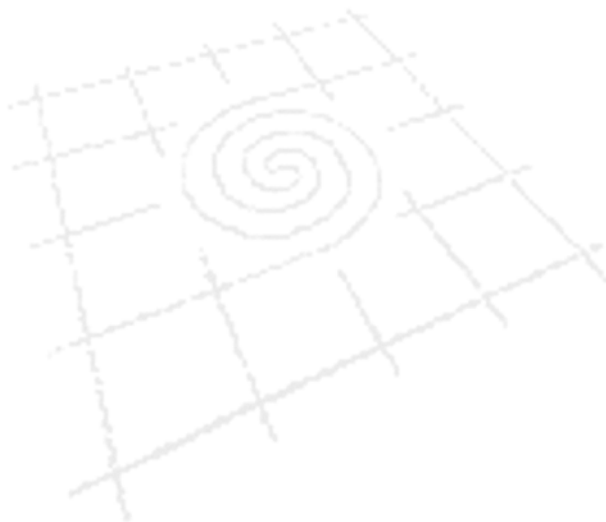


Marshall Plan Technical Assistance, The Industrial Development Authority and Irish Private Sector Manufacturing Industry, 1949-52

Peter Murray



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Abstract

This paper traces the development of a programme of Marshall Plan technical assistance to Irish industrial development. The programme emerged following criticism that US aid policy was downgrading Irish industrial development through an excessive emphasis on agriculture. In 1950 and 1951 the US Economic Cooperation Administration established a relationship with the Department of Industry and Commerce and the newly established Industrial Development Authority through a programme of proposed technical assistance projects. This programme covered the country's untapped industrial potential, state-sponsored companies and companies in the private sector. In relation to the private sector, the programme sought to tackle the issue of inefficiencies in the industries established behind high tariff walls since the early 1930s mainly by bringing US industrial consultants to Ireland. Just as an ambitious and elaborate Irish industrial TA programme was about to get under way, it was wrecked by the suspension of US aid to Ireland in January 1952. Some aspects of the proposed programme were carried out with Irish Government funding but well-resourced initiatives to tackle the shortcomings of protected private sector industrial firms through technical assistance schemes were not to materialise until full membership of the EEC became a central state strategy objective a decade later.

Introduction

Between 1945 and 1950 industrial output in southern Ireland almost doubled and employment grew by nearly half. This was a period in which the industrial base created behind high tariff walls by import substitution policies in the 1930s recovered from the raw materials, energy and spare parts shortages which had crippled it during the Second World War years.¹ But, as post-war recovery was proceeding, serious concern among policymakers about the efficiency of Irish industry was clearly evident. In July 1947 the Minister for Industry and Commerce Sean Lemass introduced a Bill that would create an Industrial Efficiency Bureau:

The bureau was to have unprecedented powers to ensure “reasonable standards of efficiency” which, according to Industry and Commerce, were lacking in “those industries which enjoy the benefit of tariff or quota instruments on imports”. At first the bureau was to be a “friendly advisor” with some price control powers. For those businesses which didn’t respond adequately, a court of inquiry would be set up with power to subpoena documents on quality, price, methods of management, labor recruitment and training, materials used, marketing, overhead charges, capital structure and other matters. If businesses did not then comply to the bureau’s directives, the state would be empowered to stop the distribution of profits, fix prices, fix maximum profit limits, confiscate excess profits and remove protection. Under certain conditions, the Minister of Industry and Commerce would be empowered to seize a company’s assets and run it as a state concern.²

This controversial measure lapsed when the Dail was dissolved for a General Election in February 1948 and the First Inter-Party Government thereafter succeeded Fianna Fail in office. The new government adopted a different approach to the pursuit of industrial efficiency in deciding to set up an Industrial Development Authority (IDA). With four appointed members, this body was given less drastic powers and a wider-ranging brief ‘to investigate the effect of protective measures’, to initiate proposals and schemes for the development of Irish industry’ and ‘to advise on steps necessary for the expansion and modernization of existing industries’. The IDA, which held its first meeting on 31 May 1949, was beset by difficulties from the outset. Strongly attacked by Fianna Fail and deeply resented within the Department Industry and Commerce, it had wholly inadequate resources to discharge the functions it had been given.³ An injection of resources was soon on offer, however, from a source external to the state.

Ireland’s participation in the Marshall Plan made it eligible to receive technical assistance (TA) as well as dollar loans or grants from the Economic Cooperation Administration (ECA). How an ECA TA programme for industry developed in Ireland between late

¹ C.O’Grada *A Rocky Road: The Irish Economy Since the 1920s* Manchester: Manchester University Press, 1997, p. 110

² D. O’Hearn “The Road from Import-Substituting to Export-Led Industrialization in Ireland: Who Mixed the Asphalt, Who Drove the Machinery and Who Kept Making Them Change Direction?” *Politics and Society*, Vol. 18, 1990, pp. 1-34, quote at p. 14

³ B. Girvin *Between Two Worlds: Politics and Economy in Independent Ireland* Dublin: Gill and Macmillan 1989, pp. 176-181; J.J. L. Lee *Ireland 1912-1985* Cambridge: Cambridge University Press, 1989, pp. 309-312

1948 and early 1952 is the subject of this working paper. The subject is explored in considerable detail using two sources. The first is material from the National Archives of Ireland which mostly consists of Department of External Affairs files. The other is records relating to ECA activities in Ireland held by the National Archives and Research Administration in Maryland, USA.

What's been written on ECA TA to Ireland

The literature on ECA TA in Ireland to date is effectively a broad overview chapter in Bernadette Whelan's book *Ireland and the Marshall Plan, 1947-1957* that uses a series of case studies to try and encompass the multi-faceted nature of the programme.⁴ A number of reviewers of the book were particularly struck by this chapter. Keith Jeffery wrote in the *English Historical Review*:

Perhaps the most interesting and revealing chapter deals with the Technical Assistance Programme, whereby the Americans sought to disseminate the latest techniques and best practices of the free market system. Ireland, it seems, did not unreservedly welcome these missionary endeavours. The Irish Industrial Development Authority (IDA), for example, did not feel it needed technical assistance and we find one American official in March 1951 complaining of the IDA Chairman 'giving us the usual run-around'.⁵

Similarly John D. Fair notes in the *American Historical Review* that:

Arguably the most problematical aspect of Marshall assistance was Ireland's involvement in the Technical Assistance Programme (TAP) which sought to increase productivity by exposing managers and employees to "the American way" of working and thinking... But resistance to change and to American cultural values impeded the process.⁶

While these reviewers' comments suggest that much of the intended effect of TA got lost in translation, at the time plans for TA collaboration between IDA and ECA led to the latter being charged with 'subtle overall penetration of Ireland'. The January 1951 letter to the press from trade unionist Louie Bennett that made this charge sparked off a debate in *The Bell* in which, as Till Geiger notes, 'the contributors focused almost exclusively on the implications for Irish society of the Marshall aid package for the third year of the [European Recovery Programme] consisting of \$16 million grant aid and the increased emphasis on participation in the technical assistance programme (TAP)' because aid provided in this form was perceived as enabling ECA officials 'to exercise greater

⁴ B. Whelan *Ireland and the Marshall Plan, 1947-1957* Dublin: Four Courts Press, 2000, Chapter 8 "The American way: the push for production and productivity"

⁵ K. Jeffery Review of Bernadette Whelan *Ireland and the Marshall Plan, 1947-57* *English Historical Review*, Vol. CXVII, 2002, p. 504

⁶ J.D. Fair Review of Bernadette Whelan *Ireland and the Marshall Plan, 1947-57* *American Historical Review*, Vol.106, 2001, p.649

influence over the use of the funding and to push their own agenda'.⁷ In 1952 aid to Ireland abruptly ceased as a broader US mutual security agenda overbore the concerns specific to the provision of ECA TA. The circumstances of this aid suspension bear on Brian Girvin's recent argument that Ireland interacted with the USA (and with European integration projects) in a 'passive and reactive' manner by comparison with the active engagement exhibited by other small European states whose economic performance was much stronger than Ireland's in the post-Marshall Plan years.⁸ Having examined the detail of how the Irish industrial TA programme emerged from US-Irish interaction, and of how its implementation was cut short by US-Irish policy divergence, these issues of interpretation of the Irish Marshall Plan involvement are revisited in the conclusion.

The initiation of the TA programme and its turn towards industry

Although a formal approach from the Dublin ECA Mission on participation in the TA programme was only made to the Irish Government in March 1949, documentation about the availability of TA was circulating around government departments six months earlier and discussion about projects that might be put forward for funding was under way before the end of 1948.⁹ That TA could be funded by way of the grant – rather than loan - aid the Irish Government had always sought, but had hitherto been denied, provided a strong incentive to respond positively to the Mission's formal approach. As with other forms of Marshall Aid, agriculture initially accounted for the lion's share of TA projects but by the end of 1949 a number of factors combined to switch the programme's emphasis towards the involvement of industry.

In the last months of 1949 the Dublin Mission found itself subjected for the first time to sustained public criticism from a mainstream Irish source. *Irish Industry*, which a US Embassy dispatch described as 'the unofficial organ of the Federation of Irish Manufacturers', took up a reported statement by the Director of the Mission, Joseph Carrigan, that 'this country, because it is mainly agricultural, should aim at becoming a very good agricultural country instead of trying to create an industrial life where there was no possibility of it succeeding'. This became the basis of an attack on foreign interference in (depicted as potentially leading on to foreign takeover of) the Irish economy that the monthly journal continued over successive issues. Such interference was depicted as promoting the same kind of narrow, stunted economic development that British conquest of Ireland had fostered, with Carrigan being compared to Thomas Wentworth, Earl of Strafford – 'England in 1635 and U.S.A. in 1949 selling us the same idea for similar reasons. Well! Well!'¹⁰

⁷ T. Geiger "What does America hope to gain?": Irish left-wing intellectuals and the Marshall Plan" pp. 154-181 in T. Geiger and M. Kennedy (eds.) *Ireland, Europe and the Marshall Plan* Dublin: Four Courts Press: quote at pp. 173-174

⁸ B. Girvin "Did Ireland benefit from the Marshall Plan?: choice, strategy and the national interest in a comparative context" pp. 182-220 in T. Geiger and M. Kennedy (eds.) *Ireland, Europe and the Marshall Plan* Dublin: Four Courts Press

⁹ NAI DFA 305/57/112 Part 1 [*for abbreviations used in footnotes see end of paper*]

¹⁰ NARA RG 469 Europe Ireland Division 1948-1953 Box 2 folder Industrial Development: the quotation is from the December 1949 issue of *Irish Industry*

Reporting these ongoing attacks, John Patrick Walsh, Third Secretary of the US Legation, commented on October 18 that 'Irish Industry is a staunch and vigorous exponent of the cause of the Irish manufacturer, but it cannot be regarded as anti-American or anti-ECA'.¹¹ Updating the story on 30 December, Walsh noted that - apart from the criticism of 'certain elements of the industrialists' - 'Mr. Carrigan has enjoyed a very favorable press since his arrival in Ireland, and he is unquestionably held in high regard by the Irish people'. Nonetheless the *Irish Industry* attacks plainly affected the Mission's outlook. An External Affairs' note of a meeting with Mission officials on TA budgets at the end of November 1949 records Carrigan as 'expressing a strong desire to have some industry projects going ahead while the agricultural projects were being proceeded with as he did not want it to appear to an uninformed outsider that the Mission was in any way antagonistic to industry'.¹² Back in Washington the need to broaden the base of expertise ECA applied to the southern Irish economy was also being recognized with a report from the Washington Legation informing External Affairs on 13 January:

Having a special interest in Ireland and realizing that when Ireland is handled by the same people who handle British problems our problems are likely to be submerged, Mr. Dickinson [Director, Program Coordination Division] of E.C.A. arranged that Mr. Harry Clement, a newcomer to the U.K./ Ireland/ Iceland desk in E.C.A. should devote his first six months at least to Ireland. Mr. Clement's background is peculiarly suited to the task Mr. Dickinson had in mind for him. While it was recognized that Ireland's main industry was and always would be agriculture, it was felt that the necessity to concentrate on the development of our agriculture, should not rule out the simultaneous development of some of our industries so as to secure a more balanced economy. In view of the background and interests of the Head of the E.C.A. Mission in Dublin it was thought that he might possibly tend to concentrate on agriculture to the exclusion of industry, particularly industries not related to agriculture. It was hoped that the assignment of Mr. Clement as an assistant on the Irish desk would help to counterbalance this not unnatural tendency without, in any way, detracting from efforts in the agricultural field. Before joining E.C.A. Mr. Clement was a Consultant for the establishment of small industries. He operated in Central and South America and China as well as in the United States. His field covered mainly small industries which did not require any very heavy outlay of capital.

Prior to his Irish Desk assignment 'Mr. Clement knew little or nothing about Ireland', External Affairs were informed, but 'as a result of his preliminary examination of our position an E.C.A. policy letter has been issued by Mr. Dickinson to the ECA Mission in Dublin urging the Mission to be receptive to any proposals which may be submitted to use...Technical Assistance...for development of industry in Ireland.'¹³ Dated 28 December, this letter ran to ten pages. Referring to correspondence addressed to ECA Washington by the Mission and to 'the comments of Federation of Irish Manufacturers as

¹¹ Ibid. Dublin Legation to Department of State dispatches 10/10/1949 and 30/12/1949

¹² NAI DFA 305/57/112 Part 1 Note of Meeting held on 28/11/1949: see also T. Commins, External Affairs to T. Murray, Industry and Commerce 25/1/1950

¹³ NAI DFA 305/57/112/6 Hugh McCann, Washington Legation to Secretary, External Affairs 13/1/1950

reported in State Department dispatches from Dublin', Dickinson characterised the problem as one whereby the Irish desire for industrial development led to inefficient plants being created. The protection these plants required to survive created a situation 'in which the Irish farmer is, in effect, penalized because he is forced to pay higher prices for the things he needs to buy'. As an alternative:

Intelligent plant development, as we see it, should be based on processing Irish raw materials into products which Irish farmers want at a price equal to or less than the import price. Presumably the kind of plants involved would, for the most part, be small or of medium size although it might be preferable at this stage to emphasise the kind of industrial development that is needed rather than the size of the plants involved.

A number of categories of agricultural industries 'that seem to us to warrant further investigation' were then identified – fertilisers; 'by-products in connection with existing slaughter houses'; various types of livestock feed; 'cheap farm building and construction materials' – as well as 'improvement in the efficiency and operation of such existing industries as slaughtering and the manufacture of dairy products'. These, the letter stressed, were suggestion rather than recommendations - 'we recognize the difficulties involved in developing industries that could compete on a free trade basis, but significant steps might be taken during the ECA lifetime to help the Irish to determine what plant possibilities they should investigate'. Given the limited level of industrial development in southern Ireland, a two-phase industrial TA programme was envisaged. In the first phase the focus would be broad. A small team would be assembled that combined varied forms of expertise and 'would have the experience and imagination to eliminate those possibilities which should not be further pursued, to suggest alternative possibilities which they will run across during their investigation and then specifically to be able to show what specific half dozen industrial plant possibilities remain'. In the second stage TA could be used to bring in specialists 'whose job it would be to pursue the line of attack suggested by the preceding team, to work up detailed cost and technical specifications, to aid in locating possible plant sites etc.'

