

## **PATRICK McGILLIGAN ADDITIONAL PAPERS**

**P35 a**



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## **Patrick McGilligan: biographical history.**

Born in Coleraine, County Derry in 1889, and educated at St Columb's College, Derry, Clongowes Wood, University College Dublin and King's Inns, McGilligan was called to the Bar in 1921. He had failed to win the Derry seat for Sinn Féin in 1918 but was elected a Cumann na nGaedhael TD for the National University at the 1923 general election and became Minister for Industry and Commerce after Joe McGrath's resignation, his achievements including the establishment of the Electricity Supply Board in 1927, the implementation of the Shannon Scheme, and the establishment of the Agricultural Credit Corporation. He also became Minister for External Affairs after Kevin O'Higgins' assassination and led the Irish delegation to the Imperial Conference, 1930. He was hugely influential at the Committee on the Operation of Dominion Legislation and at the Imperial Conference. The Statute of Westminster that emerged from these meetings gave greater power to dominions in the Commonwealth.

He was appointed Professor of Constitutional Law, International Law, Criminal Law, and Procedure at University College Dublin in 1934 and Senior Counsel in 1946. He served as Minister for Finance in the First Inter-Party Government, 1948–51, and introduced the first Keynesian budgets; and as Attorney-General in the Second Inter-Party Government, 1954–57.

McGilligan retired from the Dáil in 1965 having served for over 40 years.

He died in Dublin on 15 November 1979.

## **Mc Gilligan Papers : scope and content**

The first part of the papers covered by this descriptive catalogue relates to financial issues, 1919-48, and was gathered by McGilligan while in opposition or while he served in ministries other than Finance. The material is somewhat fragmented but concerns financial issues of fundamental importance such as the Banking Commission, 1926-28, and the Currency Act 1927.

The bulk of the material described here relates to McGilligan's first period of office as Minister for Finance, but exclusively to the formulation and presentation of the Budget each year. The character of the material is that of rather fragmented departmental archives which McGilligan must have accumulated and removed when he left office in June 1951. Besides much individual documentation apparently extracted from official files, there are two actual files [P35a/14 and 72] and an incomplete Social Welfare file [P35a/75].

Of the four budgets covered by material here, McGilligan took office in February 1948 when procedures for drawing up the 1948-49 Budget were already well under way. He specifically disclaimed responsibility for the departmental estimates for this reason [P35a/43]. The third Budget, 1950-51 is the most significant in that it introduced a major innovation in both procedure and policy by separating capital and current Budgets. Fanning sees this as transforming the Budget from a component of 'national housekeeping' to a wide ranging economic survey and focus of national planning<sup>1</sup>. The change is reflected in the compilation of the estimates [P35a/104-105] and the formulation of policy [P35a/112-113] and is treated in an unsigned memorandum [P35a/111] critical of Finance officials' opposition to the innovation.

The material has been arranged to reflect the contemporary functioning of the Department of Finance in Budget formulation as described in Appendix A.

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<sup>1</sup> Ronan Fanning *History of the Department of Finance 1922-58* Institute of Public Administration 1978

**I. FINANCIAL ISSUES, 1919-48****A. The Conference on Ireland, 1921**

- 1            1921            **Local Loans Fund.** Typescript copy of a memorandum outlining the background and operation of the National Debt and Local Loans Act 1887 which 'placed for the first time upon a separate and regular basis the whole system of state advances for local purposes'. Act provided for advances to the Land Commission to finance land purchase under the Land Acts 1881-85. Memorandum attempts to estimate costs to tenants of repayment of advances, and 'the extent of the overcharge on Ireland' (10pp).
- 2            1921            **First memorandum on Irish claims in regard to finance.**  
Prepared for the Conference Committee on Financial Relations. Typescript copy with handwritten notations (7pp).
- 3            October-November 1921            **Irish share of debt and war pensions.** Typescript copy of the secret memorandum prepared by the British representatives to the Committee on Financial Relations (4pp).

**B. The Provisional Government, 1922**

- 4            October-November 1922            Copies of correspondence between W.T. Cosgrave and Dr Coffey, St. Patrick's College, Maynooth, concerning the latter's identification of 'the root of industrial conflict and class war all over the world' as lying in the policy of financial credit control. Cosgrave describes this as 'the scheme of an amateur' (12pp).
- 5            1919-20            Copies of British parliamentary reports: Report of the Committee on Trusts of the Ministry of Reconstruction (43pp). Final report of the Committee on Currency and Foreign Exchanges after the War (4pp). Statements of currency expansion, price movements and production in certain countries (11pp).

