

## Explanatory Note

*Tony O'Reilly's Last Game* was first published in 1976 and this revised and updated edition was published in 1979.

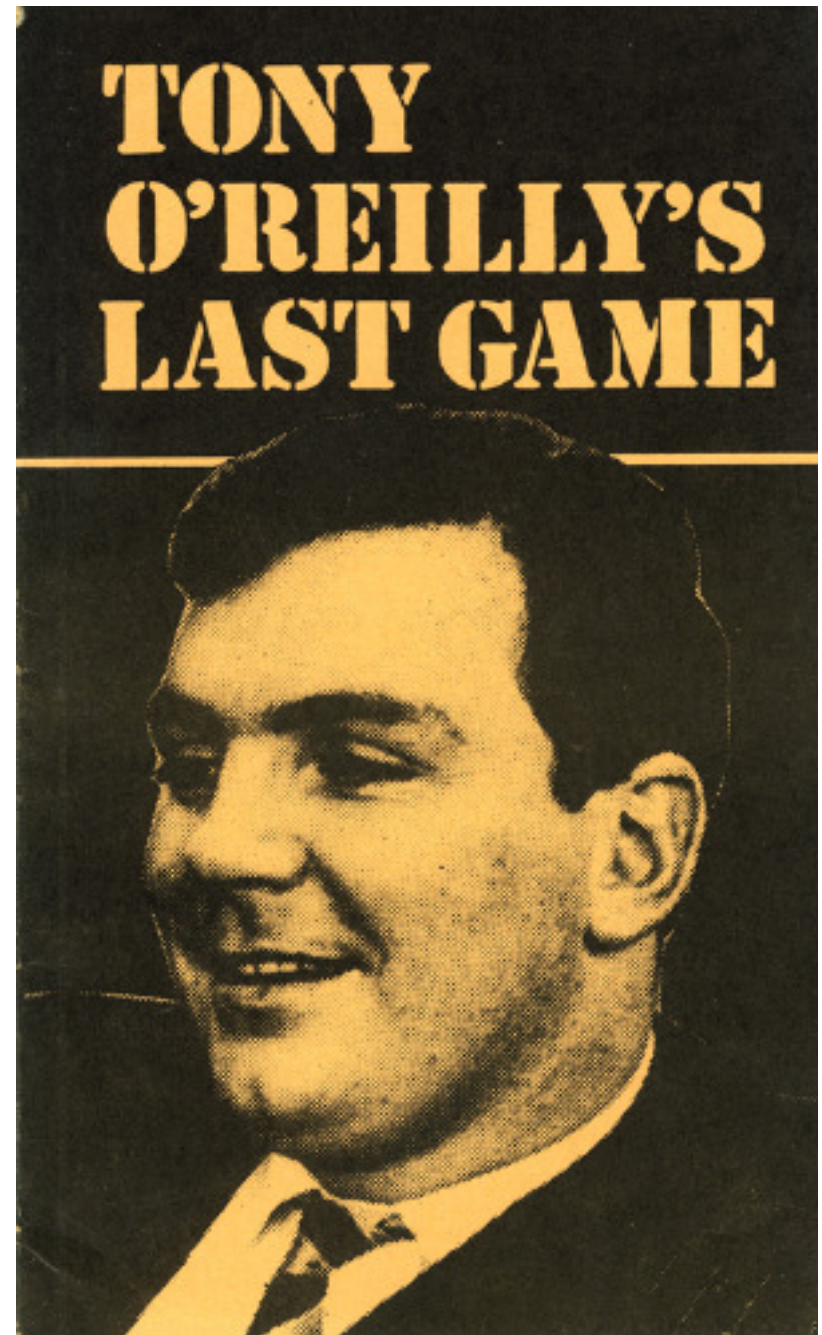
This pamphlet is now thirty years old. However Tony O'Reilly is still in the news. In January he hit the headlines with the closure of Waterford Glass and presently he is in the news because of the major financial and boardroom problems in INN.

It is therefore appropriate that this publication become available to a wider public.

The original document has been scanned using OCR and reset on A5 pages. No alternations - either of spelling, syntax, grammer or politics - have been made to the text.

It is planned to re-issue this pamphlet before the end of 2009 or early in 2010 with a comprehensive new introduction and a new epilogue.

PM



# TONY O'REILLY'S LAST GAME

## A CASE HISTORY OF IRISH CAPITALISM

### CONTENTS

|                     |    |
|---------------------|----|
| Foreword            | i  |
| A Promising Player  | 1  |
| An American Coach   | 3  |
| The Front Row       | 5  |
| Selling the Dummy   | 7  |
| The Loose Ball      | 10 |
| The Maul            | 13 |
| The Scrum Collapses | 15 |
| Names Taken!        | 18 |
| The American Code   | 20 |
| Postscript          | 22 |

Research Section  
Department of Economic Affairs  
Sinn Fein The Workers' Party

*On the playing-field or in the boardroom. Tony O'Reilly always turned in a dazzling performance. Everything he touched - even butter - turned to gold. When he was approached by an American talent scout, O'Reilly seized the opportunity of professional coaching in Pittsburgh where he quickly learnt that Heinz means business.*

*O'Reilly, the returned Yank, shot to the top of the Irish financial charts by applying the American code to Irish business. With the assistance of financial journalists, he cultivated a climate of success of which the greatest symbol was the FitzWilton empire. Tipped by Time magazine as a future Taoiseach, O'Reilly was dubbed 'The Golden Boy'.*

*But as 365 former Gouldings workers now know, all that glitters is not gold. They learned the hard way that free enterprise has to be paid for by someone. For them, the price was high indeed: O'Reilly's enterprise, flair and dash cost them their jobs.*

*This booklet reveals for the first time the full story of the rise of Tony O'Reilly and the fall of Gouldings.*

ISBN 086064 015 9

Price: 30p

Repsol Publications

Published by Repsol Publications

First edition 1976

This edition 1979

Copyright © Repsol Publications

ISBN 0 86064 015 9

Repsol Publications

30 Gardiner Place

Dublin 1

Ireland

## FOREWORD

This pamphlet, which traces the rise and collapse of the O'Reilly business-empire in the first half of the 70s, is a study in microcosm of the capitalist system as it operates in Ireland. It purposely picked as its subject the darling of the Irish bourgeoisie, for it shows the inevitability of any capitalist venture in Ireland - unemployment, inefficiency, waste of resources, double talk, and sordid corruption.

It was originally published in September 1976 and it is now reprinted in its original form with a final chapter added which chronicles the O'Reilly saga in the two years subsequent to the original demise of FitzWilton.

The history of those two years has served to confirm the accuracy of the original analysis. In the meantime we have seen the advent of a new caretaker capitalist government - Fianna Fail - which is aggressively wedded to the ideal of fostering a thousand Tony O'Reillys. At the same time, it works hard to fan the smokescreen that full employment can be achieved in the 1980s under capitalism.