ECA and IDA

The letter then turned to the Industrial Development Authority (IDA), which had been in existence for a little over six months and was awaiting a formal legislative framework, asking the Mission's opinion 'about the possible effectiveness of this body, the qualifications and outlook of its members, and the kind of support it is getting, and is likely to get from the Irish Government and private Irish industry'. The team of experts could, it was suggested, be assigned to the IDA 'if the picture is generally favorable'.¹⁴ Carrigan and his Special Assistant, William H. Taft III, had met the IDA in November. Here utilisation of the TA programme was discussed, as was the promotion of American investment in Ireland. On November 26 Taft wrote to James Nelson, Chief of the U.K., Ireland, Iceland branch of the Program Coordination Division headed by Dickinson:

¹⁴ NARA RG 469 Mission to Ireland Director Subject Box 1 folder ECA/W – General, 1948-49 E.T. Dickinson Jr, ECA Washington. to Joseph Carrigan, ECA Mission to Ireland 28/12/1949

They are anxious to dispel, via our Department of Commerce or any other effective places, any notion that they would not welcome American industrial investment. The Control of Manufacturers Act can, and would, they say, be waived on any reasonable application... At their request I am writing Mr. Abbot Low Moffat, in the United Kingdom [ECA Mission], to obtain the names of thirty would-be American investors, who according to the British "Daily Telegraph" of November 9, were refused permission to invest in the United Kingdom on the grounds that their production was not to be of a dollar earning type. The item was brief and vague, but I.D.A. wants to follow up on the matter and presumably to attract such investors.¹⁵

Contact with the UK ECA Mission led on to the Secretary of the American Chamber of Commerce in London, Don Gill, who had been the source for the Daily Telegraph story. In February 1950 an IDA member, Kevin McCourt, went to London to meet Gill where, a colleague in the ECA UK Mission informed Taft:

One of the principal matters to be discussed is whether free movement of manufactured goods from Ireland to the United Kingdom is permissible. One of the specific examples is whether goods made in Ireland from American component parts will be allowed free access to the United Kingdom. As this type of manufacture could readily be the most desirable from the American point of view, the rules concerning this type of trans-shipment may be of prime importance in drawing American investment to Ireland. As you know the United Kingdom regulations regarding American investment preclude to a large degree the assembly here of American components if there is any possibility that the components could be manufactured in the United Kingdom. It would seem that assembling in Ireland and trans-shipping to the United Kingdom would be a method of short circuiting the rules and might not be permissible under the existing import regulations.¹⁶

ECA in Washington was unenthusiastic about the IDA pursuing US investment in this fashion. Referring to the Daily Telegraph article, the Dickinson letter of December 28 commented that 'rather than run down these would-be investors, it might be more fruitful, in our opinion, for the Authority to exert its influence to obtain approval of the "Treaty of Friendship, Commerce and Navigation" now being negotiated between the US and Ireland', adding that 'this type of treaty does not assure any flow of private investment to a country, but it certainly is a necessary prerequisite to this flow'. The 'magnitude of the task of attracting capital' was then emphasised by spelling out in considerable detail the range of investment criteria upon which an investor would expect the IDA to be able to supply concrete information - 'resources, power, water supply, labour force, marketing conditions, availability of local capital (Irish pounds) for investment if foreign capital is brought in, and other key production factors'. This kind of

¹⁵ NARA RG 469 Europe Ireland Division 1948-1953 Box 2 Folder Industrial Development W.H. Taft III to James R. Nelson, ECA Washington 26/11/1949

¹⁶ NARA RG 469 1250 Mission to Ireland Taft General Box 1 folder 1033 Industrial Development Authority T. Longman, ECA Mission to the United Kingdom to W.H. Taft III, ECA Mission to Ireland 20/2/1950

information would only become available through the kinds of surveys of Ireland's industrial potential that ECA Washington was suggesting that the TA programme be used to carry out.¹⁷

On February 27 Carrigan, in reply to ECA Washington's request for the Mission's opinion of the IDA, wrote that 'we are not in a position to appraise the effectiveness of this agency':

It is too new and is as yet feeling its way. The Chairman [J.P. Beddy] appears to be rather conservative and studious and has a good reputation here. I would expect that under his guidance and given a chance the Authority might prove effective in the long run; but it is not going to move very fast in comparison with the ECA tempo, which is, as you know, attempting to reorganize European economy in four years... Just how much support it will get from the Government it is hard to determine at this time.

In this letter Carrigan also reported on recent discussions he and Taft had had with the IDA in which the ideas about TA utilisation contained in Dickinson's letter had been raised. The response was not particularly enthusiastic:

The members exhibited some interest but for the most part feel that such ["agricultural industries"] projects have already been given consideration; and thus they did not show promise of prompt action along these lines... This Authority feels that it is constituted to perform the industrial survey function and has such a survey in hand in preliminary form. At this stage the Authority does not appear to feel that it needs technical assistance for this over-all survey job. It seems more interested in specific fields as soon as these fields are determined.¹⁸

Via Hugh McCann in the Washington Legation, the ideas Clement had been developing in ECA Washington had by this time reached government departments in Dublin where, by contrast, they evoked quite a strong positive interest. External Affairs on February 16 was unsure whether action should be advocated to the IDA or to Industry and Commerce:

We are aware that many Irish firms have arrangements with foreign firms (particularly British) for the provision of advice with regard to the improvement of methods of production. Having regard, however, to the fact that America is, on the whole, the outstanding industrial country of the present day, and that their production methods are by and large more advanced than those followed in other countries, we feel it would be a pity to miss this opportunity of acquiring some American "know-how".

¹⁷ NARA RG 469 Mission to Ireland Director Subject Box 1 folder ECA/W – General, 1948-49 E.T. Dickinson Jr, ECA Washington. to Joseph Carrigan, ECA Mission to Ireland 28/12/1949

¹⁸ NARA RG 469 entry 1245 Director Subject Box 1 folder ECA/W – General 1950 J. Carrigan , ECA Mission to E.T. Dickinson, Jr., ECA Washington 15/2/1950

Confirming on 10 March that the matter fell within the IDA's sphere, Industry and Commerce Secretary John Leydon added that 'in view... of the importance of the [suggested visit of five or six E.C.A. experts to this country] I took the opportunity of discussing it with the Minister', Daniel Morrissey, who was 'deeply interested in the proposal, and indeed classed it as the first sensible suggestion on the industrial side which had come from E.C.A.'¹⁹

Spending the Allocated TA Budget

The likelihood that a large part of ECA's budget allocation for southern Irish TA in the US Fiscal Year July 1949 - June 1950 would not be spent provided another source of pressure for greater industrial involvement. A letter from Carrigan to Sean MacBride on 5 January pointed out that to date only \$25,000 had been committed out of the \$100,000 allocated.²⁰ On 10 February McBride circulated a Memorandum to the Government on the issue. TA projects could, he argued, help remedy Ireland's serious scientific and technical deficiencies while 'our failure to avail of the Technical Assistance offered to us by ECA is inevitably taken as a lack of interest and creates a most unfavourable impression'. Both Industry and Commerce and the IDA were identified as having been inactive to date and as having particular potential to generate projects. Here the memorandum did not confine itself to general exhortation to greater activity and named specific industrial sectors that would benefit from TA. These included food canning and processing, tweeds and textiles and china, pottery and glass. The memorandum also called for 'visits to the U.S.A. of teams of Irish workers to study American labour production practices and methods'.²¹ In response the Government agreed that the relevant Ministers and agencies would send project proposals to External Affairs by 28 February.

The IDA's contribution consisted of 'notes of all the information the Authority has been able to obtain in the short time available'. Three industry associations (Woolen and Worsted Manufacturers; Tanners; Paper Mills) and six individual firms were identified as being interested in participating. Two of the latter were semi-state enterprises (Irish Steel Holdings, Ceimici Teoranta) and four were private firms (Irish Glass Bottle Company, Arklow Pottery, Greenmount and Boyne Linen Company and Seafield Fabrics).²² In March the IDA expressed 'considerable interest' in learning more about the capitalization of a pulp and paper mill in Portugal that had been featured in an ECA press release forwarded by the Mission - 'what we are really anxious to learn is how this total cost [of approximately \$9.5 million] will be divided as between E.C.A. and local funds and how the scheme originated - whether as a result of an E.C.A. survey of local conditions or

¹⁹ NAI DFA 305/57/112 F.H. Boland, External Affairs to T. Murray, Industry and Commerce, 16/2/1950: J.Leydon, Industry and Commerce to F.H. Boland, External Affairs 10/3/1950

²⁰ NARA RG 469 Mission to Ireland Director Subject Box 1 folder Department of External Affairs 1948-49 (Mr. MacBride) Joseph Carrigan, ECA Mission to Ireland to Sean MacBride, Minister for External Affairs 5 January 1950

²¹ NAI DT S 14504 A/1 European Recovery Programme: Funds for Provision of Technical Assistance: Department of External Affairs Memorandum to the Government "Technical Assistance Projects", 10 February 1950

²² NAI DFA 305/57/112J. Cassidy, IDA to Secretary, External Affairs 14 March 1950

with the Portuguese government'.²³ The Dublin ECA Mission duly obtained information on the project and passed it on to the IDA with the comment that 'it will give you some idea of the possibly onerous stipulations connected with certain projects to be financed in part through the Marshall Plan'.²⁴

Extending TA Participation to the Private Sector

In addition to flagging budget undershooting, the Dublin ECA Mission was pressing for a widening of the range of TA project participants in a way that would facilitate greater private industry involvement. However the civil servant members of the Interdepartmental ERP Committee were dubious about the idea when they discussed it on 3 December:

The E.C.A. Mission felt that E.C.A. assistance should be used to cover a wide range e.g. businessmen's travel to the U.S. to study market possibilities etc. There is no need to restrict projects to those of departmental interest. The Committee felt, however, that this might raise difficulties. Information gained from Government projects such as those put forward by the Department of Agriculture is of its nature of benefit to the public at large. It might be felt that a journey to the United States by a businessman might be of benefit only to his own firm. It is moreover doubtful if industrialists will take advantage of the scheme to any great extent. There is a British firm of industrial consultants with whose help several Irish firms have significantly increased their production and profits, but the vast majority of businessmen, although aware of this, have not attempted to get expert advice on their own concerns. It was, however, pointed out that E.C.A. Technical Assistance projects differed in that the services involved were provided free or at a less cost and furthermore that British firms, themselves, were apparently willing and anxious to avail themselves of Technical Assistance Schemes.²⁵

The costs likely to be incurred by businessmen participating in an ECA TA project were more accurately stated in a 6 January letter from Taft to Beddy:

The ECA has generally stated its willingness to consider technical assistance industrial projects on a grant-with-counterpart basis... grant with counterpart means that all dollar costs of the project – not including travel between the U.S. and Ireland - would be paid by ECA and that the equivalent amount in Irish pounds, as counterpart, would have to be supplied... the manufacturer financing the scheme would in effect be paying the whole cost of a training trip to the States or of a visiting advisor to Ireland, deriving only the advantage of the ECA's ability to arrange and select...²⁶

²³ NARA RG 469 Taft General Box 1 folder 1033 Industrial Development Authority J. Haughey, IDA to W.H. Taft III, ECA Mission 31 March 1950

²⁴ NARA RG 469 Taft Subject folder 1020.1 Industry Corresp. – Miscellaneous W.H. Taft III, ECA Mission to J. Haughey, IDA 10 May 1950

²⁵ NAI DFA 305/57/112 Minutes of the Interdepartmental ERP Committee 3 December 1949

²⁶ NARA RG 469 Taft General Box 1 folder 1033 Industrial Development Authority W.H. Taft III, ECA Mission to J.P. Beddy, IDA 6 January 1950

Taft went on to state that 'in the case of a project involving an entire trade group, or the Industrial Development Authority itself, for instance, counterpart requirements might well be waived'. Such a waiver had been given for the initial Irish (agricultural) TA projects but an Interdepartmental ERP Committee meeting on 9 September concluded that similar terms would be more difficult to obtain in the future. Here 'the general feeling of the departmental representatives was that we would be much less eager to participate in the technical assistance scheme if E.C.A. should insist on the setting up of a counterpart fund' but it was decided 'to proceed with the schemes under consideration and to meet this complication as it would arise'. Even without private sector involvement, the complication was bound to arise as ECA rules stipulated that no more than a third of projects could be given counterpart waiver while Irish applications almost invariably sought to benefit from it. After pressure from ECA, a Memorandum to the Government from External Affairs on 17 April proposed that the State would fulfill the obligation of TA project participants to deposit counterpart whenever it arose and would, as a general rule, relieve participants of 50% of the travel and other non-dollar expenses for which they were liable.²⁷ A new Technical Assistance Vote was created for the purpose of providing the necessary funds. By late June press advertisements were inviting applications for TA on the basis of these new financial arrangements that were designed in part to facilitate private sector participation in the scheme.

