# The Life and Death of Protestant Businesses in Independent Ireland

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## Introduction

Non-Catholics made up only seven per cent of the Free State population in 1926. According to the census of that year there were around 165,000 'Protestant Episcopalians', 32,000 Presbyterians, 11,000 Methodists, 4,000 Jews and a further 10,000 classified as 'other'. Quakers were particularly prominent in business, but were not enumerated separately. Adjusting for likely changes since the 1911 census, there are likely to have been around 1,000 in the Free State at the time.

The minority was strongly overrepresented in the higher echelons of all business activities, including agriculture. Twenty eight per cent of farm holdings of more than 200 acres were in Protestant hands. Across most industrial sectors 30 to 40 per cent of male 'employers and managers' were Protestant, with around 20 per cent in construction and related activities. Creameries, by then largely under the control of the co-operatives, were the exception: here non-Catholics made up only 4 per cent of the senior ranks.

Recruitment and promotion in the railway companies had long been a matter of controversy: the census revealed that more than 20 per cent of stationmasters and railway officials were Protestant. A similarly privileged position is apparent across the rest of the private sector. Non-Catholics comprised fifty-three per cent of bank officials, almost forty per cent of barristers and solicitors and twenty per cent of department store owners and managers. If this represented evident bias, one common Protestant response was to point to differences in educational attainment. This was the explanation offered by the 'Society for the Protection of Protestant Interests' in 1903 for the disparities in railway-company wages.[1] Another focused on entrepreneurial spirit, which was widely referenced with respect to the dynamism of the Ulster Protestant economy relative to the Catholic south.

Yet, as Tony Farmar and other observers have commented, at least until the 1960s most firms were known as either Protestant or Catholic.[2] Mary Daly quotes businessman Michael Smurfit to the effect that there were many companies where Catholics could never join the management team, 'no matter how good they were at their job or how considerable the contribution that they could make', while Catholic firms such as Smurfit found it difficult to make sales to Protestant companies.[3]

Developments external to the firms themselves ensured that this could not last indefinitely. As F.S.L. Lyons wrote of the Bank of Ireland:

> An increasingly Catholic representation on the Court of Directors and the recruitment of a predominantly Catholic staff would . . . have become inevitable

[1] *Reply to the Catholic Association and its Allies: 'The Leader' and 'The Irish Rosary'* (Dublin: Society for the Protection of Protestant Interests, 1903), pp. 6-8.
[2] Tony Farmar, *Heitons - A Managed Transition: Heitons in the Irish Coal, Iron and Building Markets, 1818-1996* (Dublin: A. & A. Farmar, 1996), p. 34.
[3] Mary E. Daly, *Sixties Ireland: Reshaping the Economy, State and Society, 1957-1973* (Cambridge: Cambridge University Press, 2016), p. 126.

> with the striking decline of the Protestant population in the decades after independence. So far as there was a policy in this matter it was the natural and pragmatic policy of a business concern . . . to establish the maximum compatibility between its staff and its customers.[4]

Nor were all of the imbalances in recruitment and management ascribable to sectarianism, as Louis Cullen observes in his study of the Presbyterian firm Eason:

> Staff were recruited from the immediate circle of the principal, and since many recruits were accepted on the recommendation of the senior people in the firm, continued recruitment tended to be slanted in that direction . . . Recruitment tended to become more even over time, and a large Catholic base was inevitably reflected later in the promotion of Catholics as well.[5]

Terence Brown summarises Kurt Bowen's study of the Protestant community in Ireland as suggesting that 'until the 1960s at least, the Catholic and Protestant communities essentially lived apart . . . in a kind of mutually agreed apartheid'.[6] The term 'apartheid' seems particularly apt when applied to business. Among a small survey group of South Dublin Protestants Bowen reported that most who had entered the labour market prior to 1955 had found their first positions in workplaces where the majority of their co-workers were Protestant. The extent to which this was mutually agreed can be exaggerated however: the situation undoubtedly caused resentment.

Catholic blame was frequently directed towards the Masonic Order, which had seen an upsurge in membership in the 1920s, though there were suspicions of discrimination on the other side of the religious divide as well. In his oral history of Dundalk, Charles Flynn notes that 'allegations by Catholics of Protestant religious discrimination on the [Great Northern Railway] were matched by the Protestant community's assertion of Catholic discrimination in [tobacco manufacturer] Carrolls'.[7]

The Knights of Columbanus had been established as a counterweight to the freemasons. It saw its role as to rectify 'the discrepancies encountered at every level of Irish . . . life where non-Catholics were solidly entrenched in positions and occupations which depended on already accumulated capital or goodwill'.[8] In 1922 the Knights transferred their headquarters from Belfast to Dublin and their influence expanded within the new state.

