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## War & Remembrance

Modern Ireland lives by the money market set up for it by Charles Haughey. And, as the Roman Emperor said about the tax on latrines: *Pecunia non olet*. Money doesn't smell.

It has no character. It is exchangeable for all qualities but has no quality itself except its power to buy whatever quality one fancies. Marx defined it as "*the universal equivalent*". He saw it in mid-Victorian Britain when Manchester capitalism and the Royal Navy dominated the world. If you had enough money you could buy anything in the world.

But what Marx saw was still a tendency rather than an accomplished fact. There were still things in the world then that money could not buy. But the apparently irresistible tendency of change in the world, powered by British capitalism and the British Navy, was to make everything purchaseable.

Only forty years ago, when Aristotle Onassis bought Jackie Kennedy, De Gaulle summed up the affair in one contemptuous word: "*Putain!*"—Whore! Bourgeois Europe in those days—Christian Democratic and Gaullist—imagined that certain human values were sacred and durable. We know better these days. If absolutely everything is not yet purchasable, then it ought to be. The world ought to be a single market in which not only every material object but every feature of human life is a commodity.

Ireland has played a considerable part in pushing the sphere of action of the universal equivalent close to universality. The Celtic Tiger has been an enthusiastic player in globalism. Haughey pulled it back from the verge of national bankruptcy and taught it how to play the global finance markets. That is how it flourished and became modern.

It shed its qualities and became rich. Haughey thought it could become rich and retain its qualities. Because of Haughey, Christian Democratic Europe thought so too, and at a critical moment helped it along with a gift of £8 billion. The Celtic Tiger took the money, blackguarded Haughey, and helped Britain to undermine the integrity of the European Union.

Pat Cox flourished as a value-free Liberal. He had some credibility in Europe because

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## Banking on the Country

Brian Lenihan's emergency legislation underwriting the deposit and interbank loans to banks is a masterstroke. His quick and decisive move has stabilised the banking system in this country. It has been described by Sean Fitzpatrick, the Chairman of Anglo-Irish Bank, as the single most significant piece of economic legislation since the foundation of the State.

Lenihan's legislation addressed the immediate cause of the crisis which was the choking off of liquidity to the Irish banking system. Interbank loans had dried up and the problem was exacerbated by speculation in the media which encouraged depositors to withdraw their money. Even the most well run banks cannot survive if confidence evaporates from the system. Lenihan put an end to the uncertainty and allowed the system to function normally.

It is the complete opposite to the US bail out. The US legislation is designed to take the "*toxic*" assets off the balance sheets of banks. The effect is to protect the interests of the shareholders. Lenihan's legislation, on the other hand, is designed to protect the interests of the depositors (corporate and individual). It doesn't matter too much if individual banks fail or if shareholders in those banks lose their money. However, if

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## The EU & The Credit Crunch

### *Some Thoughts*

Every crisis is an opportunity. The bigger the crisis the greater the opportunity for a great success for those with a solution, or a great failure for those who don't have one. How did the EU fare with the credit crunch? That will determine its fate for the foreseeable future.

The EU means the Commission taking the lead or it means Member States doing their own thing which has no necessary connection with EU interests. The Commission showed itself able to do precisely

nothing—and the signs were worse than nothing if it actually did something. For example, a very relevant Commissioner and typical of the new breed there is Charlie ('light regulation') McCreevy who is responsible for the Internal Market. Instead of being downgraded he has been given a new role by Mr. Barroso, on a steering group to consider solutions to the credit crisis: a case of an *arsonist being put in charge of the fire brigade*, in the words of European socialist leader Martin Schulz (see Irish Exam. 10.10.08). And McCreevy is joined on this

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**A Picket on Wall Street**

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*Labour Comment, by Pat Maloney:*

Property Before People

*That's Budget 2009*

of being Irish, and he used it to destroy the hegemony of the Commission on a spurious 'corruption' issue—having to do with a few cents that found their way to the hairdresser of a French Commissioner. Remember that? Of course not! No sensible person does.

Cox undermined the Commission in the British interest. It was certainly not in the Irish interest. The EU has been adrift ever since.

The Irish Government acted promptly to protect its financial system. Finance is what modern Ireland knows. The purposeful action of the Government, and the tardiness of Britain, has led to a superficial surge of nationalism on the part of some who have been disparaging it for a generation—Eilis O'Hanlon of Belfast and the *Sunday Independent* for example. She has been fanatically hostile to the Sinn Fein Peace Process in the North, but on a sudden she found that she was a kind of Irish nationalist when for an awful moment it seemed that, because of British financial misconduct, her money in the bank might be lost, and Brian Lenihan saved it.

Ireland played no part in creating the global system of finance. It just became a player in it. The system was created by Britain. It was later taken over by the USA with Britain as its lieutenant.

