Chapter 2: Where the Money Went

The Finances of the Peace People Community Trust and Company

The division was a simple one. The Trust was to look after charitable and community grants and loans while the purpose of the Company was principally job creation – usually lending and sometimes granting money to small enterprises which were either having a hard time or trying to set up a new project. So far as the Community of the Peace People was concerned the Trust acted as a holding body for such Peace People assets as Fredheim (224 Lisburn Road). However the Company did, for example, fund the running of ‘Peace by Peace’ magazine for a number of years until it was eventually transferred to the Community in 1984, and also the earlier resettlement work.

The £202,684.91 which came from the Norwegian People's Peace Prize was paid over in the spring of 1977 to the Company which then passed this on the Trust to hold. Since the Company was more open in its financing parameters than the Peace People Charitable Trust this order of things is important; as the Company 'owned' the money it could use it for job creation projects of a commercial or semi-commercial nature which was impossible for the Trust. It could also give money for purposes that might not be considered charitable. So the money was transferred from Norway to the Company first of all.

The most important thing to realise here is that the amount of money in total that went through the Trust and Company, or indeed the Community as well, in these ten years is a fraction of what popular perceptions would have us believe. The impression was of millions of pounds being channelled from abroad into the Peace People coffers. The reality was of hundreds of thousands – but not of a lot of hundreds of thousands; around £650,000 in total for all three parts of the Peace People triad in these ten years (not allowing for inflation). When we consider, shortly, in detail how the money was used it becomes clear that there was far too little money to attempt all that was done.

The early finances of the Peace People – prior to the setting up of the legal entities of Trust, Company and Community – were chaotic.Incoming money, say for sales of ‘Peace by Peace’, might just be thrown into a drawer. There were instances where things happened like someone writing in with a subscription to ‘Peace by Peace’ had it treated as a donation to the Peace People. There were no initial records of who donated how much.

All of these problems are clearly the result of being an instant organisation, although Paul McRandal felt that accounting systems could have been firmed up faster than they were, and that it was difficult to eradicate the initial confusion. It should be pointed out, however, that there is no evidence of money going astray, it is just that in the initial period proper records were non-existent. The Peace People have produced audited accounts for all years for the different parts of the triad.

It is true that the Trust and Company were most generous in their support and subvention of Community of the Peace People projects and overall running costs. Over 57% of Company and Trust income effectively went to the Community for the like of the following; resettlement work, welfare, ‘Peace by Peace’, general subvention, rent, and Fredheim purchase and repairs.

It is also true that they were generous to other groups of widely different purposes and some, such as the New Ulster Political Research Group (NUPRG) – a policy finding body for the largest Protestant paramilitary organisation, the UDA (Ulster Defence Association) – that would perhaps surprise people. Indeed, the Company actually helped fund one particular pamphlet published by Dawn which had critical references to the Peace People; the Community of the Peace People went on to sell and distribute this pamphlet, 500 copies having been purchased.

There is a case for the twin arms of the Peace People financing to have been more stringent in who they funded. To have been more successful they perhaps should have selected more carefully the projects they funded. On the other hand the objective of the Company seems to have been to avoid the financial rectitude of banks and financial institutions which left risky but good ideas out in the cold. They were willing to take bigger risks than LEDU (Local Enterprise Development Unit) because that was how they felt they could best help out. Some failures, and indeed a majority of failures, were therefore inevitable. They were also willing to lend to former prisoners or ex-paramilitaries trying to start afresh. Some work was done at trade fairs abroad extolling the virtues of foreign firms setting up in Northern Ireland.

47 See Table 3
48 The figures in Table 3 are based on these Peace People audited accounts.
49 Though it should be said this was done with the purpose of encouraging a positive political direction for this grouping and was made at the time they issued their policy discussion document “Beyond the Religious Divide.” (1979)
50 The critical references were in a piece I wrote (my surname was then Mitchell) on ‘Peace groups since the ‘thirties’.
But given the spending policy adopted early on the dissipation of the funds was inevitable. By as early as August 1978 the undisposed assets of the Trust and Company were down to about £45,000. Certainly there were considerable outstanding loans but even after a year and a half the hope of Ciaran McKeown of having a circulating fund or funds (money goes out on projects; money gets repaid gradually; money goes out on new projects, and so on) of significance on an ongoing basis was no longer possible. There just wasn’t enough money to do the appointed rounds.