Even by the 1970s, remnants of Protestant privilege remained. Though members of the Church of Ireland comprised less than four per cent of gainfully employed males in 1971 for example, they accounted for almost 15 per cent of business directors, managers and company secretaries. Nevertheless, the dividing lines between Protestant and Catholic businesses—and Protestant and Catholic positions in the employment hierarchy—had largely disappeared. The 1960s had witnessed the increasing adoption of modern management techniques and an expansion in the importance of educational credentials. Economic liberalisation was a major driving force. The

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[4] F.S.L. Lyons, 'Reflections on a Bicentenary', in F.S.L. Lyons (ed.) *Bank of Ireland 1783-1983, Bicentenary Essays* (Dublin: Gill and Macmillan, 1983), pp. 207-8.

[5] Louis Cullen, *Eason & Son: A History* (Dublin: Eason, 1989), p. 111.

[6] Terence Brown, *The Irish Times: 150 Years of Influence* (London: Bloomsbury, 2015), p. 293; Kurt Bowen, *Protestants in a Catholic State: Ireland's Privileged Minority* (Dublin: Gill and Macmillan, 1983), p. 95.

[7] Charles Flynn, "Dundalk 1900-1960: An Oral History' (unpub. PhD. thesis, Maynooth University, 2000), p. 129.

[8] Cited in Tony Farmar, *The Versatile Profession : a History of Accountancy in Ireland since 1850* (Dublin: Chartered Accountants Ireland, 2013), p. 66.

traditional business practices—including overt and covert discrimination—that had characterised many family-run firms could not survive the opening-up of the economy.

**Protestant Businesses at Independence**

Since information on employees' identities and religious affiliations are not generally available, the definition of what is to be regarded as a 'Protestant business' focuses on ownership and how management and control were passed down through the generations. Protestant businesses clearly dominated 'the commanding heights of the economy' in the initial decades of independence.

Writing of the Bank of Ireland, which was by far the largest bank, Oliver MacDonagh points out that 'even in the Catholic south, there were fair-sized branches where, as late as the 1890s, the entire staff belonged to the Church of Ireland'. Members of the court of directors in the immediate pre-independence era 'were unionists to a man, and the great majority of staff would have regarded themselves as "loyalists".'[9] Though Catholic staff were being employed from around 1850, and loans and donations began to be made to Catholic institutions and charities over the last quarter of the nineteenth century, Catholics in 1939 still made up only around one-third of the bank's court of directors.[10] Among the smaller banks, the Provincial was also regarded as Protestant. The Hibernian Bank, by contrast, had been established in a reaction to the anti-Catholic clauses of the Bank of Ireland's charter, while the National Bank had been founded by Daniel O'Connell, partly to serve as a financial vehicle for the repeal movement.

The accountancy profession was even more strongly Protestants and 'loyalist' than banking. Both the president and the secretary of the Institute of Chartered Accountants in Ireland at independence were Protestant, as were most of the council and all of the partners of what were by far the largest firms, Craig Gardner and Stokes Brothers & Pim.[11]

Of the seven department stores in Dublin at the time, only Clery was in Catholic nationalist ownership, though Brown Thomas had recently been purchased by the London-based American entrepreneur Harry Gordon Selfridge and would come into Catholic ownership in 1933.[12] The principals of Todd Burns & Co. on Mary St. and McBirney on Aston Quay were a Presbyterian and a Christian Scientist respectively, though Catholics would on occasion occupy the most senior positions in both businesses from the early 1920s.

The other three department stores—Arnott, Switzer and Pim—would remain under Protestant ownership or management for far longer. Control of Arnott passed to the Presbyterian Nesbitt family after the death in 1898 of prominent unionist and owner of the *Irish Times*, Sir John Arnott.[13] It remained within the family until 2010. The Switzers were a Church of Ireland family of Palatine origins. Until the sale of the company in the 1970s, chairmanship of the board of directors stayed within the three Protestant families that had been represented on the board in 1890. Ownership of Pim of South Great Georges St. remained within the family of Quaker entrepreneurs until acquired by a British consortium in the mid-1950s.