Globalism is not an autonomous system that evolved. It is a system constructed and maintained by the military and economic power of Britain and the USA. And it cannot exist without a master.

The nucleus from which the global market was developed by Britain was the Triangular Trade of the 18th century in the medium of slavery and the slave trade. Thereafter it was constructed around the British Empire, which secured its dominant position in the world by defeating France in what might be described as the first World War (1756-63). The Empire was given an immense boost in 1815 by victory in the long war to prevent revolutionary France from making Europe the centre of a world system. A century after that there was a war against Germany with the same purpose. During the intervening century Britain established something close to what we know now as the world market.

The Empire damaged itself severely in the two unnecessary World Wars of the 20th century. (The second of them was indisputably unnecessary, in that Germany would have been in no condition to fight a war in 1939 if Britain had not deliberately built up the power of the Nazi state during the thirties for another purpose, which it was unable to realise.

In 1945 the USA took over the business of ruling the world. The Bretton Woods

system, which there is now meaningless talk of reviving, was an arrangement made by the USA for the system of states which it restored and made functional after 1945. It was maintained for a quarter of a century by the dominance of US military/economic power. It broke down when US military power was successfully challenged by North Vietnam.

During a critical point in the Great War, Lord Balfour ruled out a negotiated peace on the ground that it would undermine Sterling as a dominant international currency in the world market created by Britain. Britain lived by the exploitative power of its money in the world as much as by its industry.

Britain, like Ireland in the past generation, lives very extensively through the finance markets. But, unlike Ireland, it has a strategic productive capacity, and it does not live blandly in a money that does not smell.

Its major industry is its arms industry. Its arms industry and its Army make it a power in the world second only to the USA in the matter of active policing. It might be that it will be displaced by China and/or Russia in the course of the next generation, but as of now it is the second power in the world.

And it has always taken care to keep nationalist sentiment simmering with commemorative events, militarist displays, and anti-foreign campaigns in mass circulation newspapers—which the Government can take advantage of and disown at the same time.

Ireland has been actively disparaging national commemorative events and nationalist sentiment during the past twenty years. Professor Foster has been given his head to ridicule the commemoration of major events in the national history. He has preached forgetfulness as progressive.

But at the same time he has attacked "*amnesia*" with regard to other events, the chief of these being the participation of Irishmen in the British Army in Britain's war.

A false memory of forgetfulness has been worked up. The society has apparently been persuaded that, out of nationalist bigotry, it had forgotten that large numbers of Irishmen fought Britain's battles for it. It did not forget. It just did not celebrate Irish slaughter in Britain's interest.

Ireland is now well on the way to forgetting what it did for itself and remembering and celebrating only what it did for Britain.

See the British Legion fancy dress party celebrating British war in Cork city, and the opening of the Mayo 'Peace Park' celebrating war—without regard to old-

fashioned ideas about just war—that was opened by President McAleese: that perfect chameleon who always reflects the transient fashion of the moment, but may do so only with Government approval.

The message of the Mayo affair is: War is peace if it is British.

## Editorial Digest

**Roy Garland**, former Tara man, decries the lack of appreciation for unionist traditions by nationalists (Irish News, 6th October). He doesn't like all this "*propaganda about collusion*". Especially he doesn't like the damning of the traditions of the Orange Order. He writes after a visit to Tennessee, where the Garlands of both revolutionary and loyalist traditions seemed to get along just fine nowadays. He should know that dissent was treated very differently in Ireland and the US. Contrary to Orange propaganda, loyalists after the Irish War of Independence were left with their lives and their property. In Tennessee most of them were hanged or expelled in the Independence period.

**The Workers' Party** held its Northern Conference in early October. Nothing whatsoever has changed its analysis of the events of 1968-70. Party President Michael Finnegan said:

"There was a move among some Nationalists in the North and senior Ministers in the Fianna Fail government in the South to turn the situation into a campaign for a united Ireland. The last thing that Mr Haughey, Blaney and Boland wanted was to see socialists coming to the forefront in any part of Ireland. And they were quite willing to fund and arm those Nationalists. They went on to form what is known as the Provisional IRA who went on to wreak violence and destruction and destroy so many lives for three decades. Northern Ireland was plunged into a vicious sectarian war. Both Loyalist and Nationalist sectarian forces competed with one another in the murder of innocent people. Veterans of this savage sectarianism now like to present their so-called war as one of heroic gun battles with the British army and daring jail-breaks. They would want us to forget the Kingsmill massacre, the La Mon fire-bombing, the Bloody Fridays, Enniskillen and the Teebane murder of building labourers. All for what? Sunningdale Mark Two?"