Beating the bushes for TA projects

During the Spring of 1950 a number of ECA visitors who could supply the grasp of industrial issues and the familiarity with the agency's industrial TA policies that the Mission lacked sought to stimulate the level of Irish TA activity. In March, after Paul McMullen from the Technical Assistance Section of the Office of the Special Representative (OSR) in Paris had come to Dublin, the idea emerged of sending Irish industrial projects then 'languishing in embryo' to Paris for informal appraisal of whether they were suitable for formal submission.²⁸ The list of embryonic IDA projects sent to the ECA Mission by External Affairs was virtually identical to that drawn up in February after MacBride had highlighted underspending of the allocated budget. The list was not however transmitted to OSR Paris in the form in which it was received. In ECA terminology almost all the IDA proposals were Type A – that is, they involved sending people from Irish industry to the USA (Table 1, column 1). For the Mission, Type B projects – which brought US consultants to Ireland – were more appropriate to Irish conditions. Expanding on Dickinson's policy letter of 28 December, an 18 January telegram over the name of ECA's Assistant Deputy Administrator for Programming, Richard M. Bissell Jr., had stipulated that 'every effort should be made to avoid submission by Irish of random and uncoordinated projects spreading over whole industrial field'. The telegram reiterated the desirability of 'technically balanced survey team to spend adequate period in Ireland to determine most likely industrial possibilities not requiring protection by tariffs':

²⁷ NAI DT S 14504 A/1 European Recovery Programme: Funds for Provision of Technical Assistance: Department of External Affairs Memorandum to the Government "Utilization of Technical Assistance Facilities provided by the Economic Cooperation Administration", 17 April 1950

²⁸ NAI DFA 305/57/112 Part 1 W.H. Taft III, ECA Mission to T.V. Commins, External Affairs, 31 March 1950

Recommend starting time such survey team be advanced earliest possible date and that its work be given priority over specialized TA industrial projects. For planning purposes, great majority remaining TA industrial projects should await findings industrial survey team with understanding that such projects may be substantially revised depending upon survey findings.²⁹

Most of the embryonic Type A proposals received from the IDA³⁰ were recast by the Mission into a Type B format (Table 1, column 2).³¹ As External Affairs were informed by Taft on April 18:

With regard to the Industrial Development Authority suggestions, we have sent a number on to OSR, but I think the ECA generally might have some reservation... In the case of textiles we would much prefer to arrange for a textile expert or experts with a knowledge of the whole trade and engineering problems to come to Ireland with emphasis on woollens, but to look into the whole situation and make suggestions before sending the personnel of individual mills to the United States. The textile experts could in the course of their project set up trips and training in the United States for those qualified and wishing to go. We are also amenable to the proposal of the Irish tanners and the paper mills. But here again more might be derived from American advice first coming to this country.³²

This recasting was largely performed by Harry Clement,³³ who spent most of April in Dublin engaged in a succession of meetings that sought to stimulate TA activity across all sectors of the Irish economy. Here Clement looked for opportunities to push industrial projects in which the IDA displayed little interest through other institutional channels. Thus 'since the I.D.A. is relatively uninterested in producing low-cost construction materials in Ireland, the way to get the thing rolling may well be through a TA request of the Land Reclamation Project' of the Department of Agriculture in relation to drainage pipes.³⁴ While he thought it 'unlikely that the Industrial Development Authority will submit a TA request cutting across all the various textile fields' ECA approval of a Department of Lands Gaeltacht Services Division handwoven tweed project might, he suggested, be accompanied by an indication that 'the United States engineers, while in Ireland, should also do everything possible to look into the existing status of the woolen

²⁹ NARA RG 469 Entry 1251 Taft Technical Assistance folder General Information, Telegram ECATO 9, ECA Administrator to ECA Mission Dublin, 17 January 1950

³⁰ NAI DFA 305/57/112 Part II T.V. Commins, External Affairs to W.H. Taft III, ECA Mission, 12 April 1950

³¹ NARA RG 469 Entry 1251 Taft Technical Assistance folder 730 Miscellaneous TA Correspondence – WHT W.H. Taft III, ECA Mission to John T. Quinn, Chief, Technical Assistance Section, OSR Paris, 15 April 1950

³² NAI DFA 305/57/112 Part II W.H. Taft III, ECA Mission to T.V. Commins, External Affairs, 18 April 1950

³³ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, Harry Clement to W.H. Taft III, 15 April 1950, TA Proposals of the Industrial Development Authority

³⁴ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, Conversation with Mr. T.J. Austin, Head, Land Reclamation Project, Department of Agriculture and his Deputy, 18 April 1950

Table 1 IDA Projects 'languishing in embryo', April 1950

12/4/50 IDA Proposals	15/4/50 Mission recasting	26/4/50 Paris Response
Future of steel production (i.e. Irish Steel Holdings): Advice of US expert	To improve the efficiency of methods of reworking scrap... or the processing of pig iron to wrought iron or steel	A project of this type could qualify and we await a formal submission
Irish Glass Bottle Co. Ltd: 2 or 3 technicians to USA for 1 month: to examine production methods	To improve production methods in sheet glass and bottle plant	A project of this type could qualify and we await a formal submission
Ceimici Teoranta: Chief Chemist to USA for 'some months': utilization of by-products of industrial alcohol production		
Linen and Cotton Mills 'as a group or individual mills': personnel to USA to study market research: alternatively US expert on market research to Ireland		
Association of Woollen & Worsted Manufacturers: team to USA to study production, design and market research	US textile engineers to investigate existing textile manufacture in Ireland, with emphasis on woollen processing. The firm would concentrate on ways to develop the most economic textile operation now existing (stressing wool from sheep to domestic wool markets and dollar marketing problems)	Textile manufacturing and marketing projects could also qualify: unlikely that one firm would be able to cover both aspects: 'it is extremely difficult at this time to arrange visits of textile people to the U.S. inasmuch as American textile plants are not all receptive to permitting them to observe their processes and techniques'
Seafield Fabrics: staff to USA: production and marketing of artificial silk		
Federation of Irish Tanners: team(s) to USA: study tanning techniques, alternative raw materials	American experts on production techniques, slaughter house methods and by-products	'The same verdict and qualifications apply to projects in this field as in textiles'
Irish Paper Mills Association: team to USA: production techniques		

cloth manufactured by power looms, cotton products etc... this may appear a somewhat devious way of getting at the problem but it might be the simplest in the long run'.³⁵

During this visit Clement also secured government agreement of a sort for an 'over-all industrial investigation or survey'. This was forthcoming at a meeting of the Cabinet Sub-Committee on Dollar Earnings on 22 April at which Clement raised the issue, according to his own account, at the request of the Minister for Industry and Commerce, Daniel Morrissey.³⁶ The Taoiseach (John A. Costello) and the Ministers for External Affairs (MacBride) and Defence (T.F. O'Higgins) attended the meeting while a Parliamentary Secretary (Liam Cosgrave) stood in for Morrissey. Civil servants from External Affairs were present but neither Industry and Commerce nor the IDA were represented. Outright IDA opposition emerged soon afterwards in a memorandum that began by referring to the hurriedly assembled embryonic TA proposals it had put forward in March. With no inkling of the recasting into a Type B mould that had been performed by the Mission prior to their transmission to Paris, these were presented as having been received favourably by OSR. The IDA was stated to be awaiting publication of the government's proposals for financial assistance to TA participants before it moved to fully develop these proposals and to solicit additional ones from industry.

Reference to discussions between Clement and the IDA on 14 April was then made and followed by the comments that:

The team proposed by Mr. Clement to visit Ireland would make its investigations here, not with the background of our government's policy in the matter of industrial development, but by reference to E.C.A. policy which is based essentially on international trade. It is of interest to note that Mr. Clement prefaced his interview with the Authority with a reference to the fact that there is strong criticism in Washington government circles of the Irish government's policy of protected industrialisation. Furthermore, as an instance of the limitation of his approach to our problem, he expressed himself as being completely opposed to cotton spinning and weaving industries in this country on the grounds that their raw materials had to be entirely imported, and his conception of a desirable Irish industry was that there should have a woollen industry based on home spinning utilizing domestic raw materials.

Here the IDA overlooked the fact that Ireland, like other Marshall Plan participants, was committed to reducing the gap between its dollar earnings and its dollar imports. One of the means by which it was to do this was increasing its industrial exports to the dollar area. Hence the Cabinet Sub-Committee on Dollar Earnings and also, in part, Clement's

³⁵ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, Memorandum of conversation on April 18 with Messrs. Mac an Bhairs, A. Fitzpatrick and E. Boylan of Gaeltacht Services, Ministry of Lands

³⁶ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, Memorandum of conversation with Cabinet Sub-Committee on Dollar Earnings, 22 April 1950: NAI DFA 305/57/112/6 Part 1 Note (of same meeting initialed by T.V. C[ommings], 26 April 1950)

emphasis on the woolen industry within the textile sector – Irish wool products he considered to have significant market potential in the USA as well as having a domestic source of raw materials. For its part the IDA memorandum moved on from criticizing Clement to belittling the kind of outside expert he wished to introduce. His team of investigators `would have to spend many months in this country being educated by the Authority, by its staff and by Civil Servants in Government Departments on the many matters affecting this country of which American experts would have no knowledge...such as the proximity of the British market to this country, both as a source of supply and a source of outlet’.

What Clement proposed `might well be appropriate to a virgin and completely undeveloped country, but would be unsuitable in Ireland where there is already an established industrial economy’. Unlikely to contribute anything additional to the knowledge and expertise already existing in Ireland, `the Authority feel that this proposed visitation would be unproductive and a waste of both time and money’. ECA TA should be used to address specific industrial issues rather than for the `general and somewhat nebulous programme which Mr. Clement had in mind’. The industries with which the IDA was in touch all wanted to send teams to the USA rather than to receive visits from US consultants.³⁷

At the Interdepartmental ERP Committee meeting on 5 May Thomas Commins of External Affairs learned informally `that both the Minister for Industry and Commerce and IDA did not regard the survey as approved by government in the form outlined by Mr. Clement, that the IDA were opposed to it and that the question of whether the survey would be on the lines put forward by Mr. Clement or on the less comprehensive lines favoured by the IDA was to come up before the government at its meeting on the 9th instant’. On May 18 Commins `was informed by my Minister that the matter had again been discussed in the course of a Government meeting, in the light of a Memorandum which the Authority had submitted to the Minister for Industry and Commerce on the matter and that it had been agreed that the survey was to be proceeded it with on the lines set out by Mr. Clement’.³⁸

During June and July an extremely complicated and confused situation developed. On the Irish side, the IDA remained at odds with Clement’s conception of the project while External Affairs consistently supported it. Within ECA divergent positions were adopted by Taft in the Dublin Mission, by the Industry Division of OSR in Paris and by Clement who was working to get a proposal approved in Washington. This resulted in the project

³⁷NAI DFA 305/57/112/6 Part 1Memorandum by the Industrial Development Authority in relation to the utilization of technical assistance facilities provided by E.C.A. with particular reference to the interview between the Authority and Mr. H. G. Clement who is in charge of E.C.A. affairs as far as Ireland is concerned, undated [but late April/early May 1950]

³⁸NAI DFA 305/57/112/6 Part 1 Developments Re. Industrial Survey (chronology up to 8 May 1950 compiled by External Affairs). The only documentation of this decision was a copy of the IDA Memorandum given by MacBride to Commins. Handwritten at the top of its first page was `Memo handed to Minister for E/A by Minister for Ind & Com 17/5/50’ while written on the bottom of its final page was `agreed to have survey proposed by ECA carried out 18/5/50’. See also T. Commins, External Affairs to J. Haughey, IDA, 31 July 1950

being 'nearly wrecked' and an ECA decision being postponed until further talks had taken place in Ireland.³⁹ On July 21 Clement wrote to Taft that 'in my opinion the IDA is not the organization to handle the thing...because it does represent existing manufacturers and plant owners, who are scarcely in a position to be objective about what Ireland needs industrially'.⁴⁰ This crossed with a letter Taft had written the previous day observing that:

It's quite difficult to reconcile the Industrial Development Authority with all these comings and goings of various ECA offices and people. I believe sincerely that they are more competent and capable of being more helpful than any other group here. Any survey team, once it arrives, can write its own ticket.⁴¹

Clement returned to Dublin in August where over a series of meetings the IDA was prevailed upon to support the two-phase overall survey conception that had been at the centre of ECA's thinking on Irish industrial TA since the start of the year. In September ECA approval was forthcoming with counterpart waived for phase one and US consultants were invited to submit proposals.⁴² Its acquiescence in this flagship Type B enterprise notwithstanding, IDA promotion of TA continued to be focussed on generating Type A projects. In late October, with discussion getting under way on a TA budget for the US fiscal year beginning in July 1951, it sought provision for 'seventeen groups of industry to travel to the U.S.A.', the sending of a team of cost accountants, two firm-specific Type A visits and a lone firm-specific Type B project. This was accompanied by an admission that, despite the publicity given to the new financing arrangements, 'the number of requests to participate in such assistance has been most disappointing'.⁴³

Massively Expanding TA to Keep Dollars Flowing

As early as March 1950 the Washington Embassy had reported to External Affairs that Clement would be joining the staff of the Dublin ECA Mission but the formal move that would bring Clement in as Deputy to Paul Miller, who succeeded Carrigan as Mission Chief in July, was not made until October.⁴⁴ By the time Clement moved to Dublin in December the Irish government was aware that ECA dollar allocations to Britain were about to stop and feared that Ireland would be accorded similar treatment.

From a British Treasury official the Washington Embassy learned in early November that the Irish position had not been mentioned by either party in Anglo-American discussions

³⁹ For a four page undated chronology compiled by External Affairs and covering January to September 1950 see NAI DFA 305/57/112/6 Part 1

⁴⁰ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, H. Clement, ECA Washington to W.H. Taft III, ECA Mission, 21 July 1950

⁴¹ NARA RG 469 Entry 1251 Taft Technical Assistance folder 731 Clement Memoranda, W.H. Taft III, ECA Mission to H. Clement, ECA Washington 20 July 1950

⁴² See NAI DFA 305/57/112/6 Part 1

⁴³ NARA RG 469 Entry 1251 Taft Technical Assistance folder 304 TA Budget, copy of J.A. Cassidy, IDA to Secretary, External Affairs, 21 October 1950

⁴⁴ NAI DFA 305/57/112/6 Part 1 Washington Embassy to External Affairs, 9 March 1950: NARA RG 469 Europe Ireland Division 1948-1953 Box 1 folder TA Agricultural Institute, P. Miller, ECA Mission, to W. Foster, ECA Administrator, Washington 6 October 1950

`but the logic of the situation was that improvements in the [Sterling Area] reserve position (over three billion dollars) which necessitated suspension of British aid would apply equally to us'. The London Embassy responded by pointing out a key difference between the two recipients - `Britain will continue getting dollar aid under the Defence heading and she probably prefers it that way as leaving her hands freer'. At a Washington cocktail party in early December Daniel Hopkinson, Head of ECA's European Program Division, told Hugh McCann that `a very real possibility [of dollar allocation suspension]... should be receiving our most serious consideration'. On December 13 a joint statement of the US and UK governments announced the suspension of ECA dollar allocations to Britain from 1 January 1951. In Dublin Finance on December 16 endorsed the view of External Affairs that `we should do our utmost to maintain our claim to continuance of aid'.⁴⁵ What External Affairs did towards this end was to promote a huge expansion of TA activity. As a Memorandum to the Government circulated on 28 December stated:

One of the elements which has throughout influenced ECA in determining the effort which European countries were making to improve their economy has been the extent to which Technical Assistance is seriously availed of by participating countries. This has been a dominating factor in ECA thinking...Discussions with the ECA Mission in Dublin confirmed the view than an important consideration in determining whether or not Ireland would continue to receive Marshall Aid would be the extent to which Ireland was prepared to avail of the Technical Assistance facilities provided by ECA... Having discussed the matter with the Ministers mainly concerned on the 17th December, the Minister for External Affairs was authorised to put forward tentative proposals for a substantial Technical Assistance programme and to proceed in consultation with the ECA Mission to prepare such a Technical Assistance programme.