Capitalism has failed, but it will continuously recreate the O'Reilly saga in different forms for as long as it continues, ensuring the persistence of unemployment, emigration, and petty corruption.

January 1979

Eamonn Smullen

Director of Economic Affairs

Sinn Fein The Workers' Party

## 1. A PROMISING PLAYER

Tony O'Reilly set up his first business as a schoolboy in Belvedere College when he started a penny library helped by a classmate John McKone. Today McKone's ugly housing estates sprawl across the outskirts of Dublin while Tony O'Reilly's eighty companies litter the Irish economy with falling profits, management problems and redundancy for a thousand workers. The two Belvedere men were to meet again.

Tony O'Reilly is in every sense "one of our own". A folk hero of Irish capitalism in the early 1970s, his career enshrined all the ambitions of gombeen Ireland instilled by the Catholic "commercial" colleges which train and turn out what passes for an Irish national bourgeoisie. His success story was held up as an example of Irish capitalism at its best. His failure proved that its best was never good enough. To a class which in politics, business and sport believes in the cult of the individual, O'Reilly the "star" promised to pull off the big game for Ireland. The selectors who picked him for their last game in the Big League were proven wrong.

Tony O'Reilly not only lost the match, but showed up the rest of the team, the selectors and the whole club. The story of that last match, its star player and the club who selected him provides another semi-colon in the short and abortive history of the Irish national bourgeoisie. There will be no reply in that league. This pamphlet gives an action replay of O'Reilly's last game for the benefit of the Irish working class, the only class that will ever take the field and win for Ireland.

Tony O'Reilly was educated at Belvedere College and UCD. He first hit the headlines when, as an 18-year old, he won a place on the Irish rugby team. After matches he would swap his green shirt with his opposite number. In business too O'Reilly wore a green shirt in action. But the swap took place, not in the dressing room, but in a locked boardroom. The green shirt of Irish capitalism, sweaty, threadbare and patched by a hundred deals was finally handed over in exchange for a glossy American shirt in June 1976 when the star of O'Reilly's empire, Gouldings Fertilisers was handed over to Agrico Chemical Co. Ltd. a subsidiary of the US multinational William Companies Group. The rise

of Tony O'Reilly and the fall of Gouldings is not only an indictment of Irish capitalism, but also of the whole life-style of the Irish business class and the culture that forms them. The avarice, greed and stupidity of that class is continually concealed by financial journalists, the media and the ultra left.

Not only the ruling class is responsible for obscuring Irish gombeens from the view of Irish workers. There are many micro-factions on the Irish left who, calling themselves communists or socialists, continually direct their propaganda against "multinationals" or "Imperialism". Such slogans hide the fact that Irish capitalism makes it possible for the Irish economy to be dominated by American monopoly capital.

The story of Tony clearly shows clearly that it was not "British Imperialism" or even "American Imperialism" which put 365 men out of work. Irish capitalism, Irish journalists, Irish shareholders - all combined to conspire to that end.

This story tells how an empire worth millions of pounds was built up by a Belvedere College boy out of bits of paper. The whole structure of beliefs and attitudes which make it a mark of pride "to set up your own business" are exposed in this story as nothing more than a set of excuses to defraud the Irish people.

The roots of O'Reilly are deep in the culture of our country. The golden boy began under the benign gaze of Jesuits, making pennies from his classmates. The Jesuits would have thought him enterprising. As a rugby player and later as a businessman, he was never a consistent player. He was always "full of Promise". But when he didn't deliver on the rugby field, or in business, it was put down to "an injury" or an "accident".

In rugby, as in business, there are few accidents. Good teams win and crooked ones lose, even if by a few fouls they bluff the crowd in the first half of the game.

This is a story of bluffing and fouling by the Irish national bourgeoisie. And how they lost the match.

## 2. AN AMERICAN COACH

Tony O'Reilly began his business career in the early 1960s, when he joined the state owned Bórd Baine. Like many another Irish capitalist a state company gave him the skills which he would later use against the public sector. Now, under pressure from the IFA, Bórd Baine has been handed back to the private sector.

In Bórd Baine, the young O'Reilly launched Kerrygold onto the British market. At this early stage - charming, debonair and dynamic it seemed as if Kerrygold wouldn't melt in his mouth. The real O'Reilly only began to surface when he moved to his second stepping stone - his position as managing director of two other State companies, Erin Foods and the Irish Sugar Co.

The full story of O'Reilly and Erin Foods will have to wait another day. Certainly, it is clear that O'Reilly rooted out many of the Public Service traditions established by its former chief, M.J. Costello. How the new whizz kids of Lemass sent the veterans of the War of Independence packing is a tale that will probably emerge in the General's memoirs.

Erin Foods marked two critical turning points in O'Reilly's business career. First, he came to the attention of American monopoly capital in the form of the huge Heinz Corporation. At the same time, he met Vincent Ferguson then General Manager of Erin Foods and later to move to the Allied Irish Banks. For a short time both these men went their own ways. They were training for a big match.

In O'Reilly's case that training was to be an American one. Heinz recognised his particular aptitudes, not merely for selling a product but for selling the idea of a product. They appointed him, first as managing director of their British subsidiary and then as president of the Heinz Corporation. He moved to Pittsburg. Commuting infrequently to spend a few days on his three hundred acre estate in Castlemartin, Co Kildare, O'Reilly spent most of his time in Pittsburg. He soon acquired the manners and lifestyle of the top American executives

In Pittsburg, O'Reilly went into training in earnest. In this period Wall Street was rocking with the excitement of American capitalism's latest invention - the "Shell Company". Huge empires such as Gulf and

Western, Litton and Tempco were built around this simple seamy technique. Tony O'Reilly became a fascinated student mergers, take-overs, conglomerates and the paper companies that wrapped themselves around the American economy, like an empty paper bag. That bag was burst by United States Securities Exchange Commission at the end of the 1960s. Thousands of American investors and millions of workers found that there was nothing in the bag. Once more Wall Street was taught the lesson that companies must produce goods and not bits of paper

But although O'Reilly knew that the "shell company" bubble would eventually burst, he decided to blow a few similar colourful bubbles among the primitive and gullible Irish business community which he knew was dominated by spivs with Clongowes Woods accents, and liberally supplied with a quota of the most biddable financial and property journalists in Western Europe.

