

Neo-Colonialism and Ireland

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FROM 1917 to 1922 Europe was smouldering at the core and ablaze at the edges. The flames licked Hungary and Germany. Even the old imperialisms were not immune. Britain and France in the international role of two battered gendarmes were as near to revolution as ever in their history. The Eastern fire was never extinguished, and because of it the world bourgeoisie has lived ever since in a traumatic condition, in which reactions no longer correspond to stimuli, and words have lost their ordinary meaning.

In the West the Irish revolution burned brightly for a time, then suddenly went out. What happened? The Washington Naval Conference heralded the settlement. Britain sacrificed the Japanese alliance in return for American disinvolvement in Ireland. The powerful Irish-American pressure groups popped like balloons. This fact, widely attested at

the time, should serve as a reminder of the historians' conviction that European history is not to be understood if Ireland is left out. Certainly British history is not, nor in particular the calming of the great popular upsurge which, had it been successful, might have prevented close on fifty years of war and frustration.

The crushing of the Irish revolution was central to the prevention of revolution in England. Hence the silence. No headlines for Ireland, not even now that the Irish movement is rising again. With Ireland out of the way the British capitalists could turn to taming their own countrymen. The results were seen in 1926, 1931, 1939—and more recently. This article is a brief and tentative introduction to the lifting of the veil, which must come, even though the official records may be buried in enforced secrecy for a hundred years. One can think of India

as we name the device that was brought out, manned one might add with able coadjutors from the colonial merchants and right-wing social democracy. It was neo-colonialism, the device by which politically independent countries can still be plucked even though the knife is away from their gizzard.

Behind the Legislative Union

It is a commonly held fallacy that Ireland was at one time amalgamated with Britain. It was not. In 1801 there was established a legislative Union. Throughout its duration the Union Parliament made laws for Ireland; this was not quite the same thing as making all laws for one United Kingdom. The legislative Union was followed by a customs and a financial union. But the "partially shared executive" of the days of legislative independence remained, and indeed during the nineteenth century proliferated "more Boards than would make a coffin".

During the 120 years of the legislative Union I have estimated elsewhere that the surplus value extracted from Ireland was, at a minimum, one thousand million pounds. It was almost certainly far more. And that was when a pound was a pound. Moreover, it takes no account of several million head of immigrants; their rearing would be mostly at the expense of the small farmers and the proletariat, and not to be noticed in records of transactions between gentlemen.

The characteristic payment was rent. This was drawn by a class of landlords distributed like leeches over the countryside. From this class came the magistrates and local administrators. But in the 'eighties came the great land war, followed by the Parnellian "Home Rule" agitation. After much heartburning Gladstone was compelled to the conclusion that the bourgeoisie must replace the landlords as the garrison class. The form of exploitation must be altered. He and his successors introduced land Acts under which the landlords were bought out and "Home Rule" was promised in an extremely restricted form in which the bourgeoisie would be charged with collecting and remitting the mortgage payments. Roughly speaking that system now exists in the six north-eastern counties of Ireland. It does not substantially affect the principle of colonialism, namely, the retention of state power in the hands of the imperialist power. In his "Introduction to Neo-colonialism" Jack Woddis¹ stresses that the transition to neo-colonialism involves a retreat to "previously prepared positions". One might almost say no prepared positions, no neo-colonialism. In Ireland the preparation was a lengthy process, in which much detritus from past manoeuvring was hooked into service. The principal

opposition to the Union had been in the North, as had also (for other reasons) the main revolutionary forces of the preceding era. To placate the right and buy over the left the North had been showered with economic privileges. In the first days of the "Home Rule" agitation the counter-cry of partition came to save these privileges.

Change but the Same

The division of the bourgeoisie was effected by discriminating against the South. But then the worst happened. Under the blows of this discrimination, and the stress of world war plus the Russian Revolution, this aggrieved bourgeoisie became revolutionary. It echoed the cry of complete independence, of a Republic, of the end of colonialism. Neither troops nor auxiliary police availed. A war was fought, typically colonial in that those defending their hearths and homes were denied international combatant status. And imperialism achieved no military solution. Instead a political solution was agreed to in which the privileged North, which was to have remained in the legislative Union, got "Home Rule". And the remainder of the country, twenty-six counties in all, got political independence limited by a "Treaty" whose effect was to annul the laws made by the people and establish in power the same bourgeoisie, which had been cured of the distemper of revolution by a dose of fiscal independence. Imperialism had stooped to conquer. All had changed but all was the same thing. The braided hats and the Castle pageantry had gone, gone moreover with bad grace and grave misgivings, but surplus value still flowed outward, and Ireland free was still in chains.

It would be possible to argue that six Irish counties remained a colony, while twenty-six became politically independent and subject to neo-colonial forms of exploitation. But this would miss the essential, namely that partition is the basic precondition upon which neo-colonialism can have any stability in Ireland. Hence it was precisely this that was the most consistently prepared and most hardly fought-for position.