Great urgency was injected into these proceedings when `on the 23rd December 1950, the ECA Mission informed the Minister for External Affairs that it had just received intimation by cable from Washington that the question of discontinuing aid to Ireland and Portugal was under active consideration and that the ECA view was that aid should be discontinued as from January 1st, 1951'. A flurry of activity over Christmas Eve and Christmas Day resulted in the despatch of letters from MacBride to Mission Chief Miller, the ECA Special Representative in Paris and the ECA Administrator in Washington to which was annexed the heads of a \$2.6 million TA programme supplementing the \$0.5 million already in the tentative Technical Assistance Budget for the years 1950/51 and 1951/52 submitted to ECA a few weeks earlier.⁴⁶

Writing personal letters to recent ECA Washington colleagues seeking support for the ambitious new Irish TA programme, Clement stressed its Irish government authorship:

⁴⁵ NAI DFA 305/57/245 telegram Washington Embassy to External Affairs, 3 November 1950: Hugh McCann, Washington Embassy to Secretary, External Affairs, 7 December 1950: Finance to External Affairs, 16 December 1950

⁴⁶ NAI DFA 305/57/245 Department of External Affairs Memorandum to the Government, Expectations of Continued Marshall Aid and Technical Assistance, 28 December 1950

The Cabinet has been going at it hammer and tong to develop an all-out TA program designed to tackle Ireland's major economic problems. In the beginning I was dubious about our chances of getting much out of it because there was considerable question as to whether Sean MacBride (Minister for External Affairs) could get the necessary support. However he appears to have done just that because the letters which you'll find enclosed have been okayed by the Taoiseach (Prime Minister). Even those conservative economists in the Treasury Department have gone along with idea of setting up a greatly expanded TA fund.

He did, however, acknowledge that those who knew him in Washington might regard him as the prime mover of the initiative:

You know my personal views about TA which I've long regarded as the main, and just about the only real tool we have to work with in Ireland...Incidentally, I have a visual picture of Evelyn saying, "Clement's run wild!" but as a matter of fact, altho' I've been encouraging the Irish to move ahead on TA, even I am amazed the way they've come thru, and the way support has developed here for an overall, planned use of TA. Part of this naturally has been the result of the suspension of aid to the UK (which worried the Irish no end), The US's recently declared state of emergency and ECA proposals to eliminate aid to Ireland (itself, no less). The support for substantially increased technical development was thus given a terrific push. All of which I hope we have the sense to take full advantage of.⁴⁷

In more formal correspondence with ECA Washington Mission Director Miller also noted how belief that aid suspension was imminent `has stimulated the Irish to more exertion than I have seen for some time in attempting to utilize some resources at our disposal which they have not been too excited about in the past.'⁴⁸ While evidence can be found of MacBride pushing forward or blocking a couple of individual proposals, the new TA programme was almost entirely Clement's handiwork. This is indicated by the typeface of the surviving drafts in the External Affairs and Mission files, by the fluency of the ECA TA terminology in which the programme is couched – a fluency which in Dublin Clement alone possessed - and by the thrust of the programme itself. Here the immediate primacy of Type B projects, with some Type A missions coming on stream at a later date and only in contexts framed by the findings and recommendations of the visiting US experts, is extended from the industrial field where Clement had fostered it to the whole spectrum of TA activity.

⁴⁷ NARA RG 469 Entry 1245 Director Subject Box 2 folder Technical Assistance 1951 H. Clement, ECA Mission to D.K. Hopkinson, Director, European Program Division, ECA Washington, 28 December 1950: emphasis in original

⁴⁸ NARA RG 469 Entry 1245 Director Subject Box 1 folder ECA/W – Mr. Hoffman, Mr. Foster P. Miller, ECA Mission to W. Foster, ECA Administrator, Washington, 29 December 1950

Table 2 Composition of TA Programme Annexed to Sean MacBride's letters , 27 December 1950

<i>Field</i>	<i>\$ Cost</i>
Agriculture	1,040,000
Industry	912,000
Dollar Exports	260,000
Tourism	290,000
Special Advisory Services ⁴⁹	90,000
TOTAL	2,592,000

While the programme was in its conception a comprehensive one within which agriculture remained the largest intended recipient of TA funding (see Table 2), its movement towards implementation was to confirm the increasing concentration of TA activity in the industrial field which had begun a year earlier. Against a background of strained relations between the Mission and the Minister for Agriculture, James Dillon, no progress was made in developing the projects in the Agriculture category.⁵⁰ A similar pattern was evident in the case of tourism. Here the Mission had no confidence in the Irish Tourist Board as it was constituted and showed no inclination to actively steer TA dollars in its direction while the industry elements with which the Mission aligned itself seem to have been isolated outsiders in terms of the domestic politics of tourism.⁵¹ Thus when Miller informed MacBride on 4 June 1951 that 'most of the projects have now been worked out in detail', he continued that 'getting these projects set up in the right manner has involved a very large amount of work on the part of the Department of Industry and Commerce and the Industrial Development Authority, and we certainly appreciate their splendid cooperation'.⁵² Whereas almost a year earlier Clement had been musing on ways to circumvent the perceived disinterest of the IDA by having industrial type projects sponsored by the Department of Agriculture and the Department of Lands Gaeltacht

⁴⁹ This envisaged 'a panel of five highly qualified technicians and economists to be available to the Irish Government for advice on the over-all utilization of the results of technical assistance projects, and on such other technical aspects of the national economy as may be referred to them from time to time. The panel might include one commodity specialist, one general, one agricultural and one industrial economist, one labour-training and evaluation expert'. The proposal does not seem to have developed further and appears to have been overtaken by the inter-party government's disintegration in the Spring and early Summer of 1951. Clement records MacBride as telling him in March that 'he still wanted to go ahead with it and that I should phone him as soon as he returns to Ireland. He feels that he would be personally involved in the development of this project and that the advisors concerned should be assigned to the Taoiseach who would then reassign them to the various Ministers', NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller memorandum from H. Clement, ECA Mission to P. Miller, ECA Mission "Conversation with MacBride, March 8", 8/3/1951

⁵⁰ NARA RG 469 Entry 1245 Director Subject Box 1 folder Depart. Of External Affairs 1948-49 (MacBride) P. Miller, ECA Mission to S. MacBride, Minister for External Affairs, 15 January 1951: NAI DFA 305/57/112 part III "Progress Report on Implementation of Expanded Programme of T.A. Submitted to Mr. Miller on 27th December 1950", 8 March 1951

⁵¹ NAI DFA 305/57/112 part III B. Gallagher, External Affairs note to Minister on meeting with Harry Clement, 7 February 1951

⁵² NAI DFA 305/57/112 part III P. Miller, ECA Mission, to S. MacBride, Minister for External Affairs, 4 June 1951

Services Division, he was referring in March 1951 to `those “agricultural” TA projects that are being sponsored by IDA and Leyden e.g. ag. plant specs.; fishing survey; vegetable processing and beet sugar’.⁵³

The Industry element of the December 1950 programme had, as Table 3 shows, ten sub-headings to which one of the five projects included in the Dollar Exports sections could also be added since it was concerned with production efficiency issues.

Apart from the proposals relating to plant engineering – which logically followed the completion of the industrial survey’s two phases – and merchant shipping, the other projects were all developed, sponsored and transmitted to Washington where they received approval by the end of the fiscal year on 30 June. At this stage they fell into two broad categories. One came under Industry and Commerce sponsorship and consisted of projects related to semi-state companies – Bord na Mona, ESB and the Sugar Company. The other came under IDA sponsorship, was a mix of proposals that originally appeared under the Agriculture as well as the Industry heading, and was concerned in the main with either private sector manufacturing (projects 1, 2, 4 and 5 in Table 4) or with exploring issues of untapped industrial potential (projects 3 and 6 in Table 4). Although IDA sponsorship of the production methods in potential dollar export industries project was mooted at one stage, it was handled by Industry and Commerce pending the coming into effective existence of the Irish dollar export corporation, Coras Trachtala (CTT).

In relation to the existing, as opposed to the potential, Irish manufacturing base the projects allocating US experts to the IDA (projects 4 and 5 in Box 1 above: TA 44-76 and TA 44-77 in ECA speak) were, as presented by the Mission to ECA Washington, wide-ranging and ambitious interventions. The proposals were `designed by the Irish Government to give direct practical assistance in the formation of an industrial productivity program’ and `between them hit a series of horizontal and vertical industrial problems’. Here horizontal problems were those affecting industry across the board while vertical problems were specific to an individual industry. The five horizontal problems chosen for attention are summarized in Table 5 below. Under the first two headings – management techniques and materials handling – what was envisaged was `the introduction to Ireland of needed aspects of scientific management [which] could, if successful, be spread rapidly’. Standardisation and simplification had underpinned the historical development of scientific management in the USA and, even in the absence of the chaotic situation that was said to exist in Ireland, were logical accompaniments of any attempt to transplant US industrial management technique or technology. Institutional obstructions to private industrial investment in Ireland together with the fuel shortage problems, which had sent Irish industrial production plummeting during the Emergency and continued in the early 1950s to pose a serious problem for which there appeared to be no solution near to hand, made up the project’s remaining horizontal issues.⁵⁴

⁵³ NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller H. Clement, ECA Mission to P. Miller, ECA Mission hand-written note at end of memorandum “Conversation with MacBride, March 8”

⁵⁴ NAI DFA 305/57/112/57 P. Miller Application for Technical Assistance “Special Industrial Problems”, 4 June 1951

**Table 3 Industry Projects of TA Programme Annexed to Sean MacBride's letters ,
27 December 1950**

	\$ cost
American experts in this [Industry] field would work in conjunction with the Industrial Development Authority and the Department of Industry and Commerce in Ireland	912,000
(1) General Industrial Survey (Phase 2)	75,000
(2) Plant Specifications, Design and Engineering <i>under contract with specialists following Phase Two of the Industrial Survey, with estimated total construction cost of \$400,000: 10% for engineering</i>	40,000
(3) Peat Gasification <i>contract with US chemical engineering firm, which would sub-contract with European peat gasification experts as needed...</i>	100,000
(4) Analysis of Sulphuric Acid Materials <i>services of two expert for evaluation of Avoca pyrites deposits versus the use of gypsum in terms of operations and costs: six months per expert</i>	30,000
(5) Rationalization of Irish Power Potential <i>evaluation of present systems as well as potential in terms of efficiency and costs, recommendations etc. by two men for six months each</i>	30,000
(6) Specialists Assigned to IDA <i>Six technicians to the Industrial Development Authority in special fields as requested to supplement IDA staff, and to undertake specialized industrial functions and servicing; at six months each</i>	45,000
(7) To assist IDA in servicing Existing Industries and Business <i>Fifteen specialists to be made available to Irish industry for short periods each, on request, to advise re production methods, costs etc. averaging \$5,000 each (to be tied in with Productivity programme)</i>	75,000
(8) Merchant shipping <i>the services of two experts for six months each to examine the Irish mercantile marine question...</i>	17,000
(9) Sending of Irish technicians to USA <i>in connection with each of the schemes at (1) to (8) foregoing it may be desirable from time to time to send Irish technicians to the USA to study American practices (Type A projects), say</i>	75,000
(10) Mineral exploration <i>in three areas recommended for evaluation by industrial survey</i>	65,000
Dollar Exports (4) Improvement of production methods etc. <i>Services of specialist to evaluate and make specific recommendations re existing production methods, machinery and equipment, plant layout and processes employed in those Irish firms whose products are potential sellers in the U.S. markets. Analysis should include evaluation of practices having a bearing on prices, quality and output in six such fields (e.g. speciality goods, stout etc.)</i>	100,000
TOTAL	1,012,000

Table 4 IDA-Submitted Technical Assistance Projects, 9 June 1951⁵⁵

1. Survey of the animal protein-feeding-stuffs industry
2. Survey of the food processing and food storage industries
3. Allocation of an additional \$75,000 for the Industrial Survey project
4. Allocation to the Industrial Development Authority of experts who would study specific industrial problems
5. Allocation to the Industrial Development Authority of specialists who would assist in servicing specified industries
6. Allocation to the Industrial Development Authority of experts who would assist in the evaluation of pyrites versus gypsum deposits in terms of mining and processing costs as raw materials for the production of sulphuric acid and/or sulphate of ammonia

When a vertical focus was adopted in TA 44-77, the aim was said by the Mission to be 'to provide through the Irish Government productivity center (the IDA) practical technical help designed to show the Irish businessman how he might unravel specific production problems of his own and produce a better product (or more of it) from the materials, labor and machinery he now uses'. The fifteen specialists envisaged in December 1950 had been reduced, initially at any rate, to six by the time of its transmission to Washington in the following June. The six industries chosen for initial study were leather and hides, low-cost furniture, industrial alcohol, files and hacksaws, cutlery and pharmaceutical products. Apart from industrial alcohol, which was produced by a state-sponsored company, all of these industries were composed of private enterprises. To win acceptance for funding TA in admittedly inefficient industries, mostly using imported raw materials and, in some cases, with a record of seeking to have high tariff protection raised even further, the Mission urged its Washington colleagues to take a longer, wider view of the issues at stake:

⁵⁵NAI DFA 305/57/112/53 J. Cassidy, IDA to Secretary, External Affairs, 9 June 1951

Table 5: Horizontal Industrial Problems to be tackled by IDA-attached experts

<p><i>Management techniques including cost and production control</i></p> <p><i>‘The Government feels that Irish business as a whole has lagged behind in adapting techniques of standardising, costs, quality control (processes) and systems of costings (including records, accounting etc.) Rather than attempt to get a foot in the door in all types of industry at once, the Industrial Development Authority feels that it would be preferable to confine this project to two fields of industry, get successful results and then spread out. The Industrial Development Authority, accordingly, has selected (a) the clothing industry and (b) the light engineering and foundry industry, and has stated that considerable cooperation could be obtained from the private firms involved... almost no work at all has been done on time and motion studies, on elimination of unnecessary handling and work etc. Generally antiquated production methods prevail, and there is a considerable lack of mechanization’</i></p>
<p><i>Materials handling</i></p> <p><i>‘The Irish are aware that a steady flow of materials will raise productivity by at least 15% using existing machinery, but this information is known only in a general way, and the techniques to be used are not widely known. The purpose of this project is to increase output, save costs and increase effectiveness in using labor. Therefore the specialist would work directly with business and labor groups; he would use his know-how and how-how wherever possible in a plant and he would encourage by such means as deems feasible the spread of a useful idea from one plant to another...’</i></p>
<p><i>Industrial fuel conservation</i></p> <p><i>‘Fuel conservation should help Ireland stretch its meagre fuel supplies and tend to stave off the collapse of many industries that are already feeling the pinch of fuel shortages... it is a heavy importer of soft coal from the United Kingdom which has been unable to deliver minimum requirements here. The outlook for the future is not very bright in this department... The increasing likelihood of difficulty in getting supplies of petroleum, oil and lubricants have forced the Irish to examine all possibilities of tightening their belts. ...the Irish are aware than new techniques of fuel conservation not only make good sense from a national point of view, but provide good business operations as well. The Government is interested in launching a Save Fuel movement, and wants to start in industrial plants...’</i></p>
<p><i>Industrial finance and taxation</i></p> <p><i>‘The Mission has encountered repeatedly and often instances of the need for new industrial investment for the creation of new or expanded industries; all too often such investment has been stymied either by lack of real risk capital or by the Government’s income tax code, particularly with regard to depreciation facilities... what is needed is an intensive analysis [by a ‘top-flight’ specialist]’</i></p>
<p><i>Simplification and standardisation</i></p> <p><i>‘The rapid development of Irish industry during the past twenty years has resulted in a chaotic situation in the fields of standardization and simplification. For example the range of variation in many products is much greater than actual need... As a result of lack of simplification, manufacturers need to make numerous short runs of many different varieties of the same product, resulting in materials wastage and in high costs. ... [while] the Government has established the Institute of Industrial Research and Standards... the field is still wide open for assistance’</i></p>