The "Shell Game" was quite simple. Take a small amount of cash and buy the majority of shares in a sick and old fashioned company. Next. Persuade journalists and public relations men to create excitement on the Stock Exchange. This causes the "sex appeal" of the sick shares to rise on the stock market. Next, use these shares instead of cash to buy the majority of a larger company. Form a holding company to hold the majority of shares in the two companies you've got. Find a third larger company and twist the takeover backwards by getting them to apparently take over your holding company. While all these coloured bubbles are in the air, and the Stock Market is aroused to what amounts to a sexual frenzy of excitement at so much activity, quietly take out any real material objects such as cash, goods, or plant and steal away in the night. As you're leaving you will see that the investors, whizz kids and journalists are almost as bewildered as the workers you put on the dole. That was the game Tony O'Reilly learnt from his American coach. Now he only needed a small playing field to surprise and delight the locals. He decided to try out the American code at home.

### 3. THE FRONT ROW

In April 1971, fit and fresh from his American training school, O'Reilly arrived back in Dublin for the big Irish fixture. He kicked off quietly in two rented rooms at 5 Lower Merrion St. He called his new private company FitzWilliam Securities. He prepared for the game by picking his Front Row carefully. The two men he selected had to have astuteness, hunger for the fast buck, propaganda expertise and the confidence of the Banking System. In Ireland, as in America. Finance Capital - the class which runs industry and the Banks - would have to sell the new team to the unsuspecting public. Irish Finance Capital - as ever - was ready and willing to play games with other people's money.

O'Reilly's first choice for the Front Row was Nicholas Leonard. This 32 years old Oxford graduate had taken the classic path of those who want to make money out of paper. First as financial editor of The Irish Times and later as founder of Business and Finance he formed part of the finance and property lobby in Irish journalism along with such illustrious figures as Karl Jones of The Irish Times and Frank Cairns of the Irish Independent — two prominent figures in an unsavoury court action. Having convinced the ever gullible readership of the Irish business journals that Irish capitalism had a future, Leonard moved on to become an executive of Allied Irish Investment Bank. Here he met the third front row forward, Vincent Ferguson, who had worked with O'Reilly in Erin Foods. Ferguson, then forty, brought vital accountancy skills to the combined talents of O'Reilly and Leonard.

These two men, Leonard and Ferguson were perfectly trained for O'Reilly's purpose. Neither was wealthy, but both had a passion for money. Having studied other people's accounts and hobnobbed with the rich, they wanted a slice of the good life themselves. Leonard, the propagandist, could make Public Relations men chew stale bread under the impression it was cake. Ferguson, quiet and discreet, was able to take more sceptical tycoons into back rooms and tot a column of figures in a way that seemed to make it add up.

The Shamrock Trio put their heads together and decided to make a killing. Tony O'Reilly's request was modest. Each of the trio would put

up £25,000 each - a sum just within their capacity. Of course this tiny total of £75,000 would not be enough to pull off the match. Tony O'Reilly hit on the name of Shell - FitzWilliam Securities. It had a substantial Georgian ring. They wanted to launch the first guaranteed Irish "Shell" operation.

O'Reilly, helped by his American coach, Heinz, put his ambitious plan for an Irish "Shell" operation to the chief executive of the National Westminster Bank in London. The National Westminster, (operating in Ireland as the Ulster Bank) sent over Mr. William Johnston to examine O'Reilly's scheme. Mr. Johnston became very excited. The Ulster Bank took out £25,000 worth of shares in FitzWilliam. More to the point, they pumped in £450,000 or 86% of FitzWilliam's money. From the beginning, Finance Capital was to mastermind the game that would put 365 Goulding workers out of their jobs. Banks would launch Tony O'Reilly. Banks would also scuttle him.

FitzWilliam, launched in April 1971, burst like a shark among the top-heavy basking fish of Irish capitalism. The industrial scene knew nothing of mergers of the type O'Reilly planned - merging companies whose activities were not related. Most mergers that had taken place until then had been the normal rationalisation of capitalism towards monopoly. Cement Roadstone's monopoly of cement, the Smurfit monopoly of paper and packaging, and the Rank consolidation of flour milling were all part of the predictable march of capitalism towards monopoly.

The FitzWilliam shark was different. At this stage, too small to cut into serious and efficient firms like Cement or Smurfit, O'Reilly's target was the soft underbelly of the remnants of de Valera's capitalist class. This group had slumbered peacefully under protection (and today show their gaping wounds to sympathetic "economists", weeping for protection of the "home market"). This fat and inefficient blubber was torn apart almost in the first few minutes of the game.

They can be excused. After all Tony O'Reilly was the Jesuit's boy, a rugby player and part of the national bourgeoisie. He could be relied on not to foul - at least while anybody was looking.

Tony O'Reilly in his green shirt surveyed the Irish scene. He was well pleased. Avarice and greed were still in charge.

#### 4. SELLING THE DUMMY

The first move of Tony O'Reilly's Front Row, in accordance with the American code was to find a company that they could use as a "Shell" or paper bag. Their soft target was a classic Irish capitalist firm of the old type - Crowe Wilson, situated in Lower Bridge Street. Dublin. Crowe Wilson for over a century had made its money as a wholesale drapers and general warehousemen. They made modest profits, attracted no great attention, and performed in a typically mediocre way on the Stock Exchange. Their great attraction for O'Reilly was their sleepy and steady image, combined with the fact that they owned 50,000 square feet of valuable land in the inner city of Dublin.

The FitzWilliam shark gobbled up a majority slice of Crowe Wilson's shares in one quick bite. The Front Row, for a modest £446,000, had the shell they needed. Crowe Wilson, boosted by a huge publicity campaign organised by tame journalists, increased its stock exchange value ten-fold in the following year.

Then O'Reilly, Leonard and Ferguson, using the Crowe Wilson shell, began a breathtaking series of take-overs and mergers that jerked Irish businessmen's attention from brandies and sodas and quiet fishing holidays in Connemara back to the noisy explosions which were taking place all over Ireland. First, Thomas Dockrells, the family firm of politicians was taken over in September 1971, adding a builders providers to O'Reilly's drapery activity. Then, using Dockrells, the Front Row took over McCarthy's Industrial Paint firms in Dublin and Cork. They then used Dockrells to take over Graves of Waterford. Crowe Wilson snapped up another loose ball by taking control of George Crampton.

While this was going on O'Reilly had an emotional reunion with his old Belvedere library friend, John McKone, who had done very well out of Dublin Corporation's policy of paying out public money to buy cheap sites for private builders and the financial backing of the late Edmund Farrell's Irish Permanent Building Society. O'Reilly congratulated McKone on reaching the big time and McKone was so moved that he handed over 30% of the shares in his company to O'Reilly and FitzWilliams.

Meanwhile, the Front Row was dribbling the ball across the border. Unmoved by the Provisionals' "Liberation War" in the North, FitzWilliam bought John Moore's Ltd. in Coleraine and took over Ulster Stores in Coleraine and Portrush. Further afield, to the joy of the Hibernian business community, O'Reilly, using Crowe, actually bought out Chemist Holdings of London for £2 million. There was loud applause from the brandy and soda set, delighted to see a green shirt bobbing among the white shirts of the English team. But like many another Irish sporting hopeful, that short burst would leave the Irish player winded. At that stage, however the applause of the crowd drowned any complaints. The cry was "O'Reilly and Ireland".

