owned railways and stock in Ireland, and which he thought did not employ enough Irishmen. For discussion of the 1933 Railways Bill see Dáil Debates, vol. 46, cols. 344-450, 8 March 1933. 1942 govt takes over running of great southern railway – not fully nationalised, but in govt control. See Rigney, *Trains, coal and turf: transport in emergency Ireland* (Dublin, 2010), p 118

<sup>22</sup> Seán Lemass, Dáil Debates, vol. 57, cols. 603-606, 19 June 1935. Lemass had been ruminating about establishing 50% government holdings on shipping in the Irish Sea for over a year by this point. See *Irish Press*, 25 May 1934.

<sup>23</sup> *Irish Times*, 2 July 1935.

despite the delays, was nonetheless imminent.<sup>24</sup> The following year, the company again offered the Irish state a controlling interest in the B&I line. B&I had reported a significant increase in annual profits that year<sup>25</sup> and *The Times* reported that Coast Lines' owners were willing for a large amount, if not all, of its Irish subsidiary to be owned by either the Free State government or Free State residents.<sup>26</sup> Once again, B&I was offered to the Irish state, but this time the offer was declined.<sup>27</sup>

Given the government's public pronouncements on its intention to establish a merchant marine, the decision not to acquire B&I appears strange. In fact, contrary to Lemass's public utterances on the subject, Irish shipping policy in the 1930s displayed traits which suggest an opposition to nationalising or protecting the sector. Lemass may have been unwilling to invest in shipping because of the relative decline in the trade in the decade. Yet, curiously, at the same time Ireland remained a member of the British Imperial Shipping Committee, for which the country paid a large annual subscription and in return received advice on maritime transport improvement. Effectively, this cost was of no benefit whatsoever to a country without a merchant marine.<sup>28</sup>

Although the Irish state was not interested in taking it over, B&I recognised that its future lay in the Irish market, and offered shares to Free State citizens. The company went into voluntary liquidation in 1936, emerging with the same name but as a new company registered in Dublin.<sup>29</sup> Nominally, the new B&I was now an Irish company: the company's title was even provisionally changed to Irish Free State Lines.<sup>30</sup> In reality, however, it was still British-controlled. This issue of ownership appeared somewhat irrelevant with the easing of relations under the

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<sup>24</sup> *Irish Independent*, 29 July 1935. Barry, for his part, even produced the anti-partitionist card, calling the Northern Ireland border 'imaginary' in the *Irish Press* of 4 November 1937.

<sup>25</sup> *The Times*, 20 May 1936.

<sup>26</sup> *The Times*, 1 December 1936.

<sup>27</sup> See [www.irishships.com/bihistory.html](http://www.irishships.com/bihistory.html). Accessed 27 December 2011.

<sup>28</sup> Department of Industry and Commerce, memorandum on the imperial shipping committee, 17 September 1946. NAI, DT S 9377B.

<sup>29</sup> *The Times*, 18 December 1936. B&I's new directors were Sir Alfred Read, David Barry, Lord Glenavy, Captain A.R.S. Nutting, James Ratledge and R.W. Sinnott, each of whom held 500 shares in the company. See Smyth, *The B&I Line*, 153.

<sup>30</sup> *Irish Times*, 22 December 1936.

Anglo-Irish Trade agreement of 1938. As war approached, however, it would become clear that Lemass and the government had missed a vital chance to consolidate Irish economic sovereignty.

### War Arrives

In June 1939, with world war looming, the Irish crew of the B&I ship *Normandy Coast* walked ashore at Dublin port in an act of protest against the transfer of the ship's port of registration from Dublin to Liverpool.<sup>31</sup> Three months later, in September 1939, there occurred a similar act in the port of Holyhead when the British crews of one passenger ship and two cargo vessels (B&I owned and registered in Dublin) refused to operate these ships under the Irish tricolour.<sup>32</sup> These twin actions were more than mere expressions of nationalism, and more than trifling maritime episodes. Rather, they point to the state's failure to build up its shipping portfolio in the 1930s as a major policy error.

The Irish crew who walked off the *Normandy Coast* worried that if they stayed aboard their vessel under the red ensign they would find themselves under attack from German U-boats.<sup>33</sup> At the outbreak of war, the Irish government instructed all Irish-registered vessels to fly the Irish flag and the protesting sailors wanted it hoisted.<sup>34</sup> But this, as the British sailors at Holyhead argued, was illegal since a ship's flag was ultimately determined by its country of ownership.