The Industrial Development Authority... and the Department of Industry and Commerce are both aware of the desirability of concentrating upon those industries that have a firm base in agriculture, or that at least use local materials for the most part. Evidence of this exists in the Government's submission of a range of TA proposals that concentrate on this approach... However as the plants referred to in this proposal are here and in existence, and as they now operate, they are either causing problems or acting as a drain on the public as a whole, in seeking to solve these problems through TA, this proposal has the Mission's backing as a practical productivity measure... This proposal not only involves strictly technical problems, but it also involves the government's position on many tariff items. During the 1930s the Irish Government adopted a policy of putting up tariffs not only to "protect" existing industries, but to develop industries that might come into being if tariffs made it practically certain that they could succeed. When the IDA was established two years ago, it was given the responsibility not only of industrial development but also of tariff review and of tariff policy. It has stated now that it intends to go to work on the whole question of tariff review and it has adopted the line that certain industries are being given undue protection or are not in need of it at all. In other cases, the IDA has raised the question of whether from the national standpoint, it is desirable to continue protection for a given industry in instances where the industry will not or cannot operate effectively enough to permit serious tariff reduction or elimination. To put it another way, the IDA is seriously interested in seeing to it that the industries involved do everything possible to compete with similar plants outside Ireland and the IDA (by maintaining tariffs) is not maintaining an artificially low technical standard. More specifically the IDA wants to know the effect of lowering tariffs on a range of Irish industries, whether the industries really will be able to exist under those circumstances, what the industries themselves could do (with competent technical help) to reduce costs and improve production methods, and whether such improvements would then permit tariff reduction or elimination.⁵⁶

Industrial TA and the Return to Government of Fianna Fail

In embracing the expansion of TA in December 1950, MacBride had expressed the hope 'that Aid will not be discontinued immediately' and an expectation that, if he succeeded, 'a further sum of from \$4 millions to \$7 millions may be made available by way of grant for the remainder of the current ECA year (30th June 1951)'. On 2 May ECA and the Minister for Finance's budget speech simultaneously announced the suspension of dollar allocations of which the Irish Government had been given notice in mid-February. ECA's Press Release noted that 'the suspension of direct aid – dollars for the purchase of commodities and services – does not affect Ireland's participation in the ECA technical assistance program'.⁵⁷ The ending of the dollar allocation flow was quickly followed by the demise of the Inter-party Government in the general election later that month. Fianna Fail had returned to office, with Sean Lemass back in Industry and Commerce, before the US fiscal year had closed.

⁵⁶ NAI DFA 305/57/112/58 Paul E. Miller "Ireland TA 44-77 Direct Productivity Assistance", undated

⁵⁷ for documentation relating to the suspension and its announcement see NAI DFA 305/57/245

With a view to securing broad cross-party support for the expanded TA programme, Clement and Miller had had a luncheon with Lemass on 29 January. Clement subsequently recorded that:

The major point around which the conversation revolved was the Industrial Survey. Lemass indicated his approval of the project, although he implied at one point that the problem would be one of getting action on the specific recommendations produced by the Survey as a whole. My impression was that if Lemass were in office, he would definitely be willing to move in hard on making use of the industrial TA projects as a whole and of this project in particular. He did indicate that Fianna Fail would support this type of activity... incidentally, not one time did he give any comment about IDA⁵⁸

In July, after talking with Minister Lemass and Industry and Commerce Secretary John Leydon, Clement wrote that:

Lemass is all for the TAs we have on deck. Regarding IDA, they're giving it the "gradual" treatment. First, IDA will be given authority to work only on new plants. Then key IDA staff will be withdrawn to I&C... Generally, Lemass is for TA whether by Americans or anybody else...⁵⁹

Reallocation of functions quickly established Industry and Commerce's complete responsibility for both tariffs and industrial TA projects. The latter covered not only the Type B ones forming part of the December 1950 expanded programme but also the Type A proposals for which the IDA had in October 1950 requested that provision should be made within the TA budget. Following a request from MacBride, the IDA in March 1951 provided a detailed account of the outcomes of its discussions with the industrial groups to whom it has undertaken 'to stress in the strongest possible terms not only the desirability but indeed the paramount necessity of availing to the fullest extent of the facilities now being made available by E.C.A.'. ⁶⁰ From these discussions:

⁵⁸ NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller memorandum from H. Clement, ECA Mission to P. Miller, ECA Mission "Luncheon with Sean Lemass and Paul Miller, January 29 1951"

⁵⁹ NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller memorandum from H. Clement, ECA Mission to P. Miller, ECA Mission and A. Dexter, ECA Mission "Trip to Paris and Washington", 7 July 1951: see also NARA RG 469 Entry 1245 Director Subject Box 1 folder Counterpart Fund (5%) where an undated (but from internal evidence October 1951 or later) and unsigned (but from internal evidence written by Albert Dexter, who was promoted from Food and Agriculture Officer to Mission Chief in succession to Miller in July 1951) memo "General Outline of Work Load" states that 'until the recent change, it had been difficult to obtain the complete cooperation of the Government in implementing a TA program that would be the means by which [Mission] objectives could be achieved. The present Government is very enthusiastic about the TA program now developed by the Mission'.

⁶⁰ NARA RG 469 Entry 1251 Taft Technical Assistance folder 304 TA Budget, copy of J.A. Cassidy, IDA to Secretary, External Affairs, 21 October 1950

In the case of practically all the Groups concerned, it was evident that the industry was organized on the basis of small units where there was no substitute immediately available for the key personnel that would normally be selected to represent the management interest. This key personnel (often a working Managing Director) could not be spared away from the business for the eight to ten weeks normally required for a Technical Assistance Scheme. In addition, the precarious position which had developed in relation to raw material supplies generally had made it more difficult for representative Irish firms to contemplate leaving their businesses without top expert management capable of taking immediate decisions on raw material supply questions.⁶¹

As Table 6 shows, eighteen industrial associations or groups were either contacted by the IDA or took the initiative themselves in relation to a technical assistance scheme. Only two – Flake Oatmeal Millers and Paper Mills – actually sent teams to USA but almost two-thirds of the groups made some active form of application or inquiry. Four groups that did not pursue the sending of teams appear to have been ‘chilled’ out of the TA scheme by ECA information that they could not expect a positive reception from their US industrial counterparts. Such absence of a welcome on the factory mat for European visitors, particularly after the outbreak of the Korean War in June 1950, has been noted by US scholars such as Jacqueline McGlade.⁶² European attention, on the other hand, has tended to focus on team visits that took place and the innovation diffusion effects that can be attributed to these missions rather than on documenting instances where potential teams were deterred by being let know that they were likely to be grudgingly received at best in the USA.⁶³ Irish team visit proposals may have suffered more from a ‘chill’ factor than those of most other European countries because its industrial activity was concentrated in easy-to-enter areas lacking capital depth, such as clothing, some textile processes or parts thereof and ropes. In these areas US producers might well have felt particularly exposed to threats from external competitors and reluctant to facilitate the imitative upgrading of their operations. That two other proposals – Dry Cleaners and Mineral Water Manufacturers - got no further than the Dublin ECA Mission was perhaps attributable to timing. Both proposals were made at relatively late dates – May and June 1951 – when TA had becoming increasingly closely aligned with US military production objectives: had they been made earlier, a less restrictive appraisal framework and a desire within ECA to build up the momentum of Irish TA activity might have made them acceptable. The fate of a further two applications – sugar confectionery and footwear – is undocumented. The footwear proposal had, in any case, taken a Type B turn towards bringing over a US consultant. Likewise the brewers’ interest was in researching the US market for their products – Type D TA in ECA terms – rather than in having a team study

⁶¹ NAI DFA 305/57/112/53 Note “Technical Assistance Projects Sponsored by the Industrial Development Authority” attached to J. Haughey, IDA to T. Commins, External Affairs, 7 March 1951

⁶² J. McGlade “The US Technical Assistance and Productivity Program and the education of Western European managers, 1948-58” pp. 13-33 in T. Gourvish and N. Tiratsoo (eds.) *Missionaries and Managers: American Influence on European Management Education 1945-60* Manchester: Manchester University Press: see especially p. 19

⁶³ See, for instance, D. Barjot (ed.) *Catching up with America: Productivity Missions and the Diffusion of American Economic and Technological Influence after the Second World War* Paris: Presses De L’Universite de Paris-Sorbonne

US production processes. Having been deferred because the Mission gave priority to initial integrated Type B analysis and 'will not encourage random isolated TA projects not part of overall approach'⁶⁴, the Cannery proposal ultimately fell foul of the January 1952 suspension of all US aid to Ireland discussed below.

Among the industries that were approached by IDA and did not apply, the presence of furniture and tanning is noteworthy given their selection by IDA to be initial recipients of Type B vertical productivity assistance under TA 44-77 discussed above. That 'the Managing Director of possibly the largest Irish tannery has stated that he has had visits from U.S. tanners to study his tanning method and that, in his case, there would be little to be gained from a Technical Assistance visit to U.S. tanneries'⁶⁵ may be placed in the context of the observation in the specification for the Leather and Hides section of TA 44-77 that 'while some tanneries are quite efficient, other lag behind'. There were sixteen firms in the industry but 'the greater bulk of the tanning is done by four main firms'.⁶⁶ Had they responded more positively the tanners might in any case have fallen victim to the 'chill' factor: as Table 1 indicates, alongside textiles, tanning had in April 1950 been noted as a US industry averse to 'having its processes and techniques observed'.⁶⁷

⁶⁴ NARA RG 469 SRE 1950-54 Productivity and Technical Assistance Division Labor Productivity Branch Country Files 1950-54 Box 6 Ireland-United Kingdom folder Ireland, General , airgram ECA Mission to ECA Washington, 10 August 1951

⁶⁵ NAI DRA 305/57/112/53 Note "Technical Assistance Projects Sponsored by the Industrial Development Authority" attached to J. Haughey, IDA to T. Commins, External Affairs, 7 March 1951

⁶⁶ NAI DFA 305/57/112/58/1 "Technical Assistance Project Direct Productivity Assistance (Leather and Hides Industry) T.A. 44/77 Specification" October 1951

⁶⁷ NARA RG 469 Entry 1251 Taft Technical Assistance folder 730 General Information, J.T. Quinn, Chief Technical Assistance Section, OSR Paris to W.H. Taft III, ECA Mission, 26 April 1950

Table 6 Irish Industrial Groups and ECA Type A Projects

Canners' Group	3/51 IDA anticipates submission shortly: 9/51 Mission (Clement): `here's another one of these miscellaneous TA projects that might be postponed for the time being': suggests `we program it for early next Spring' 1/52 killed off by aid suspension
Linen and Cotton Textile Manufacturers	3/51 IDA - no progress: inability to agree on composition of team
Cap and Clothing Association	3/51 IDA -Firms unwilling to send representatives in deteriorating raw material supply context
Association of Woollen and Worsted Manufacturers	3/51 IDA - Outline scheme submitted: warned by Mission of difficulty of getting US manufacturers' co-operation 9/51 I&C - `pressure from the promoters to have definite replies' 10/51 External Affairs - `no enthusiasm by the E.C.A. or by the American industry... no prospect of ... technical assistance on the lines contemplated'
Mantle and Gown Group and Women's Light Clothing Group of the Federation of Irish Manufacturers	3/51 Discussions held with IDA - `as in the case of the other Clothing Group, the real difficulty is one of finding suitable personnel that could be released': 6/51 - Taft informs FIM that `non-receptive attitude of American industry' is making progress with project difficult: 9/51 I&C - `pressure from the promoters to have definite replies' External Affairs 10/51 - `no enthusiasm by the E.C.A. or by the American industry... no prospect of ... technical assistance on the lines contemplated'
Hosiery Group	3/51 `Protracted' discussion with IDA - positive attitude - urged to make proposal 6/51 - Taft informs FIM that `non-receptive attitude of American industry' making progress with project difficult: I&C 9/51 - `pressure from the promoters to have definite replies' External Affairs 10/51 - `no enthusiasm by the E.C.A. or by the American industry... no prospect of ... technical assistance on the lines contemplated'

Cardboard Boxmakers' Association	3/51 IDA – thinking about a proposal
Paper Mills' Association	Team visit to USA October-November 1951
Irish Paint Manufacturers Federation	3/51 IDA - all member firms are `associated with parent concerns in Britain or U.S.A. which provide their technical direction and to which the look for any technical assistance'
Irish Food Manufacturers Federation (Sugar Confectionery)	3/51 outline scheme submitted to ECA Mission: subsequent fate undocumented
Eire Tanners' Federation	3/51 IDA - No formal response, despite reminders: `The Managing Director of possibly the largest Irish tannery has stated that... in his case, there would be little to be gained from a Technical Assistance visit to U.S. tanneries'
Irish Brush Manufacturers Association	3/51 IDA - little interest due to problem in finding personnel: will study British Productivity Team report before deciding whether to propose a scheme
Dry Cleaners' Association [also referred to as Dyers and Cleaners Association]	5/51 Mission informs IDA `we do not think the project fits closely enough the criteria of positively improving the national economy to make it acceptable in Washington'
Footwear Manufacturers	3/51 IDA - approached Mission directly: given information regarding the possible employment of an American expert (Type B) – outcome undocumented
Furniture Manufacturers' Federation	3/51 IDA - No response of any kind
Irish Rope and Cordage Association	3/51 IDA - `In face of possible opposition from the American firms' as advised by ECA, Association feel that sending a team `would only be a waste of time'
Flake Oatmeal Millers' Association	Team visited USA May-June 1951
Irish Brewers Association	2/51 market research and analysis in USA for Irish stout and porter proposal (Type D) 5/51 External Affairs - `This project has now been welded into the General Project for expansion of dollar exports'
Mineral Water Manufacturers Association	6/51 Mission (Taft) informs IDA - `difficult to encourage the project...a little too remote, apparently, from the present technical assistance emphasis in the United States'

Type B TA slowed down by staff shortage bottlenecks

In January 1951 Miller cabled ECA Washington: 'as TA program develops, plan reshuffle job functions within already small Mission in order to cope with new responsibilities here'.⁶⁸ Clement subsequently indicated the kind of workload these responsibilities entailed:

The kind of projects and programs we have in mind do not hatch out spontaneously in the sun. They have to be developed hand-in-hand with the Irish Government. That means conferences, going over rough drafts etc. It means work and it takes certain minimum personnel. I suspect that some of the Missions don't get into that sort of activity very much... there's a question about how active the Mission should be in keeping an eye on TA projects (particularly Type B) as they develop, and after the final work is completed. If actual action programs are what is desired in Ireland, then the approval of a TA is only the beginning of the job.⁶⁹