It was now nearly half time. Having guaranteed a thirst quencher by taking over John Daly & Co. Ltd. of Cork O'Reilly was able to hand out Coca Cola, Fanta and 7-Up to the rest of the team, having acquired the franchise for these beverages in all Ireland.

In the dressing room O'Reilly hugged Vincent Ferguson, who having been on the board of John Daly's, had given O'Reilly the crucial tip on the weakness of the opposing team. There was further excitement in the dressing room in 1972. O'Reilly, Leonard and Ferguson had turned £75,000 into millions. Business & Finance magazine had made O'Reilly Businessman of the Year. Fortune magazine carried feature articles on his performance. FitzWilliam controlled ten companies. And all of this had been done without any extra goods being produced, new machinery bought or extra workers employed.

Out on the stands, the crowd of stockbrokers, bibulous journalists, PR men, advertising executives, and their hangers on - night club owners, publicans, bookies and IFA whizz kids seethed with excitement. These pilot fish that had accompanied the FitzWilliam shark were enjoying the sunshine. The first half had been a great game for Irish capitalism. The second half looked like a walk-over for O'Reilly, for Ireland and of course the Club to which they all belonged.

In October 1972, as O'Reilly led out the team for the second half, there were a few complaining voices raised. The most distinguished was Dr. Ken Whitaker of the Central Bank.

In October 1972 Dr. Whitaker told an investment conference what they all knew. "Within the last two years we have witnessed an astonishing wave of mergers and take-overs in these islands". The crowd knew that and were quite happy about it, especially by O'Reilly's neat trick of actually making money from the inflation that was hitting the workers' wage packets. But Dr. Whitaker lamented: "If sections of the community come to have a vested interest in continued inflation, will this not tend to feed inflation further?"

The crowd agreed that it would and a good thing it was too for Irish business. Dr. Whitaker in desperation warned that it was paper money and that no goods were being produced by O'Reilly. "It surely cannot be desirable socially or economically" he said, "that financial transactions should yield bigger gains than production."

The crowd on the stands told him not to be an old fool. Noel Mulcahy, pioneer of the "stake-holder theory" and prominent Gaeilgoir who spoke figures in Irish, told Whitaker sharply "It seems a little untimely for Dr. Whitaker to dampen enthusiasm for enterprise". The crowd agreed that O'Reilly should get on with the game.

And out on the field Tony O'Reilly's Shamrock Trio obliged. They were about to make a killing. All they needed was a loose ball.

## 5. THE LOOSE BALL

The kind of loose ball that Tony O'Reilly needed had to be a much more substantial company than Crowe Wilson. He was looking for a firm with such prestige and standing that it would drive up the value of the whole O'Reilly empire, which at that stage was a motley collection of drapery, building, soft drinks and property companies. As he looked around the field for such a company his eye fell unerringly on an Irish firm that was both efficient and at the same time a soft target. From that moment workers of Gouldings Fertilisers at Dublin's East Wall were doomed.

The firm of WHM Gouldings & Co. was one of the last showpieces of the Irish national bourgeoisie. One of the oldest firms in Ireland, it had been manufacturing fertilisers in Cork since 1855. Its impeccable pedigree was shown by the fact that it had registered as a company as far back as 1894. By the 1960s it dominated the Irish fertiliser market, which was divided between Gouldings, Albatross, NET, and MacDonaghs of Galway.

In what was virtually a monopoly market, Gouldings controlled over 50%, specialising in compounds and blends of nitrogen, phosphates, potash and potassium, all of which are critical to the production of beef on good grassland. The chemical and fertiliser industries are closely interwoven and the prospects for new activities were enormous. Gouldings had only begun to tap a huge potential market.

Fertiliser in the 1960s was used on only about a third of Irish grassland. With the EEC and the IFA pushing for the development of beef and livestock the use of fertilisers in Ireland was projected to grow by almost 300% in the 1970s. Even in the 1970s however Gouldings profits were consistently over £1 million every year.

On this solid base of fertilisers the future of Gouldings was secure enough to allow them to diversify into other activities, such as plastics, jewelry, system building and property development. But fertilisers were the greatest potential, based on Gouldings' two plants, one in Dublin and one in Cork - the latter had a strong research and development unit



backed up by skilled technicians. Gouldings then seemed poised for the development of an integrated chemical fertiliser industry, and, the future of its workers seemed secure.

To underline the tragedy that was looming for the Goulding workers, as O'Reilly studies his prey in 1972, Gouldings had also just embarked on a joint plan to construct a huge £9 million efficient fertiliser plant at Richardson's of Belfast. As Richardson's was half owned by ICI and as ICI had also 20% of Gouldings, the possibility clearly existed for a powerful and progressive capitalist industry.

Back in 1972, on the eve of the O'Reilly take-over, Gouldings' workers could look forward to increased and even expanding employment in a modern, up-to-date monopoly industry. Their future was further enhanced by a series of valuable links that included two American chemical and fertiliser groups, Freeport and Texas Gulf, together with Albatross Ltd. of New Ross. The possibility in the late 1960s was that Gouldings, Imperial Chemical Industries, Richardsons, Albatross, Freeport and Texas Gulf were poised to develop a progressive monopoly development of potassic and phosphoric fertiliser in Ireland on a thirty-two county basis. This would be a powerful manufacturing group which, like Cement Roadstone, could cartelise the market, plan production that would tie in Gouldings at the Marina in Cork, Albatross in New Ross and Richardsons of Belfast. This kind of monopoly, as in the case of Cement Roadstone, would have many progressive features such as steady employment, a Thirty-Two County trade union organisation, and of course facilitate its ultimate integration into the State fertiliser industry, by a simple integration with Nitrigin Eireann Teoranta.

Tony O'Reilly had no interest in any such serious capitalist activity. He merely wanted Gouldings' cash. And he knew exactly why they would accept his bid.

Gouldings was a soft mark for the simple reason that a capitalist firm is owned not by the workers, but by the shareholders. Most shareholders have no interest as long as the company promises higher and higher profits. They leave the sordid details to the board of directors and to the managers who are even more gullible than financial journalists when offered the prospect of a fast buck.

Tony O'Reilly's best friend in the planned operation was Sir Basil Goulding. Sir Basil, himself a director in twenty-one other companies, is sophisticated in such matters. In the summer of 1971 Sir Basil had carried out a detailed study of Gouldings' shareholders. He discovered that over half of them (56%) did not know what the company's annual turnover was. They were equally ignorant of the company's return on capital, knew little about the state of health of other companies in the Goulding group, and were quite confused about Gouldings' relationship with ICI. One shareholder in Sir Basil's survey explained "I bought the shares because I thought ICI was taking over Gouldings". Sir Basil also found that only one in three shareholders took the trouble to read Gouldings' Annual Report.