**Sinn Fein** was attacked at the same time for not taking its seats at Westminster—or was it for taking them at Stormont? "*Gerry Adams was elected to represent the people of West Belfast as their MP. His principles will not allow him to attend Westminster. How can he justify*

## Lenihan's Budget: *From Hero to Zero* ?

This budget is a shocker—Lenihan failed to deal in a coherent way with the problem with the public finances (created primarily by the collapse of revenue from the construction sector) and farked (or never seriously considered) the options available to him to correct some of the glaring anomalies in the tax and general revenue raising system. The construction boom meant that the Government could continue cutting taxes during the last decade and has obviously cut them far too deeply, to the extent that with a drastically reduced contribution from the sector the public finances are now in meltdown. Local Government finances will be the next crisis to rear its head, as they are overly dependant on development levies to fund their spending programmes.

Lenihan had a number of options open to him to raise the money he requires to keep public spending on track. I'll outline a few that occur to me as being the most obvious, while recognising there are pros and cons attached to them:

- \* Raise income tax rates—particularly the top rate
- \* Abolish the ceiling for PRSI [Pay Related Social Insurance]
- \* Tax child benefit and early childcare supplement
- \* Introduce property taxes
- \* Tax speculation on land
- \* Raise corporation tax rates

He did none of these and opted instead for a levy on all PAYE workers, including those on the minimum wage. This is outrageous: it is a cornerstone of any progressive tax policy to remove as far as possible the lower paid from the tax net. From each according to their means and all that. Lenihan has ditched this at the stroke of a pen. He has rendered the recently-brokered pay deal less than worthless. If the Unions swallow this one, I'm afraid Social Partnership is also a sham. One of the more positive things in the budget was the abolition of the automatic entitlement to a medical card for the over 70s but he is now rowing back on that one. By positive I mean the unconditional nature of the provision meant that a person was entitled to a medical card no matter their personal wealth and therefore the taxpayer was subsidising the healthcare of some very wealthy individuals indeed.

On a connected point, the deal done for the banks is also taking on the appearance of a scam. As I understand it, the banks are to pay the state ten per cent of their profits as the price for the state guarantee. However they are free to pass the cost of this on to their customers, which makes it just another stealth tax.

**Colm Moylan**

### Editorial Note:

*Irish Political Review* will be publishing a commentary on the Budget in the December issue. (See also *Labour Comment*, back page.)

*that position? Sinn Fein is in a British parliament at Stormont. They draw salaries and serve as ministers."*

**Sunningdale Mark Two** or *Sunningdale for slow learners* is a common cry among many unionists, SDLPers and West British in the South. Let us remind ourselves that Sunningdale was collapsed by the inflexibility of the Southern Government, in particular Garret Fitz gerald and Conor Cruise O'Brien. And, after Brian Faulkner gave in to the Ulster Workers' Council strike, the "constitutional" nationalists of the SDLP under the "peaceful" Gerry Fitt were prepared to continue in office as long as the British Army would put down the strikers by force. In any case, Sunningdale left the Six Counties under the domination of the Ulster Unionist Council which was the overseer of the Unionist Party and the Orange Order. None of these bodies have any power now and they are in no position to ever regain it. The political

landscape has changed utterly and in favour of the nationalist community.

**Pat Rabbitte**, former Labour Party leader, and former Workers' Party TD, was teased in Leinster House by some Fianna Failer when he spoke about the crisis in the money markets. He was told that he shouldn't have any trouble producing bank notes. This refers to alleged forgery in the Workers' Party. One could also mention bank robberies. Robbing banks and forging dollars were the norm in those days and we don't intend to moralise about such things. But Rabbitte and his successor, Labour leader **Eamon Gilmore**, known in the old days as the Student Princes, certainly do moralise about such things, and about a lot else. It does no harm to remind them that many young men spent years in jail and on the run so that they could get where they are today. *An Phoblacht* (9th October) also couldn't resist having a laugh at the expense of Rabbitte, Gilmore and De Rossa on the matter of forging money.

**The Ulster Unionist Party** has cancelled its Annual Conference. There had been a plan by those who want to link up with the British Conservatives, including the leader Reg Empey, to invite David Cameron to attend. But there was fear that there could have been vocal opposition from members opposed to such a move. The UUP is already small enough without risking a split! The Conservatives already have an organization in the North which does contest elections but doesn't do very well. It was also feared that these real Tory members would stage some kind of protest. Meanwhile Reg has been to America to bone up on economic and financial matters. Maybe he will return as a convinced socialist!

**The Traditional Unionist Voice (TUV)** has had meetings with Reg's Ulster Unionists and have formed a pact going into next year's European Elections. TUV is mainly a small breakaway from the Democratic Unionist Party. It was formed in opposition to the DUP going into "government" with Sinn Fein. It's leader, Jim Allister, is an MEP, having been elected when he was a DUP candidate. The UUP also has a sitting MEP, Jim Nicholson. Both men are non-entities, and both are standing again. There is every possibility that either the DUP or Sinn Fein will end up with two MEPs.