### C. The Irish Free State, 1922-48

#### i. Budgets

- 6            1924-26            Tables of budget figures for the two financial years (6pp).
- 7            1925            ***Estimates of receipts and expenditure for the year ending 31 March 1925*** together with a typescript minute on the constitutional position arising from Article 54 which 'definitely enacts that the Executive Council shall prepare estimates of receipt and expenditure'. The Executive Council must therefore have adequate time to discuss the estimates and these, when printed, should be issued by the Council and not the Department of Finance (9pp).
- 8            1926            Notes for a paper entitled 'Does the Budget Balance?' with tables and analysis of government revenue and expenditure in the four preceding financial years (19pp). Offprint of an article by George O'Brien on 'The Budget' (13pp).
- 9            [1926]            **Local Loans.** Memorandum on the administration of local loans since the establishment of the Free State (3pp).
- 10          1929-30            **Estimates on suggested possible economies.** Memorandum outlining possible economies in each department (33pp).
- 11          September 1931            **Financial Position.** Confidential Finance memorandum and supplementary memorandum, the latter drawn up with revised revenue estimates for the coming year (17pp).
- 12          February 1932            Table of the Budget position in various countries (1p). Letter from J.J. McElligott, Finance, to McGilligan, Minister for Industry and Commerce, warning that 'the figures must be used with reserve though they demonstrate clearly that the difficulties experienced in balancing Budgets are worldwide' (1p).

- 13 May 1932 Table of the estimated yield of protective duties in the current financial year (3pp).
- 14 1947 **Food subsidies to reduce the cost of living. Autumn Budget**  
**1947.** Instructions to the registry to open a file with this title. 2 copies, 1 annotated, of an Industry and Commerce memorandum for government on prices and wages (29 September 1947, 4pp). Handwritten minutes by M.B.[reathnach], Finance, on the memorandum and especially on the proposals concerning food subsidies (4pp). Typescript copy of the Supplementary Budget 1947 (11pp).
- 15 1947-48 **Estimates.**  
Tables in connection with the Financial Statement, 1947 (8pp). Statement of the provisions made in the estimates for Public Service in the current financial year for the advancement of Irish (4pp). Cutting from the *Irish Trade Journal and Statistical Bulletin* containing an Interim Cost of Living Index (Essential Items) (4pp).

## ii. Financial Policy

- 16 April 1936 **General impressions of the Irish economy and finance produced by a year's evidence before the Commission.** Copy of the statement by Mr Jacobson to the Commission of Inquiry into Banking, Currency and Credit. 'I found here in the Saorstat no co-ordinated annual review of the financial position of the country' (36pp).
- 17 1938 **For the consideration of the National Committee of the NAIDA.** Memorandum and handwritten notes commenting on the report of the Banking Commission (9pp).

### iii. Taxation

- 18**      1927-30                  2 letters from J.J. McElligott, Finance, to McGilligan, Minister for Industry and Commerce, on taxation. Gives figures for income tax payers, super tax payers, and for tax remission (17, 19 October 1927, 3pp). Handwritten notes on tax and government borrowing (2pp). Short typescript statement summarising information on tax remission, government borrowing and credit (1p).
- 19**      1929-31                  Letter from R.C. Ferguson, Industry and Commerce, to Seán Leyden, Finance, concerning sales of stocks and shares between Irish and non-nationals (2pp). Memorandum by the Revenue Commissioners giving an estimate of Free State capital invested in Northern Ireland and abroad; and of capital invested in Ireland by residents of Northern Ireland and 'foreigners' (11pp).
- 20**      1932-33                  Copy of a table and memorandum on income tax, comparing tax rates in the Free State and U.K. (5pp).
- 21**      [1933]                  Memorandum on farmers' income tax; on civil service and other employees' income tax; and on excess profits and super tax (3pp).
- 22**      1930, 1934                 **The Agricultural Community's Contribution to Tax and its share of Public Expenditure.**  
Copy of a Finance memorandum (28 July 1930, 13pp) and supplementary memorandum (31 July 1930, 2pp) prepared by Seán Leyden to provide the basis for a decision as to the contribution the agricultural community might equitably be required to make to general taxation. Reprint from the *Economic Journal* of an article by Joseph Johnston on farmers in the Free State.
- 23**      [1940s]                  **The Development and Incidence of Local Taxation.**  
Memorandum from the Office of Public Works giving an historical survey of taxation at local level (74pp).

#### iv. Currency

- 24** August 1926 4<sup>th</sup> Interim Report of the Banking Commission, circulated to members of the Executive Council by the Minister for Finance (30pp).
- 25** 1927 Cuttings from *Dáil Debates* reporting the second stage of the Currency Bill (36pp). Copy of the Bill (33pp).
- 26** 1927-28 Internal Industry and Commerce memorandum by T. Barrington concerning the Currency Bill and the evidence given by his department to the Banking Commission. 'I fear the arrangement contemplated in the Bill at best a fair weather one and that it can last only so long as political and economic conditions in the Saorstát and in Great Britain, respectively, are round about normal' (12 April 1927, 4pp). Handwritten minute by Gordon Campbell on Barrington's memorandum (13 April 1927, 1p). Further minute by Barrington on the Commission's final report, critical of their attitude to the evidence presented by him on behalf of his department. Their observations are 'guarded, halting and unconvincing' (11 January 1928, 5pp). Minute by Campbell submitting the matter to McGilligan (16 January 1928, 1p).
- 27** 1928-29 **Bank of Ireland Bill 1929.** Memorandum and handwritten note from Industry and Commerce critical of the Bill, especially Clause 5(s) in which 'very wide powers are sought which would constitute the Bank directorate the guardians of the financial interests of the community – a custodianship which should rather rest with the Government'. Reply from J.J. McElligott together with a Finance memorandum declining to amend the Bill (25pp).