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[9] Oliver MacDonagh, 'The Victorian Bank, 1824-1914', in F.S.L. Lyons (ed.) *Bank of Ireland 1783-1983, Bicentenary Essays* (Dublin: Gill and Macmillan, 1983), p.44.
[10] F.S.L. Lyons, 'Reflections on a Bicentenary', in Lyons, *Bank of Ireland 1783-1983*, pp. 207-8.
[11] Tony Farmar, *Versatile Profession*, p. 65.
[12] Anne Haverty, *Elegant Times: a Dublin Story* (Dublin: Sonas, 1995), p. 77.
[13] Ronald Nesbitt, *At Arnott's of Dublin, 1843-1993* (Dublin: A. & A. Farmar, 1993), p. 38.

Both of the leading coal-distribution companies, Heiton and Tedcastle, had been founded by Presbyterian expatriates. Control of Heiton passed into the hands of another Presbyterian family, the Hewats, after the founder's death, and members of the Hewat family would hold one or other of the key positions in the company until its acquisition by the Grafton Group in 2005. 'In a world where every firm was known to be either Catholic or Protestant' Farmar comments, '[Heiton] was clearly Protestant.'[14] Ironically, the origins of the Grafton Group lay in hardware-firm Chadwick, owned by the Church of Ireland family of that name. Tedcastle, meanwhile, had merged with a Methodist-owned firm in 1897 to become Tedcastle, McCormick. This firm was sold into Catholic ownership in 1952.

Builders' provisioning—into which Heiton ultimately transitioned—was also strongly Protestant-dominated. By the end of the 19th century Brooks Thomas and Dockrell were the leading firms in the sector.[15] Maurice Brooks and Sir Maurice Dockrell were both members of the Church of Ireland, though they differed in political outlook. Brooks was a Home Rule MP while Dockrell would later serve as a Unionist MP for Dublin. Dockrell's descendents would in turn hold Dáil seats for Cumann na nGaedeal and Fine Gael. Other significant business dynasties operating largely in the services sector included the Bewleys and the Findlaters. The former were Quakers, the latter Presbyterian, though some would later join the Church of Ireland.[16]

Manufacturing would experience the most dramatic shifts in economic policy over the first fifty years of independence and is the subject of particular attention below. While nationalist historiography had focused on the decline of southern Irish manufacturing under the union, there was a number of large export-oriented and almost exclusively Protestant-owned manufacturing firms that had prospered under free-trade conditions. Two that had fared particularly well in the immediate pre-independence period were the Condensed Milk Company of Ireland and the bacon curing firm of Henry Denny & Son.

At a time when only around two dozen manufacturing firms employed a workforce of 400 or more, the Condensed Milk Company employed around 3,000 in its plants and creameries across Munster. The value of condensed milk exports from Ireland came to fully half of that of all brewery exports in 1920. The company was controlled from its Lansdowne base in Limerick by the staunchly loyalist family of Sir Thomas Henry Cleeve. Limerick was also the centre of the bacon trade. Of the major bacon-curing firms—Denny, Matterson, Shaw and O'Mara—only O'Mara was Catholic. One of Henry Denny's sons, Edward, had been the firm's London agent and would go on to become one of the most significant players in the international industry. A son of this English branch of the family was responsible for the First World War provisioning of bacon supplies for the British army.

The biscuit company W. & R. Jacob was one of the state's largest employers, with over 2,000 on its payroll. The Jacobs had been Quakers, though some had become members of the Church of Ireland by the time of the 1911 census. Guinness was even larger, with a workforce of over 3,000 in 1920. The principals of the Guinness family—Lords Ardilaun and Iveagh—were

[14] Tony Farmar, *Heitons - A Managed Transition: Heitons in the Irish Coal, Iron and Building Markets, 1818-1996* (Dublin: A. & A. Farmar, 1996), p. 34.
[15] James Quinn, 'Industry Evolution: A Comparative Study of Irish Wholesaling' (unpub. PhD thesis, DCU, 2002), p.124.
[16] For a history of the Findlater family, see Alex Findlater, *Findlaters: the Story of a Dublin Merchant Family, 1774–2001* (Dublin: A. & A. Farmar, 2001).

conservative unionists (two of Iveagh's sons represented English constituencies at Westminster) and members of the Church of Ireland.

In contrast to Guinness and Jacob, the whiskey distilling industry was in the doldrums in the 1920s. It had been outcompeted by Scotch whisky by the early 1900s and was suffering the effects of prohibition in America and a strong temperance lobby in the UK parliament. The major Dublin firms of the time were John Jameson, John Power and Dublin Distillers—the latter a recent amalgamation of three separate distilleries, including William Jameson. The Jamesons were a Church of Ireland family, and the principal of John Jameson was Andrew Jameson, a former southern unionist leader, governor and director of the Bank of Ireland, and early Free State senator. The Powers, by contrast, were Catholic, as were the owners of Cork Distilleries.

