

Someone had to live in the Big House: The legacy of Charles J. Haughey

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“Fianna Fail was good for builders, and builders were good for Fianna Fáil. Everything was planned, someone had to live in the big house and Haughey created a marvellous situation.” — Patrick Gallagher, developer and financial backer of Haughey.¹

December 2019 marks 40 years since the accession of Ireland’s most controversial leader, Charles J. Haughey, to the office of Taoiseach. Haughey’s comeback to be elected leader of Fianna Fáil after a decade in the political wilderness was evidence of a tenacious figure that could deflect criticism or probing inquiries with ease. Haughey was also in debt to AIB to the tune of over £1m, having spent most of the 1970s living on a massive overdraft while ostensibly earning only a TDs salary. Later tribunals would unearth a list of donors who funded Haughey’s lavish lifestyle, through various personal donations kept in offshore accounts, free from the scrutiny of the Revenue Commissioners. Haughey had no qualms about telling the people of Ireland that they were living beyond their means, despite his own status as a kept man. Yet, for a figure mired in such obvious corruption and contempt for the working class, even today it is not unusual to encounter apologists from all classes regarding Haughey. For some, Haughey’s obvious wealth was an expression of a remark made by his father-in-law, Seán Lemass, that the national tide lifts all boats.² His tenure in various departments in the 1960s is often heralded as showcasing his progressive vision as a legislator. His introduction of free travel for pensioners in 1969 is commonly cited as an example of his personal commitment to the elderly. Others cite his policies from 1987, including cutbacks, the foundation of the Irish Financial Services Centre

(IFSC), and the beginnings of social partnership with the trade unions, as having laid the foundations for the Celtic Tiger boom in the 1990s. His patronage of the arts often comes in for praise also, having removed income tax for artists as Minister for Finance in 1969, as well as establishing Aosdána in 1981. Despite revelations of corruption, Haughey died in 2006 never having seen the inside of a prison cell. His graveside oration was delivered by then Taoiseach Bertie Ahern (himself later forced to resign following allegations of private payments of his own) who remarked that “Despite the controversy, even political opponents acknowledge that he had indeed done the State some service[...]. The ultimate judgement of history will be positive.”³ This article will aim to challenge this sanitised view of Charles J Haughey, and argue that on balance, Haughey was ultimately damaging to the country: a corrupt, anti-working-class enabler of the normalisation of cosy relations between politicians and the super-wealthy.

Ministerial career

Haughey joined Fianna Fáil in 1948, mainly through friendship with Harry Boland and George Colley. He married Maureen Lemass, daughter of Seán, in 1951. Lemass had set about the re-organisation of Fianna Fáil during their period in opposition between 1954-7, with the aim of anointing a new, younger generation of politicians.⁴ Bryce Evans argues that Haughey’s quick rise to a central role within Fianna Fáil, despite some disappointing early attempts at election, were less to do with personal favours and more to do with what Haughey represented through his overt ambition within the organisation. Haughey was indicative of a new type of Fianna Fáil, aiming to move away from protectionism and towards cultivating overt business contacts. Lemass

appointed Haughey to create a *de facto* elite branch of the party, 'Comh-Chomhairle Átha Cliath', to recruit "a number of fee paying associate members" to aid with policy formulation and fundraising. Haughey, Brian Lenihan and Donogh O'Malley came to represent these new, overt links, particularly with builders and property speculators, and the younger ministers were often seen socialising with them in bars and restaurants.⁵

Haughey was first elected to Dáil Éireann in 1957 on his third attempt. In 1959, he was made parliamentary secretary to the Department of Justice, despite the opposition of the then Minister for Justice, Oscar Traynor. Haughey would later recall that Lemass warned him that, as Taoiseach, it was his duty to offer him the job, but as his father-in-law he would advise him not to take it.⁶ Nevertheless, Lemass himself intervened and personally ruled out three other potential candidates for the role.⁷ Haughey's maiden speech to the Dail 1957 advocated tax reductions and made his pro-capitalist sympathies clear: "[T]he trouble with this country [...] is that too many people are making insufficient profits."⁸