**v. Unemployment**

- 28 [1927]-30 Information supplied by the Statistics Branch, Department of Finance, to the Cabinet, on the position in various countries concerning taxation per head; expenditure on social services, education and defence; unemployment; and the salaries of ministers and senior civil servants; together with related material on unemployment (30pp). Copy of an unidentified memorandum on unemployment (4pp).

**vi. Inflation**

- 29 1943-4 Letters from Dr T. McLaughlin to McGilligan, together with ancillary material concerning civil service salaries and the government standstill order (12pp).
- 30 1947 Finance memorandum for government on proposals on unemployment from the I.T.U.C. (25 November 1947, 5pp). Memoranda on unemployment and housing (40pp).

**vii. Civil Service Pay**

- 31 1930-31 Industry and Commerce and Finance material, including memoranda for government, on various aspects of remuneration of civil servants, on a civil service representative council, and on the demand for a cost-of-living bonus (50pp).

## II. MINISTER FOR FINANCE, 1948-51

### A. Budgets

#### i. 1948-49

##### a. Preparation: Revenue

- 32 April 1948 Finance material concerning revenue projections for 1948-49 with tables of estimates for customs, excise, estate and stamp duties, income tax, surtax and corporation tax, supplied by the Revenue Commissioners (25pp).
- 33 1948 **Purchase tax.** 2 memoranda outlining the system of purchase tax in Britain and analysing its possible effects if introduced into Ireland (14pp). Tables of imports and their liability to duty (3pp).
- 34 February-April 1948 Letter from T.J. Murphy, Minister for Local Government, to McGilligan requesting a reduction in the duty on wine and spirits to preserve employment in the industry, together with 2 related memoranda (22 April 1948, 5pp). Undated Finance memorandum concerning the duty on wine, particularly the supplementary budget 1947 which doubled the duty (5pp).
- 35 April 1948 2 letters (1p each) and a memorandum (3pp) from Seán MacBride, Minister for External Affairs, to McGilligan, containing suggestions for increasing revenue, mainly increased taxation on non-essential goods, hotel bills and on-course betting.
- 36 April 1948 Memorandum on stamp duties, giving an estimate for 1948-49 (2pp). Handwritten minute recommending rejection of the proposal by auctioneers for a graduated scale of stamp duty on conveyances (1p).
- 37 May 1948 Revenue Commissioners memorandum, forwarded to McGilligan by J.J. McElligott, concerning the repayment of duty on petrol used by agricultural tractors (5pp).

- 38**            1948                          Note on the computation of corporation profits tax (1p).Tables and memoranda on the taxation of companies and on surtax (5pp).

**b. Preparation: expenditure**

- 39**            February-May 1948                  Finance minute of a meeting between J.J. McElligott and other senior Finance officials to consider what economies might be effected in public expenditure (24 February 1948, 2pp). Handwritten notes on the estimate for Industry and Commerce (6pp). Typescript list of proposed economies in Army expenditure, including the suspension of recruitment and promotion (4pp). Memorandum on the need for a policy on the Defence Forces in light of the proposed economies and the contrary view of the Minister for Defence that there should be no cessation of recruitment (24 March 1948, 1p). Handwritten minute on this memorandum (2pp). Lists of suggestions for economies from the Supply Division (14pp), the Establishment Division (14pp), and the Finance Division (4pp). Handwritten summary of replies from departments to appeals by the Taoiseach and the Minister for Finance regarding economies (4pp). @possible economies – Views of the department of Finance – Result of Conference with Minister for Finance' (4pp). Printed and tabular matter containing schedules of economies and amounts saved (20pp). Copy of a letter (2pp) from the Department of the Taoiseach to the Minister for Finance concerning government approval for economies set out in the attached table (2pp). Finance memorandum for government entitled 'Economies in public services, 1948-49' (6pp).
- 40**            1948                          List of numbers of inspectors and analogous grades in the Department of Agriculture, supplied for the 1948-49 estimates (3pp).
- 41**            March 1948                          Social Welfare and Finance minutes on the discontinuance of the food voucher scheme for recipients of home assistance, introduced to meet special emergency conditions which no longer existed (4pp).