Fertiliser company Goulding, owned by the Church of Ireland family of that name, was also export oriented. Operating at least six plants in the Free State and a further two in Northern Ireland, it was significant in scale relative even to the British market. The die-hard attitudes of the Gouldings and the Arnotts would be criticised by J.C.M. Eason, who worked to reconcile the Protestant and unionist business community to the establishment of the new state.[17]

There was also a number of large Protestant-owned textile and clothing companies, though most had passed their peak employment levels by 1922. The Limerick Clothing Company had been established by Scottish expatriate Peter Tait but was later taken over by a group of largely Protestant Limerick businessmen and remained under Protestant management. Its workforce was down to around 400 in the 1920s, from a high of 1,400 in the previous century. Another firm that had once had a worldwide reputation was the Balbriggan hosiery manufacturer Smyth & Co. It too employed around 400 and by the time of independence was under the ownership of a local Church of Ireland family, the Whytes, who had been active in unionist politics. Greenmount & Boyne was the largest linen firm outside Ulster, formed in 1925 when the Drogheda firm Boyne Weaving acquired the assets of the Pim family's business, Greenmount of Harold's Cross. Cork Spinning & Weaving was also of substantial size. It was established by the Cork Presbyterian James Ogilvie in 1889. Ogilvie also ran a confectionery business in the city and served as a director of the large Methodist-owned Cork bakery F.H. Thompson.

The Quaker Goodbody family played a significant role across a range of sectors. Their jute works at Clara employed 700 and their Dublin tobacco operations were larger than those of Carroll in Dundalk. From 1894 the family also controlled the largest flour-milling business in Ireland, the Limerick conglomerate of Bannatyne & Sons. Other branches of the family ran successful legal and stockbroking businesses. Other flour millers of renown included the Odlums, the Shackletons and the Pollexfens. The Odlum mills were in the midlands, those of the Shackletons in Kildare and Lucan (County Dublin), while the Pollexfens—maternal ancestors of W. B. Yeats, of whom he wrote with such affection in his book *Autobiographies* and poem 'Pardon, Old Fathers'—had mills in Sligo and Mayo. The Shackletons were Quakers, the other two families members of the Church of Ireland.

Like flour milling, the confectionery sector was primarily home market-oriented. The Protestant-owned firm Williams & Woods of Parnell St. was the most substantial producer of sweets and jams at independence. Another well-known Dublin sweet-maker—immortalised in *Ulysses*—was the Methodist-owned Lemon, which operated from the Confectioners' Hall on

[17] Cullen, *Eason & Son*, p. 390.

Lower O'Connell Street. The printing and publishing sector was also oriented towards the domestic market. Two of the largest firms, Alexander Thom and Hely, were Protestant, as was the *Irish Times* newspaper, readership of which would long remain a marker of Protestant identity.

**Business Developments over the Cumann na nGaedheal Era**

Among the factors militating towards conservativism on the part of the Cumann na nGaedheal governments of the first decade of independence was the desire not to trigger capital flight on the part of the Protestant business community. It was careful: in the financial sector it had rapidly established relations with the Bank of Ireland, though it challenged the old Protestant and unionist accounting monopoly by directing state contracts, such as those for the Agricultural Credit Corporation and the ESB, to smaller Catholic firms. It was radical in a number of its programmes however. Both in land distribution and power generation its policies had the potential to impact adversely on Protestant business interests.

Unabated land hunger represented a serious threat to the stability of the new state. The thirty per cent of large estates that remained at independence consisted of ‘the hard knots that it had been impossible to disentangle under the system of voluntary purchase’.[18] With up to 1.5 million landless men prepared to enforce their claims ‘with the gun and the torch’, widespread agrarian violence, house burnings and threats of violence continued into 1923.[19] Compulsory land purchase and redistribution under the Land Acts of 1923 and 1927 led to a huge decline in the number of holdings of more than 200 acres. Numbers would fall further as a result of the Fianna Fáil Land Act of 1933, though Protestants in 1936 would still hold the same proportion of these holdings as they had 20 years earlier.[20] By then however, most of the vast estates of more than 10,000 acres that had remained in titled families at independence had been broken up.[21]