Lemass's top officials already knew that this was the case. In February 1939 Lemass's departmental secretary, John Leydon, had instructed civil servants in Industry and Commerce to draw up a memorandum illustrating just how dependent Ireland was on other countries for essential supplies.<sup>35</sup> When the report came back in April 1939 it made for alarming reading.

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<sup>31</sup> Irish Press, 28 June 1939. For a survey of Dublin shipping in this period see Walter Kennedy, *Shipping in Dublin Port, 1939-1945* (Edinburgh, 1998).

<sup>32</sup> Basil Peterson: *Turn of the Tide, An Outline of Irish Maritime History* (Dublin 1962), 119.

<sup>33</sup> Their fears were later confirmed when the ship was sunk by U-1055 in 1945 west of Anglesey, with the loss of 19 men.

<sup>34</sup> Emergency powers order, no. 2

<sup>35</sup> Leydon memo, 15 February 1939. NAI, INDC/EMR/8/89

The bulk of Ireland's imports came from Britain and its commonwealth.<sup>36</sup> The value of shipping shares held by Free State residents was pitiful. In B&I - the largest and most important shipping company to Ireland - only £158,000 of the £1,342,000 share capital was Irish.<sup>37</sup> And of all the ships in Irish ports, a measly 5 per cent were Irish-owned. The memo made it clear that 'if war should break out we are at the mercy of the United Kingdom' and that 'economic activities of this country could be completely paralysed'.<sup>38</sup>

With war only months away, Ireland's supply of key commodities such as coal, wheat, maize, petrol and timber was completely at the mercy of the British.<sup>39</sup> Leydon described the memo as of 'vital importance' and instructed it to be circulated to ministers immediately.<sup>40</sup> By this stage, however, it was too late.

The newly formed Irish Emergency Supplies Branch of Industry and Commerce frantically consulted Whitehall on whether British-owned ships would be requisitioned *en masse* from Ireland as part of the war effort.<sup>41</sup> But the British had already made this cynical calculation. As early as the Munich Crisis of September 1938, the regulation of the shipping trade was to the forefront of British Board of Trade thinking. The Board had already decided, by this early stage, that in the event of a conflict a British blockade would cut off maritime

<sup>36</sup> 50% imports from United Kingdom, 11% from other European countries and Russia, 11% from USA, 5% from Argentina, 4% Australia, 4% India, 15% other countries. Memo on Dependence on other countries in connection with essential imports, exports and shipping. NAI, INDC/EMR/8/89

<sup>37</sup> Value of shareholdings in Irish Shipping, 1935. Memo on dependence on other countries in connection with essential imports, exports and shipping. NAI, INDC/EMR/8/89

<sup>38</sup> Memo on dependence on other countries in connection with essential imports, exports and shipping. NAI, INDC/EMR/8/89

<sup>39</sup> Memo on dependence on other countries in connection with essential imports, exports and shipping. NAI, INDC/EMR/8/89 Irish-owned ships were operated by the Dublin and Sillitho Company (one vessel, 459 tons); Limerick Steamship Co (eight vessels, 3099 tons); Saorstat and Continental (six vessels, 3655 tons); Wexford Steamship Co (3 vessels, 777 tons); for coal there were five other small firms with 9 vessels (1884 tons). The memo did not put a figure on it, but these ships were said to be capable of carrying 'only a very small proportion' of imports and exports. The relatively healthy Limerick Steamship Co figures were also distorted as Limerick made up only 5 per cent of Irish seaborne trade - Dublin, Cork and Waterford were the main trading ports. Assuming the Irish coal ships operated to full capacity without war disruption they were calculated to be able to carry just 8 per cent of the country's yearly-needed coal imports.

<sup>40</sup> Leydon memo, 13 April 1939. NAI, INDC/EMR/8/89

<sup>41</sup> Industry and Commerce memo on tea supplies, 17 June 1939. NAI, INDC/EMR/5/25.

trade, forcing Irish neutral shipping into British hands because of the lack of other markets.<sup>42</sup>

When it came to shipping policy, it appeared that the Irish government had been sleeping in the wheelhouse. Britain had been centralising control of shipping for a long time. Consequently, there was a sharp decline in Irish steam shipping due to British requisitions. In 1926 there were 152 steam ships registered in Ireland, by 1937 this had fallen to 141<sup>43</sup> and at the outbreak of war neutral Ireland had just 56 ships. None of these vessels were ocean-going; all were designed for short sea journeys. Amazingly, with very low power engines they were all dependent on wind for propulsion.<sup>44</sup>

It is evident, then, that the order for Irish-registered vessels to fly the tricolour was a desperate act intended to obscure the government's failure to establish a mercantile marine by ramping up national tensions. Irish policy-makers knew that wartime shipping developments were potentially devastating. There was no legislation in place to prevent Ireland being deprived of its ships and, with them, a significant arm of its independence.