- 42** March 1948 2 typescript tables entitled 'Statement comprising Exchequer Issues for Supply Services in the years 1944-47 and 1947-48' (3pp).
- 43** March 1948 Finance memorandum for government submitting the estimates for supply services for 1948-49 and seeking government approval to submit them to the Dáil (1p).
- 44** March-April 1948 Memorandum commenting on a parliamentary question by Senator Duffy in the course of the Senate debate on the Central Fund Bill, asking the Minister for Finance to give the most up-to-date figures and an economic survey of national income (2pp). Typescript account of the exchange between Senator Duffy and the Minister in the Senate (2pp). handwritten letter from Duffy to McGilligan in response to a request to outline the type of information he had in mind (1p)
- 45** March 1948 Typescript minute concerning a speech by Seán Lemass reported in the *Irish Press*, on the cost of government and on taxation as a proportion of national income then as compared to pre-war years (1p).
- 46** February-April 1948 Reference material on the agricultural grant including a minute for the Minister for Finance on the size of the grant in the current estimates; report of a departmental conference including the decision that no provision would be made in the estimates for the Bord na Mona hand-won turf scheme; memoranda and newscuttings (50pp).

### c. Preparation: issues under various acts

- 47** February-July 1948 **Road Fund.** Copy of a letter from J.J. McElligott to the Secretary, department of Local Government, and related papers, concerning a proposal to allocate funds from the Transitional Development Fund to the cost of road maintenance (7pp). Copy of a letter from Maurice Moynihan, Secretary to the

- 47 contd** Government, to the Minister for Local Government, conveying the government's decision that a grant of £2.25 million be made towards road restoration (13 February 1948, 1p). Letters from John Garvin, Secretary, Local Government, concerning the Roads Fund. 'Unless further assistance can be provided from the Exchequer on the lines of the £2.25 to be transferred this year, an increase in the rates of motor tax commencing on 1 January next is inevitable' (2pp). Further communications between Finance and Local Government, memoranda, and extracts from Dáil Debates on the road fund (25pp).
- 48** July 1948 Material concerning capital funding for housing including Local Government memorandum for government on capital for housing purposes (1 July 1948, 6pp) and observations of the Minister for Finance on the Local Government memorandum (6 July 1948, 6pp).

#### **d. White Paper and Budget Speech**

- 49** December 1947-April 1948 Finance memorandum for government circulating copies of 3 minutes from J.J. McElligott to his predecessor as Minister: Unfavourable trends in the National Economy (31 December 1947, 9pp); Need for the adjustment of interest rates on monies being lent by the State (1 January 1948, 4pp); Position regarding State debt and capital outlay (11 February 1948, 6pp). Copy of a letter from McElligott to Seán Leydon, Secretary, Industry and Commerce, requesting his 'support in trying to effect a reduction in the formidable list of commitments facing the Exchequer', a letter he has sent to the heads of all departments. Related printed matter.
- 50** April-May 1948 **Exchequer Finances.** Memorandum for the Minister showing how the revenue from the March 1948 issue of 3% Exchequer Bonds 1965-70, has been disposed of (29 May 1948, 8pp).
- 51** May 1948 2 proof copies with handwritten alterations of 'Estimates of receipts and expenditure for the year ending 31 March 1949' (7pp each).

- 52            12 April 1948            Finance memorandum for government on the estimates with a preliminary draft of the 1948 Budget and related tables (7pp).
- 53            April 1948            Minute from the Minister for Social Welfare for McGilligan's Budget speech, concerning proposed changes in pension provision (11pp).
- 54            May 1948            Extract from the Budget speech concerning reductions in food subsidies, with handwritten alterations (1p).

#### **e. Review: Revenue**

- 55            30 November 1948            Letter from the revenue Commissioners containing a statement of the autumn revision of revenue estimates for 1948-49. With explanatory notes and tables and handwritten notations (7pp).
- 56            December 1948            Memorandum on current revenue and expenditure on capital items (2pp). Table 'Revision of taxes and non-tax revenue for 1948-49' (1p).

#### **f. Review: Expenditure**

- 57            19 July 1948            **Expenditure on Army Vote.**  
First quarters 1947 and 1948. Memorandum by J. O'Connell arguing that the statement by the Minister for Finance on exchequer issues for the Army was correct, but that the inference he had drawn was wrong, Army expenditure being down from the corresponding period for 1947 (2pp)..
- 58            1948            Table showing the extent to which economies for which credit was taken in the Budget speech could be relied upon; and any further economies that might be expected (2pp). Table of 'Estimates of

- 58 contd** capital requirements of the principal spending departments for the remainder of 1948-49 and 1949-50' (2pp). table of 'Statement of demands and of prospective commitments not already provided for in the estimates for 1948-49' (4pp).
- 59** November 1948 Memorandum for the Minister for Finance on the position with regard to income and expenditure. 'We are not only finding it difficult to secure from Departments the economies which they promised us at Budget time but we are inundated with demands for additional expenditure' (4pp). Minute on the Local Loans Fund issue and the likelihood that it would exceed projected take-up by almost £500k (1p).
- 60** December 1948 Table of savings on Votes administered by the Department of Agriculture (1p).
- 61** December 1948 **The Financial Outlook.** Finance memorandum for government. 'Departments have failed to give full effect to the Government's decisions on economies'. Urges a 'drastic pruning of expenditure' in advance of the issue of a new National Loan (7pp).
- 62** January 1949 Table: Exchequer issues for Central Fund Services for the period 1947-49 (2pp).
- 63** January 1949 Handwritten list of the Supplementary Estimates for 1948-49 still outstanding and yet to be presented to the Dáil (1p). Minute on the list of supplementary estimates for the Government meeting on the following day (1p).