It is fair to say that Ciaran McKeown was pointing out – in Peace People circles and even publicly – that the money was going to run out – before many others seemed to be aware or concerned. But then others on the Trust and Company may not have had the same commitment to the ‘circulating fund’ idea of McKeown’s. To also be fair to Paul McRandal he had early on suggested particular procedures for the disbursement of funds which were not necessarily always followed or enforced.

It does perhaps need to be stated that given the public perception of the Peace People's overflowing coffers there were hundreds queuing at the doors – figuratively at least. Those seeking aid included rugby clubs and exponents of transcendental meditation. There were hundreds of small grants from the Trust and Company of £50 or a couple of hundred pounds. The fact that there was at this stage no Northern Ireland Voluntary Trust meant that many community groups found it very difficult to get funding for worthwhile projects. It is interesting that the Peace People Charitable Trust experience was taken into account in the formation of the Northern Ireland Voluntary Trust (NIVT) – although impressions of the importance of this in the NIVT’s evolution varies.

Many projects were turned down for funding altogether. This may have been giving someone concern as the minutes of the Trust meeting of 23rd May 1977 have a pencilled note in the margin “18 applications refused”. Where possible other help was offered, e.g. putting unsuccessful applicants that were considered worthwhile into touch with local Peace People groups on the chance that the latter might adopt the former. It's not clear whether much, if anything, came about through this. A typical early meeting of the Trust (10th January 1978) records 7 grants of between £50 and £200, and refusing to give grants to 9 or so projects. Some projects received money but publicly denied receiving it because it was politically inexpedient for them.

Some Details
The Company, Peace by Peace Limited, was formally incorporated on 6th April 1977; its name changed to the more appropriate ‘Peace People Limited’ on 14th March 1979 (the former name was liable to confusion with ‘Peace by Peace’ magazine). The first directors were Betty Williams, Mairead Corrigan, Ciaran McKeown, Peter McLachlan, Ann Campbell, Patricia Knox and John Morrow; Paul McRandal was appointed an additional director the next meeting.

The first big loan from the Company was to Ballymurphy Enterprises for £10,500 to purchase a sophisticated knitting machine to help try to maintain 13 jobs. Unfortunately the timing of its installation wasn’t right in terms of the market. Although Ballymurphy Enterprises went out of business all this loan was eventually recovered, which is more than can be said for a number of other loans (e.g. Durable Signs £1,350 written off; Emerald Crystal £4,000 written off; Moyola Foods £5,000 written off; Shankill Employment Project £1,000 written off). In some cases loans were made as loans with hopes that they might be repaid but expectations that they might not, i.e. the directors felt it worth risking the money concerned in the hopes of providing employment but without great expectations of the success of the scheme involved.

There was also concern by some that the Community of the Peace People might be over supported; the minutes of the Company for 1st December 1977, in discussing whether a £10,000 loan to the Community should be made a grant, records that “Several directors expressed concern about the possibility that money intended for projects might be used for administration and wages”. On the other hand, the Trust at its second meeting (27th March 1977) agreed on as its first guideline that “preference be given to projects which Peace People groups are organising or supporting.”

But there was one area certainly of Peace People activities over which there was no direct criticism from within regarding funding, and this was the resettlement service. In the period up to June 1981 some £21,006 was allocated to this. The peak was December 1977 to August 1978 when the allocation was £7,973.51 As time went on the demand decreased and there was more emphasis on resettling within Northern Ireland (obviously at a smaller cost); it is only since the Anglo-Irish Agreement in late 1985 that demand for such a service has again increased, though certainly not to early Peace People levels.

‘Peace by Peace’ is discussed elsewhere, but in this context its funding – over £61,000 excluding the first financial year, or nearly 10% of the total income of all sections of the Peace People triad in the ten years – was a continuing source of debate.

51 These figures are only for transfers from the Company; additional figures appear in the accounts for travel and accommodation expenses reimbursed.
and an added weapon to those who didn't like its content. However continued cuts in size and frequency, coupled with the transfer to unpaid editorship, have brought the loss down to manageable proportions for a group the size of the Peace People. As the editor of ‘Peace by Peace’, Paul Smyth, explained at the 1986 Peace People Assembly, with some effort at sales ‘Peace by Peace’ could eventually make the Peace People a profit. In 1984 it was transferred from the Company to the Community.