When war arrived, B&I's ships were requisitioned by Britain; the biggest losses were B&I's newly built state-of-the-art sister ships *Leinster* and *Munster*.<sup>47</sup> Similarly, in 1938 the building of an oil refinery in the port of Dublin had brought seven large German tanker vessels to Dublin. These ships were requisitioned by Britain two days after the outbreak of war. As Secretary of the Department of External Affairs Joseph P. Walshe emphasised to de Valera a week before war broke out, shipping remained an area of 'our economic life' still dictated by Britain.<sup>48</sup>

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<sup>42</sup> National Archives of the United Kingdom (NAUK), M 5937/1939. Shipping Defence Advisory Committee, T 02828.

<sup>43</sup> Meenan, *The Irish economy since 1922* (Liverpool, 1970), p. 164.

<sup>44</sup> Frank Forde, *The long watch: the history of the Irish Mercantile Marine in World War Two* (Dublin, 1981), p. 9.

<sup>47</sup> Smyth, *The B&I Line*, 158.

<sup>48</sup> Memorandum by Joseph P. Walshe on Irish neutrality for Éamon de Valera, 25 August 1939. University College Dublin Archives (UCDA), Éamon de Valera papers, P150/2571. Accessible at difp.ie (28 December 2011).

This grave situation was assuaged somewhat by the 'phoney war' status of the early conflict. Irish policy-makers knew just how drastic the situation could become if there was an escalation in marine warfare; but from September 1939 to March 1940 Ireland still had access to neutral imported supplies, albeit at a very inflated cost.<sup>49</sup> By April 1940, this relatively benign period was over. In that month Lemass travelled to London for talks with British Secretary of State for Dominion Affairs, Anthony Eden. Eden warned Lemass that the 'elimination of competition' on shipping, meaning that Ireland would no longer be able to charter her own ships.<sup>50</sup> It now seemed likely that Ireland would have little choice but to make concessions to the British in return for access to shipped imports. However, after France fell to Nazi Germany in early June 1940, Taoiseach Éamon de Valera turned down the British offer to end neutrality in return for the use of Irish ports.

By January 1941, the drastic supply situation in Ireland forced Lemass to finally centralise control by founding Irish Shipping Ltd, a company in which the government held the controlling share.<sup>51</sup> The company amalgamated the few Irish-owned shipping concerns, most of which had already suffered the loss of several vessels to U-boats and mines.<sup>52</sup> Irish Shipping Ltd is today remembered fondly as a plucky small fleet which braved marine warfare to keep Ireland from starvation. But its few, rusty, hazardous old vessels exemplified the failure to establish a proper merchant marine in the 1930s. The company's first ship, *Irish*

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<sup>49</sup> In November 1939, the United States ordered its ships not to enter the 'war zone': a nautical line extending from the tip of northern Spain to Iceland. This established Lisbon as the main neutral port through which shipped supplies passed. In Ireland, the huge expense caused by this double-handling was passed on to the taxpayer.

<sup>50</sup> Evans, *Democratic Dictator*, 120

<sup>51</sup> The Minister for Finance held a 51 per cent shareholding in the company. For the history of Irish Shipping during the Second World War see James Raymond, 'World War II and the foundation of Irish Shipping Ltd', *Éire-Ireland*, 19, 3 (1984), pp. 48-76. These companies were the Limerick Steamship Co (Wexford), Saortstat and Continental (formerly Palgrave Murphy), J.P. Reihill (Fuel Importers), and T.D. Hallinan (Grain Importers). The representative of the Wexford company, J.J. Stafford, came to the table holding the strongest cards. It possessed the largest fleet of an Irish company. See Forde, *The long watch*, pp. 65-92.