#### **g. Review: issues under various Acts**

- 64** January 1949 Copy of the accounts for the Road Fund for the year ending 31 March 1948; together with a copy of the relevant report of the Comptroller and Auditor General (3pp).

- 65** January 1949 Transition Development Fund.  
Account of payments into and out  
of the fund for the year ending 31 March 1949 (2pp). Table of  
expenditure from the fund under various headings (1p).

**ii. 1949 - 50**

**a. Preparation : Revenue**

- 66** February-April 1949 Correspondence with Ruaidhrí  
Roberts, Secretary, I.T.U.C.  
concerning a resolution on income tax reliefs and allowances  
adopted by Congress in 1947. He asks McGilligan to consider the  
introduction of these allowances this year (2 items). Letter from  
the Private Secretary to the Minister for Finance to the Revenue  
Commissioners requesting an estimate of the cost of introducing  
the allowances (1p). Reply from the Commissioners with the  
requested information (2pp). Further correspondence with the  
Revenue Commissioners concerning the costs of other proposals,  
including representations received from the Incorporated Law  
Society on stamp duties (2pp).
- 67** February-April 1949 Wear and tear allowances for  
taxation purposes. Letter from  
Stokes Bros and Pim, Chartered Accountants, on behalf of a  
number of Irish manufacturers, on this subject. Existing  
allowances are totally inadequate to meet current conditions.  
Suggests alternatives to the existing system (5pp). Letter and  
memorandum from the Revenue Commissioners giving their  
views on the points raised (6pp). Further representations from  
concerned parties (5pp).
- 68** February-March 1947 Copy of a letter and memorandum  
from [J] Williams [Deputy  
Secretary], Industry and Commerce, concerning a meeting  
between his Minister and representatives of W. & R. Jacob & Co.  
The firm proposed to transfer their export business to their  
Liverpool factory due to shortages of materials and higher  
production costs in Dublin (4pp).

- 69** March 1949 Letter from the Association of Chambers of Commerce of Ireland to the Minister for Finance enclosing a memorandum on the present levels of tax allowances, external assets and public debt (8pp).
- 70** April 1949 Letter from the Revenue Commissioners to the Minister for Finance concerning inheritance taxes (3pp). Note on the Collection of Taxes (Confirmation) Bill for the second reading (2pp).
- 71** January-April 1949 Revenue Estimates. Letter from R.P. Rice, Revenue Commissioners, to J.J. McElligott, enclosing and commenting upon a statement of preliminary estimates for 1949-50 (3pp). Further letter from Rice enclosing a table 'incorporating the recent agreed total increase of £300,000 to the original estimates of the first instant' (2pp). Statement of the estimated revenue under the main heads of tax for 1948-49 with explanatory notes and a memorandum on trading profits (20pp).

#### **b. Preparation : other receipts**

- 72** November 1948-April 1949 **Exchequer Bills – proposed issue in November and December 1948.** Finance file containing minutes, correspondence, memoranda and reports on negotiations between Finance and the Irish Banks' Standing Committee on the issue of the Exchequer Bills, mainly the interest rate to be charged by the banks (c100pp).
- 73** March 1948 Draft and text of a statement in the Dáil by the Minister for Finance on the 1948 Bonds Issue (4pp). Copy of a public statement by the Minister for Finance on a further issue of 3% Exchequer Bonds, issued 'to enable the Government to carry forward plans for electricity development, housing and other works of national importance on which progress was delayed by emergency conditions' (2pp).

**c. Preparation : expenditure**

- 74 December 1948-April 1949 Table by J.E. Hanna of likely proposals for increases in pensions, Army pay and teachers' salaries (1p). Finance memorandum for government on increases in the state pension, arguing that no additional commitments should be undertaken (12pp). Correspondence, memoranda, minutes and notes on proposed increases in civil service pensions, teachers' pensions, other state pensions, and Garda pay (15pp).
- 75 October 1948-January 1949 Social Welfare material concerning payments from the Exchequer to the Widows' and Orphans' Pension Fund under the 1948 Social Welfare Act, including minutes and communications with Finance (25pp).
- 76 December 1948-January 1949 Handwritten minutes on Defence proposals for increases in Army pay. Includes minute from J.J. McElligott: Minister to see before Government meeting this afternoon. This is Minister for Defence's idea of cooperating in the economy drive (1p). Typescript minute for the Minister on the draft estimate for Defence (1p).
- 77 February 1949 Memorandum from J.J. McElligott to McGilligan on government expenditure (5pp).
- 78 December 1948-February 1949 **Departmental Estimates  
1949/50.**  
Memoranda by J.J. McElligott on the financial position and probable levels of expenditure. Includes a draft memorandum for government on various aspects of the financial position, mainly expenditure (31 December 1948, 17pp). Responses to a note from McElligott to the three Principal Officers in the Finance Division in charge of the various votes, asking about the possibility of economies in the draft estimates (5pp) together with a minute summarising the replies (1p). Table of estimates for the universities and colleges (1p).