The Shannon electricity generation scheme was one of the most controversial of the new government’s programmes. There were 160 generating plants already in existence. Though the bulk of these were under private ownership, most of the largest belonged to local authorities, with a particular concentration in the Protestant townships of south Dublin. The Minister for Industry and Commerce, Patrick McGilligan, proposed that all be acquired by compulsory order. While private owners would be compensated according to a fixed formula, municipally-owned undertakings were simply to be handed over to the new Electricity Supply Board. Business interests—supported by the *Irish Times*—deemed the proposal ‘socialist’ and ‘confiscatory’. Sir John Keane, who was close to the major banking and financial interests in the state, had earlier been ‘appalled by the government’s “nationalisation” of land’. Now, speaking in the Senate, he criticised the proposal to subject electricity to this same ‘poisonous virus of nationalisation’.[22] The most sustained opposition came from the recently-elected TD William Hewat, whose coal distribution business would clearly be adversely impacted. Hewat

[18] Mary E. Daly,*The First Department: A History of the Department of Agriculture* (Dublin: Institute of Public Administration, 2002), p. 112.

[19] Daly, *The First Department*, p. 114.

[20] CSO, *Life in 1916 Ireland* (Dublin: Central Statistics Office, 2016), p. 6; Paul Rouse, *Ireland’s Own Soil: Government and Agriculture in Ireland, 1945 to 1965* (Dublin: Irish Farmers Journal, 2000), appendix 5, p. 260.

[21] Terence Dooley, ‘Estate Ownership and Management in Nineteenth- and Early Twentieth Century Ireland’, pp 3-16, in Raymond Refaussé and Terence Dooley, *Sources for the History of Landed Estates in Ireland* (Dublin: Irish Academic Press, 2000), p. 16.

[22] Maurice Manning and Moore McDowell, *Electricity Supply in Ireland: the History of the ESB* (Dublin: Gill and Macmillan, 1984), p. 37.

would later also oppose the amalgamation of the railways as detrimental to private-sector interests.

With the ‘national question’ largely settled, independence afforded an opportunity for Catholic and Protestant businessmen to work together to protect their economic interests. An informal partnership had already developed between William Martin Murphy, Charles Eason and George Jacob during the 1913 lockout, and they, along with moderate ex-unionist leaders such as Andrew Jameson, helped to stabilise business sentiment in the troubled years of the early 1920s.[23] The unionist business community had feared that nationalist governments would be fiscally irresponsible, with the richer segment of the community—ex-unionists and business owners more generally—having to foot the bill. Fear of punitive or double taxation caused W. & R. Jacob to split its Dublin and Liverpool operations into separate companies at independence.

Seven representatives of business interests were put forward in Dublin and Cork in the 1923 general election. Four were elected with the benefit of strong Protestant support.[24] Catholic woollen manufacturer Andrew O'Shaughnessy and Church of Ireland brewer Richard Beamish were elected in Cork. The Dublin TDs, both Protestant, were building contractor John Good, and William Hewat, principal of the coal business Heiton, for whom Catholic solicitor Arthur Cox acted as election agent.

The first governments of the Free State were pragmatists, not ideologues. When circumstances demanded, action could be taken. The collapse of the Condensed Milk Company led to a decision that one recent historian has characterised as ‘the nationalisation of Irish agriculture’.[25] The company went bankrupt in 1923, largely due to the considerable stock-in-hand it was left with when prices collapsed dramatically from their peak in 1920. It had also suffered disproportionately from both the industrial unrest and the civil strife of the time, having been targeted by British forces, by the outbreak of ‘soviet’ agitation, and by the irregulars during the civil war. In 1927 the government established the Dairy Disposal Company to purchase the assets of the private creameries—of which the re-formed Condensed Milk Company of Ireland (1924) was the largest—to end their long ‘war of attrition’ with the co-operatives. This effectively granted the co-operatives a state-backed monopoly of the industry.

Other Protestant firms to close in the 1920s included the Dublin Distillers Company and Cork Spinning & Weaving, though the social and political unrest of the period played little part in their demise. Meanwhile, with the death of Charles Denny in 1927, management and control of the Denny bacon company migrated to the Kent-based descendants of Henry Denny’s son Edward. The firm would be denigrated as ‘pseudo-Irish’ by the President of the National Farmers’ Association in 1966.[26]

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[23] Louis Cullen, *Princes and Pirates: the Dublin Chamber of Commerce, 1783-1983* (Dublin, Chamber of Commerce, 1983), p. 92.
[24] John Coakley, ‘Minor Parties in Irish Political Life, 1922-1989’, *Economic and Social Review*, vol. 21, no. 3, 1990, pp. 269-297.
[25] Mícheál Ó Fathartaigh, *Irish Agriculture Nationalised: the Dairy Disposal Company and the Making of the Modern Irish Dairy Industry* (Dublin: Institute of Public Administration, 2014).
[26] *IT*, 28 June 1966.