<sup>52</sup> Department of Industry and Commerce, Memorandum for the Government, 20 June 1947. NAI, DT S 13116(B). The ocean-going ships of the Limerick Steamship Company had fallen victim to the Spanish Civil War as they shipped fruit back from Spain to Ireland between 1936 and 1939. In addition, Saorstat and Continental (formerly Palgrave Murphy) had also suffered significant losses to its small fleet of 8 ships since the war's inception. See Forde, *The long watch*, pp. 108-127.

*Poplar*. was a Greek merchant vessel which had been found drifting and abandoned by Spanish fishermen after being bombed; it had been stripped of everything of value by the Spanish; and on its first voyage its mainmast collapsed.<sup>53</sup> While 138 Irish sailors met their deaths on its ships, the company's commercial operations were subject to cut-throat competition from private buyers in Thailand, Switzerland and the Americas.<sup>54</sup> Even after the establishment of Irish Shipping Ltd, Britain was free to flex her maritime muscles to Ireland's detriment.<sup>55</sup>

For the remainder of 'the Emergency', shortages of essential goods became a fact of life and public health suffered as a consequence. Irish officials were often forced to rely on the benevolence of senior figures within the British establishment in order to procure essential goods. On one occasion it took the prediction of 'famine conditions in Ireland' by a British peer to secure the release from Britain of chemicals used to prevent potato blight.<sup>56</sup> During the Second World War, an estimated 20 million people died from starvation, malnutrition and related diseases: a figure exceeding the 19.5 million combat deaths.<sup>57</sup> The eerie yet realistic prospect of starvation was never far from the minds of Irish policy-makers during the Emergency and the 'narrative of absence' surrounding the grim material shortages experienced during the Emergency in Ireland has since become archetypal.<sup>58</sup>

### Lessons

Basil Peterson's 1962 Irish maritime history – *Turn of the Tide* – contained a foreword from then Taoiseach Seán Lemass. Lemass admitted that the absence of a merchant marine in the 1930s was an almost 'fatal defect in our national economy' but blamed British 'measures of commercial policy and lack of political

<sup>53</sup> Peterson, *Turn of the Tide*, p. 131.

<sup>54</sup> See Fanning, *Finance*, 350. The venture nonetheless eventually proved a commercial success.

<sup>55</sup> In preparation for D-Day in 1944, for instance, the British suspended Irish ships from the Lisbon supply route, closed British ports to Irish ships, and withdrew British-owned colliers from the coal trade. NAI, Dept foreign affairs External Affairs?, John Maffey to de Valera, 28 March 1944.

<sup>56</sup> Lord Granard, memorandum on Ireland, 26 July 1941. NAI, FA / P23.

<sup>57</sup> Collingham, *The Taste of War* (London, 2011), 1.

<sup>58</sup> Clair Wills, *That Neutral Island: A Cultural History of Ireland During the Second World War* (Dublin, 2007), 10.

independence' for the oversight.<sup>59</sup> Peterson went along with this line. Although highlighting the fact that state inaction on a mercantile marine in the 1930s was 'retrograde and negative' he muffled his implicit criticism of Lemass by reverting to simplistic anti-partitionism.<sup>60</sup> The official record relating to shipping is similarly evasive, even 'bizarre and Orwellian' in parts.<sup>61</sup> This is attributable to the determination of Leydon, Lemass's faithful lieutenant, that any material that cast the government in a bad light 'should not be left open to delving historians of the future'.<sup>62</sup>

Fortunately, enough historical records have survived to enable clear lessons to be taken from the issue of merchant shipping in the 1930s and 1940s. When it came to British economic bullying, de Valera's cabinet's humane calculation that mass civilian casualties had to be avoided is laudable, as the human cost of the North Strand bombing of Dublin of 31 May 1941 conveys forcefully. On the other hand, Churchill was snubbed with a key arm of Ireland's economic sovereignty lacking and Ireland suffered great material deprivation as a result. With better planning and procurement of vessels in the 1930s, such a Catch-22 decision need not have arisen for Irish policy-makers.

Lemass later claimed that 'not even the Archangel Michael', if he were in charge of the country, would have been able to prevent wartime shortages.<sup>63</sup> However, there is little doubt that the scale of these shortages and of the sacrifice of Irish sailors would have been less considerable had the government pushed ahead with its aim to establish a mercantile marine in the 1930s. In the course of a post-war lecture on careers at sea, Captain Henry Freyne, the Principal Examiner of Masters and Mates for the Department of Industry and Commerce, conceded:

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<sup>59</sup> Peterson, *Turn of the Tide*, introduction

<sup>60</sup> Peterson, *Turn of the Tide*, p. 113. Up to 1939 only two merchant shipping acts (1933) were on Irish statute books, both of which related to international conventions which Ireland had to legislate for.