**d. White Paper and Budget Speech**

- 79** March 1949 Memorandum for government on expenditure estimates for 1949/50 (2pp).
- 80** 1949 Tables of revenue 1949-50 (4pp).
- 81** March-April 1949 Draft tables of revenue and expenditure prepared for the Budget (15pp). Memorandum by McElligott for McGilligan on the Budget position (21 April 1949, 3pp).
- 82** March-May 1949 Memoranda, minutes and handwritten notes on the Budget figures. Includes minute by McElligott that 'it seems somewhat illogical in the same Budget to be taking on heavy additional expenditure and at the same time remit taxation. It is like having your cake and eating it. It is a bad headline for a Minister for Finance to set to a country untutored in economics' (1 May 1949, 3pp). Table of 'proposals, some approved by Government, others under consideration or expected, which are not provided for in the 1949/50 Estimates' with handwritten alterations by McGilligan (8pp). Memorandum by McElligott for McGilligan commenting on the revised copy of the White Paper and giving the latest figures for various items of revenue and expenditure with a proposal to stop recruitment for the civil service, police and army (28 April 1949, 2pp).
- 83** March-April 1949 **Budget – capital items.** Table of E.S.B. capital expenditure (2pp). Table of 'Possible requirements in 1949/50 to meet below-the-line expenditure, apart from issues for redemption of debt and other new commitments of a capital nature' (2pp). Draft memorandum on projects involving capital expenditure (4pp).
- 84** April 1949 Minute from J.J. McElligott to the Minister (21 April 1949, 4pp) attaching and commenting upon a draft memorandum for government on Exchequer finances (14pp).

**e. Review : expenditure**

- 85 [September?] 1949 Note in a unidentified hand on housing grants, reporting a telephone call from Local Government to the effect 'that the money provided for grants under the Housing (Amendment) Act 1948 is expected to be exhausted by October 1949' and that outstanding legislation and a supplementary estimate were proposed (1p).
- 86 September 1949 2 memoranda from J.J. McElligott for McGilligan on the supplementary estimates and the continuing increase in expenditure despite the various appeals for economy. Suggests that a stronger directive for economies be issued with the estimates circular or else 'the 1950 Budget will prove a very difficult proposition' (5pp each).
- 87 April 1948-October 1949 **Subsidies.** Table by J.J. McElligott showing the amount of subsidy payments in this period, with handwritten notes by McGilligan (1p).
- 88 November 1949 Finance memorandum for government on financial policy, covering current and capital expenditure; the realisation of sterling assets; the use of the American Loan Counterpart Fund; and taxation (39pp).
- 89 December 1949 Tables of revenue and expenditure in 1949 (8pp). Minute by McElligott on supply services expenditure including the decision to use the Counterpart Fund as Ways and Means advances (2pp).
- 90 December 1949 Draft Finance memorandum on expenditure on health, housing, roads, agriculture, and local loans. With handwritten annotations (17pp).

- 91 December 1949 Copy of the *Report on transport in Ireland 1948* [Milne Report] (85pp) with some figures on aspects of Coras Iompair Éireann finances (3pp).
- 92 January 1950 Handwritten table of supplementary estimates for capital works, 1949-50 (2pp). Printed copies of the supplementary estimates for various departments (10pp).

#### **f. Review : other issues**

- 93 June 1949 Copy of a letter from John Garvin, Local Government, to McElligott, concerning road finances, in response to criticism of the department's policy in the matter (2pp). Memorandum on 'Advances to the road fund under the Road Fund (Advances) Acts 1926 and 1948' (5pp).
- 94 April-December 1949 **Dublin Corporation-Housing Finance.** Memoranda, minutes and correspondence on the issue of whether the housing programme should be financed by a loan from the local loans fund, as recommended by Local Government; or by an issue of public stock as advocated by Finance (60pp).
- 95 November 1949 Report of a conference in the Taoiseach's room between the Taoiseach, Ministers for Finance and Education, and representatives of the Irish Banks Standing Committee (13pp).

#### **iii. 1950 - 51**

##### **a. Preparation : revenue**

- 96 January 1950 Statement from the Revenue Commissioners of the preliminary revenue estimates with a minute commenting on them. Statement of the estimated revenue under the main heads of tax with explanatory notes and a memorandum on trading profits (40pp).