**Lady Sylvia Herman** is the only Ulster Unionist Westminster MP. Her North Down seat is as safe as they come. According to Liam Clarke, in the *News Letter*, she is a great supporter of Gordon Brown and especially his "anti-terror" policies. Clarke further quotes her: "*Gordon Brown has done terrifically well in handling this crisis and my confidence in him has been restored. He looks very much on top of things. There is a real bounce to his step these days and I am glad to see it... Bringing Peter Mandelson back was a stroke of genius which should unite the party. Let us see what happens the next time some lower ranking government official or whip steps out of line. Let's see how long they last*" (BNL, 14th October). So, not much support for the Empey-Cameron alliance there!

**Molyneux House**, Lisburn headquarters of the Ulster Unionist Party, is to be turned into a funeral home. We reported a few years ago that the UUP Belfast headquarters in Glengall Street now houses Relate, the Marriage Guidance Council. And the Workers' Party and others still claim that there has been no change since Sunningdale!

**The Stormont Executive**, at the time of writing, is still not meeting. In theory the dispute between Sinn Fein and the DUP is over the devolution of policing

powers and an Irish Language Act. Devolution of policing will in practice mean the Stormont Assembly having control of the police budget but the Chief Constable having control of police policy. Other arrangements, such as community involvement with the police, are, or can be, put in place as things stand. The Irish language seems to be doing fine anyway. The main real problem lies in the lack of leadership being shown by DUP leader, Peter Robinson. When Ian Paisley decided to share power he put his heart and soul into it and carried most unionists along with him. Robinson looks over his shoulder all the time and has given anti-Agreement elements in the DUP the space in which to consolidate. Peter the ditherer is still Peter the Punt.

**When Northern Bank employee**, Chris Ward, was acquitted of the £26m (or whatever it really was) robbery at his bank because there was no evidence against him, the Northern Ireland edition of the *Daily Mirror* had the following headlines, plus a picture of Ward, covering its entire front page: "*Chris Ward is held hostage, he's abducted and forced to steal money from his employers... police bug his home and follow him on holiday, he's sacked and then charged with the UK's biggest bank robbery. Yesterday he was found ...INNOCENT. Fiasco as trial collapses. Bungling cops to be sued.*" (emphasis in original). That about summed the thing up.

**The Irish Times, the Irish News and the Belfast Telegraph**, all left their readers with the impression that Ward had 'got away with it'. They all also linked the case with the Omagh bombing, the killing of Robert McCartney and anything else they could think of. And, of course, the IRA "still did it". No mention of a substantial sum of the stolen money being found in an RUC/PSNI social club. All implied that the lack of convictions of assumed-to-be-guilty parties were down to police incompetency. For the record, the McCartney killing was a knife fight outside a pub where one of those present was, and was acknowledged to be, in the IRA. The Omagh bombing was claimed by the RIRA. The main problem with convicting anyone was that the event was directed by a British Intelligence agent. The only trial was of the innocent Sean Hoey. No one else could be tried as they would have been too close to the British agent and the role of the British would have been aired in open court.

**"Ulsterman is 'Britain's best general since Wellington'**," enthused the *Irish News* on 11th October 1939. It went on: "*General, Sir John Dill... is commanding the First Corps in the field... Like Gen-*

*eral Alan F. Brooke... he is an Ulsterman. For a time an Arab bandit chief offered a reward of £500 to anyone who would bring Dill to him 'dead or alive'. He is the uncle of Sir Basil Brooke, minister for agriculture in Northern Ireland.*"

**An October 1939 Speech by Cardinal McRory** at the Derry Guildhall was reported by the *Irish News*: "*There seemed to be more hope for a just peace now than if the war were fought to a finish, because then it would in all probability be a victor's peace—a peace something like Versailles, sowing the seeds of future wars. In reference to the position of Catholics in Derry, the cardinal said: 'Unless democracy in these islands is a sham, your time will come before long and then there will be another relief of Derry'...*" (*Irish News*, October 2nd, 1939).

**The British Ministry of Defence** has put in its application to the Parades Commission for the march by 250 members of the Royal Irish Regiment from the saluting stand at Belfast City Hall to the Ceremony of Thanksgiving at St. Anne's Cathedral. This is because it is proposed to march past the Republican Markets area. 100 medals for service in Iraq and Afghanistan have been presented to members of the Regiment. There are to be parades in Ballymena and Larne where the Regiment is to be given the freedom of the town. A night to remember!