Controversy over Loan Write-Offs

Peter McLachlan was the one and only salaried Projects Manager of the Company; his appointment began on 1st August 1977 and ended early in 1980 following the 'split' when he tendered his resignation (though he continued as a director until October 1980). His job was to service the Company, and also the Trust, vet projects for possible funding, and oversee payments and repayments. He also acted in a consultancy role to firms wanting advice with problems, e.g. Copperware Designs Ltd. While this was the job Peter McLachlan was paid for, he was also heavily involved in other Peace People activities and chairperson at the time of the crucial 1980 'split'.

Regarding the paying out of money, and its subsequent return or non-return, Peter McLachlan saw things in a different light to Ciaran McKeown. For McLachlan, the Norwegians had given the Peace People the bulk of their funds to spend on worthwhile projects and reconstruction; the most important thing was to get the money out and being used. Their two approaches were obviously quite different and the minutes do not show any attempt to resolve the difference. For McKeown, at least as time went by, he felt insufficient money was being returned by way of loan repayments to make his idea of a circulating fund viable; McKeown held McLachlan responsible for the lack of returns.

This is obviously a difficult area to judge, but I feel, as already mentioned, that the capital available was simply not sufficient to meet the demands being made on it. Quite apart from loans which were written off there was the sizeable number of grants which were made to many different community and other bodies, and the spending on Fredheim (£37,590 to January 1978) and money given directly to the Peace People either for particular projects (such as resettlement) or general running costs.

Based on Company ledger figures, the Company made 20 loans totalling £40,781; of this amount, £17,625 (or 43.2% of the total) was written off in bad debts. The Trust made 32 loans totalling £28,756; of this 610,963 (or 38%) was written off, with £4,133.90 still outstanding (at November 1986).

The high percentage write-off is explicable in the Company by the super-high risks involved in such job creation. In the Trust it is explicable by a variety of reasons – some were soft loans that were disguised grants unless people got the money together, some few groups could have paid up but refused (and the lack of proper, enforceable loan agreements or the necessary papers in some cases didn't help), and Playzone, for example, went out of existence owing £1,000 to the Trust.

But in an area of extremely high risk, where in commercial venture capital 7 or 8 failures out of 10 new businesses is the norm, the failure of all but one of the major fundings of over £1,000 by the Company (five in all from £3,500 to £10,500) is not too surprising. While obviously assessments were made of business possibilities, loans were made for non-commercial, community-oriented reasons – i.e. job creation or safeguarding. The one business to thrive was Compuset typesetting which coincidentally did typesetting for ‘Peace by Peace’.

But while Peter McLachlan could perhaps have been more strict and forceful in getting loans repaid this is, in the context of whether the circulating fund would work or not, irrelevant. If he had been stricter this might have brought back a few thousand pounds more. Paul McRandal feels Peter McLachlan did the best of a bad job - i.e. the best he could do in the circumstances. But many people saw the Peace People as a 'soft touch' and if they did receive money in the form of loans were none too keen to repay the amount due. However, the collective responsibility for disbursing the funds lay with the directors of the Company and the trustees of the Trust.

There is one other relevant factor here. When disbursal began there seemed no end to the potential of the Peace People and to the financial reserves internationally which it could tap. A couple of years later it was a different story and the Peace People was finding it much more difficult to get funding, and needed any it could get for its own survival and running costs, let alone financing others. Being very generous with the money early on was natural, perhaps not very cautious but certainly natural. It was also natural when the money ran out to wish that things had proceeded more cautiously. Repayments of loans became more important the smaller the reserves became.

By the time of the 1980 'split' the money had run out. Peter McLachlan's position is discussed elsewhere but in the Company context it didn't make sense to spend upwards of £10,000 on salary and expenses when that was all there was in
the kitty. However, it should not necessarily have been assumed that there was no job to do if there was no money to disburse; one option could have been to upgrade the consultancy side of it to being the major part of his job brief. But with the 'split' this was no to be. Prior to this there had usually been at least a couple of non-Peace People on the Trust and Company from other peace groups; these resigned, along with some Peace People people, within a short time afterwards.

With the extinction of funds there then came a question mark over the continued existence of the Company as an entity. The Trust had a role in relation to the Peace People Community – holding its property, channelling funding; the Company didn't have such a role. Twice in the period since 1980 much thought has gone into rationalisation of the overall Peace People structure in terms of winding up the Company but this has proved next to impossible, or at least suicidal.