This sublime indifference to the condition of the Company and the workers for which they were responsible is easily explained. Unlike Goulding's workers, the shareholders did not depend on the company for their bread and butter. The dividend cheque from Gouldings was only so much extra jam. This was shown also by the survey, which revealed that 70% of the shareholders belong to the top (AB) social class.' Nearly 60% had land or real estate investment. The vast majority also had shares in other companies in the monopoly pattern familiar to those who've read the Banks booklet of Sinn Fein The Workers' Party. For example 31% had shares in Guinness and Roadstone. Another 27% had shares in Allied Irish Banks and 13% had shares in United Distillers - all of these banks and industries were monopolies in their own right.

From O'Reilly's point of view the most encouraging reply in the questionnaire was the response of shareholders in Gouldings to the question, "Do you require more information about the company?" An incredible 75% said "No". Another 21% said "Yes". And four shareholders in every hundred said "I don't know". Meanwhile, trade unions in Gouldings were told they could not have confidential information because this might put the future of the company at risk.

## 6. THE MAUL

With this kind of information in their hands, O'Reilly, Leonard and Ferguson, enthusiastically supported by Sir Basil, knew that Gouldings would be a push over. The moment was ripe for the big coup and O'Reilly gave it the American twist. In July 1972, Tony O'Reilly invited Gouldings to take over FitzWilliam Securities and all its shareholdings. The FitzWilliam shark disappeared inside a much larger shark to the benefit of both.

The huge conglomerate was called FitzWilton Ltd. Up until that time O'Reilly had been playing around with paper. When Gouldings were inveigled into taking over FitzWilliam, O'Reilly's company had only owned 32% of Crowe Wilson. But Gouldings had not given him the majority shareholding in the FitzWilton conglomerate of which it was a part. With FitzWilliam miraculously transformed into FitzWilton, and the further miracle of the paper takeover by the dynamic Gouldings company.

O'Reilly had successfully offered himself to a larger shark which then handed over control of itself. He had entered the realm of faith healing in a manner that put the miracle of loaves and fishes in the shade.

The Stock Market and the financial journalists went wild with delight. In four weeks FitzWilton's share price doubled. Tidying up the bits and pieces, O'Reilly in an all-share deal - meaning it was on paper - pushed his ownership of Crowe Wilson from 32% to 68%. The mystery of why a company like Gouldings worth £10 million, accepted a merger from three men with bits of paper was explained by Richard Keatinge, Financial Editor of The Irish Times.

*"The reason for the merger was that Shell company needed Gouldings' assets..... and Goulding's shareholders needed an injection of new management and of course they welcomed the speculative interest that increased FitzWilton's share price"* (our emphasis).

It was the simple truth. Without any extra goods being produced the "sex appeal" of the act of take-over aroused the Irish Stock Exchange to a frenzy, share prices went up and Goulding's shareholders got extra dividends. Down on the floor, the workers went on producing the same

amount of goods, unaware that their lives and destinies were now dependent on bits of paper.

The Front Row weren't concerned with workers, however. They had become millionaires overnight. Their coloured bubble FitzWilton Ltd. had shown that a take-over followed by Stock Exchange frenzy could make them fortunes. They were anxious to repeat the trick again and again.

Immediately they hit the take-over trail just as they had in 1971, with FitzWilliam. But the new "Shell" had much greater muscle and pulling power. First they bought 20% of the New Ireland Insurance Co. Then O'Reilly having taken over the management of Independent Newspapers, they bought 40% of the Independent Newspapers Group using Crowe Wilson and FitzWilton. Then they took over Dublin Plywood and Veneer. Looking North, they decided on a Republican gesture and took over Ulster Bottlers to keep John Daly of Cork company. Having secured the franchise, they now ran the 32-County Coca Cola Republic. Then they used Daly's to take over Smith's Crisps. In the meantime Tony O'Reilly sold his shares in Tara Mines at a profit of several million pounds to boost the FitzWilton kitty.

With millions in his hands O'Reilly took on his most ambitious venture. Backed by the Gulf Oil Mellon Bank of America, he bought 27% of National Mine Services of the USA. The Mellon Bank had no trouble in finding him the \$9 million he needed. From there, it was an inevitable step to setting up his "front" oil company, Seahorse Ltd., which he used in an abortive attempt to take over CIE's valuable rail depot at Cobh.

By 1975, the crowd in the stands were on their feet. The FitzWilton empire with 64 companies had a turnover in excess of £60 million. The trading profit was over £5 million. Tony O'Reilly, as chief executive of FitzWilton, had 1,323,305 shares. Vincent Ferguson was director of FitzWilton and held 989,479 shares. Nicholas Leonard was also a director of FitzWilton and held 889,479 shares. The Front Row had done well. Among their 64 companies was Gouldings Fertilisers. In passing they noticed that the 24 acre site on the East Wall was worth £5 million. In 1975 that was just a detail. Times were good. Still, they must have thought, that it was nice to have a site worth £5 million. Down at the site 365 men worked away diligently little thinking what the future held.

## 7. THE SCRUM COLLAPSES

In June 1976, Tony O'Reilly was selected by Vision magazine, an international executive's journal, as one of the 80 top executives in the world. The accolade was given to him for his: "Proven record of successful management at the highest level". Three days later, 365 of O'Reilly's workers at Gouldings Fertilisers at the East Wall in Dublin were given the sack. The scrum had collapsed. Ireland's Front Row lay in ruins. The crowd were silent because the defeat reflected badly on their class. Ireland had formed and lost its first and last "multinational". It lived for only three years. The brightest star in the team of Irish capitalism had shown that he and his club were mortally and physically bankrupt. O'Reilly had run out of steam and was offside. The crowd of course couldn't boo without drawing the attention of the 365 workers who were listening outside the gates. Even more dangerous was the fact that the Irish working class was beginning to lose faith in the mystique of Irish capitalism. Nothing stood between a few thousand shareholders who dominate the Irish economy except the innocence of the Irish working class which is continually urged by "radical economists" and home market prophets to have faith in the future of the Irish national bourgeoisie. The newspapers were careful therefore not to tell the full story - they too had played a supine and cowardly role in the sacking of the Gouldings workers.

The collapse of the scrum in June 1976 was the first disaster that made the headlines. But the FitzWilton empire had been crumbling since 1973. The rot had set in the only place which was not made up of bits of paper - Gouldings Fertilisers. The reason was simple. In 1972 Gouldings enjoyed the EEC fertiliser boom along with the IFA commercial farmers. Then came the beef crisis of 1973/74. The banks encouraged farmers to borrow heavily. The IFA told them to increase the size of their herds. The price of cattle then dropped. Farmers didn't use fertilisers to grow grass to feed more of them. On top of this the basic raw material for fertiliser, rock phosphate, increased by a massive 500%.