**The British Army** has been putting a lot of effort into recruiting soldiers from the South. As mentioned last month, much fuss is made in the West British and Northern press whenever anyone is recruited. Now the *Irish Independent* (10th October) reveals that the very expensive recruiting drive has netted a mere total of 24. And, as we have pointed out previously, most of these were rejected by the Southern Army. Meanwhile in the South there are five applications for every place in the rank and file, and 25 applications for every place in officer recruiting.

**PDFORRA** (Permanent Defence Force Other Ranks Representative Association) is the Trade Union representing soldiers in the Southern Army, Air Corps and Navy. It has over 8,000 members and is affiliated to the Irish Conference of Professional and Service Associations and to EUROMIL, the European Organisation of Military Associations. The *Irish Examiner*, 10th October, reported its General Secretary, Gerry Rooney, demanding that the Association be permitted to affiliate to the Irish Congress of Trade Unions. Mr. Rooney said: "*There is no reason whatever why PD FORRA is not allowed to join ICTU. We have raised this issue with successive ministers and, despite some positive indications, we have had no firm decision. It is impossible for PDFORRA to fully represent its members on a range of pay-related issues unless our voice can be heard directly at congress.*" ●

# “Irish” Regiments: The Empire they fought for

In the decades up to WW1, the British Empire spread across the globe, accompanied by massacre and theft on a grand scale, and driven by master race triumphalism. Many who “served” in these campaigns officered the army of the Great War for Democracy and the Freedom of Small Nations.

The “Indian Mutiny” of 1857 is known in India as their “*First War of Independence*”. The British employed horrendous violence suppressing it, killing hundreds of thousands by execution and massacre. Being “fired from the mouth of a cannon” (*top right*) was a particular favourite: “*instant death to the victim, salutary terror to the onlookers who had body parts sprayed all over them*”. Among the British forces involved were many Irish soldiers and “Irish” regiments later famous as the Munster, Leinster and Dublin Fusiliers, the Connaught Rangers etc.

Following the capture of Delhi, an orgy of massacre and looting ensued. A letter in the (British) *Bombay Telegraph*: “*....All the city people found within the walls when our troops entered were bayoneted on the spot, and the number was considerable, as you may suppose, when I tell you that in some houses forty and fifty people were hiding. These were not mutineers but residents of the city, who trusted to our well-known mild rule for pardon. I am glad to say they were disappointed.*”

The sack of Lucknow (*right*). Many family fortunes in Britain and Ireland derived from the looting of India.



The retribution for the “Indian Mutiny” went down in Indian history as the “*Devil’s Wind*” but in England was enthusiastically celebrated. *Punch* exulted in the righteous triumph of “Justice” over the “savage” (*left*). Charles Dickens, writing in his own magazine *Household Words* (Dec. 1857), exclaimed: “*I wish I were commander-in-chief in India ... I should proclaim to them that I considered my holding that appointment by the leave of God, to mean that I should do my utmost to exterminate the race.*”

Victory at Omdurman (1889) added Sudan to the British Empire. Britain’s Gunboats and repeater rifles ensured that the outcome was 10,000 Sudanese dead, 16,000 wounded and 5,000 prisoners to 48 British dead and 382 wounded (most of these Sudanese and Egyptian recruits). In a letter to his mother, Winston Churchill, who was there, confided “*The victory of Omdurman was disgraced by the inhuman slaughter of the wounded*” (*below left*). Following the conquest of Uganda in 1896 King Prempeh and his governors were subjected to vicious public humiliation (*bottom right*).



See <http://docs.indymedia.org/view/Main/LestWeForget>

- Philip O’Connor

# Banking

continued

depositors in the banking system are under the impression that their deposits are unsafe the whole system is undermined.

The State on behalf of the Irish people is insuring the stability of the system. And it is insisting that the banks pay a premium in this insurance scheme. This premium could amount to about €500 million a year. The State has not lost its triple "A" credit rating. The only initial cost is likely to be an increase in the cost of State borrowing. In exchange for the State guarantee the new legislation gives the Minister extraordinary powers, which allows him to protect the interests of the State in the event of an Irish Bank becoming insolvent. This does not exclude a State representative on the Board of the relevant bank or the acquisition of shares by the State.

Lenihan at his press conference said that he believed that we as a people were capable of running a Banking system. His legislation was a reflection of this belief. When asked about European competition laws he said that the stability of the Irish banking system took precedence. The Irish can be grateful that our membership of the Euro prevented speculation against the currency as was the case in the early 1990s, but beyond that Europe was no help.

Marion Finucane in her interview with Sean Fitzpatrick asked him if he was grateful to the Irish State and tax payer. He replied that he was. Finucane then asked him if he was sorry for what had happened. The Anglo-Irish chairman replied that the problem was external to the Irish banking system and therefore he did not feel he could offer a sincere apology.

The crisis in Irish banking may have been exacerbated by domestic factors but Fitzpatrick is correct to say that this is a global problem. And it has its source in the USA.