<sup>61</sup> Rigney, *Trains, Coal and Turf*, p. 219.

<sup>62</sup> NAI, DFA, P34 Leydon to Frederick H. Boland, 4 May 1943, cited in Rigney, p. 85)

<sup>63</sup> Seán Lemass, *Dáil Debates*, vol. 83, col. 2310, 19 June 1941.

'If we had had a fleet of just one hundred tramp steamers at the outbreak of the war we would know very little of the difficulties caused by the war in Ireland.'<sup>64</sup>

In a speech delivered against a backdrop of material hardship in June 1941, Lemass rounded on his critics. 'I have had the records of the house examined from the date on which the war started to the end of 1940 and not once during that whole period did a single member ... mention the word "ship" in this House much less urge on the government any course of action in relation to ships'.<sup>65</sup>

This was classic Lemassian bluff. His nemesis James Dillon recognised it immediately, responding to Lemass's truculent speech by yelling 'blatherskite!' at him from across the chamber. Whether or not the issue had been raised in 1940, Lemass knew that the ownership of shipping was raised repeatedly as a matter of public policy throughout the preceding decade. As early as 1932 it was pointed out that Ireland's lack of ownership of 'sailing or shipping services' was aggravating unemployment.<sup>66</sup> The acquisition of more shipping was variously urged on the government in connection with the nationality of children born at sea,<sup>67</sup> the design of an Irish merchant navy jack,<sup>68</sup> and the appointment of company directors to semi-states.<sup>69</sup>

Yet in this extraordinarily defensive speech of 1941, Lemass came closer to the truth about why a merchant marine was not established in the 1930s. Fundamentally, the perfidious Albion was not to blame. He and other policy makers had gambled that the world war would be 'a war of exceptional rapidity', a limited conflict which would not impinge on Ireland's shipped imports, allowing Ireland to sit back and observe before emerging unscathed.<sup>70</sup> The country would be a rather parasitic neutral, reliant only on other neutrals.

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<sup>64</sup> *Cork Examiner*, 21 February 1945.

<sup>65</sup> Seán Lemass, *Dáil Debates*, vol. 83, col. 2313, 19 June 1941.

<sup>66</sup> Eamonn O'Neill, *Dáil Debates*, vol. 44, col. 2113, 18 November 1932.

<sup>67</sup> Michael Staines, *Seanad Debates*, vol. 19, col. 1207, 6 February 1935.

<sup>68</sup> Seán Lemass, *Dáil Debates*, vol. 73, col. 18. 26 October 1938.

<sup>69</sup> Séamus Moore, *Dáil Debates*, vol. 55, col. 607. 7 March 1935.

<sup>70</sup> This version of what nature the war would take had been emphasised by the British to the Irish delegation in the trade talks of 1938. See Sir Thomas Inskip's remarks on 'a short sharp war' on British shipping in the minutes of the conference between representatives of United Kingdom and Ireland, 17 January 1938. NAI, Department of the Taoiseach (DT) S10389 (Annex). Accessible at [difp.ie](http://difp.ie) (21 February 2011).

Lemass had made the false calculation that neutral countries such as Greece and Norway would not be 'engulfed in the vortex' and that Ireland could rely on these states for its imports, even with Britain at war. The government planned to 'charter the vessels of other neutral nations to serve *our* needs [rather than] send ships bearing our flag into these dangerous waters, carrying with them all the risks to neutrality'.<sup>71</sup>

So what lessons in policy-making can be learnt from this failed gamble?

Firstly, as a premise on which Ireland's merchant fleet was neglected, it was an unsound one. It ignored the lessons of history in assuming that one of the world's premier maritime powers would not exercise economic blockade warfare in time of war: a tactic which Britain, as a Thalassocratic empire, had used for centuries. Against the wishes of the trade, British shipping had been entirely given over to the state by October 1939.<sup>72</sup> This was the culmination, not the start, of a process of British centralisation clearly suggestive of war on a large scale which would draw neutrals as well as combatants 'into the vortex'.