Finally a £3 million sales deal to Libya was called off by Col. Ghadaffi's spiritual advisers, the Libyan business community, who are

reputed to do business with the Provisionals. In 1975 Gouldings, admitting defeat, laid off 200 workers as a temporary measure. The plant at Dublin was closed for five months and the Cork plant for three months. How a once efficient company worth £10 million was reduced to ruins in four years is a model tale of finance capital. Tony O'Reilly's whole strategy had been based on borrowing heavily from the Banks during his early take-overs with the Crowe Wilson shell. Gouldings was no sick company but O'Reilly treated it contemptuously as if it were just another shell.

Quite simply, Tony O'Reilly got money from Gouldings, borrowed heavily from the Banks on the basis of Gouldings' record, and used its cash and prestige to acquire the second string of companies that made up the FitzWilton empire. It was Gouldings' money and assets that had bought him Independent Newspapers, National Mine Services of USA, the Insurance Corporation of Ireland, Dublin Plywood and Veneer and all the others.

Gouldings paid for the take-overs and for the share speculations. On their own, with the strength they had back in 1971, they could have ridden out the fertiliser recession. But O'Reilly had drawn off so much of their life blood to boost FitzWilton that, by 1975, they were too weak to carry on without the funds they normally had in the past.

So, inevitably, the Irish capitalism firm of WHM Gouldings that could trade its lineage back to 1855 was put on the open market, broken and bleeding from O'Reilly's leeches. The monopoly sharks began to circle around the corpse.

First, ICI were approached but they were only interested in the profitable Richardsons plant at Belfast. Back in the early 1970s Gouldings and Richardsons had embarked on a far-sighted venture to build a £9 million plant at Belfast. Now under pressure from the Banks, FitzWilton had to sell half Gouldings' share to the British monopoly ICI. Once more the greed of Irish capitalism had delivered the possibility of industrial take-off to monopoly capital.

In accordance with Sinn Fein The Workers' Party's analysis of the dominant role of American monopoly capital in Ireland this first victory for British monopoly in the form of ICI would soon be followed by a larger

American victory. This in fact was what happened next but not before the whole agony of the FitzWilton workers was drawn out by desperate efforts to pay off the Banks, who now wanted the money that had been borrowed by O'Reilly's paper companies.

Gouldings were still tottering around the market place looking for a buyer. Albatross Fertilisers were next to be approached. But Albatross was a subsidiary of Royal Dutch Shell, one of the infamous Seven Sisters of the oil cartel. Shell was quite happy to kill off its oldest competitors in Irish fertilisers - Gouldings and Co-operative Purchases Ltd. In 1975, CAP went out of business for good and Gouldings had their "temporary" closedown. The two great monopolies, Britain's ICI and Royal Dutch Shell, stood alone, pleased with the prospect of cleaning up the expanding fertiliser market in Ireland.

This hand-over to foreign monopoly had of course nothing to do with the evil activities of the "foreigners", so beloved in the folklore of the pseudo Irish "Left". Tony O'Reilly, one of our own, a native capitalist, had opened the door. The monopolies didn't even have to push.

The final act in this drama also followed the pattern set out in Sinn Fein The Workers' Party's analysis. The State company NET was the only solid rock in the Irish fertiliser market. Back in the 1960s NET started from scratch. By 1970 they had 20% of the nitrogenous fertiliser market. In that year their strong technical and management team forecast the world raw material supply problem, likely to be faced by NET and Gouldings. But while Tony O'Reilly ignored the problem and went on spending Gouldings' money buying up paper companies, NET pumped £80 millions into its huge urea plant in Cork based on Kinsale gas.

Today, Gouldings, the native capitalist firm is in ruins, its markets dominated by British and American monopolies. The company itself is in the hands of the American Williams Corporation.

The state company NET alone is at the disposal of the Irish working class.

## 8. NAMES TAKEN!

The slow collapse of Gouldings, the only serious company in the FitzWilton empire brought the whole pack of cards down one after the other from 1974 onwards. Bits of paper and bankers were everywhere. Like so many vultures, O'Reilly's former finance capital friends swooped down to pick at the dying 80 companies of the FitzWilton conglomerate.

First Henry Schroeder Wagg, London bankers, stopped a £1 million credit line that had been open to FitzWilton. Then the Irish banks moved their own nominees onto the board of FitzWilton. Predictably, men from state companies with a public service record like Tom Hardiman of RTE and Michael Dargan of Aer Lingus, were asked to stand around and shed a dim light of integrity over the whole bloody battlefield as the bankers started looting. The huge FitzWilton empire rocked under blow after blow as company after company was sold off in a hopeless attempt to satisfy the banks' insatiable demands.

Ulster Stores was the first to go, being sold off in 1974. A month later, John McKone, O'Reilly's old Belvedere classmate, got off the bandwagon. Then FitzWilton House itself on the Royal Canal had to be sold to the British National Coalboard Pension Fund. Ironically, retired British miners are conceivably the only group of workers to benefit from anything Tony O'Reilly did. The banks still demanded more.

The Burlington Road properties were the next to go - sold to the Insurance Corporation of Ireland which inevitably has recently been penetrated by the giani US based Continental Corporation. After that FitzWilton had to pull out of the Dun Laoghaire Shopping Centre deal. Next, they had to sell their New Ireland shares to the PMPA which subsequently passed into the hands of the French International Insurance Company. Richardsons and Ulster Fertilisers of course were sold back to ICI, and CAP to Royal Dutch Shell.

Next Griffiths dream of an international Irish capitalism was turning into a nightmare. The biggest jewel in O'Reilly's "multinational" crown - Chemical Holdings of Britain - had to be sold in order to raise an urgent £4 million for the banks.

The roll-up went on. FitzWilton's problem was that the international finance houses who had once been so friendly and helpful were now only interested in the profitable enterprises. Working backwards, FitzWilton tried to sell its Coca-Cola franchise to Cantrell and Cochrane. But Cantrell and Cochrane is owned by the American monopoly Allied Breweries Corporation, which coolly vetoed the offer claiming a possible conflict of interest. They could afford to wait. In desperation FitzWilton turned and rooted in their rubbish bin. They found a dirty and unkempt company called Crowe Wilson and offered this, their first born child, on the open market. There were no takers.