Oscar Traynor retired in 1961 paving the way for Haughey to take over his first Ministerial portfolio in the Department of Justice. Haughey received much praise as a progressive legislator during his tenure. The *de facto* abolition of the death penalty and prison reform⁹ are two well-noted initiatives, and particular emphasis is often placed on the Succession Act which allowed widows automatic entitlements to their deceased husband's property, whereas previously a man could bequeath all property to a third party, such as a Church.¹⁰ Yet even at this early stage, Haughey's record is dubious. He introduced The Courts (Supplemental Provisions Amendment) Act which contained a measure to increase the salaries of Judges. In defending this provision, Haughey's attitudes towards wealth were further made clear:

"It is a natural tendency to be envious of highly paid people and I accuse the opposition of playing on that simple human emotion and trying to make political capital out of it [...] A man who is only earning £9 or £10 a week is going to resent an already highly-paid member of the judiciary getting an increase. It is difficult to explain to such a man why this is necessary, and the Opposition are doing their best to make sure that the people will be as envious as possible."¹¹

Further acts such as The Street and House-to-House Collections Act placed restrictions on public collections, with the aim of curbing begging. Ryle Dwyer notes that this highlights Haughey's legislation being, in general, slanted in favour of the wealthy and against the underprivileged. A Sales Tax was also introduced at this time, ostensibly to improve funds for welfare provisions, but as Noel Browne pointed out in a Dáil debate, taxes of this kind were inclined to hit the poorest hardest. Although the bill did not emanate from Haughey's department, speaking in defence of the increases embroiled him in a row with Browne. For his efforts, Haughey branded him a communist and several spats ensued. Dwyer notes that by publicly rowing with Browne, the latter being "a champion of the poor and underprivileged", Haughey was "inevitably seen as a friend of the rich, and his ostentatious lifestyle exacerbated the impression."¹²

A situation developed during Haughey's tenure in Justice which enabled politicians and friends to evade media scrutiny for breaking the law. Haughey arranged for 'special courts' to sit at irregular hours, usually after 5pm. This played on the well-known habits of journalists at the time, who would have decamped to the pub by that point in the evening. Sympathetic judges, who were political appointees, would then return to court to hear a case afterwards. This meant that a penalty would still be imposed, but would spare the offending politician from the embarrassment of media scrutiny. It was a perfectly legal manoeuvre, but indicative of Haughey's skulduggery.¹³

One of the most marginalised peoples in Ireland, the Travelling Community, were often dismissed as a 'problem' by public and politicians alike. In 1960 a *Commission on Itinerancy* was established by the Taoiseach with the intention of solving this so-called 'problem'. Haughey abdicated responsibility for the Commission during Dáil debates,¹⁴ but the process was largely driven by him during his tenure as parliamentary secretary. Haughey delivered a speech at the inaugural meeting of the commission, noting that he was tasked with carrying out a preliminary survey on the issue and that "there was a need for some one body to examine the *problem* as a whole in all its aspects if it was to be tackled in a fundamental way. It was apparent to me that the task of carrying out such an examination

with a view to finding a solution or series of solutions must be placed in the hands of a Commission.”¹⁵ The Commission contained no representative from the Travelling community, consistently referred to Travellers as ‘itinerants’ and recommended the forced assimilation of Travellers into the settled community. The report was published in 1963 and remained the basis for state discrimination against Travellers for a further 50 years.^{16/17} Haughey’s framing of Travellers’ way of life as a ‘problem’ was also repeated in his speeches from this period.¹⁸

Haughey never shied away from his obvious ambition to lead Fianna Fáil and become Taoiseach. Lemass’ appointment of Haughey to Agriculture in 1964 was, in Bryce Evans’ words “a clear promotion”; to become Taoiseach Haughey would have to get rural Ireland on his side. This would prove difficult for Haughey, who was faced with large pickets on the Department of Agriculture on behalf of rural farmers protesting price increases.¹⁹ In 1966, Lemass announced his intention to retire as Taoiseach, leaving the door open to Haughey to throw his hat into the ring for leadership. George Colley had also announced his intention to stand. Perhaps as an attempt to avoid accusations of nepotism, Lemass did not back Haughey against Colley, but instead supported Jack Lynch, who was a popular All-Ireland medal holder and was commonly seen as a compromise candidate, (not to mention as a way to stave off the more overtly republican Neil Blaney).²⁰ Haughey’s lack of a support base in rural Ireland, having clashed with the farmers, undermined his leadership bid.²¹ Haughey stepped aside, as did Blaney, leading to a Lynch-Colley face off. When Lynch became leader, Haughey was rewarded with the powerful Department of Finance portfolio.²²