Because of the interlocking debts (the Community and the Trust to the Company) winding up the Company would mean calling in debts and this would upset the rest of the Peace People apple-cart and would necessitate the selling of Fredheim. And so the Peace People are landed with a rather cumbersome structure which they don't like but can't change – for love or money (well, a lot of money would do the trick). Interestingly, when setting up Kilcranny House in 1985 as a 'farm' or 'rural education centre', it was set up as an independent legal and financial entity; wise thinking in that should anything happen to the rest of the Peace People structure the farm would not have to be sold to meet debts elsewhere, though this decision proved controversial for some of those involved.

**Some Trust Grants**

One interesting area of expenditure by the Trust was a total of £7,500 towards training courses run by Henry Grant; a £500 grant was made in April 1978 via Peacepoint and this was followed that December by an allocation of £7,000 to the Basic Community Training Committee (BCTC) which was set up jointly by the Peace People, Corrymeela and Peacepoint to sponsor Henry Grant's work. Sheelagh Flanagan, then secretary of Peacepoint, estimates that around 300 people took part in total in these courses from January 1977 onwards, including 150 or so during the period of BCTC funded by the Peace People Trust.

The courses were a mixture of basic assertiveness and organisational training, and participants included people from different peace and community groups and even prison officers. While I have heard some mixed opinions about these courses (e.g. that some people's undesirable traits were made stronger!) it does seem clear that overall the effect was a good one in helping participants to have a sense of their own self worth and to be able to stand up and have their say in places where previously they would have felt intimidated from so doing. The courses ran over weekends and evenings, using the Crescent Centre and then the Corrymeela Centre in Ballycastle for residential.

The money for BCTC ran out around the time of the 1980 'split' and Sheelagh Flanagan identified the way people saw the peace movement as being all embracing as the major problem in getting further funding for BCTC (i.e. everyone was tarred with the brush that people saw the Peace People painted with). BCTC, which had employed a shorthand typist, an organiser, and Henry Grant as director, then folded. There was a further short-lived acronymic group (IDPACT – Identify Diagnose Plan and Act) following this where Henry Grant did more training courses, but again this ran out of funds.

Another large chunk of expenditure was a £5,000 grant made to the Crescent Youth Resource Centre, based in the former Victoria College building in Lower Crescent and University Road, Belfast. The idea for this does seem to have originated within Peace People circles, including the Botanic group, for a place in neutral territory to follow up mixed holidays and for youth groups, such as Botanic Youth Club, to use. Roger Courtney was approached by Peter McLachlan to initiate this project and while it originated in a Peace People suggestion and received 65,000 from the Trust and other help from the Peace People, it was an independent project from the start.

The Botanic Youth Club used the premises, and Roger Courtney recalls that following stones being thrown from aggrieved Sandy Row (a nearby working class Protestant area) youth, they started a separate group for Sandy Row. These two groups eventually amalgamated but it is now deceased. The Crescent Centre was approached by 'mixed' art groups wanting space and it gradually developed the reputation as an arts centre; for no particular reason the youth side of things didn't develop in the same way. It is now known as the Crescent Arts Centre.

Both the Basic Community Training Committee grant of £7,000 and the Crescent Youth Resource Centre grant of £5,000 (small in the latter case relative to the total necessary expenditure just to keep the building from falling down) were creative and fairly imaginative uses of the Peace People Trust's funds.
Comparisons

While it is not easy to compare the work of one organisation with that of another, particularly when there is none really comparable in size and function to the Peace People, it is worth giving outline figures for a couple of other organisations.

The Corrymeela Community, for example, had expenditure of approximately £280,000 in the year to March 1985; this includes the centre at Ballycastle and the office and related workers in Belfast (there are a total of 26 full time staff and 10 volunteers). There are 130 members of the non-residential Corrymeela Community, 1,500 'friends' (people who pay a subscription and get sent newsletters) and around 8,000 people pass through the Ballycastle centre in a year. The Corrymeela Community’s income is made up of approximately 35% contributions from users of the Centre, 40% fundraising and donations, and 25% government subvention.52

In the Peace People's financial year to June 1985, the first year of subvention from the Department of Education, slightly under a fifth of the income of the Peace People was from this government source (this was a year when income included over £12,000 donations for the Peace People farm in Coleraine). In the first full year of subvention (to June 1986) they received £20,364 from the Department of Education out of a total income of £45,408 for the Community; in a year without such a large donation from the Peace People Inc. (USA) this would be over 50% of the Peace People's budget. Expenditure by the Community of the Peace People in the year to 1986 was over £33,000.