Out on the field, the rain was coming down hard, the pitch was muddy, the crowd was silent, and only the hard rasp of the bankers could be heard from the other-side. The Front Row, broken, winded and sweating went down again and again under flying tackles. Their only consolation was the money tucked in their personal jockstraps. Tony O'Reilly, Vincent Ferguson and Nicholas Leonard had made nearly £9 million out of the FitzWilton shell. Some of it was rolled up carefully in private parts. In 1975 Leonard had sold half his holding in FitzWilton for £175,000 and his Independent shares for £264,892. From these figures it can safely be assumed that the three Front Row forwards who stumbled around the muddy pitch praying for full time had the consolation that, between them, there was a couple of million tucked away in a sock in the dressing room.

There was no such consolation for the FitzWilton workers outside the gates. In 1974 FitzWilton employed 3,357. At the time of writing, they have lost 1 000 jobs, ranging from the 365 men at Gouldin's to 50 men at Daly's at Cork. And every day the shattered group and its workers faced fresh problems.

As the match drew to a close, the Front Row had only one job left to do. This was to keep the Irish national bourgeoisie's historic appointment with American monopoly capital. Gouldings was picked to go on that 'blind date'.

## 9. THE AMERICAN CODE

On the 31st of July 1976, Gouldings Chemicals announced that it was to discontinue all fertiliser productions at the Dublin East Wall plant. Foreign financial journals noted that the company, Gouldings Chemicals, was a wholly owned subsidiary of a small Irish based multinational conglomerate, FitzWilton Ltd.

The crowd of Irish businessmen were already streaming out of the stand, mute and shocked, even as Ireland's star player was putting Gouldings under the auctioneer's hammer. Supervising the sale discreetly was an American oil bank, run by one of the wealthiest families in the world, the Mellon Bank, which is dealt with at length in *The Great Irish Oil and Gas Robbery*. In the same year that Sinn Féin The Workers' Party published this study, the Mellon Bank had given \$9 millions to FitzWilton in exchange for Gouldings loan stock. FitzWilton had used the \$9 millions to finance its so-called multinational foray by buying into National Mine Service of the US. Meanwhile, the Mellon Bank, knowing it was dealing with amateurs from a minor league, converted the Gouldings loan stock into Gouldings shares. The Mellon Bank could now decide what would happen to Gouldings.

So in July 1976 as Gouldings' workers were considering whether to take redundancy payments the Mellon Bank was making sure that the remnants of Gouldings in Cork and the Irish fertiliser market would be kept safe for American monopoly capital. Pushed by the Mellon Bank, Gouldings sold 50 of its shares to Agrico Chemical Co. Ltd. of the USA — a subsidiary of the American multi-national Williams Company Group.

The Williams Group, who at the end of the day hold the O'Reilly empire's biggest jewel in their hands, is a huge integrated petro-chemicals and energy group which is involved in agricultural chemicals, Liquid Petroleum Gas (LPG) oil and gas pipelines, and heavy construction. One of the most powerful corporations in America, it is listed 187th in Fortune magazine's 1976 table of the top 500 industrial firms in the USA.

Today, this giant American company, the Williams Group with its vast expertise in oil and petrochemicals is firmly rooted in the Irish chemical industry scene. The benefits therefore which the national bourgeoisie star player has conferred on American monopoly capital are enormous. Using Gouldings, it can set up front companies to interfere, block or subvert the development not only of the Irish fertiliser industry but of state ventures into oil and gas.

The Williams Group now joins Imperial Chemicals Industry and Royal Dutch Shell in an overall Anglo-American grip on the Irish market.

None of these three monopoly groups set out to penetrate the Irish market. They did not behave as “Imperialists” in the fashion described by some elements of the Left in Ireland. They didn’t have to. All their work was done for them by the Irish national bourgeoisie, which, driven by greed and stupidity, supported yet another doomed attempt to prove that it had a future.

The story of Tony O’Reilly is the story of the Irish national bourgeoisie. The collapse of Tony O’Reilly’s empire and its handing over to American monopoly is the only path that remains open to the Irish national bourgeoisie. That is why Sinn Fein The Workers’ Party refuses to join other groups in ‘protectionist’, ‘quota’, tariff or ‘home market’ campaigns that would only serve to keep that class alive in order that they would be able to sell us out to American monopoly as O’Reilly finally did.

Instead, in accordance with its policy of expanding the state sector through the medium of State companies, Sinn Fein The Workers’ Party points to the rock of Nitrigin Eireann Teoranta, which alone is in a position to establish a State Chemical Fertiliser Industry. The basis of that industry can be laid down by NET taking over the Gouldings Cork plant and Albatross, New Ross, so guaranteeing secure employment for existing technicians and workers, and expanding the industry as part of our Full Employment Plan.

## POSTSCRIPT

When *The Last Game* was written, in September 1976, the fate of Tony O’Reilly’s Irish empire had been sealed. What followed was the inevitable final breakup of the old team.

Prop forwards Nick Leonard and Vincent Ferguson sold off their Fitzwilton shareholdings in quiet deals while the conglomerate’s Chief Executive Jim McCarthy stayed on for a while after the terraces had emptied to fix up the remaining disposals that would satisfy the banks.

First, Fitzwilton’s stake in the American National Mine Services was sold, and then, in quick succession, the conglomerate’s plastics division (to Smurfits), Gouldings Building (to Wm. Power & Co.), and textile company George Crampton (back to the old Crampton family interests). The final act was to be the dismemberment of the conglomerate’s Construction division, and with this, Jim McCarthy left the stadium in the dark of night. The deal arranged was for McCarthy, in conjunction with British building firm, William Mallinson & Denny Mott, and some minor partners (including Irish Life Assurance) to buy back Fitzwilton subsidiaries J.S. McCarthy, Dujjin Plywood & Veneer, and Graves Ltd. A price tag of £5.7 million was agreed for the three building companies and O’Reilly had only to call a meeting of disillusioned Fitzwilton shareholders to approve the deal.

The game was over. But a choice remained - to liquidate the empty shell, or allow it to muddle on as petrified history of the Irish bourgeoisie’s final game.

In June 1977, the disgruntled shareholders came together to decide the old side’s final fate. They were the ones who saw the team play a blinder in the first half, but who held on through half time to see the final collapse.

Inevitably, with reminders of lost fortunes filling the air, the mood was ugly. Calls for liquidation were made, especially when the punters were reminded that Fitzwilton’s share price (32 pence at the time) was a lot lower than the market value of the remaining assets per share (62 pence). O’Reilly didn’t want to liquidate. He wanted a plaything that he could fiddle with at his Vice President’s desk in Pittsburg, especially a

plaything that would, in revamped form, give him at least a trickle of profit from the sweating workers back in the old country.

With all his winger's guile of old, he soothed the share-holders' wounds with news of a scheme by which they could avoid paying £0.5 million in capital gains tax due to the Exchequer from the profit made on the sale of Fitzwilton's stake in the National Mine Services company. The plan was to sell off the construction firms to Jim McCarthy at a price lower than their stated book value, with the resulting paper loss to be set off against the capital gains - thus avoiding the tax! The punters applauded - a try in the corner! - just like in the first half, and he won the day.