It is from his tenure in Finance that most of the praise for Haughey’s cultural patronage, as well as devotion to the elderly, is cited. Haughey introduced free off-peak travel for pensioners, as well as a grant of one hundred free units of electricity every two months. Opponents accused Haughey of using these relatively cheap measures to obscure criticism of Fianna Fáil’s growing links with wealthy businessmen.²³ Fifty years later, the measures still accord Haughey some degree of admiration amongst the elderly. Haughey’s grandson ran in the 2019 local elections, and found the family

name was not necessarily hindrance to endear him to pensioners, with one resident stating “God bless Charlie and the free travel.”²⁴ While any socialist should welcome the extension of free travel, Haughey’s motives were not simply altruistic. Anne Chambers notes that Haughey was very keen to take public credit for measures such as the free travel scheme, whereas this would have involved a wider anonymous civil-service participation in its drafting, and such personal glory generally went against the previous ethos at the Department.²⁵ As the playwright Hugh Leonard put it: “No one will dispute that to catch a vote Mr Haughey would unhesitatingly roller-skate backwards into a nunnery, naked from the waist down and singing *Kevin Barry* in Swahili.”²⁶

Haughey had attempted to portray himself as a man of the arts. He frequently opened exhibitions and associated with many artists. In his 1969 Budget, he introduced a scheme whereby artists who produced works of sufficient ‘cultural merit’ could pay no income tax on their earnings. The move was widely welcomed, although would cost relatively little, with Haughey stating that the measures were intended to cultivate an artistic community in Ireland, having previously had “a long history of exporting her most creative people”.²⁷ Indeed, the tax breaks did much to attract already-wealthy artists to Ireland, including, among others, the novelist Frederick Forsyth and rock band Def Leppard.²⁸ The still-existing scheme has come under criticism for benefitting those who already earn a substantial income from public money, such as Ryan Tubridy (€495,000 per annum) and Bertie Ahern (€137,000 pension per annum). Fintan O’Toole, writing in the *Irish Times*, makes the case that while helping artists is welcome, the tax breaks “defend the State against criticism of its abysmal record on funding the arts. And, because the scheme is so high-profile, the public generally thinks of it as a bonanza for the already rich and famous.”²⁹

Haughey continued his image as a man of the arts when, as Taoiseach, he established Aosdána in 1981. Like the tax-breaks, this body has also come in for criticism for its elitism. Members are elected to the association by their peers; they are not allowed to canvas or solicit membership. Membership numbers are capped at 247, and once gotten, it is conferred on the recipient for life. Meetings take place annually with only around half of the members attending or bothering

to send in postal votes on new admissions. The lifetime membership and low participation mean that struggling artists who could benefit from financial assistance are essentially shut out.³⁰

When the crisis in Northern Ireland broke out in August 1969, Lynch established a cabinet sub-committee of four on Northern Ireland, which included Haughey and Blaney. Money was to be made available ostensibly for the relief of Northern nationalists. The money itself would be later used for the attempted importation of arms, and lead to the sacking of Haughey. Haughey had refrained from making pronouncements on the North or on partition, despite later framing himself as a staunch republican when it suited him. His muted stance stood in contrast to other Fianna Fáil TDs such as Neil Blaney. The details of the Arms Crisis continue to confound historians and contain far more twists and turns than can be elaborated upon here.³¹ Frustratingly for researchers, Department of Defence files are no longer publicly available, and transcripts of the trial itself only survive in fragments.³² When it emerged that the northern fund had been diverted to covertly import arms, Haughey and Blaney were sacked from the government and later put on trial with several other co-conspirators. The first Arms Trial collapsed, and Haughey and the others were acquitted in the second trial a few weeks later. Haughey used this opportunity to push for a leadership contest against Lynch. The heave was unsuccessful, and Haughey was thus confined to the backbenches for much of the next decade.³³

During the early 1970s, Haughey's preoccupation remained with the arts, and he continued to be present to launch many exhibitions. On the political front, all he could do was bide his time. His public loyalty to Lynch during the years in opposition saw him rewarded with the role of Fianna Fáil spokesperson on Health, and his later appointment as minister for Health and Social Welfare following the Fianna Fáil landslide in 1977. Throughout this period, he continued to appear at Fianna Fáil functions up and down the countryside, laying down the foundations for future support and his political rehabilitation.³⁴

Haughey in Power: The beginnings of Social Partnership and Public Sector Cutbacks