- 97** March 1950 Letter from D.M. Craig, Secretary, Wholesale Wine and Spirit Merchants' Association, requesting McGilligan to consider reducing the present level of duty on whiskey (2pp). Tables showing sales and stocks of whiskey since 1947 with an estimation of loss of revenue following a reduction in duty and comments from the Revenue Commissioners on the proposal (3pp).
- 98** March-April 1950 Letter from J. F. Slattery, Secretary, Galway Chamber of Commerce, informing McGilligan of a resolution passed unanimously by the Chamber, requesting that Galway be exempted from the provisions of Section 3 of the Finance Act 1935 and asking that he examine the question of relief from payment of duty by licensed premises (1p). Letter from the Revenue Commissioners (4pp) commenting upon the requests, together with accompanying minute (2pp).
- 99** April 1950 Memorandum from the Irish Federation of Musicians on entertainments tax, with a request for a meeting with the Minister (9pp). Memoranda, notes and correspondence on issues concerning taxation raised by Senator Denis Burke in the Senate, including entertainment tax (10pp). Copy of a letter from James J. Kavanagh, Ormonde Cinemas, Arklow, to the *Irish Independent*, objecting to the level of entertainment tax (2pp).
- 100** March-April 1950 Material concerning possible changes in taxation such as an increase in income tax allowances and a reduction in estate duty (8pp). Includes a letter from Alan P. Dempsey, President, Irish Conference of Professional and Service Associations, requesting an interview with the Minister to discuss revision of the income tax code as it effected salaried workers (2pp).
- 101** April 1950 Revenue Commissioners table showing the estimated cost to the Exchequer of certain alterations in income tax reliefs (2pp).
- 102** October 1949-April 1950 Material relating to the power of the Minister for Finance to specify the amounts of tobacco which could be cleared from bond. Copies of correspondence and memoranda from the Revenue

**102 contd** Commissioners and from the tobacco companies on the rate of withdrawal (40pp).

**103** December 1949 Table of the estimates position (1p) and table of Exchequer receipts and outgoings in 1948 and 1949 (1p).

**b. Preparation : expenditure**

**104** December 1949-April 1950 **Estimates: separation of capital and current expenditure.**

Mainly tables of the estimates and supplementary estimates under various heads and at various times; together with minutes, observatory memoranda, commentaries and correspondence (150pp).

**105** February 1950 Specifics of programmes involving capital expenditure, submitted by various departments including Agriculture, Finance, and External Affairs, in response to a request from the Department of the Taoiseach (40pp).

**106** February 1950 Letter from M. Ó Muimhneacháin, Department of the Taoiseach, to McGilligan, informing him that the government has decided to establish a cabinet committee consisting of the Taoiseach, and the Ministers for Finance and Agriculture, to examine the draft estimates and devise a programme of capital works (1p).

**107** 1950 Letter and handwritten notes from Ginger [O'Connell?] to McGilligan, commenting on the Army estimates, a copy of which McElligott had sent him (4pp). Handwritten schedule of Army personnel, 1947-50 (1p).

**c. Preparation : issues under various Acts**

- 108      1949-50                          Correspondence, tables, memoranda and minutes concerning the Social Welfare estimate for widows' and orphans' pensions and, in particular, the request for an Exchequer subvention to the pensions Investment Account, opposed by Finance (100pp).
- 109      January-July 1950                 **Road Fund.** Memoranda, minutes and correspondence concerning Road Fund finance, particularly Local Government's wish to continue using increases in road tax to finance food subsidies (50pp).

**d. White Paper, Budget speech and Finance Bill**

- 110      January 1950                        **General finance policy and capital budget.** Finance memorandum on financial policy, with comments by Joseph Brennan, Governor of the Central Bank, and the Minister for Agriculture (50pp).
- 111      1950                                  Unsigned memorandum discussing objections by 'Treasury officials' to the new method of constructing the Budget.  
 'The officials measure the value of expenditure by its production of future revenue ... We value the production of expenditure in terms of (1) social stability (2) expanding national income (3) efficient operation of Government services in that order of importance. Between two such radically different systems of valuation, there never can be perfect understanding' (4pp).
- 112      March-April 1950                    **Estimates of 'below the line' capital issues, 1950-60.**  
 Incomplete registered Finance file with two memoranda from J.J. McElligott to McGilligan on financial policy, capital expenditure, and the preparation of the White paper. Table of 'below the line' capital issues for 1950-60 as estimated in March 1950 with associated minutes. Memoranda, minutes and tables on proposed capital expenditure by various semi-state bodies, especially the E.S.B. (25pp).

- 113** March-June 1950 Printed report of the Dáil debate on the Budget (10pp). Two memoranda on capital liabilities (2pp each). Text of a speech by An Taoiseach John A. Costello, to Clonmel Chamber of Commerce on government economic policy and the creation of a Budget to redress the ‘failure to recognise that the basic defect in the country’s economy was the absence of sufficient capital investment to ensure that the maximum of natural resources in labour and land would be productively employed’ (11pp).
- 114** April-May 1950 Tables, minutes, notes and memoranda on the Budget (7pp).
- 115** April 1950 Tables of estimates of revenue and expenditure marked ‘draft white paper’ (3pp).
- 116** April-May 1950 Copy of a Revenue Commissioners memorandum on depreciation allowances for industry (13pp).