**Tariff Policy And Fianna Fáil Protectionism**

Tariff policy was hugely controversial, and divided opinion even within the Cumann na nGaedheal government. The leading exporting firms were strongly opposed to protection, as was export-oriented agriculture, as tariffs would raise not just input prices but also wage demands through their impact on the cost of living. The Fiscal Inquiry Committee of 1923 had reported in favour of free trade. The government nevertheless introduced a range of experimental tariffs on goods such as jams and confectionery. British firms responded by 'jumping' the tariff barriers. Rowntree and Mackintosh bought out Savoy Cocoa and North Kerry Manufacturing respectively—both small Protestant-owned confectionery firms—to produce their products for sale in the Free State. Crosse & Blackwell bought up the much larger company Williams & Woods.

British tobacco companies established three new factories in the Free State in 1923 to avoid customs duties; the consequent restructuring of the domestic industry saw the Goodbodys dispose of their tobacco interests to Carroll in 1929. The Goodbody family divested further by selling their Limerick-based flour-milling conglomerate to UK company Joseph Rank in 1930. Henceforth their manufacturing presence would be confined to the jute factory at Clara.

With the onset of the Great Depression and the collapse of export markets, support for protection of the home market strengthened. Greenmount & Boyne, for example— though it was reported in 1930 to export almost 90 per cent of its output—added its voice to the growing demand for higher tariff barriers. Cumann na nGaedheal was becoming increasingly protectionist as a result of the depression while Fianna Fáil—regardless of world conditions—was ideologically committed to a policy of import-substituting industrialisation. Upon coming to power in 1932, it raised tariff barriers to such levels that Ireland became one of the most highly protected economies in Europe.

Home-market oriented firms such as Lemon (maker of 'pure sweets') benefitted, expanding later to a large new factory in Drumcondra. Some formerly highly export-oriented firms would also profit from Fianna Fáil's import-substituting strategy given the prevailing depression-era conditions. The newly-established Irish Sugar Company, for example, represented a welcome source of demand for the output of the Goodbody jute plant. Turning away from export markets however would store up problems for the future—Greenmount & Boyne's export-output fell to 25 per cent by the end of the decade, though their later shift from linen into rayon would extend the life of the company. By the 1960s hosiery producer Smyth & Co. had forsaken export markets completely, while Goodbody's export-output ratio had declined to 30 per cent. Having lost touch with their former export markets, these firms would not survive the free trade environment of the EEC era. Britain and much of the rest of the world also turned protectionist in the early 1930s, but would liberalise again much earlier than Ireland. The threat of British tariffs finally swung the balance in favour of Guinness establishing a new factory at Park Royal in London in 1934.

Fianna Fáil initially planned to restrict the benefits of protection to Irish-owned firms and to maintain close control over 'tariff-jumping' foreign enterprises. The restrictions imposed by the Control of Manufactures Acts were easily avoided however, and solicitors Arthur Cox developed a steady business in advising foreign firms on how to surmount the restrictions.

The plethora of new semi-state companies established by Fianna Fáil served to further address the religious imbalances in the accounting profession. As Farmar records, though the old Protestant firms Craig Gardner and Stokes Brothers & Pim audited the majority of large private-sector companies, the auditing contracts for Irish Life Assurance, Irish Sugar, Aer Lingus and Bord na Mona all went to Catholic firms, as did sixteen of the first twenty or so auditing contracts for companies sponsored by the Industrial Credit Corporation.[27]

Protestant firms adapted to the changing environment. Craig Gardner, the largest accountancy firm, appointed its first Catholic partner in 1944. The first appointment of a Catholic to the board of directors of Eason came in 1947. Economist R.C. Geary would later recall that he had been ‘particularly struck by [the appointment of] a young Catholic graduate friend of mine to executive rank and later to a directorship in Eason’s. That would occasion no comment now. It did then.’[28]