"By 1979, as the chaotic events surrounding the Arms Crisis faded into history, Lynch's greatest contribution to providing stability for the Republic had sown the seeds for his downfall. It was Haughey's perceived, rather than stated, hawkishness regarding the northern question, coupled with a very real fear within Fianna Fáil that economic policy alone would not save the party from electoral meltdown, that eventually provided the vehicle for the most stunning political comeback in Irish history."³⁵

Following a request by the British Government for an incursion into the Republic airspace after the Mountbatten killings, Jack Lynch's tenure as Taoiseach had come seriously into question. Several of his ministers were delivering speeches which seemed at odds with Lynch's northern policy, and Fianna Fáil seemed beset with factionalism. A group of supporters had amassed around Haughey to push for him as leader. Yet, as Kieran Allen points out, Lynch's downfall likely had less to do with internal issues, and more to do with economic issues facing workers. The large scale revolt over PAYE threatened to erode Fianna Fáil's voter base, with TDs eager to 'play the national card' to deflect from economic issues. Haughey fit the profile of a strongman on the North, who could mask strict monetarist policies with a re-assertion of Fianna Fáil's traditional republican rhetoric.³⁶ Haughey saw off a challenge from George Colley, who had maintained the support of the Cabinet throughout his own bid for leadership. Solely relying on backbench support, Haughey was elected leader of Fianna Fáil, and thus Taoiseach, on 11 December 1979.

Haughey's first broadcast speech as Taoiseach warned the nation of tough times ahead: "as a community we are living beyond our means...we have been living at a rate which is simply not justified by the amount of goods and services we are producing."³⁷ What would later emerge in the Tribunals was that Haughey himself was living far beyond his means. Haughey ensured cabinet posts for his backers and proceeded to increase the powers of the Department of the Taoiseach by amalgamating it with the Department of Economic Planning and Development.³⁸ The initial years of Haughey's rule were

dogged by three elections in an 18 month window.

The issues in the North continued to forestall Haughey's political ambition in the South. Prisoners campaigning for political status had begun a hunger strike in the H Blocks in Northern Ireland. As before, Haughey was cautious on his statements regarding the North. A summit was held with Margaret Thatcher in Dublin Castle in December 1980, where Haughey passed up the opportunity to openly support the political rights of hunger strikers. The election scheduled for February 1981 was delayed due to the Stardust tragedy in which 48 young people lost their lives in a fire at a disco in Artane, on Dublin's north side. By the time the election was called in June 1981, a second hunger strike was underway in the North. Two of the Hunger Strikers were elected to the Dáil in the 1981 election, thus depriving him of an overall majority and returning him to the opposition benches.³⁹

The Fine Gael-Labour coalition only lasted until February 1982, when it collapsed over the issue of VAT on children's shoes. In the 1982 election, Haughey again failed to secure a majority, but was able to form a government with the backing of Tony Gregory and three TDs from Sinn Féin The Workers' Party (SFWP). The 'Gregory Deal', as it came to be known, aimed to increase inner-city funding in return for backing Haughey as Taoiseach and voting with the government on a case-by-case basis. Gregory, himself, a veteran campaigner and social worker who had experienced first-hand the poverty of north inner-city Dublin, was in a position to enact demands of all three leaders of the various parties. Haughey was the only one to take Gregory's proposals seriously. After a series of meetings a document was produced that would see funding increased not only for Dublin, but also would nationalise, if necessary, the Clondalkin Paper Mills which was threatened with closure. He also pledged to look into increasing social welfare provisions nationally. Haughey remarked of Gregory's demands that he was "pushing on an open door".⁴⁰ Not only did Haughey pledge increased support to tackle poverty in Dublin, he proposed that the Gregory deal would herald a new revitalisation nationwide. He remarked that:

"The revival of the inner city of our national capital is in the interests of the whole nation. Our aim is to recreate a Dublin of which the nation can be proud,

and to provide an imaginative approach to a problem which exists in many other countries. Our success in dealing with these problems will be a headline for similar areas in every part of the country."⁴¹

These measures would never be implemented. The 1982 government collapsed after only 8 months when, following a heave against the Haughey leadership, as well as the publication of *The Way Forward* as an economic manifesto, Gregory and The SFWP members withdrew their support and joined the opposition.⁴²