But, rather than being restructured in the light of its changed role, Congress-imposed cuts in the ECA budget saw the Dublin Mission staff reduced by one-third, with the cancellation of six positions, by the Autumn of that year. During this period a division of labour operated whereby Taft handled Type A projects and Clement Type B ones. In August Taft's position was lost on his return to the USA. The Mission lobbied for an additional Technical Assistance Officer post and for a Food Production Specialist to fill the vacancy left when Albert Dexter was internally promoted to Mission Chief in succession to Miller in July.⁷⁰ In September Clement told External Affairs and Industry and Commerce that 'they have already had to assign some of the technical assistance work to Mr. Cavanagh (the Comptroller) whose own work is suffering accordingly, and some projects which were being dealt with by Mr. Taft are lying idle because no one else can spare the time to deal with them'. He went on to request that new project proposals be held back.⁷¹ External Affairs subsequently informed the Washington Embassy that 'if we are to adopt this "go-slow" policy in relation to new submissions, we would like ECA Washington to be fully aware that the reason does not lie in our unwillingness or inability to produce them but in the inability of the Mission to handle them'.⁷² The Mission's staffing situation was subsequently raised by Hugh McCann with 'Mr. Daniel K. Hopkinson, Director of the European Program Division in ECA and Mr. George Woodbridge, Chief of the U.K.-Sterling Area Division (which includes the Irish desk)'.⁷³ Approval for the new Mission posts sought was obtained during October but, while a

⁶⁸ NARA RG 469 Europe Ireland Division folder Irish aid program suspension, cablegram P. Miller, ECA Mission to W. Foster, ECA Administrator, 17 January 1951

⁶⁹ NARA Director Subject Box 2 folder OSR Paris, General 1951 H. Clement, ECA Mission to P. Miller, ECA Mission, Memorandum 'Your Pending Talk in Paris', 26 March 51

⁷⁰ NARA Director Subject Box 2 folder Production Assistance Drive, P. Miller undated memorandum "Proposed Program for ECA Production Drive": NARA Director Subject Box 1 folder Grant Counterpart (5%) undated and unsigned memoranda/notes 'Staffing Approved October 1951', General Outline of Work Load' and 'Irish Mission 1951-52'

⁷¹ NAI DFA 305/57/112 Part III Report of Meeting, Technical Assistance, 8 September 1951

⁷² NAI DFA 305/57/112 Part III T. Commins, External Affairs to Ambassador, Washington, 27 September 1951

⁷³ Hugh McCann, Washington Embassy to Secretary, External Affairs, 17 October 1951

Food Production Specialist arrived in Dublin on 18 December, the Technical Assistance Officer post was never to be filled.⁷⁴

While McCann was being asked to highlight the way in which TA programme work was overwhelming Clement in the Dublin Mission, the same programme was placing McCann himself in a very similar situation. On 14 November Clement, hoping that 'nothing in this letter will be interpreted as criticism of the Irish Embassy, and particularly of Hugh MaCann who is certainly doing more than a good a good job in tackling single-handed a herculean amount of TA work', suggested that the Chairmen of CIE and CTT should travel to the USA to expedite the selection of consultants for the projects involving their companies.⁷⁵ Reporting on 11 December on a meeting he and the two Chairmen had had with ECA officials in Washington McCann himself pointed out that 'while I have been devoting the greater portion of my time to the TA Programme, with a view to keeping it moving as fast as possible, the amount of time consumed in interviews with candidates and conferences with ECA officials has been such that it has been difficult to keep all 23 authorised projects moving simultaneously and at the same attend to other important work in the Embassy'. The problem was compounded by the fact that 'some of our projects involve as many as six separate contracts with separate sets of experts'. But, recognising 'the importance of getting the projects under way within the next month or so, in order to avoid the loss of funds', the Embassy would 'make every effort to finalise the project arrangements within that period'. Concluding that no additional staff from Dublin would be made available in time, the Embassy adopted a similar expedient to the Dublin ECA Mission by 'endeavouring to meet the situation by arranging with Mr. Joseph Brennan, Counsellor in charge of Publicity and Information, to take over a few of the projects...though it may mean that part of his own work will fall into arrears'.⁷⁶

Back in Dublin External Affairs was seeking sanction from Finance for an additional officer whose job it would be to co-ordinate all technical assistance activities within the state. Such an official, it was argued in a letter of 7 December, was needed to cope with an expected influx of between seventy and eighty 'technicians' from the USA in the first six months of 1952. One additional officer, it was pointed out, represented a much less expensive alternative than the Technical Assistance Center proposed by ECA but resisted by the Interdepartmental ERP Committee at a meeting on November 2 with Clement and Scott Behoteguy, the Assistant Director of the TA Division of OSR Paris.⁷⁷

The Mutual Security Act and the suspension of aid to Ireland

Delays in bringing authorized Type B TA projects to the stage of signing contracts with consultants produced by the staff shortage bottlenecks in the Dublin Mission and in the Washington Embassy were to have fateful consequences. Under new legislation passed

⁷⁴NAI DFA Foreign Affairs 305/57/107

⁷⁵NAI DFA Foreign Affairs 305/57/112 Part III H. Clement, ECA Mission to Sean Lemass, Minister for Industry and Commerce, 14 November 1951

⁷⁶ NAI DFA Foreign Affairs 305/57/112/50 H. McCann, Washington Embassy to Secretary, External Affairs, 11 December 1951

⁷⁷NAI DFA Foreign Affairs 305/57/112 Part III Secretary, External Affairs to Secretary, Finance, 7 December 1951

by the US Congress, ECA was replaced at the end of December 1951 by the Mutual Security Agency. The legislation changed the context of US aid provision from European economic recovery to strengthening 'the mutual security and individual and collective defences of the free world'. Crucially its terms required the Irish Government to explicitly adhere to the Economic Cooperation Act of 1948 - which provided the framework for its ongoing aid programme - 'as heretofore amended, including the statement of purpose contained in Section 2 of the Mutual Security Act of 1951'. This the Irish government regarded as incompatible with its declared foreign policy⁷⁸ and a Memorandum to the Government advised that, should refusal to adhere 'entail the discontinuance of all further American aid to this country after the 31st December, 1951, the Minister for External Affairs considers there is no alternative but to accept the loss involved.' The issue was formally raised with the Irish Government on 7 December. With no exchange of notes satisfactory to the US Government having taken place, a suspension of all aid to Ireland took effect from the 8 January deadline written into the new Act.

Irish officials began to take note of the advent of MSA in early September when 'Mr. Clement casually made reference to the fact that E.C.A. will come to an end in 60 days and will be replaced by a new agency'. A Financial Times clipping was at this stage all the information Industry and Commerce could muster on the subject. To Clement was attributed the feeling that 'if there were any snags on our Technical Assistance projects not cleared at the time when the new agency takes over, the files may perhaps, in the rather chaotic conditions likely to obtain, be put aside and not dealt with'.⁷⁹ Clement was less casual when he raised the issue at a meeting with Sean Lemass on 18 October where he pointed out that 'if we do not wish to work with the Mutual Security Agency, for any reason, the various Technical Assistance projects in progress will collapse as there will be no U.S. organisation to deal with them'. Then:

⁷⁸ On the military side, the US Ambassador reported that 'they felt that by so doing they would be undertaking to render military assistance to other nations which they had as yet in no instance agreed to do, and to which they are not at this time prepared to commit themselves'. The External Affairs Memorandum to the Government "Enactment of Mutual Security Act by U.S. Congress - Demarche by American Ambassador, 17 December 1951 (NAI DFA 305/57/275) also noted that 'apart from the emphasis on military security, it will be noticed that the preamble to Section 101 (a) mentions as an object of the appropriations authorised by that section "to further encourage the economic unification and political federation of Europe". This goes much further than any previous statement of the desire of the American legislature to see the creation of a unified Europe'.

⁷⁹ DIC R303/8/18memorandum from J. Donovan, Industry and Commerce to D. O'Riordan, Industry and Commerce 9 October 1951

Mr. Clement made suggestions which he emphasised came from him personally and which he urged should not be associated with his name at any time. These suggestions were that in advance of the official notification of the winding up of the E.C.A. we should ourselves approach the U.S. authorities through the Ambassador on these lines (1) we expect the US to make arrangements to complete the T.A. projects which have been agreed (2) this country is in great need of technical help and this need will not be met even by all the T.A. projects now in train, and will continue after E.C.A. terminates (3) that we have contracted a large dollar debt and, to enable us to repay it, will need to expand greatly our industrial output, our dollar exports and tourist trade and will need American help to secure these results (4) that so much importance do we attach to this matter that we propose to include in the allocation of the Grant Counterpart a sum of £200,000 to finance Technical Assistance projects during the next five years. If U.S. technicians are not, for any reason, available to us we would use European experts. Mr. Clement said that if this invitation came from us that it would cause a “diplomatic sensation”, that it would bring the special position of this country to the notice of Mr. Harriman, the Mutual Security Chief, and that it might result in the making of special arrangements covering this country⁸⁰

Lemass responded by seeking the views of the Interdepartmental ERP Committee on Clement’s suggestions. Here on 26 October the inclination was against taking the initiative - ‘it would be well to avoid any precipitate action of this nature, which might in the event prove to be unnecessary, as there was a reasonable presumption that the outstanding obligations (in esse or in posse) of ECA to this country would be carried to fruition by the new Agency without our making a demarche on the point. Indeed such a demarche might have a contrary effect to that hoped for, by putting bad ideas into American heads’.⁸¹ The following day Agriculture officials learned from Mission Chief Dexter that ‘the impression he got during his visit to Paris earlier this week was that commitments entered into prior to the 1st July last would not be affected by the new legislation...the feeling in Paris also is that Technical Assistance will continue in our case up to 30th June 1952, at least’.⁸² On 5 November External Affairs Secretary W.P Fay recorded that the visiting Paris TA Assistant Director Scott Behoteguy ‘did not give the impression that the new legislation would, in any way, interfere with continued Technical Assistance to this country’, drawing the conclusion from the conversation ‘that we take no action to raise the issue ourselves but continue as we are doing to receive such American assistance as comes our way without looking the gift horse in the mouth, until, if at all, he shows his teeth’.⁸³

In early November ECA’s withdrawal of a TA authorisation for a Gaeltact handwoven tweeds project caused alarm in Industry and Commerce where ‘we had formed the opinion that the provisions of the [Mutual Security] Act regarding eligibility for

⁸⁰ DIC R303/8/18 “Discussion with Mr. H. Clement, E.C.A., on October 18th, 1951”

⁸¹ DIC R303/8/18 Extract from Minutes of Interdepartmental ERP Committee, 26 October 1951

⁸² DIC R303/8/18 Note of discussion on 27 October 1951 enclosed with Secretary, Agriculture to Secretary, Industry and Commerce, 29 October 1951

⁸³ DFA 305/57/275 Note by W.P. Fay, Secretary, External Affairs, 5 November 1951

continuing aid were so framed as to render it unnecessary for us to worry unduly at this stage about American preparedness to continue their operations here on precisely the same terms as heretofore'.⁸⁴ The Washington Embassy was asked to investigate after which McCann wrote to Fay on 20 November that 'none of the officials in ECA have suggested to us that the new legislation would preclude the implementation of our Technical Assistance programme already approved... it is likely that we will be able to implement most of the Projects already authorised but they will probably receive very low priority'.⁸⁵ A few days earlier when Dexter met Minister for External Affairs Frank Aiken 'not only had he no advice of an authoritative nature to offer but had not as up-to-date information as ourselves on what was happening in Washington in the matter... he could not say whether e.g. TA projects not completed by June 30th 1952 would be abandoned at that date; he thought that in the case of any such projects that were sound and nearing completion some arrangement would be worked out for their continuance until completed... the new Agency would, by and large, continue without basic modification projects within our existing programme which were in the course of operation at the end of the year and which held good prospects of being completed by the end of June, 1952'.⁸⁶

A Memorandum For the Government circulated by External Affairs on 6 December recommended that 'if it proves possible to continue to receive economic assistance from the United States, particularly in the form of technical assistance, by cooperation with the Mutual Security Agency or a branch of that agency established in Dublin, the Government of Ireland should be prepared to enter into such cooperation'.⁸⁷ While the documents delivered by the US Ambassador the following day indicated that this might be a very big 'if', information supporting the sanguine view it expressed was contained in a report of the most extensive high level discussion of Irish TA at ECA Washington for the past six months. This involved McCann and the Chairmen of CIE and CTT meeting on 2 December with seven officers from various branches of ECA. On the ECA side the lead role was taken by George Train, Deputy Assistant Administrator in Charge of Productivity and Technical Assistance who began with the dollar export projects:

In the context of the end-objectives of mutual security and defense there was no place for projects providing for marketing surveys and analyses in this country. All such work was already being stopped insofar as other participating countries were concerned. It was realized, however, that Ireland had a late start in this and considerable work had already been put into the development of our four dollar export projects... In these circumstances ECA were disposed to permit the completion of our projects provided this could be done in a manner which would not leave the Administration open to criticism by Congress.

⁸⁴ DIC R303/8/18 Secretary, Industry and Commerce to H. McCann, Washington Embassy, 7 November 1951

⁸⁵ DFA 305/57/275H. McCann, Washington Embassy to Secretary, External Affairs, 20 November 1951

⁸⁶ DFA 305/57/275 Note of Meeting 17 November 1951

⁸⁷ DFA 305/57/275 Department of External Affairs Memorandum to the Government "Replacement of E.C.A. by Mutual Security Agency", 6 December 1951

Train then made, and the Irish side accepted, a proposal to merge the four projects into one. He then moved on to the two handwoven tweed projects whose cancelled authorization had caused disquiet in Dublin. 'Projects relating to a luxury item such as tweed were particularly vulnerable in the context of a stepped-up defense program', he pointed out, suggesting that the Type B tweed project (TA 44-60) could be amalgamated into the combined dollar export project. The twin Type A tweed project (TA 44-61) he killed off, saying 'ECA had already worn out its welcome with American industry and that all Type A projects were dropped except those relating directly to some important aspect of military production'. In the matter of timing:

Mr. Train... urged very strongly that the arrangements for the projects should be completed before the end of the present month, so that they would be well under way by March next and substantially completed by June next. He was particularly anxious that they should be fully completed by the 31st December, 1952 except perhaps for very minor details... if it were a choice between speed and a little extra money, ECA would provide the extra funds required.⁸⁸

Against this background it is not surprising that the position adopted by the Irish side in the discussions preceding the 8 January deadline was that:

Irish Govt indicate they do not expect financial aid after expiration ECA Dec 29 1951 except for completion previously approved TA projects. They point out that new TA aid expected under MSA will be small and wld not (rpt not) justify changing their foreign policy, which they claim wld result if they agree to proposed document... they believe all TA projects approved prior above date will be carried forward to completion.⁸⁹

A US Embassy Despatch on January 10 described the attitude of the Irish officials involved in the discussions as 'rather casual and disinterested during the early stages of the negotiations, apparently feeling that Ireland would in any case not be much affected'. However 'it became clear as the negotiations approached the final stages that the Irish Government was desirous of securing a completion of the aid program launched under the ECA agreement if that could be accomplished without prejudice to its policy of neutrality'.⁹⁰ The detailed implications of aid suspension only became clear on January 14 when the Washington Ambassador reported to External Affairs that MSA considered that 'the only rule that would fully meet their responsibilities under the legislation was that all assistance should be terminated as of midnight on the 8th January except to the extent necessary to relieve a government of a dollar commitment which they had entered

⁸⁸ NAI DFA Foreign Affairs 305/57/112/50 H. McCann, Washington Embassy to Secretary, External Affairs, 11 December 1951

⁸⁹ NARA RG 469 Europe Ireland Division 1948-1953 Box 3 folder Irish Aid Program Suspension, cable A. Dexter, MSA Special Mission to Ireland for Economic Cooperation to MSA Washington ("EYES ONLY BISSELL AND PORTER"), 4 January 1952

⁹⁰ NARA RG 469 Europe Ireland Division 1948-1953 Box 3 folder Irish Aid Program Suspension, US Embassy Dublin Despatch to Department of State, Washington "Negotiations between te United States and Ireland regarding continuation of economic aid to Ireland under MSA", 10 January 1952

into by firm contract and to which they were irrevocably committed'.⁹¹ On 24 January Dexter's belief that 'Irish Government not fully aware consequences failure to exchange notes and may still reconsider' was recorded in a draft cable to Washington from MSA Europe.⁹² To MSA in Washington Dexter reported on 27 January that Irish Government 'would welcome any suggestion how the TA work could be continued'.⁹³ The 'making of special arrangements' broached by Clement in October was now taken up by the US Ambassador Francis Matthews, with the support of what had become the 'M.S.A. Special Mission to Ireland for Economic Co-operation'. The Ambassador met President Truman on 1 February but, in the face of opposition from MSA, could not persuade him to exercise discretionary powers the Mutual Security Act conferred on him to treat Ireland as a special case.⁹⁴ All US aid to Ireland had entered a state of suspension that would prove permanent.