Fianna Fáil hoped that import-substituting industrialisation would help to create a new indigenous manufacturing class. By the early 1960s, however, as the protectionist era was drawing to a close, most of the firms with a workforce of 1,000 or more were foreign-owned. These included the likes of Cadbury, Rowntree, Dunlop, Halliday (producer of Clark’s shoes), Player-Wills and Ford and—representative of a new breed—the General Electric subsidiary at Shannon. While a number of the old Protestant firms remained as large as they had been in the 1920s, there were now hundreds of firms employing 400 or more, compared to the two dozen or so firms in this size category in the earlier period. The dominance of older Protestant firms across most of manufacturing had disappeared. Many of the old names from the 1920s remained however on the 1966 *Irish Times* list of ‘50 largest Irish industrial companies’. As the list was based on companies traded on the Dublin Stock Exchange it included neither Guinness nor most of the foreign subsidiaries. Names that did appear however included Goulding, Hely, Switzer, Jacob, Arnott, Goodbody, Brooks Thomas, Heiton and Greenmount & Boyne.

Unidare, established by Cappoquin-born Charles Orr Stanley, of Church of Ireland background, was one of the few new large-scale indigenous firms to emerge. Although Stanley’s main business interest was in the Cambridge scientific instrument maker Pye that he had purchased in 1929, he maintained strong links with Ireland. He set up an Irish subsidiary of Pye in 1936 to exploit the protected domestic market and served on the board of leading Cork firm Sunbeam Wolsey for four decades. Unidare was formed initially, under the name Aberdare, to supply parts to the ESB but rapidly proved successful on export markets also. It would go on to become one of the most substantial employers of the 1960s and 1970s.[29]

**Outward Orientation**

Post-war economic stagnation, continuing trade dependency on the UK, and the division of western Europe into two separate trading blocs—with Ireland facing the danger of being excluded from both—forced a change of economic strategy in the late 1950s. A new breed of export-oriented foreign multinationals was attracted by the corporation-tax and industrial grants innovations of the time, and the jobs and confidence generated facilitated the dismantling of trade barriers over the following decades. The consequences for Irish businesses were dramatic. Scale was necessary for survival in a more open trading environment and most

[27] Farmar, *Versatile Profession*, p. 70.
[28] Cited in Cullen, *Eason & Son*, p. 385.
[29] Mark Frankland, *Radio Man; the Remarkable Rise and Fall of C. O. Stanley* (London: Institution of Engineering and Technology, 2002).

Irish firms of the time were tiny by international standards. The 1960s and 1970s saw a wave of mergers and acquisitions that paid no heed to the religious associations of earlier times.[30]

The main milk suppliers to the Dublin market in 1963 were Hughes Brothers and Merville Dairies, both owned by Church of Ireland families. The purchase of Hughes Brothers by the American firm W. & R. Grace in 1964 triggered the formation of Premier Dairies in 1966 through the merger of Merville and two Catholic-owned firms, Dublin Dairies and Tel-el-Kebir. Beamish & Crawford was sold to Canadian Breweries in 1962. By the mid-1960s many of the other Irish breweries, including Catholic-owned Macardle and Smithwick, had been acquired by Guinness. 1966 saw the merger of Jacob and Boland biscuits, while Irish Distillers was formed through the merger of John Jameson, John Power and Cork Distilleries. Two of the largest printing firms of the 1920s, Alexander Thom and Hely, had merged in 1962 to form Hely-Thom. The new firm was acquired by Smurfit in 1970. Goulding was acquired by Tony O'Reilly a few years later.

Similar developments were taking place in finance. 'To counter size with size', in the words of F.S.L. Lyons, and to avoid the threat of foreign takeover, Bank of Ireland merged with the Hibernian Bank in 1958. The merger 'would have astounded the Hibernian's founders, vociferous as they had been in 1825 that banking facilities were being withheld from a large section of the community, "owing to the political and religious preferences of the Bank of Ireland".'[31] In 1966 the National Bank joined the new group. A similar fusion of traditions occurred with the formation of Allied Irish Banks later that year through the merger of the Munster & Leinster, the Provincial and the Royal.

An anecdote recounted by Tony Farmar illustrates the broader changes taking place within society over the decade. Asked to recommend a new company secretary for an old-style Protestant building firm, Craig Gardner felt obliged to point out (with some diffidence) that the candidate 'dug with the other foot'. They were informed that this was of no significance as long as the candidate was competent.[32] Craig Gardner itself became part of a large UK firm Price Waterhouse, while Stokes Brothers & Pim merged with the Catholic firm Kennedy Crowley in 1972 to form the largest accountancy group in the state. Control of Brooks Thomas and Dockrell passed to emerging conglomerates in the early 1970s.