Meaning of Partition

What does it mean? Politically, it means that Ireland can never speak with one voice. The majority has been deprived of its majority rights. While responsible for the essential framework within which life in Ireland is lived, British Imperialism can cast all the blame on others. In the six north-eastern counties miscalled "Northern Ireland" twenty-one of the thirty provisions of the Universal Declaration of Human Rights are abrogated. Under Article 75 of the Government of Ireland Act, which is the constitution of "Northern Ireland", the

¹ Lawrence & Wishart 1967.

Westminster Parliament retains "undiminished" control, over "every person and thing" in that area. Yet Northern Ireland Members are refused the right to state their grievances at Westminster. What prevents them? A "convention" that such matters are not in order, a convention to sweep the evidences of guilt under the mat, of which Mr. Heath told the *Belfast Telegraph* last October that he had received assurances from Mr. Wilson that it would be preserved, as his predecessors had preserved it before him. To this day Westminster has full power to legislate the six counties into a United Ireland, granted only that the twenty-six counties will accept them. The legislation involved might be complex. That is not denied. What it is necessary to emphasise is the power. But the power is exercised for purposes of division.

Militarily, of course, partition means the British army at liberty to camp sixty miles from the Irish capital. It means naval and air bases in the North and their availability to the United States. Above all it means that the two parts of Ireland, thus severed, cannot lean on each other without British permission, and can thus be compelled to lean on Britain. Nowhere is this more apparent than in the economic field.

It is a strange thing. Northern Ireland has been under the one Government for forty-seven years, but has been in a state of permanent internal tension and economic crisis throughout. Its entire being is permeated by the fact of partition. Its Western areas which have lost their former hinterland now across the border show unemployment rates of up to 30 per cent—yes, today. It is illegal for their inhabitants to join Republican Clubs though they may understandably think their sole prospect of prosperity lies in union with the Republic, as the twenty-six counties are now called.

Trade Deficit

The striking of a balance of payments is notoriously uncertain. The case of "Northern Ireland" presents the exceptional difficulty that not only capital and labour but also commodities pass freely to and from the neighbouring island. But after a succession of expert committees have done their probing, it is possible to deduce that the six counties suffer a trade deficit of about £40 million annually. After this has been reduced thanks to the payment of British agricultural subsidies to Northern Ireland farmers, and by tourism, and after other adjustments have been made, we are left with a simple net position. A payment of dividend and profit outward is approximately balanced by an investment of capital inward. In other words the entire economy is being steadily and inexorably bought up and taken over by the big British monopolies.

But if we look more closely at the trade figures we find that in 1962, for example, the export of manufactured goods exceeded the import to the tune of £25 million. Is the twenty-six county market irrelevant to this fact when it is noted that here by contrast the trade deficit on manufactured goods was (in 1963) something over £100 million? Add one other important fact. In 1963 Britain's largest overseas customer was the USA who spent £340 million. *On a conservative estimate* the second customer was Ireland, whose thirty-two counties spent at least £250 million. The significance of partition appears in this comparison alone. As Woddis puts it, "One can note at the outset British imperialist insistence on participating in drawing up the constitution of countries about to become independent". Not one single representative of the Irish people, North or South, voted for partition.

Economics of Neo-Colonialism

It is, however, in the twenty-six counties that the typical political and economic forms of neo-colonialism emerge in their full exuberance. How did it start? After partitioning the country and holding separate elections (boycotted in the South) the British Government invited representatives of the revolutionary Irish Government to London, and kept them talking while it pacified the North and negotiated the Washington Treaty. It was then insisted that the Irish relinquish their claim to national sovereignty and co-operate in the establishment of a "Free State" owing allegiance to the King of England, providing military and naval facilities, and paying mortgages on the land taken from the former aristocracy. The fiction was maintained that the "Free State" embraced all Ireland, but it was insisted that the six counties, which already had their own administration including the special policy, should be permitted to "opt out" within a year, which needless to say they did. In addition the Constitution of the "Free State" must be submitted to the British Government for approval before it was placed before the Irish electorate.

The British terms involved the continuance of British law and the revival of the British courts, then inoperative. They involved the disbandment of the democratic people's army, the Irish Volunteers, and its replacement with a professional army. A new police force was set up. All this was impossible without bitter resistance and a civil war was fought for ten months in which the British Government provided material and advice, until ultimately the democratic forces were overborne. The result was a Government hated and despised at home, and so dependent on its British patrons that it failed to make use of the limited opportunities for development which the settlement provided for. Britain

maintained her traditional influence in every possible way. She provided advisers for the armed forces. Throughout the period there were facilities for exchange of junior civil servants, and an interesting study could be made of parallel legislation during the war when, it is said, copies of non-secret memoranda were regularly despatched to Irish opposite numbers. British and Irish regulations were identical even in the number of people who constituted a legal "queue" at a bus stop. The tendency was to copy Britain.