Barely a week after the collapse of the government, it emerged that the Department of Justice had been involved in the tapping of journalists' phones, including Bruce Arnold and Geraldine Kennedy.⁴³ The initial fallout from the taps led to the expectation of Haughey resigning, but it would take a further nine years until the legacy of the bugging caught up with him. Speaking on an RTE programme *Nighthawks*, in 1992, former Minister for Justice, Sean Doherty, revealed that Haughey himself had been aware of the taps back in 1982. The return of this issue would spell the final curtain for Haughey in power and force his resignation in February 1992.⁴⁴

Despite continued heaves, resignations, and the break-away of the Des O'Malley to form the Progressive Democrats in 1985, Haughey managed to hang on to the leadership of Fianna Fail throughout the 80s. He led the party into the 1987 campaign, with billboards denouncing spending cutbacks: "Health cuts hurt the old, the sick and the handicapped".⁴⁵ No sooner had Haughey won the election, than he had done an about-turn and introduced savage cutbacks of £485 million.⁴⁶ This involved closures to hospital wards, and 20,000 redundancies in the public sector. His earlier apparent positive disposition towards pensioners was cruelly laid bare; the new round of cutbacks also included the rationing of protective nappies for elderly incontinent people.⁴⁷ The cuts were supported in principle by Fine Gael under what became known as the 'Tallaght Strategy', although this likely was enacted for their own self-preservation by staving off a further election.⁴⁸

These cutbacks have been posited by some as a necessary sacrifice that enabled the later boom of the 1990s. But this analysis ignores the question of who paid for the cuts and who stood to benefit. One way to ensure quiescence from the working-class was to co-

opt the leadership of the unions into supporting the 'Programme for National Recovery'. Haughey played on the union leaders' fears of Thatcherism, and the cutbacks of the 1983-87 Fine Gael-Labour coalition, to sign them up to an agreement that guaranteed a pay increase of only 2.5% per year, as well as requiring a slate of voluntary redundancies in the public sector.⁴⁹ This had the effect of curbing union militancy. As hospital closures were announced, the unions did not call for wide-scale industrial action. The legacy of this social partnership still remains with us today, as do the cutbacks. In 1975 for example, public housing stood at 8,794 local authority builds per annum, by 1989 there were just 768 built.⁵⁰ Despite all the talk of a rising tide lifting all boats, figures for the decade following 1987 show a massive transfer of wealth away from workers and towards the better-off in society.⁵¹

As Kieran Allen notes, the boom which was to follow Haughey's cuts was not an automatic precursor to economic prosperity, as several eastern European countries also experienced savage cuts at the same time without an emergent boom of their own. The differential factor was the cultivation of US Foreign Direct Investment into Ireland.⁵² This was done in via the establishment of the International Financial Services Centre (IFSC).

The IFSC was originally an initiative of the stockbroker Dermot Desmond. Desmond had close relations with Haughey, despite the latter evading the nature of their association when probed. A 10% rate of tax was established by the Haughey government for the new finance houses based at the IFSC. A roadshow was also organised for New York in 1989 to attract FDI into Ireland. The IFSC would later rival the Cayman Islands, Luxembourg and the Channel Islands as a tax haven, albeit with access to the EU markets.⁵³ The role of the IFSC as a tax-haven has come in for much criticism in recent times, with much of the investment being run by 'phantom' companies who are established here for tax reasons but do not produce any goods or services directly in Ireland.⁵⁴

Haughey's Millions: Wealthy backers and Tribunal revelations

"I didn't have a lavish lifestyle. My work was my lifestyle. I worked every day, all day. There was no room for an extravagant lifestyle." – Haughey⁵⁵

By any standards, Charlie Haughey did indeed live an extravagant lifestyle. Officially he had been living on a TDs salary since 1959, yet he managed to fund the purchase of a mansion in Kinsealy (Abbeville), a stud farm, a yacht and a private island in the Blaskets. He dined out in the finest restaurants in Dublin and had hand-made Charvet shirts worth £16,000 apiece imported from Paris. The source of Haughey's wealth remained a mystery until tribunal revelations in the 1990s which showed the extent to which the millionaires of Ireland had personally funded Haughey. As Vincent Browne pointed out, Haughey's source of wealth was not a question that was pursued with any vigourousness by the media until the tribunals, by which time he had long since retired. Browne recalls probing his wealth in 1978:

"He said he financed his lifestyle through bank borrowings. He said he was able to do this because of the value of his property in Kinsealy. It has transpired that was true. At the time he was running up a huge overdraft with his bank, AIB on Dame St, Dublin, to the consternation of bank officials."⁵⁶ Haughey essentially bullied the bank into permitting a massive overdraft up until he became Taoiseach, and afterwards relied on personal donations from wealthy backers to both service his debt, and his lavish lifestyle.⁵⁷

Details of Haughey's immense wealth, and of personal donations, may well have followed him to the grave if it weren't for events surrounding Ben Dunne, the billionaire supermarket owner. Nine days after Haughey's retirement from politics, Dunne was arrested in Florida and charged with drug trafficking. The trafficking charges were later dropped, but a media fascination emerged around the sordid details of what went on in Dunne's Florida hotel room where he was arrested. To contain the scandal, Ben Dunne was ousted from control of the Dunnes empire by his siblings. During the legal squabbles over company money, Ben Dunne threatened to disclose that he had donated money to Haughey in return for political favours,

although during the McCracken tribunal proceedings, he later denied this and settled with his family for a pay-off. Margaret Heffernan, sister of Ben Dunne, did not believe her brother's version of events. An investigation was launched by Heffernan which later linked Ben Dunne with payments made to Fine Gael minister Michael Lowry, as well as to Haughey. These revelations led to the establishment of the McCracken tribunal.⁵⁸ On 15 July 1997, Haughey finally admitted to the payments received from Dunne. These initial revelations precipitated the establishment of further Tribunals including one specifically to investigate Haughey's payments (Mahon), an offshore tax avoidance scheme (Ansbacher) and planning corruption (Flood).⁵⁹

Haughey's first major property purchase was a house and 45 acre estate at Grangemore, Raneney, at a cost of approximately £10,000, in 1959; ten times his annual salary as a TD. He also had a salary from his successful accountancy practice, but he retired from this role in 1960. Developer Patrick Gallagher told the *Sunday Business Post* that Haughey bought the house at the urging of his father Matt Gallagher, who foresaw the land appreciating in value. The land was later re-zoned for permission to build houses, and Haughey sold the land back to the Gallagher group for £204,000 a decade later. The proceeds of this allowed the purchase of Abbeville, but could not account for the purchase of a stud farm in Co. Meath in 1968.⁶⁰

Matt Gallagher was a known Fianna Fáil supporter and a member of Taca in the 1960s. Gallagher gave one day's earnings per month towards the organisation.⁶¹ Taca was established in order to raise money for the party and in return give wealthy people, particularly builders and developers, direct access to government ministers.⁶²

At the McCracken tribunal, Haughey claimed that since 1960, all of his personal finances had been handled by Des Traynor, allowing him more time to devote to politics, and, amazingly, he claimed no knowledge of any significant transactions himself.⁶³ Traynor had died in 1994 and therefore could not be cross examined. Traynor had initially worked as a clerk for Haughey's accountancy firm before moving on to Guinness & Mahon (G&M, later Ansbacher). Through G&M, Traynor was able to solicit money for Haughey from wealthy backers and hide it from Revenue via

offshore accounts based in the Cayman Islands. In addition to Haughey, revelations from the Ansbacher report published in 2002 identified 179 people and companies who had benefitted from Traynor's scheme.⁶⁴ He also aided Haughey in purchasing the island of Inis Mhic Aoibhleáin, one of the Blasket islands, for use as a holiday retreat. The island itself cost £20,000, but building materials had to be helicoptered in for the construction of a house on the island, likely costing approximately £60,000. This was all done while Haughey was still publicly only earning a TD's salary.⁶⁵ Traynor had been instrumental in securing Haughey a write down of debts he had amassed with AIB by 1979. The former managed to get the bank to agree to a debt write down from £1.143 million, and that Haughey was willing to pay back £600,000.⁶⁶ Haughey eventually agreed to pay £750,000 despite still claiming he had no source of income except for his TD salary. On the night of his becoming Taoiseach he had a meeting whose attendees included Patrick Gallagher of the Gallagher group, who had agreed to supply Haughey with the relevant monies to pay off his debts.⁶⁷ Haughey had also added to the lands at Kinsealy by purchasing 30 acres from Roadstone LTD (CRH) in 1968. In 1975 he sold the land back to CRH, whose director at the time was none other than Traynor.⁶⁸