Secondly, Irish policy makers – and Lemass in particular – neglected a key component of national trade and enterprise in focusing on a glitzy option. Lemass would have noted that by 1938 an air freight section had opened at London's Baltic Exchange for the first time, signalling its great commercial potential. Unfortunately, though, war rendered air freight stillborn.<sup>73</sup> In the context of the poor profitability of coastal trading in 1930s, plumping for air travel was understandable, but not at the outright expense of shipping. The relative decline of the sector and the breaking up of Kysant's personal empire meant that the Irish state could have expanded its merchant marine much more cheaply. As the British Ministry of War Transport acknowledged, during the 1939-45 conflict it was shipping - above other transport links - which had

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<sup>71</sup> Seán Lemass, *Dáil Debates*, vol. 83, col. 2312, 19 June 1941. My emphasis.

<sup>72</sup> NAUK, PREM 1/429 1940 Trade.

<sup>73</sup> Hugh Barty-King, *The Baltic Exchange: the History of a Unique Market* (London, 1977), 362.

fundamentally saved the British population from falling below the 'starvation mark'.<sup>74</sup>

This leads to the question of responsibility for bad planning. The absence of a mercantile marine in a country 'with an immense seaboard' was cited by a Fine Gael deputy as de Valera's failing, part of his 'inability to plan on a large scale for the welfare of this country'.<sup>75</sup> While a lack of coordinated and forthright leadership was certainly a factor, the failing was also Lemass's as Minister for Industry and Commerce. Shipping was closely linked to railway transport in this period. In this regard, Lemass's well-known prejudice against the traditionally unionist Great Southern Railways may have blinkered him to the possibility of large scale maritime expansion.

This, in turn, highlights the desirability of better dialogue between the state and industry experts. It is evident that Lemass was at times outflanked by foreign firms, which manipulated shareholding patterns in order to get around the restrictions of the protectionist Control of Manufacturers' Act (1932).<sup>76</sup> Lemass was criticised by the Federation of Irish Industry for allowing shares in so-called Irish companies to be held by these wealthy foreigners.<sup>77</sup> For his part, Lemass felt that 'private enterprise let us down' when it came to the stockpiling of supplies. The big issue for the large Irish importing firms was risk: they were reluctant to have large supplies on their hands if the war turned out to be a short conflict, in which case they would be forced to dispose of their stock cheaply in a falling market.<sup>78</sup>

In summary, the failure to establish an Irish mercantile marine highlights the navigational uncertainties of the Irish semi-state archipelago in the 1930s and 40s. In a 1986 Dáil debate concerning B&I, Bertie Ahern denounced British

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<sup>74</sup> Fleetwood Pritchard to Ernest Reader, 5 August 1944. MMA B/CST/20/1.

<sup>75</sup> James Fitzgerald-Kenny, Dáil Debates, vol. 91, cols. 344-346, 7 July 1943.

<sup>76</sup> See Evans, *Democratic Dictator*, chapter 3.

<sup>77</sup> *Irish independent*, 17 June 1933.

<sup>78</sup> See Industry and Commerce memo on tea supplies, 22 May 1939. NAI, INDC/EMR/5/25; Industry and Commerce memo on flour supplies, 17 November 1938. NAI, INDC/EMR/5/31.

companies winning contracts over Irish companies in the shipping trade.<sup>79</sup> In pursuing this argument, Ahern saw himself as the inheritor of the pragmatic commercial nationalism pursued by Lemass as Taoiseach between 1959 and 1966: B&I was nationalised by Lemass's government in 1965 and its ships would later operate as Irish Ferries. But shipping as a national issue had a much greater lineage and Lemass, as this study proves, a much patchier record in managing the sector.

Although economic and political circumstances have undergone enormous transitions since, certain lessons are clear. Although neoliberal mantra may deny the fact, for an island nation a diverse state-owned (or partly owned) transport portfolio is a central plank of economic sovereignty. For a state with such a large seaboard, the consistent failure to exploit marine resources represents a significant gap in early Irish protectionism. But even after the dismantling of protectionism, marine resources remained overlooked. If Ireland failed in the past to take proper advantage of its vast marine resources in the national interest, it still fails today. Significantly, the state has now recognised (see [www.ouroceanwealth.ie](http://www.ouroceanwealth.ie)) the scale of this historic and contemporary neglect of the marine sector.

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<sup>79</sup> Bertie Ahern, Dáil Debates, vol. 368, col. 283, 18 June 1986.