Not that the Free State Government totally failed to attempt escape from the conditions imposed on it. The great Shannon electrical scheme was undertaken with the aid of German engineers. And in 1928 Mr. McGilligan offered special facilities to an American automobile manufacturer to induce him to make or assemble in Ireland all products intended for the continental market. There was no response, and Fords expanded at Dagenham instead of Cork. One suspects a secret agreement between Britain and America declaring Ireland a British sphere of influence. Having lost the already industrialised six counties, and forbidden in effect to industrialise herself, the twenty-six county Free State was compelled to develop her one acceptable export, cattle. This necessitated keeping vast tracts under grass, accentuating the land starvation of the smallest farmers and encouraging emigration. It also depressed the already low standard of living and limited the internal market already truncated by partition.

The onset of the world economic crisis of the 'thirties upset this idyllic picture. The Cumann na nGael (Free State) party had nearly lost power in 1927 to a coalition of Fianna Fail and Labour. The rapid radicalisation of the masses as the depression deepened affected all sections of Irish society, including the sections of the bourgeoisie who had gained least from the settlement of 1921. In 1932 Fianna Fail came to power and for a number of years the settlement was revised in favour of the Irish. The oath of allegiance was abolished. The land annuities (mortgage payments) were cut by half and transferred to the Irish Exchequer. A series of state industries was established, covering fuel and power, transport, agricultural processing (especially sugar), and later shipping and insurance. It is noticeable that the "blue-shirt" movement in Ireland did not aim at a coup on behalf of Hitler Germany, but rather at restoring Cumann na nGael and the old subservient relation to British imperialism. At the same time the principle of free movement of capital and labour (though not commodities) between Britain and the twenty-six counties was retained, and the British currency continued to be used. The Irish bank rate was

closely adjusted to the British, though later not always following it exactly, and the reserves of Irish banks continued to be held in London. On the boards of directors of several Irish banks British bankers held office. All important loans were floated in London. During the war when thanks to abnormally low imports the balance of trade was in favour of Ireland, the surplus was exported until large sterling balances were built up. This process has continued. Irish savings have been channelled abroad while investment from outside has steadily bought up Irish industry.

Irish Capital

During the heyday of Fianna Fail Dublin pursued a markedly independent policy. This was shown in the debates of the League of Nations, and above all in her neutrality during the war. This was a neutrality favourable to Britain, although Mr. Churchill did not always appreciate it at the time. After the war, when the newly-declared Republic was admitted to UNO there was a distinct tendency to alignment with the so-called "Third World".

Since then imperialism has counter-attacked. It has not dared to question the revised neo-colonial political structure, but has aimed at creating a position of greater subservience within it. A persistent campaign in the ideological field has sought to minimise the importance of national unity and economic independence. A movement was established to halt the process of preserving and restoring the Irish language. Cultural life has been cosmopolitanised through the misuse of radio and television. As propaganda for the Common Market intensified, the British imperial objective revealed itself—the integration of all Ireland economically with Britain, while preserving the political structure of partition, and the integration of this integration within the EEC. Britain would thus add to her voting strength and retain Ireland as a special sphere of influence. The Anglo-Irish Free Trade Pact of 1965, with its progressive reduction of tariffs on British imports into Ireland now threatens the very existence of native industry.

In October 1958 a writer² distinguished three types of large capital in Ireland, that derived from the old landlord ascendancy class, that of the industrial bourgeoisie well propped with State aid, and finally foreign (mainly British) monopoly investment. A few years later he re-examined the picture. The first group had evaporated. The second remained but was highly penetrated by foreign interests. The third had expanded prodigiously. On each side of the border, indeed, though to a greater

² Dr. R. H. W. Johnston, *The Irish Democrat*, October 1958.

extent in the North, foreign monopoly has invaded wholesale and retail marketing, using the weapon of hire-purchase, supermarket merchandising, price-cutting and mobile shops. It is expanding in the hotel trade. Both Belfast and Dublin are changing hands at high speed as land speculation alters property values, and the interests of the people are subordinated to those of big business. The matter has been raised more sharply, however, in Dublin where the process, appearing later, has been more rapid.

Irish Indebtedness

A balance of payments for the twenty-six counties can be constructed, granted ingenuity and imagination, from official figures. Its outstanding feature is the enormous deficit on visible trade. Imports (£296 million in 1963) exceed exports by £110 million. How is this huge deficit met? Emigrants' remittances provide £13 million. "Other receipts," which include £9 million "unaccounted for", yield £36 million. The return on Irish-based capital (which, of course, need not be Irish-owned) invested abroad, *less* that from foreign capital invested in Ireland, gives a figure of £16 million. The remaining £20 million must represent a net capital inflow. We thus have the anomaly that over many years Irish income from investments abroad have earned more than has been sent abroad as interest on investments in Ireland, and yet the total indebtedness of Ireland is constantly increasing.