Haughey was first introduced to stock broker Dermot Desmond in New York in 1986. It was at this meeting that Desmond persuaded Haughey of the benefits of establishing the IFSC in Dublin. The persuasion was successful, and the establishment of the IFSC was contained in Fianna Fáil's 1987 manifesto.⁶⁹ When Fianna Fáil returned to office, Desmond's stockbroking firm received a number of semi-state contracts, totalling ten in the period 1987-92, becoming the second-largest stockbroker in the country after only six years in business. Desmond himself was also appointed chairman of Aer Rianta.⁷⁰

Despite the revelations of payments to the tribunals, Haughey's backers maintained that they were done simply to finance someone they admired, and no return favours were made for the payments. The tribunals failed to unearth solid evidence of political favours, yet the circumstantial evidence is very strong. It is known for example that Haughey arranged for passports for the Saudi Arabian Fustock family, and he received £50,000

from them, allegedly in payment for a horse.⁷¹ As Judge McCracken noted:

“The Tribunal[...]considers it quite unacceptable that Mr Charles Haughey, or indeed any member of the Oireachtas, should receive personal gifts of this nature, particularly from prominent businessmen within the State. It is even more unacceptable that Mr Charles Haughey’s whole lifestyle should be dependent upon such gifts, as would appear to be the case. If such gifts were to be permissible, the potential for bribery and corruption would be enormous.”⁷²

Payments to Charlie Haughey amounted to approximately £8.6 million during his years as leader of the country. As Justin O’Brien has noted, there was a direct correlation between increased levels of funding and Haughey’s terms in office, even if no hard evidence of favours was proven.⁷³ Again as property developer and financial backer, Patrick Gallagher put it: “Haughey was financed in order to create the environment which the Anglo-Irish had enjoyed and that we as a people could never aspire to...Somebody had to live in the big house...”⁷⁴

Conclusion

Charles Haughey deserves to be remembered as the most obviously corrupt politician in the history of the Irish state. His image as a progressive minister needs to be consistently challenged. The free travel scheme, as noted above, was a relatively minor achievement for which he still receives accolades. The legacy of his cutback policies are still with us today. The transport service needs to be rapidly expanded and made free of charge in order to tackle climate change; instead we are witnessing the privatisation of bus services for profit. His savage cuts to the health service in the 1980s began a continued process of chronic under-funding, which hits the elderly and the poor harder than any other section of society. On the arts front, Dublin in particular is witnessing the closure of many performance spaces in place of sanitised and sterile hotels aimed at attracting tourists. Public housing is still vastly underfunded and homelessness is at an all-time high in the state. The IFSC stands as a representation of crooked capitalism, hedge funds and tax avoidance. The Celtic Tiger benefitted the wealthy of Ireland to be sure, but it was not a

sustainable boom. The working class ultimately paid the price for the cronyism of Fianna Fáil, the building trade and the bankers in the crash of 2008. The legacy of offshore payments, tax avoidance and crony-capitalism was continued under Bertie Ahern, Ray Burke and a host of others, and in this Haughey was by no means unique. Yet for all of their corruption, none managed to live in the sheer opulence that was afforded to Haughey through his wealthy friends. Haughey was no friend of the working class, the elderly or the vulnerable in society. The legacy of his personal corruption and reactionary policies lives on with us today.

Endnotes

- 1 Prime Time, 1997
- 2 Kieran Allen, *Fianna Fail and Irish Labour* (Dublin 1997) p.13
- 3 ‘Ahern delivers oration at Haughey graveside’ *Irish Times*, 16 June 2006
- 4 Bryce Evans, *Seán Lemass: Democratic Dictator*, (Cork 2011) p.130
- 5 Evans, *Democratic Dictator*, pp 198-200
- 6 Stephen Collins, *The Haughey File*, (Dublin 1992) p.17
- 7 Evans, *Democratic Dictator*, p.210
- 8 Justin O’Brien, *The Modern Prince: Charles J Haughey and the Quest for Power* (Dublin 2002), p.4,16
- 9 Annual reports on prison visits from this time do not paint a pretty picture however. National Archives of Ireland (NAI) Department of Justice (JUS) 2002/2/27
- 10 Martin Mansergh ‘Charles Haughey: A Legacy of Lasting Achievement’ in *Taking the Long View, 70 Years of Fianna Fáil* edited by Philip Hannon and Jackie Gallagher pp 82-101
- 11 T. Ryle Dwyer, *Short Fellow: A Biography of Charles J. Haughey* (Dublin 2001) p.56
- 12 Dwyer, *Short Fellow*, p.59
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