

A decade ago, at the height of the global crash, Ireland faced its biggest crisis since the foundation of the State. As the world's financial systems went into meltdown, it seemed we were alone and friendless in the midst of a worldwide panic.

With the major economies scrambling to protect their own interests, the stability of our small, necessarily open economy seemed far down the list of global priorities.

But there was one country – a G7 power – that was prepared to stand with Ireland and help our Government make its case to the IMF, the World Bank, European Union and beyond.

Ireland was able to call on historic bonds and modern-day partnerships, on shared beliefs and values that would play a significant – and perhaps unexpected – role in giving us the vital time and space to ride out the shockwaves spreading from Wall Street.

Ten years on, the story of the role Canada played in backing Ireland, in standing with our Government as it made its case to the wider world, can finally be told.

A decade ago, as each day brought fresh, doom-laden headlines and Ministers scrambled to fight fires on multiple fronts, Canada's support for Ireland went almost unreported. The Canadians, perhaps characteristically, did not seek to make a big deal of it then (or now).

Two of the key players were hugely influential Canadians with strong Irish heritage. One, Canadian Finance Minister Jim Flaherty, sadly passed away in 2014. The other, Mark Carney, was the Governor of the Bank of Canada in 2008 and is now Governor of the Bank of England. Considered one of the most brilliant bankers of his generation, Carney comes from a staunchly Irish-Canadian background (three of his grandparents hailed from Mayo), has held Irish citizenship for almost three decades and counts former Irish Attorney General and WTO Director General Peter Sutherland as an important early mentor.

Both men had strong working relationships (and personal friendships) with Irish finance Minister Michael Noonan that were central to what proved to be crucial support for Ireland as we struggled to right the ship.

As Michael Noonan says today; “Canada gave us great backing when we needed it. They were in our corner”.

Deirdre Giblin is Co-Vice Chair of the Irish Canadian Business Association and has a long interest in Irish-Canadian links. But even with her knowledge of the relations between our two countries, the story of Canada’s support for Ireland in the months and years after the global crash was a relatively recent revelation.

“I got involved with the ICBA in 2013 and of course, I was well aware of the historic connections between our two countries,” says Deirdre.

“But on the more recent history, how Canada played such a big role in supporting Ireland during the financial crash, I only really started to hear about that when I started attending ICBA events and heard politicians and business people who were there at the time, talk about this very important partnership between Michael Noonan and Jim Flaherty, who was Canada’s Minister for Finance.

In January 2015, Deirdre Giblin heard Michael Noonan speak at Iveagh House in Dublin at an event to commemorate the life and work of Jim Flaherty. Mark Carney also made a flying visit to Dublin to speak in memory of his late friend and colleague.

In his speech, Minister Noonan explained how Ireland was – fortuitously – grouped in the same “constituency” as Canada as members of the IMF in 2008. This meant that Canada, as leader of our constituency, effectively spoke for us at the IMF.

“I got to know Jim Flaherty and Mark Carney, I used to go to the annual IMF meetings in Washington and we would talk in detail about the difficulties facing Ireland,” says the former Minister today.

“They were very open to representing Ireland’s needs in the meetings of the IMF in particular but also with the World Bank”.

“Once I got to know them personally, I found them to be very pro-Ireland, very open to hearing about what we were facing, there was a kind of chemistry there”.

So what did the support that Canada offered to Ireland in the months after the crash of 2008 actually entail?

Michael Noonan points firstly to Mark Carney's work on designing the alternative promissory notes which allowed Ireland to re-position our debt. Carney was able to use his considerable contacts and influence at the very highest levels on this crucial matter.

"We had convinced the majority at the European Bank in Frankfurt that they should do something along the lines of our proposals," says Michael Noonan.

"But it wasn't unanimous. It needed to be. And Mark Carney used his contacts to help ensure that we got it through".

In 2010, when Standard & Poor's downgraded Ireland's credit rating, Jim Flaherty very publicly defended Irish government policies and said the ratings agencies had to realise that countries like Ireland had taken major steps to fix their public finances and financial systems and needed the time and support to carry through their work.

In more general terms, when it came to dealing with the IMF and World Bank, Irish officials including Michael Noonan (who became Minister in 2011) were able to talk to their Canadian counterparts about the best way forward – and could count on steadfast Canadian support in negotiations and behind the scenes.

"Mark Carney was very respected in central bank circles, which are very rarefied and which I, as Minister, would not have had access to," says Michael Noonan.

"Jim Flaherty, he spoke well of us, when it counted. Especially on the credit rating issue. He told those that mattered that we were serious people who were doing a serious job. And that we would come out of it".

Deirdre Giblin of the ICBA says it's clear from everyone she has talked to that Canada's support for Ireland was strong, significant and steadfast.

"When it came to looking for support, it was the Canadians - and especially Jim Flaherty and Mark Carney - who were prepared to stand up and say; "Do you know what? Ireland are doing the right thing. They need support on this".

As we now know, the months and years after the initial crash were a difficult and dangerous time for Ireland and as Deirdre Giblin says; "We didn't have a lot of friends in the world at that time".

“I do think personal relationships made a difference, in Canada deciding to back us up with the IMF. And I don’t think it was because of Jim Flaherty’s Irish roots. There was already a strong, personal relationship, there was trust in Michael Noonan as an elder statesman, who was there to get the job done, to do what needed to be done.

“Canada was the country that pro-actively did the most for us. As a G7 nation, they were prepared to stand beside us at the IMF and say; “Listen to the Irish” and particularly to say; “Listen to Michael Noonan” and that counted, it counted in a big way”.

“It was a moment in time, a very difficult and dangerous moment for our country, when we did have friends, when we were able to call on a deep and historic connection, and on personal relationships, to help us state our case and get a good hearing from the people who mattered.”

A decade on, as the story of Canada’s strong backing for Ireland during the global financial crash is finally being told, those who went through those times remember the work and friendship of the late Jim Flaherty in particular.

The Ireland Canada Business Association, which celebrates its 40<sup>th</sup> anniversary this year, is continuing to build strong trade links between our two countries, welcoming new members and fostering ever stronger cross-Atlantic partnerships.

The ICBA recently awarded Honorary Lifetime Membership to former Minister Michael Noonan, in recognition of his work with Jim Flaherty and Mark Carney during those difficult days and the part he played over almost a decade in building stronger trade relations between our two countries.

Joe O’Shea, 2018