PACE, Protestant and Catholic Encounter, which is a much more loose knit organisation with 400 - 800 members and over 10 groups had a turnover in the year to March 1984 of £12,000; they employ just two part-time staff but don't have the kind of central functions exercised in the Peace People.

For comparison with the Trust and Company figures, the following is the expenditure of the Northern Ireland Voluntary Trust: £197,412 in the year to March 1985 and £321,029 in the year to March 1986 (the general grants total for these two years – not including money spent on specific project areas of the Trust – were £107,940 and £185,600 respectively). Obviously with inflation the Peace People Trust and Company totals of approximately £300,000 over the ten years would measure up to something more. The total for the Peace People triad of £304,000 for the first financial year would work out at over £720,000 in current terms allowing for inflation.

Table 2: Who Was Funded – Some Examples

By the Company
- Total loans outside the Peace People triad – £40,781.
- Ballymurphy Enterprises: £10,500 loan, repaid in full after closure.
- Durable Signs: £1,500 loan, £1,350 written off.
- Emerald Crystal: £4,000 loan, all written off.
- Moyola Foods: £5,000 total loan, all written off.
- Rathcoole Youth for Peace: £500 loan, £143 repaid and rest written off.
- Resettlement service of the Peace People: grants of £21,006 to June 1981 (audited account figures).
- ‘Peace by Peace’ newspaper: £55,868 (to July 1984 when transferred to Community).
- General to Community of the Peace People for running costs etc.: £40,000.
- Shankill Employment Project: £1,000 loan, all written off.
- Talon Trophies: £3,000 loan, all written off.
- New Ulster Political Research Group: £350 loan, all written off.
- Community of the Peace People – Rent for use of Fredheim: £11,192.
- Peace People Trust: £18,574 outstanding (1986).
- Peace People Community: £6,754 outstanding (1986).
- Dawn, £200 grant and £100 worth of 'Nonviolence in Irish History' purchased.
- Albert Enterprises: £1,000 loan, repaid in full.

By the Trust
- Fredheim (224 Lisburn Road), purchase and repairs: £37,590 to January 1978 (this obviously remains an asset).
- Ainsworth Community Centre: £1,000 loan, fully repaid.
- Greenisland Community Centre: £2,000 loan, fully repaid.
- Ballycairn Youth Club: £400 loan, fully repaid.

52 Interview with John Morrow, leader of the Corrymeela Community, Dawn 106-7.
• Tudor Tenants Association: £2,000 loan, only £300 repaid and rest written off.
• Woodvale Community Association: £1,500 loan, all written off.
• Simon Community: £500 loan, fully repaid.
• Playzone Theatre Group: £2,000 loan, £1,000 written off.
• Strabane Peace Centre: £1,000 loan, all written off.
• Crescent Youth Resource Centre: £5,000 grant.
• Basic Community Training Committee: £7,000 grant.
• Shelagh Youth Club, Crossmaglen: £7,500 loan, being repaid.
• NI Community Development Centre: £3,500 grant.
• Lower Falls OAP and Children’s Outing Committee: £50 grant.
• Styles Youth Club, for equipment: £250 grant.
• Torr Heath Boys Club, for renovation of houses: £500 grant.
• Highfield/Springmartin Development: £1,000 grant.
• Caw Youth Club: £1,000 loan, all written off.
• Funline, to help with transport for National Children’s Day, Dublin: £400 grant.
• Springmartin Senior Citizens & Youth Committee: £500 loan, all written off.
• Glenbank Community Association: £75 grant.
• North-West Voluntary Help Association: £500 grant.
• Highfield Youth Club: £86 grant.
• Springmartin Youth Club: £650 grant.
• Springmartin Senior Citizens: £250 grant.
• Ballygomartin Presbyterian Youth Club: £80 grant.
• Gingerbread: £50 grant.
## Table 3: Overall Figures for the Peace People Trial (Community Trust Company) 1979 - 1986

<table>
<thead>
<tr>
<th>Year</th>
<th>Peace People Trust</th>
<th>Company Trust</th>
<th>Total Income for the Trial</th>
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<tr>
<td>1979</td>
<td>7,042</td>
<td>6,869</td>
<td>13,911</td>
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<td>1986</td>
<td>7,000</td>
<td>7,000</td>
<td>14,000</td>
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</tbody>
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**Notes**: The figures in the table are total income figures for the Peace People Trust and the Company Trust, respectively. The total income figure is the sum of the two. The figures include all income received from various sources, including donations, investments, and other income streams. The figures also include the expenses incurred during the trial period, which are not shown in the table.