The Irish TA Programme under scrutiny prior to suspension

As well as the uncertainties surrounding the new mutual security legislation, the environment of the Irish TA programme in late 1951 was one of heightened scrutiny due to the size it had attained. On 5 September Hugh McCann reported 'a recent luncheon discussion' with Daniel Hopkinson, Head of ECA's European Program Division, during which Hopkinson 'referred to the fact that our [TA] program was proportionately much larger than that of any other country' and was therefore a potential target in the context of Congressional cutting of the ECA budget. Hopkinson advised that 'if we were very keen on implementing our full technical assistance program (and I assured him we were) it would be desirable for us to impress on the policy people concerned in ECA the importance of our program, before they might unthinkingly cut it back without a proper appreciation of its importance'.⁹⁵ To assist in this task Industry and Commerce formulated 'general observations' on how the projects 'taken together form an integral whole directed to securing the development of the non-agricultural side of Ireland's economy in the manner most beneficial to this country and to Western Europe generally':

⁹¹ NAI DFA 305/57/275 J Hearne, Washington Ambassador to Secretary, External Affairs, 14 January 1952

⁹² NARA RG 469 Entry 1250 Director Subject Box 2 folder Memorandum Agreement Department of State and ECA, draft cable from MSA Europe, 24 January 1952

⁹³ NARA RG 469 Europe Ireland Division 1948-1953 Box 3 Irish Aid Program Suspension, draft memorandum "Suspension of Irish aid", D.L. Gordon, MSA (?) to A. Boyd and G. Elsey, MSA (?), undated

⁹⁴ see R. Fanning "The United States and Irish Participation on NATO: The Debate of 1950" *Irish Studies in International Affairs*, Vol. 1, 1979, pp. 38-48 especially pp. 46-48:

⁹⁵ NAI DFA 305/57/112 Part III H. McCann, Washington Embassy to Secretary, External Affairs, 5 September 1951

1. Due to historical causes this country had a late start in industrial development with the result that –
 - (a) our commercial and financial system developed with a leaning towards imports of manufactured goods; and
 - (b) the Irish agricultural community and commercial interests tend to be conservative about investment in industry, particularly Irish industry
2. There has been a substantial amount of industrial development achieved in the past two decades but it has been a hurried development. If the development achieved is to be consolidated and further expansion effected, it will be necessary that greater attention should be given to questions of designs, method of production, management problems, materials conservation etc.
3. A fair amount of expansion achieved consisted unavoidably of what might be described as “assembly” industries; there is a real need to get down to the problem of developing our basic resources e.g. peat utilization and processing, production of ammonia sulphate and sulphuric acid from indigenous raw materials, the use of materials heretofore wasted to produce protein feeding stuffs for livestock, the locating and developing of workable deposits of minerals etc.
4. The Irish market is small and this means that most of the factories here are small scale units which cannot afford laboratory and research services available to large industrial concerns in other countries. The Technical Assistance Programme affords a valuable means of remedying this deficiency...
5. In certain industries an export trade is essential if the factory is to operate on an economic basis. A high degree of technical efficiency both in production and packaging is essential.
6. It is not always possible to secure unbiased advice from British or Continental sources as these are directly affected by the progress or otherwise of the Irish concern.⁹⁶

By late November Hopkinson’s prediction had been proved right with McCann reporting to Dublin a conversation he had had with Everett Bellows, Director of ECA’s Productivity and Technical Assistance Division who ‘told me frankly that there was a sharp divergence of opinion within ECA as to the necessity of all of the Projects in our Programme in current circumstances’, adding that ‘I think the story has gone around in some quarters in ECA that most of our projects were dream children of Harry Clement and were not really sought by the Irish Government’.⁹⁷ On 3 December the Dublin ECA Mission received a joint telegram from the State Department and ECA in Washington posing questions regarding Irish government commitment to, and concern about possible

⁹⁶ NAI DFA 305/57/112 Part III T. Murray, Industry and Commerce to Secretary, External Affairs, 27 September 1951

⁹⁷ NAI DFA 305/57/245 H. McCann, Washington Embassy to Secretary, External Affairs, 28 November 1951

curtailment of, its TA programme. External Affairs responded that the government was committed 'to the extent that it is their firm intention to have the programme completed in its entirety as far as possible, if necessary from their own resources' – although it was agreed with Clement that this would be conveyed to Washington in a watered down form lest this 'declared readiness' might 'have the opposite effect to what was desired' by providing grounds for concluding that ECA assistance was unnecessary.⁹⁸

As described above, events were moving within days in a direction that would shortly leave the Irish government reliant on its own resources to maintain a TA programme. The manner in which suspension spared only firmly contracted projects meant that, as Table 7 sets out, from the authorised \$900,000, the US Government paid out just over \$20,000. This sum was spread over the five projects shown in bold type in Table 7. Two were part of a set of projects for the semi-state Sugar Company. One – Food Preservation and Canning – was sponsored the Department of Education and related to Domestic Economy instruction rather than factory production. The remaining two (partially) funded projects surveyed private firms involved in one case in processing meat or meat by-products and in the other in processing fruit and/or vegetables.

Salvaging projects from a wrecked programme

Of the projects deprived of any dollar support about half were continued to a greater or lesser extent by Irish Government funding. When Irish resources were actually required to complete the programme, the firm intention that carried the day was that of Finance to insist on its fresh sanction being obtained before any project spending Irish Government money would proceed. Responsible for almost all the suspended projects, Industry and Commerce undertook a review whose recommendations were approved at the Departmental Conference held on 10 March.⁹⁹ The projects continued and those discontinued as result of this review are distinguished in column 4 of Table 7. All of the continued projects were in the semi-state sector and virtually all had a history preceding the advent of ECA TA. Peat gasification fitted into a pattern of Irish industrial research concerned to find economic industrial uses for Ireland's endowment with an abundance of peat and seaweed. Supported by small amounts of state funding since the early 1930s, this activity gained impetus from the expansion of turf production and utilisation that occurred in the context of the fuel crises of the war years and of the coal supply difficulties that persisted into the 1950s. Mianrai Teoranta was engaged in mineral exploration before ECA TA and turned to a British consultant when it ended. A proposal developed in conjunction with Britain's Imperial Chemical Industries (ICI) by Ceimici Teoranta – the industrial alcohol producer – for sulphate of ammonia production based on gypsum had been under consideration when US TA came on stream. ICI resumed its involvement when US TA was withdrawn. CTT, by contrast, was a creation of the Marshall Plan period which was only beginning to function as aid was suspended. Its negotiations with two US firms on the now fused set of projects that had been designed to launch it into operation were at an advanced stage by the end of 1951 when the MSA axe

⁹⁸ To be added

⁹⁹ NAI DET&E 2000/13/6 Minutes of Departmental Conference No. 244, Item 15 Technical Assistance Schemes Relating to Manufacturing Development, 10 March 1952

fell. With a remit to develop dollar exports, its case for funding to retain US experts was a particularly strong one.

Table 7 Programme of Technical Assistance approved by ECA on 29th June 1951, Actual Provision of Dollars by the US Authorities and Action by Irish Government after Aid Suspension

Project	Submission Date	\$	after 8/1/52
Sugar Beet: Maintenance Engineering	4 June 1951		N/A
Sugar Beet: Factory Design Engineering	4 June 1951		N/A
Sugar Beet: Cost Accounting Study	4 June 1951		N/A
Sugar Beet: Mechanical Engineering	4 June 1951	1,451.35	
Sugar Beet: Visit of Pathologist	31 March 1951	1,860.00	
Food preservation and canning	28 May 1951	1,635.76	
Analysis of power potential	5 June 1951		Dropped
Peat gasification	26 June 1951		Continued
Manufacture of Protein Feed etc.	26 June 1951	8,659.01	
IDA: Special Industrial Problems	26 June 1951		Dropped*
IDA: Direct Productivity Assistance	26 June 1951		Dropped
Food processing	5 June 1951	9,102.84	
Sulphuric acid production	6 June 1951		Continued
Phase Two of Industrial Survey	5 June 1951		Dropped
Industrial minerals exploration	6 June 1951		Continued
Dollar export projects (Coras Trachtala)	6 June 1951		Continued
CIE projects: maintenance, engineering and hotels	8 June 1951		Continued in part
TOTAL		22, 753	

* One sub-project was almost spared. At Industry and Commerce's Departmental Conference on 10 March 1952 the recommendation that 'the project for fuel conservation in industrial and other undertakings should be proceeded with, the cost of the services of two British experts for six months being defrayed by the State' was approved. Finance opposition later led its being dropped

Of the discontinued projects the power potential one related to a semi-state company - the ESB - which had never wanted to have it and took the opportunity presented by aid suspension to kill it off. Most of the rest of the discontinued projects category was made up of the IDA projects dealing with horizontal and vertical industrial problems which were described above. Of the two, the horizontal problems project had made least progress prior to aid suspension. In late October 1951 draft letters seeking bids from consultants for studies of the five horizontal problems were sent to the Washington Embassy. However the project appears to have got stuck towards the back of the projects

queue with no finalization or circulation of these letters taking place. The vertical industrial problems project had moved further forward, with suitably qualified specialists being identified for the furniture, industrial alcohol and pharmaceutical industries but firm contracts were not in place on January 8 1952. Sigurd Johnson, an Associate Professor of Furniture Manufacture and Management in South Carolina, subsequently made an cut-price offer to do the Irish project for a fee plus local expenses 'as he would be doing another overseas Consulting job in Germany this Summer with overseas transportation paid for'. A similar offer was received from Edgar Carter, recently retired Executive Director of Research at Abbot Laboratories in Chicago who wrote to Hugh McCann 'indicating that in the new situation of the suspension of aid, and as he was being retained on a Consultant's salary by Abbot Laboratories, it might be possible for him to undertake the project for you for the cost of first-class expenses of the trip for himself and Mrs. Carter, without any salary or fee'. These offers were not taken up.

The final discontinued project was the Industrial Survey's second phase, a casualty best placed in the context of the outcome of this survey's first phase. The Ibec Technical Services Corporation's report *Industrial Potentials of Ireland: An Appraisal* (often referred to as the Stacy May report) was researched during the Summer of 1951 and – with its concluding references to a variety of disrupted TA projects – had been overtaken by the suspension of US aid to Ireland by the time it was published a year later. The report favourably contrasted Irish industry with Irish agriculture in productivity terms - 'all of the upward momentum in physical output terms has come from industry, since agricultural production has remained static...industry measured by output per worker has produced far more than has agriculture... the continuation of the employment shift that has been taking place should be further encouraged'. It then noted that 'there are, however, serious limitations on such shift imposed by shortages of domestically produced materials, a limited domestic market for manufactures, and competitive problems in producing for export manufactures based on imported materials'. It also attempted to estimate the dimensions of the 'productivity gap' between Irish and US industry (see Table 8). The major limitations and competitive disadvantages of Irish manufacturing industry were identified as being unduly high materials costs, concentration on activities resulting in little added value as well as low productivity per person employed 'in part, probably, because of inefficiencies in management and labor usages, but importantly because of low plant and equipment investment'.