In the early 1970s the US was unable to finance the Vietnam War. Its solution was to abandon the Bretton Woods international monetary system, which linked the major currencies to the Gold Standard. This enabled it to start printing money. Central Banks from all over the world were forced to transfer \$40 billion (at 1973 prices) to the American Central Bank to shore up the value of the dollar and ensure stable international exchange rates. From then on America was living off the rest of the world.

Richard Nixon's Treasury secretary, John Connally, summed up the American view of the matter at that time:

"We had a problem and we are sharing it with the rest of the world – just like we shared our prosperity. That's what friends are for" (cited by Will Hutton in *The World We're in*, Page 189).

And from then on it continued to share its problems with its friends. Following the oil crisis in 1973 there was a massive transfer of resources to the Middle East. But the Arabs could not spend all their new found oil revenues on consumption and the money returned to US Banks in the form of capital.

The capital flows to the US enabled that country to consume more than it was producing. But it has also sharpened the class divisions in American society. The American Capitalist class found that it didn't have to pay the working class a wage appropriate to the level of development of the society. The real incomes of the American working class have declined in the last 30 years. Working class living standards have been sustained by credit with its ultimate source outside the US.

Up until about 5 years ago inflows of capital sustained the dollar at an artificially high level enabling Americans to buy cheap imports. The creditor nations (Japan, Germany and now China) needed to sustain American consumption so that their products could continue to be sold. But the rest of the world's capacity to finance American consumption and her expensive wars has its limits. And China's capacity for consumption is developing. The value of the American dollar has depreciated by about a third against the Euro in the last 5 years. This has made both imports and the servicing of the debt more expensive for Americans. And now the day of reckoning has arrived.

90 years ago V.I. Lenin turned the International crisis into a domestic crisis in Russia leading to the Bolshevik revolution. In the last year the Americans have done the opposite: they have turned their domestic crisis into an international crisis. Who knows where it will lead?

If economics alone determined events, there would have been a transfer of economic power away from the US and towards Asia. But America has made its problems the world's problems. A *Financial Times* report (3.10.08) says that European banks have had to write down \$181 billion worth of assets from the USA compared to a \$150 billion write down from American banks.

But our own provincial media cannot see beyond their own petty obsessions. There has been a chorus of denunciation of Fitzpatrick. *The Irish Political Review* does not know if Sean Fitzpatrick should apologise as well as express gratitude. Perhaps the Irish banks have been reckless,

but at the time of writing none of them, unlike in Britain, have gone bankrupt. "Lex", a columnist in the *Financial Times*, claims that 80% of Anglo-Irish Bank's loans are property based. But Sean Fitzpatrick says that the figure is 20%. Our financial regulator says that the assets of Irish banks exceed their liabilities by 20%.

Certainly, the Irish banks have not overextended themselves to the extent that the Icelandic banks have. The total assets (i.e. the amount they have lent to borrowers) of the Icelandic banks amounted to 10 times the GDP of that country. In Ireland, on the other hand, the ratio is less than 3.

We do not know if the Irish banks are in trouble, but we are more inclined to believe Sean Fitzpatrick than an anonymous columnist in the *Financial Times*. And we would much sooner believe the Financial Regulator than an opinion piece in *The Irish Times*.

Morgan Kelly, a UCD Professor in Economics, thinks that Lenihan's "bailout" is "inept and potentially dangerous". In his article in *The Irish Times* he goes on to say that it is "the wrong solution to the wrong problem" and "does nothing to solve the real problem of Irish banks, which is a shortage of capital".

Kelly does not deny that Lenihan has solved the immediate problem, which was a shortage of liquidity. But he then makes the following remarkable statement:

"The amount that a bank can lend is proportional to its capital: the amount of money that its owners have invested in it. As banks suffer bad debts, this capital falls and the amount that they can lend contracts."

Is it possible that a Professor of Economics in UCD does not understand the basic principles of banking? The amount that the banks can lend is not just proportional to their own capital but is proportional to its deposits (corporate, including other banks, as well as individuals). Only a very small proportion of the Banks lending is from their own capital. Most of the money they lend is not their own, but other people's money. Banks are sometimes called "financial intermediaries" because they attract the savings from the public and transfer it to investors. In theory the investors obtain an average rate of profit which exceeds the interest rate which they pay the banks. And the banks' lending rate is greater than interest rate, which they pay depositors. In normal circumstances the banks must keep a reserve to cope with sudden demands for money. In general this amounts to about 10% of deposits. But in a situation of panic this 10% is not adequate.

That is the theory but the reality has been that the US banks have not been lending for investment purposes but appear

to have lent money to maintain an unsustainable level of consumption.