This is not the place for an analysis of this question. Suffice it to say that official estimates of capital movements are derivative not primary. Economists' estimates of foreign holdings are based on the capitalisation of interest. Interest rates are not known in the important private sector. The figures seem to indicate that foreign holdings inside Ireland earn a lower rate than Irish-based holdings abroad, except for bank reserves.

A few examples will show that this is possible, and that it is not incompatible with the exploitation of Ireland by imperialism. When Irish industries are purchased for closure, the advantage to imperialism appears in the trading account. Again, monopoly is sometimes prepared to accept a low margin temporarily while it fights for its foothold. Purchases of land may yield their profit in the form of a capital gain when its use is subsequently altered, or further investment made upon it. Finally, there is the accumulation of capital within Ireland to the credit of foreign interests who then export it abroad.

By way of illustration, and without the attention of putting bad ideas into people's heads, one may quote the existence in Co. Galway of the richest lead and silver deposits in Europe. These are mined by a Canadian-controlled company, and the ore

is not processed in Ireland but exported to foreign refineries. There is nothing to prevent this company so fixing prices that its mines yield a low rate of profit, but selling the raw material to associate companies abroad, into which Irish-accumulated capital may be injected. It is not suggested here that this is done. It is merely asserted that it is both legal and possible. Here we have the jest of the inverse capital scissors, which could indeed bring the Indian peasant a fortune, if only he could invest in Britain instead of in his tiny plot!

What British Imperialism Gains

But of course it is not a question of a battle between account books. The account books conceal the realities, subtract quantities which should really be added, and hide the fact of persistent robbery, capital drain, and the enforced economic retardation, shown so clearly in the trade figures. If Ireland were to use her own silver she could become the greatest producer of photographic materials in Europe. She could make use of labour now exported, and knock off a big lump from the imports brought in for tourist consumption. Many other examples are possible.

What does British imperialism gain from the Republic? It is clear that about £20 million a year of Irish indebtedness is created to meet the trade deficit aggravated, and historically caused, by partition. It can be argued that the total interest paid to foreign investors, plus Irish savings channelled abroad by the banks, together with Irish-based imperial back-investment may well be of the order of £30 million per annum. The loss due to the "scissors", the disproportionately low price of agricultural compared with industrial goods, could be entered at a guess at one-tenth of the trade deficit, say £10 million. Then there is the emigration of 30,000 young men and women. Allow that they each require sixteen years' training at £50 a year, and the cost of rearing them amounts to £24 million. Would their education cost less than another £24 million? Clearly on the roughest tentative calculation British imperialism may well draw £100 million per annum from the twenty-six counties today, some ten times the annual tribute of the nineteenth century, and some three times what was drawn during the First World War. To this must be added a comparable figure drawn from the six counties. It may be true that this tribute forms a lower proportion of Ireland's national income than it did. It is well to be thankful for small mercies.

The Landlords Go, the Principle Remains

Regarding emigration one further observation should be made. In the first volume of *Capital*,

Marx observed that the peculiarity of Irish capital accumulation was that the worker emigrated, leaving his means of production behind him. These were then taken up by the landlords and part of the bourgeoisie. Today the landlords have gone, but the principle is the same. But instead of the landlords, imperial monopoly shares with the largest native bourgeoisie. One class alliance has been replaced by another.

For many years neo-colonialism in Ireland as elsewhere was able to divert attention from its activities by flaunting the Communist bogey. Partly as a result of international developments, but also partly because its increased blatancy has opened the eyes of many formerly uncomprehending sections of the people, all has now changed. A national united front, including the communists (Irish Workers' Party in the twenty-six counties, Communist Party in the six), is being forged in the course of vigorous struggles on such issues as evictions, land consolidation, co-operative farming,

Anglo-Irish Trade Relations, entry into the EEC, as well as such international issues as the Vietnam war, and apartheid in South Africa. Not for a generation has the Irish movement been so vigorous and united. What is of considerable interest is that in Ireland as elsewhere, the enemy is being very widely named. One of the leading bourgeois economic theorists, Senator Fitzgerald, recently declared that Ireland's relation to Britain was one of "neo-colonialism". The bourgeoisie do not enjoy the situation. But they are enmeshed, in their higher echelons at least, in the London-centred financial network. Sections of them may or may not join with the popular masses once again. The masses will demand somewhat more now than in 1916-21. The fact that in the last analysis the fight against neo-colonialism means progress towards socialism has been admitted beyond the confines of the IWP and CP. In 1967 both the Irish Labour Party and the Sinn Fein party introduced socialism into their programmes. It is a sign of the times.