The report went to offer both broad critique and specific suggestion. A pervasive pessimism and lack of confidence was identified as a fundamental Irish cultural malaise:

The talk is of economic expansion, but the action of government, business and labor alike is too often along the lines of consolidating present positions rather than accepting the hazards inherent in changed practices upon which expansion depends. There are few evidences of boldness or assurance in economic behaviour to give substance to expressed economic aims. In fact, the declarations of expansive purpose are frequently qualified by expressions of a conflicting, anti-materialist philosophy, of an asceticism that opposes material aspirations to spiritual goals, and hence writes down the former as unworthy

Table 8 Estimated Operating Ratios Per Person Employed: US and Irish Industry

Category	Ratio US to Ireland
Gross output	2.1 to 1
Value Added	3.0 to 1
Wage and Salary Payments	3.0 to 1
Materials Costs	1.6 to 1
Profits before taxes	3.4 to 1
Investment in fixed assets	2.9 to 1

A banking system removing Irish savings to Britain rather than investing them productively at home; an incentive-stifling system of government regulation and taxation; an imbalance between productive and 'social welfare' public capital investment as well as an unequal exchange trading relationship with Britain all came in for criticism. A cattle industry organised to add value domestically rather than export live animals, mineral development, identification of imports that could be replaced by domestic products and the use of TA to promote the efficiency in manufacturing that would make exporting feasible were all suggested as lines of expansion to be pursued. The critique of excessive linkage with Britain was also accompanied by the suggestion that:

If Ireland were to establish a general economic climate favourable to private initiative, with institutions that provided strong incentives for investment in the modern capital equipment upon which high productivity depends, and equally attractive rewards for managerial and worker performance, development of the more promising lines of manufacture would follow almost automatically. Foreign capital likewise could be attracted in considerable volume to what would amount to a haven from state-imposed restrictions that are so widely prevalent in Europe¹⁰⁰

The report completed the first of what had, as outlined above, been envisaged as a two-phase project. Here it was anticipated that 'at a later date (now undetermined) Phase 2 would show the I.D.A. how to realize these [industrial] potentialities through detailed prospectuses designed to attract enterprises to develop specific industries'. The Ibec Corporation was not, however, at this point contracted to carry out Phase 2. Having thus fallen outside MSA's conception of its obligations, deflationary action by Finance and

¹⁰⁰Ibec Technical Services Corporation *Industrial Potentials of Ireland: An Appraisal* New York: Ibec Technical Services Corporation, 1952: quotes at p. 80 and p. 93: Table at p. 38

the enmity of Agriculture arising out of the report's critique of the cattle trade combined to ensure that the second phase of specific studies never took place.¹⁰¹

Like the Ibec Industrial Survey first phase report, the reports of the consultants engaged by CTT were also published. The consultants to CTT were given the brief of exploring the potential for exporting specified products to the USA. Their three month study involved visits to 108 separate plants most of which were involved in food processing or textiles. Their report began with a blunt discussion of business attitudes in which it was stated that 'we have discovered no inclination among Irish producers to take any sort of risk'. The predominantly family-owned businesses were accused of 'smugness' and a catalogue of illusions which obstructed their proprietors from approaching issues of export marketing in a realistic way were enumerated, including the illusion that the Irish product was of superior quality and the illusion that it would be possible to successfully sell in the USA 'on the basis of sentiment, nationality or friendship towards Ireland and the Irish'. None of the products examined was considered worth recommending for market research. The consultants commented on the 'deplorable physical condition' of many of the factory buildings they visited, and like the Ibec report, attributed this to insufficient tax allowances for depreciation. Ireland, they considered, 'has few advantages in costs of manufactured products, except foods':

Most raw materials have to be imported... most machinery and tools are imported. Labour costs are relatively low, but lack of high speed production line methods restricts the output per worker. This is largely due to the policy of making so many varieties of goods, to meet the Irish market.¹⁰²

According to the published reports the numerous shortcomings observed were communicated orally to plant managers and further notes were left with CTT by the consultants. But CTT was a marketing rather than a production-focused organization with neither the capacity nor the inclination to follow up on the problems identified. In September 1954, when an extension of CTT promotional activities to include non-dollar as well as dollar areas was approved by the Government, the company was stated to have a list of some 27 manufactures which were considered to have worthwhile export prospects with recent increases in export sales having been recorded for bloodstock, woollen and worsteds, parcel post, glassware and dressed leather.¹⁰³

Conclusion

The best laid plans of mice and men gang agly, as Robert Burns observed. Scarcely a handful of the seventy or so US experts that External Affairs were expecting to arrive in Ireland during 1952 actually did so. Only two Irish industrial teams travelled to the USA, a number that might be brought up to five by adding two teams from the rival trade union congresses – one Irish-funded after the US aid suspension – and some Federated Union of

¹⁰¹ B. Whelan *op.cit.* pp. 347-350

¹⁰² Coras Trachtala *Dollar Exports: Report of U.S. Consultants* Dublin: Coras Trachtala, 1953: quote is at p. 28

¹⁰³ NAI DT S14818 C Industry and Commerce Memorandum for the Government Extension of the Activities of Coras Trachtala 9 September 1954

Employers nominees attached to a huge 1951 European employers mission. Irish industry never experienced a sustained exposure to the US 'gospel of productivity' in the way industry in most other Marshall Aid recipient countries did.

How would Irish industry have responded to TA-introduced American ways if it had had the opportunity? Not very positively, one might predict on the basis of most of what has been written about the prevailing southern Irish attitudes and values of the early 1950s and also of the resistant British managerial response.¹⁰⁴ In envisaging 'the introduction to Ireland of needed aspects of scientific management [which] could, if successful, be spread rapidly', the proposal for the horizontal industrial problems project was probably being highly optimistic. Indeed at a meeting with External Affairs and Industry and Commerce officials on 8 September 1951 Clement 'mentioned that some of the technical assistance projects already in hands might produce some difficulty with organised labour'. Here 'he had in mind particularly the materials handling section of the C.I.E. project and the materials handling part of the I.D.A. project for dealing with special industrial problems'.¹⁰⁵

In relation to Marshall Plan TA it has recently been suggested that 'Europeans embraced what conformed to their needs and values'.¹⁰⁶ Governmental perception of the need to increase Irish industrial efficiency certainly existed at this time as the Industrial Efficiency Bill proposals and the brief given to the IDA demonstrate. An intriguing 'what if' of Irish industrial history concerns whether US technical assistance could have pushed this agenda forward with practical effect if it had not been suspended. Pointing to the absence of a supply of efficiency inspectors of the requisite type, Joseph Lee has argued that the main problem with the Industrial Efficiency Bill was impracticality.¹⁰⁷ ECA TA offered a source from which efficiency experts could be imported and parts of the projects assigning specialists to the IDA to tackle horizontal and vertical industrial problems proposed to do this importing. Perhaps the depiction of how ECA could provide a cutting edge of efficiency measurement to support IDA tariff appraisal quoted above might be discounted to some extent as a sales pitch from the Dublin Mission to ECA Washington. But the advent of the IDA was certainly accompanied a significantly more stringent approach to appraising individual tariffs within the continuing commitment to an overall policy of protection.¹⁰⁸

The resumption of Industry and Commerce responsibility for both tariff applications and technical assistance after the return to office of Fianna Fail in June 1951 did not seem to

¹⁰⁴ On Irish attitudes and values see B. Girvin "Ireland and the Marshall Plan: A Cargo Cult in the North Atlantic?" pp. 61-71 in R.T. Griffiths (ed.) *Exploration in OEEC History* Paris: Organisation for Economic Cooperation and Development, 1997: on British managerial responses to US technical assistance and productivity programmes see, for example, N. Tiratsoo and J. Tomlinson *Industrial Efficiency and Conservatism, 1951-1964: Thirteen Wasted Years?* London: Routledge, 1998

¹⁰⁵ NAI DFA 305/57/112 Part III Report of Meeting, Technical Assistance, 8 September 1951

¹⁰⁶ B. Machado *In Search of a Usable Past: The Marshall Plan and Postwar Reconstruction Today* Lexington, Virginia: George C. Marshall Foundation, 2007, pp. 46-47

¹⁰⁷ J.J. Lee op. cit. pp. 292-293

¹⁰⁸ B. Girvin *Between Two Worlds: Politics and Economy in Independent Ireland* Dublin: Gill and Macmillan 1989, p. 178

affect the commitment to proceeding with these projects until they were suspended. Although the horizontal and vertical industrial problems projects were subsequently discontinued, encouraging firms to seek consultant assistance was to become the basis upon which Industry and Commerce now sought to raise industrial efficiency. A Government decision to retain a Technical Assistance Vote, even though its ECA *raison d'être* had disappeared, was taken on 15 February 1952. In March Industry and Commerce decided on 'the preparation of a list of industries (especially protected industries) which appeared to be in need of technical assistance' together with a policy 'to induce these industries to secure technical assistance in consultation with the Department'. In November, when the Technical Assistance Vote, was being moved from the Finance Estimate to those of other interested departments, an Industry and Commerce view was elaborated whereby 'it would be in the general interest if emphasis could be transferred from protective measures to technical etc. improvements; applicants for tariffs might be directed to approach their problems from the point of view of re-organising their methods... generally the idea of Irish manufacturers seeking competent advice to modernise their methods should be fostered officially'.¹⁰⁹

The list of industries was duly compiled but disagreements between departments – and complications surrounding the Grant Counterpart Fund in the post-suspension situation – meant that the funds to induce firms to seek TA only came on stream at the end of the 1950s. Then Finance, which had effectively choked off funding for TA, in spite of the existence of TA Votes, came to see it as a carrot that would make more palatable the turn it was advocating towards the stick of free trade as 'the source of the discipline necessary to secure an increase in industrial efficiency'.¹¹⁰ Industrial TA funding began to flow much more generously as the objective of full Irish membership of the EEC was adopted and the Committee on Industrial Organisation identified the huge scale of adaptation to the coming economic order that was required. But between 1962, when EEC adaptation measures came on stream, and the 1952 suspension of ECA TA stretched a decade of lost opportunities to upgrade Irish industrial performance.

As noted at the outset, Till Geiger has highlighted anxieties on the political left concerning the extent to which aid in grant or TA form increased US influence in Ireland. Clement was certainly sensitive to this criticism, as Carrigan had earlier been to that from *Irish Industry*. Meeting Lemass on 29 January, shortly after Louie Bennett's letter to the press, he recorded that 'with regard to "Americanization", he seemed to minimise the problem'. While Lemass 'gave no indication of his present opinion about it or Fianna Fail's position', he observed 'that we should have "little difficulty in explaining" our position'. Clement wrote a lengthy memorandum to Mission Chief Miller with the title "Public Relations for TA Program: Preliminary Suggestions" on 6 February. This concluded by arguing that the Mission need not be defensive and could 'ignore the

¹⁰⁹ NAI DET&E 2000/13/6 Minutes of Departmental Conference No. 244, Item 16 Technical Assistance for Industries, 10 March 1952; NAI DET&E 2000/13/7 Minutes of Departmental Conference No. 273, Item 16 Technical Assistance, 3 November 1952

¹¹⁰ Department of Finance Memorandum "Reasons for Reducing Protection", 14 December 1959 reproduced in T.K. Whitaker *Protection or Free Trade – The Final Battle* Dublin: Institute of Public Administration, 2006, pp. 56-57

crackpots' - 'the majority of Irish are for ECA (even though they don't know what we're trying to do) and we can build on that'. On 8 February, at a luncheon with MacBride, Clement 'brought up the problem of Louie Bennett, whom MacBride believes we should ignore'.¹¹¹

The 'subtle overall penetration of Ireland by the E.C.A.' that Bennett discerned was certainly in evidence in the field of industrial TA with the carrying out of the overall industrial survey and the predominance of Type B over Type A TA being the main cases in point. Initial IDA resistance in 1950 to ECA's preferred line of action was overcome and the cooperation of the Irish agency in pursuing ECA-designed projects secured by 1951. Clement's March 1951 complaint (quoted at the outset) about Beddy 'giving us the usual run-around' referred specifically to the IDA pulling out of a meeting to discuss the Improvement of Production Methods Etc. project in the Dollar Exports section of the December 1950 programme. The other parts of the programme involving the IDA appear to have been developed without conflict while all the Dollar Export projects found a sponsor first in Industry and Commerce and later in CTT. Contributing to ECA's success was a 'softly, softly' approach that recognised that a full-frontal attack on Irish protectionism would be counter-productive. Instead ECA successfully latched onto Irish concerns with exploring areas of untapped industrial potential and with tackling the inefficiencies of protected industries. Louie Bennett argued that '[American government] interest in us at the moment must inevitably be coloured by their Defence campaign': Clement sought to protect the funding for TA in a non-NATO state by proposing the application to Ireland of 'a broad interpretation' of ECA's increasingly militarised policy. This involved repackaging the December 1950 programme into 'defense effort' compatible categories and arguing that there was a special Irish case for retaining the promotion of tourism and dollar exports which were being discarded across the rest of Europe by ECA.¹¹²

The coming into effect of the Mutual Security Act eliminated the room for manoeuvre required for Clement's 'broad interpretation' to be viable. Quoting an MSA memorandum to the White House, Ronan Fanning comments that 'the Irish case [for special arrangements put to President Truman by US Ambassador Matthews] was not helped by the fact that every other affected country had been willing to adhere to the new purposes embodied in the Mutual Security Act'.¹¹³ Troy Davis writes that 'other neutrals accepted the terms of the Mutual Security Act and continued to receive American aid'.¹¹⁴ However Sweden had cut its links to the ECA aid programme in October 1951 and from Paris Con Cremin on 20 December reported a conversation with the Head of Swiss

¹¹¹ NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller memoranda from H. Clement, ECA Mission to P. Miller, ECA Mission "Luncheon with Sean Lemass and Paul Miller, January 29, 1951", "Public Relation for TA Program: Preliminary suggestions" 6 February 1951, "Status of \$1.6 Million TA Program" 8 February 1951

¹¹² NARA RG 469 Entry 1246 Director Misc. Subject folder Memos Clement to Miller memorandum from H. Clement, ECA Mission to P. Miller, ECA Mission "TA for the Defense Effort" 29 March 1951

¹¹³ R. Fanning "The United States and Irish Participation in NATO: The Debate of 1950" Irish Studies in International Affairs, Vol. 1, 1979, pp. 38-48: quote is at p. 48

¹¹⁴ T.D. Davis Dublin's American Policy: Irish-American Relations, 1945-52 Washington, D.C.: Catholic University of America Press, 1998, p. 217

Delegation to OEEC who described the Mutual Security Act as ‘a fundamental change’ whose ‘terms were such as the Swiss government could never accept’. The Swiss envoy ‘also thought that the Swedes saw this coming and pulled out’.¹¹⁵ After US aid was suspended, MSA stated that it was happy to give Ireland ‘the same assistance (short of financing) that they would give any friendly country’.¹¹⁶ Ireland, in other words, continued to have the same access to the US Technical Assistance and Productivity Program (USTA&P) as before but would have to pay the full costs arising from its participation. Sweden and Switzerland were in the same position. During the 1950s the Swedish and Swiss governments financially assisted their nominees to take part in relevant parts of the TA programme which after 1953 were mainly delivered through the European Productivity Agency (EPA).¹¹⁷ The Irish government policy was, with very few exceptions, to leave any Irish participants in EPA projects to foot the whole bill themselves. There were, as a result, very few Irish participants. Only in 1959 was minimal involvement replaced by positive Irish engagement with EPA.¹¹⁸ By this time EPA had outlived its usefulness in the eyes of the US Government, its original sponsor and main provider of funds, and its disbandment was imminent.¹¹⁹ Thus ended the story of US Government involvement in Irish industrial TA that effectively began with Harry Clement’s assignment to the Irish Desk in ECA Washington in late 1949.

Abbreviations Used in Footnotes

DET&E	Department of Enterprise, Trade and Employment
DFA	Department of Foreign Affairs
DIC	Department of Industry and Commerce
DT	Department of the Taoiseach
NAI	National Archives of Ireland
NARA	National Archives and Research Administration
RG	Record Group

¹¹⁵ NAI DFA 305/57/275 Part 1 Minister Plenipotentiary, Stockholm to Secretary, External Affairs, 17 October 1951; NAI DFA 305/57/275 Part 2 note by W.P. Fay, Secretary, External Affairs 20 December 1951

¹¹⁶ NAI DIC R303/8/18 F. Biggar, External Affairs to T. Murray, Industry and Commerce, 17 April 1952: copy of E. Bellows, Director, Productivity and Technical Assistance Division, MSA to A. Dexter, MSA Special Mission to Ireland for Economic Cooperation, 22 March 1952

¹¹⁷ See NAI DFA 305/57/204/69

¹¹⁸ P. Murray ‘Ireland and the Productivity Drive of post-war Europe’ pp. 66-81 in B. Girvin and G. Murphy (eds.) *The Lemass Era: Politics and Society in the Ireland of Sean Lemass* Dublin: UCD Press, 2005

¹¹⁹ B. Boel *The European Productivity Agency and Transatlantic Relations, 1953-1961* Copenhagen: Museum Tusulanum Press