Morgan Kelly goes on to make the following extraordinary comment on Lenihan's policy:

"Suppose that you are a bank that has lent €100 million each to 10 developers who are having problems meeting their repayments. What you do is bundle the loans into one asset and sell it, with Brian Lenihan's signature on the bottom, on financial markets for €1 billion. When the borrowers default, the taxpayer will be left taking up the tab."

Is it possible that a Professor of Economics in UCD does not understand Brian Lenihan's legislation?

Lenihan has not undertaken to underwrite any of the assets of the bank. If Irish banks can offload risky loans (i.e. the banks' assets) to investors, those investors are not covered by the guarantee.

The last month has shown that banking is much too important to be left to the bankers. The EU has demonstrated that it is incapable of dealing coherently with the crisis. The only protection that ordinary people in this country have is the Nation State. The State must act ruthlessly to protect the people's interests and preserve a native banking system in this country. Lenihan's legislation should only be considered to be a necessary first step.

## EU & Credit Crunch continued

committee of three by Competition Commissioner Neelie Kroes who wants to do away with publicly-owned savings banks.

Instead of having a joint approach, some individual Member States, led by Ireland, had to do what they judged best for themselves—and keep the Commission informed, as they euphemistically put it.

Brian Lenihan, in selling the bail-out of the Irish banks, sounded like de Valera at times. And lo and behold, as he did so, other nation states started copying him. And our nearest neighbour was most offended. And no wonder, capital flowing TO Ireland from the UK is a new historical phenomenon.

This crisis was a crisis of the Anglo-American way of doing things financially—the philosophy that the market can take care of itself. The EU was once the very conscious alternative to this. For some time, however, it has been intimidated into adapting this very world-view of the US-UK bloc. Let's hope this serves as a

wake-up call that, if they wish the EU to amount to anything, it must present a clear alternative to the US-UK view of the world. However there is no sign whatever that this is being learned. Quite the opposite, in fact.

Instead of an EU response, on the 4th October, the self-constituted G4 Member States that rule the roost in the EU (the UK, France, Germany and Italy) appeared and got together at an emergency summit and dealt with the issues as they saw it and from their viewpoints. Does this new Group have a Constitution or a Treaty to guide it? Who voted it into existence? Was there a referendum among the 27 Member States or a referendum just among the 4 leaders? Are Spain and Poland happy with this new creation?

The most extraordinary thing is that it included the leaders of two competing currencies, Sterling and the Euro. This was inherently absurd. The interest and stability of the Euro and its members should be the first priority of the EU. But nobody seemed to notice. They might as well have invited George Bush to join in.

Why was there not an immediate emergency meeting of the Euro members in the first instance? Was that not the obvious and essential need if the EU is to take itself seriously in this crisis? In not doing so the EU has broken the first law of self-preservation—look after oneself. The Commission should have insisted on this. But the Commission is now a puppy of the large States. As a result, the outcome of the G4 meeting only harmed the Euro. The line was that all national governments should do what they believe best but at the same time the Commission was ordered to look into Ireland's decision on what it thought was best. Nice little doggy—go and bark at Ireland for us and bite if necessary! Two weeks later the puppy decided not to bark or bite.

Meetings of EU Finance Ministers are beside the point—and for the same reason that the G4 is beside the point. The Euro Members acting together is what matters and thereby getting ahead of the market forces that are capitalising on divisions.

A little-publicised agreement by the G4 was that they would not allow any of their major institutions to go under: Merkel implemented that the following day. But at the summit she was "not amused" by Ireland's decision "and strongly criticised the Government's unilateral action" (IT, 6 Oct.). Do as I say but don't do as I do. Was there not a hint of double standards here?

Mr. Mandelson was also quick off the mark. His Government had done whatever it thought best for itself and said it would continue to do so. But, on his second day in his new office, he said the moves by

Ireland and Greece were "likely to create distortions because some parts of the EU system are guaranteed and some are not". (Sunday Telegraph, 5 October). Which begs the question—why are all parts not guaranteed, if the EU is to mean something to all member states in a crisis?

Mandelson was a Commissioner up to two days earlier so he had opportunities to put forward suggestions. But he would have been just another arsonist. The hard fact remains that the UK's fundamental interests are in an inverse relationship with Ireland's (and the EU's) and remain so, despite all the palaver we hear about a 'shared history'. Mandelson is living proof of that basic fact.

There was no EU input into this emergency summit, despite the walk-on parts by Barroso and others at the G4. They were literally on the sidelines of the discussion and at the press conference. There was no pretence that the Commission President might have equal standing with the Council President or with the other Member States present. Protocol speaks volumes in these situations.