James Quinn's assessment of developments in the building provisions sector—that the determination to keep control in Protestant hands had seriously restricted the talent pool and became an acute weakness in a rapidly changing environment—applies more generally to traditional family firms.[33] Though family capitalism remains relatively important in Ireland, as Patricia Kelleher and, more recently, Colm O'Gorman and Declan Curran have shown, the weaknesses inherent in family management structures become more apparent in more intensely competitive environments.[34] This applied to Guinness as well. Though it had long been a public company, a member of the family continued to serve as chairman of the board of directors until 1986. Family control ceased as a result of a share-buying scandal involving

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[30] Restrictive Practices Commission, *Report of Studies into Industrial Concentration and Mergers in Ireland* (Dublin: Stationery Office, 1976).
[31] Lyons, 'Reflections on a Bicentenary', p. 209.
[32] Farmar, *Versatile Profession*, p. 119.
[33] Quinn, 'Industry Evolution', p. 137.
[34] Patricia Kelleher, 'Familism in Irish Capitalism in the 1950s', *Economic and Social Review*, vol. 18, no. 2, 1987, pp. 75-94; Colm O'Gorman and Declan Curran, 'Strategic Transformations in Large Irish-owned Businesses', *Business History*, vol. 59, no. 4, 2017, pp. 497-524.

company management that erupted at the time of Guinness's purchase of the (Scottish) Distillers Company. Though the family was not involved, the hands-off approach to company affairs that it had come to adopt was widely criticised as inadequate in the modern era.

The outward re-orientation of the Irish economy had one further powerful effect of relevance. As represented by the publication of the landmark report *Investment in Education* in 1965, it brought an increased focus on the importance of education. With the subsequent massive increase in educational attainment, educational credentials came to displace personal connections as the main route through which new staff were recruited in the private sector.

**Conclusion**

Ethnic and sectarian divisions are known to have a detrimental impact on a country's growth prospects. Though it is an achievement that is often overlooked, it is to Ireland's credit that there now remains little trace, either in business or the wider economy, of the divisions that were so apparent at the foundation of the state. While Protestants still remained a privileged minority at the time of EEC entry in 1973, this was a reflection not of contemporaneous sectarianism but of the 'glass floor' that maintains through the generations the privileged position of those with inherited resources. By 1973, denominationally-distinct workplaces had all but disappeared, long-established Protestant and Catholic firms had merged, the era of tightly-controlled family businesses was past, educational credentials were displacing personal connections as the main means of recruitment, and merit-based promotion was becoming more and more the norm.

It is perhaps ironic that the *Irish Times*—often the proponent of Protestant engagement with the new Ireland—should prove to be one of the last hold-outs. The Arnott family sold control in 1946, but the new owners were also Protestant.[35] In his memoir of a 1950s Church of Ireland childhood, Homan Potterton, one-time director of the National Gallery, spoke of the paper's significance as a marker of Protestant identity: 'We read the *Irish Times*, they read the *Irish Independent* or the *Irish Press*: it was as simple, or as complicated, as that'.[36] Terence Brown refers to the office environment as being 'overseen by the formidable Major McDowell in which confessional distinctions did not always go unremarked'.

The paper's readership had begun, though, to broaden out under Douglas Gageby, who became editor in 1963. Gageby was determined—as noted by a journalist in the 1970s—'to bury the memory of the *Irish Times* as a voice of Protestant Unionism. He wanted us to be liberal but also to be part of mainstream Irish life'. Yet not until 1986 was the first editor of Catholic background appointed.[37]

**BIO**

Frank Barry is Professor of International Business and Economic Development at Trinity College Dublin. He grew up beside Lord Ardilaun's church in Raheny and was educated at the inner city Christian Brothers school whose presence pervades James Joyce's Araby. Though he admired from afar the only two Protestant girls in his neighbourhood he could never find the courage to speak to such exotic creatures. No-one on his road seemed to know the Quaker family that occupied the big house opposite. He recalls his delighted father coming in mud-caked from the garden one afternoon having just dug up a gold half-sovereign that must have been dropped there in Lord Ardilaun's time.

[35] M. O'Brien, *The Irish Times: a History* (Dublin: Four Courts Press, 2008), pp. 146-7.
[36] Homan Potterton, *Rathcormick: a Childhood Recalled*, (Dublin: New Island Books, 2004), p. 59.
[37] Terence Brown, *The Irish Times: 150 Years of Influence* (London: Bloomsbury, 2015), pp. 293, 305, 340.