#### e. Review : revenue

- 117** November 1950 Tables and memoranda from the Revenue Commissioners on the Autumn revision of the revenue estimates (7pp).
- 118** December 1950 Memoranda and tables supplied to McGilligan in response to queries ‘regarding sums withheld from the Exchequer at the close of each financial year and gradually transferred thereto in the opening months of the following financial year; as to how and why the practice arose, details of its operation and the reasons for very heavy expenditure at the end of October, beginning of November each year (8pp).

**f. Review : other receipts**

- 119** September 1950 Lists, notes and minutes on the issue of Exchequer Bonds (7pp).

**g. Review : expenditure**

- 120** June 1950 Copy of a letter from M. Ó Muimhneacháin, Secretary to the Government, informing McGilligan of a decision of the Cabinet Committee on Estimates and Capital Planning to request from him quarterly reports on the rate of expenditure by departments, to prevent the necessity for supplementary estimates. Requests the quarterly report for April-June 1950 (1p).
- 121** 8 July 1950 Incomplete copy of the brief for the estimate for the Taoiseach's Department (23pp, pp.1 & 2 missing) with commentary by T.K. Whitaker (4pp).
- 122** July-August 1950 Minutes and tables on the balance of payments deficit including a minute by J.J. McElligott commenting upon the figures and urging restraint in capital expenditure (8pp).
- 123** October 1950 Tables of supplementary estimates with handwritten notes and minutes (8pp).
- 124** 1950 Typescript memorandum on the supplementary estimate for C.I.É for the Minister's information (1p).
- 125** [January 1951?] Memoranda and tables for the Cabinet Committee on Estimates and Economic Planning giving analyses of Exchequer receipts and expenditure for April-December 1950 (21pp).

iv. 1951 - 52

## a. Preparation : revenue

- 126 January 1951 Table of estimated cost to the Exchequer of proposed changes in income tax allowances (2pp). Letter from R.P. Price, Chairman of the Revenue Commissioners, to McGilligan, enclosing copies of 'statements setting out in relation to the principal heads of duty the 1951-52 British rates, the 1950-51 Irish rates and, where a change is proposed here for 1951-52 the proposed Irish rates for 1951-52 (8pp).
- 127 February-March 1951 Letter from Jane W. Doland, Donnybrook, asking for tax relief for elderly women living on small incomes (6 February 1951, 2pp). Minute from the Revenue Commissioners commenting on the request (28 March 1951, 2pp).
- 128 September 1950-March 1951 Revenue Commissioners memorandum concerning the request that tax allowance for depreciation of machinery should be related to replacement rather than original cost (13pp). Copy of *Inquiry into Irish commercial profits* prepared by F.G. Hall for the federated Union of Employers and the Dublin Chamber of Commerce (13pp).
- 129 February-March 1951 Revenue Commissioners minute commenting upon a proposal from Senator Denis E. Burke during the Seanad debate on the Finance Bill 1950 that earned income tax relief should be granted to widows (28 February 1951, 3pp). Letter from Gerard Sweetman to McGilligan asking that he consider changing the method of taxation applied to money received through the sale of copyright by an author (30 March 1951, 1p). Material arising from Sweetman's request being referred to the Revenue Commissioners for their comments (4 items).

**b. Preparation : expenditure**

- 130      16 January 1951      Letter from O.J. Redmond, Department of Finance, to the private secretary to the Minister for Social Welfare, referring to the method of preparing the draft estimate for widows' and orphans' pensions (2pp).
- 131      January-February 1951      Tables and memoranda on the estimates at various intervals including a general note on the estimates for examination by the Cabinet Committee on Estimates and a table segregating capital and non-capital services (25pp).
- 132      February 1951      Letter from professor Séamus Ó Duilearga, Kenilworth Square, Dublin, to the Taoiseach concerning the microfilming of Irish manuscripts in libraries in Europe and a report that the Department of Finance had refused sanction for the project. He writes as a member of the Committee for Cultural Relations (1 February 1951, 2pp). Minute by J.J. McElligott confirming that the allocation for the project would remain unchanged (3pp).
- 133      February-March 1951      Memorandum by J.J. McElligott on the discrepancy between expenditure and revenue in the Post Office estimates (8 March 1951, 2pp). Letter from W. Bell. General Secretary, Post Office Workers' Union, asking for exemption from stamp duty for post office employees (21 February 1951, 1p). Comment by the Revenue Commissioners on the request (2pp).
- 134      [March-April 1951]      Memoranda on the votes for non-capital services, 1951-52. A separate memorandum for each vote giving the estimate as submitted and revised; the increase on the 1950-51 figure; the actual expenditure for 1949-50; and the principal increases (50pp).

**c. White paper, Budget Speech and Finance Bill**

- 135 January-June 1951 Handwritten provisional Budget forecast. Memoranda, tables, and notes on government income and expenditure, employment and emigration (15pp).
- 136 June 1951 memorandum for government on the conversion of national loans. Draft of the Government Loans (Conversion) Bill 1951 (9pp).