But, it was to be another day, on October 25th 1977, that a remaining coterie of disgruntled shareholders, not impressed with Tony's great try in June, unwittingly underlined just how sordid had been the story of O'Reilly's last game.

The Fitzwilton annual general meeting in October heard details of a number of cash payments made in the dressing room to Fitzwilton executives as they departed the side.

Mr. Robert Mollard, in recognition of his involvement in the National Mine Services deal, got a £75,000 handout plus a company car worth £5,930; Mr. John O'Connell got £50,000; Jim McCarthy was given a car worth £4,270 (thanks for his compliance in avoiding the £500,000 capital gains tax bill), and a car worth £4,800 was given to Mr Neil O'Donnell, a partner of McCarthy's, and a former director of Fitzwilton.

No such payments were made to the 365 redundant Gouldings workers, each of whom needed the money much more than did O'Reilly's departing teammates. When asked by a shareholder about the size of the workers' redundancy payments, O'Reilly expressed sympathy with all those made redundant but pointed out that Fitzwilton "have paid out twice the statutory amount".

Fitzwilton has come full circle, and, in the words of the financial journalists, is "back in the black" and "celebrating" its return with bumper dividend payouts.

But, as with each of the sleazy and ineffectual companies on the Irish

Stock Exchange, the dividends are paid, as always, out of the surplus labour of the working class.

Maintaining its sordid tradition, and O'Reilly's lust for profit, Fitzwilton, in its first financial year since its return to the black, dipped into its reserves of assets to satisfy the shareholders.

For the year ended June 30th 1978, Fitzwilton made a profit of £1.1 m.. of which the remaining Gouldings workers at the plant in Cork contributed £150,000. After a tiny tax charge and exceptional write offs of some properties, the aged conglomerate was left with £760,000 to pay shareholders their dividends. But that wasn't enough, and without ploughing a single penny back into the company, O'Reilly paid himself (he never sold his shares in the company) and the punters a total of £895,000.

The leech lives on.

So much for the vehicle of O'Reilly's ambitions. The man, in his subsequent career, continues to play a role consistent in its last detail, with Sinn Fein The Workers' Party's original description of the historical courtship of the Irish bourgeoisie by US monopoly capital.

O'Reilly, today President of the Heinz Corporation, now wears the star spangled shirt of the American team. On holidays, and out of a sense of nostalgia for the testing ground of his more daring Harvard business theories, he maintains his interest in Ireland through the Fitzwilton shell. In a flash of the old winger's form, he, through the Independent Group, took control of the Sunday World, and is now on his way to turning Ireland's newspaper industry into a fast talking, fast selling, tits and bum commodity of the late seventies. And, in an interview in the September 1978 issue of Irish Business magazine, he reminded the locals that his claim to get in on legalised commercial radio in Ireland is well and truly staked.

Despite the fact that he plays for another team now, Tony still likes to spin the yarn that at heart he is a true and loyal Hibernian. He told Irish Business: "*I am highly involved with the IDA in America. I do an awful lot of work for them over there. I've been very much behind Westinghouse coming in over here and I've been encouraging Al Rockwell to put a plant in. I've spoken to Alcoa at great length. US*

*Steel I've encouraged to come in and Emerson Electric. Every time I get a chance I'm selling and I'm very close to Cashman (the IDA American director) and his people over there".*

He has formed an "Ireland Fund" in America, styled on the lines of the Jewish Fund with which US Jews swamp Israel with money as a means of appeasing their Zionist consciences. And, he sees it, in his wildest dream, as eventually sending back to the natives an amount of funds that would equal the total of Government spending in the country. As for Ireland's future political status under Capitalism, Tony has it all worked out; in his own words: *"At the end of the day, if Britain ever do get out of Ireland which, I think, everyone feels to some degree they will in some form or another, two countries have to underwrite a new dawn and that is America and Britain"*.

But, the story of the last game will always haunt Tony O'Reilly, and his class, in the minds of Irish workers. Mindful of the public obloquy to which his last game was subjected, O'Reilly today feels that his side of the tale has not been given a fair hearing. Incredibly, in his recent interview with Irish Business, he aimed to put the record straight. He said that Gouldings might never have survived but for its take-over by the conglomerate.

Ingenious as ever, he maintained that the conglomerate, in putting cash into the company, enabled it to avoid liquidation during the recession. What would the families of the 365 Gouldings workers, say to that?

## **THE IRISH INDUSTRIAL REVOLUTION**

*"IT SHOULD BE READ BY ANYONE CONCERNED WITH THE DEMOGRAPHIC PROBLEMS OF POPULATION AND UNEMPLOYMENT AHEAD".*

David Neligan HIBERNIA

*"GO OUT AND BUY THE IRISH INDUSTRIAL REVOL-UTION. A FINE PIECE OF WORK."*

Rosita Sweetman SUNDAY INDEPENDENT

*"I FOUND IT DIFFICULT TO QUARREL WITH THE POLITICAL ASSUMPTIONS WHICH WOULD FACILITATE THE REALISATION OF THE PLANNED OBJECTIVES. A REMARKABLE DOCUMENT."*

Matt Merrigan UNITED IRISHMAN

*"NI PAIMFLEAD LAN DE REITREAC ATA ANN ACH LEABHAR ANAILISEACH AR AN REABHLOID TIONSCLA10CH IN EIRINN A THUILEANN GO LEIFI GO CURAMACH E."*

Tuarascail THE IRISH TIMES

*"THIS STUDY SHOULD BE REQUIRED READING FOR ALL IRISH SOCIALISTS."*

Cormac O'Grada UNITED IRISHMAN

*"EASILY THE MOST THOROUGHLY RESEARCHED AND HISTORICALLY BASED PLAN TO COME FROM ANY PARTY IN THE COUNTRY."*

A.M. Duffy SUNDAY PRESS

NEW EDITION

£2.20

REPSOL LIMITED

Printers & Publishers

30 Gardiner Place Dublin 1



**Title:** Tony O'Reilly's Last Game: A Case History of Irish Capitalism

**Organisation:** Sinn Féin The Workers' Party

**Date:** 1979

Downloaded from the Irish Left Archive.  
Visit [www.leftarchive.ie](http://www.leftarchive.ie)

*The Irish Left Archive is provided as a non-commercial historical resource, open to all, and has reproduced this document as an accessible digital reference. Copyright remains with its original authors. If used on other sites, we would appreciate a link back and reference to the Irish Left Archive, in addition to the original creators. For re-publication, commercial, or other uses, please contact the original owners. If documents provided to the Irish Left Archive have been created for or added to other online archives, please inform us so sources can be credited.*