The lesson from the G4 episode was that other Member States have to fend for themselves—and fortunately Fianna Fail has had the balls to do so before being told to do so or not to do so by anybody. They saved their souls, which is ten times more significant than saving the banks. They should follow this up and tell the EU to forget the Lisbon Treaty and get the EU to work by getting it to concentrate on real issues like this crisis. Get it to start walking before it starts running and begin by dealing with the crisis in the interest of all Euro members. The success of the European Union had always been incremental: a continuing number of mundane successes in dealing with real practical problems that the Member States faced. The Euro was the last such achievement. Another step forward was never more needed.

The first law of credibility and stability for any currency must be that its members stick together. But, when the crisis came, the Euro members did not even get together for nearly two weeks. And then they allowed themselves to be addressed by Brown and went on to accept the UK piecemeal, grudging, reactive, follow-the-market, model rather than the Irish comprehensive and confidence-building model as the basis for their approach.

The Irish approach bucked the market: it was against all the so-called laws of the market. Yet the leader of the currency and philosophy that instigated this crisis, and who had personally endorsed and developed every form of deregulation from the Thatcher era, is allowed to chart the way forward for the Eurozone! This is farcical. Even so, despite this farce, the very fact that the Eurozone acted at all had a positive

effect—which shows that if it had followed Ireland's lead right at the beginning, rather than carping about it, the Eurozone could be showing Brown and others how to handle this crisis.

By comparison with the needs of this crisis, the Lisbon Treaty is less useful than the actual paper it is written on. Less useful because it has become a red rag to a bull in terms of public opinion and is thereby doing positive harm to the EU. The EU needs understandable plans and policies, not incomprehensible legalese.

The EU is now concentrating on dealing with manufactured problems—Balkan wars which it itself set off, and so-called threats from Iran, Afghanistan, and assorted 'terrorists' that the US points the finger at (while ignoring real threats like Israel), seeking to change the world's climate, etc. When a real problem emerges in front of its nose it has nothing to say. It has lost its touch in dealing with realities. If it allows the present system of every one for himself it will undermine the Euro

The big problem is that the EU has to re-create the moral authority of the Commission in the role it was designed to have. But how can one expect the people who gained from its demise, the large Member States, to undo the damage? They would be cutting their own throats by recognising an alternative source of power. And, apart from anything else, they would lose a most convenient whipping-boy. At the moment they can blame the Commission for their own failures and mistakes and they can pass formal responsibility to the Commission while denying it the power to do things. The downgraded position of the Commission is the fundamental dilemma of the EU—and the credit crunch and every crisis will only illustrates it.

The only Member States who have a real interest in reasserting the Commission's authority are the smaller ones—proved again by this crisis.

Ireland should take the lead on that. It has a perfect opportunity to do so and can start by saying loudly and clearly—do for all Euro states what we have done. Otherwise the Euro itself is in danger. We stick together or we hang separately. Simple and clear and no financial rocket-science knowledge needed to understand it.

Ireland could lead in helping to secure the Euro beyond doubt. Cowen is in the doghouse over the Lisbon referendum defeat—he should come out of it barking, and barking loudly and some four letter words could well be justified to describe the behaviour of Sarkozy and the Commission—the very elements which will shortly have the cheek to again start laying down the law on Lisbon.

**Jack Lane**

## The Dead Hand Of Eamon Gilmore

At the 2007 Desmond Greaves Summer School in Dublin, a session was addressed by Tom Hartley of Sinn Fein, Martin Mansergh of Fianna Fáil, Eamon Gilmore of Labour, and a man who shouted a lot. It was just after the election and Pat Rabbitte had announced his decision to resign as Labour leader. Gilmore made a speech full of unmemorable sound bites for the press present, refused to engage in debate with fellow speakers or the audience, and left saying that he wanted to attend a match in Croke Park. It was one of the opening shots in Gilmore's bid for the leadership of the Labour Party.

It was in no way clear why Gilmore wanted to lead the Labour Party. Unlike 2002, when he stood against Pat Rabbitte and Brendan Howlin on the position of a united front with Sinn Fein and the Greens, this time he had nothing in particular to say for himself. One after another the others who were expected to contest the leadership election dropped out: Brendan Howlin, Liz McManus, Tommy Broughan, Willie Penrose. So no contest was held and Gilmore was made leader with the rest of us being none the wiser as to what he stood for these days. After all he's already come through Official Sinn Fein, the Workers' Party and the Democratic Left via New Agenda.

Now it seems that he stands for change, and lots of it.

He set up the 21st Century Labour Commission to *"to examine and report on all aspects of the Party's organisation campaigning and political activity and in particular to make recommendations on the role which Labour should undertake in the modern Ireland"*. In theory the Commission was set up by the Party Conference and its NEC. In practice it was set up and its real agenda arranged by Gilmore. His slogan was *"A 21st Century Labour Party for a 21st Century Ireland"*. Meaningless rubbish.

Directing the Commission is economics consultant, Greg Sparks. The man has form. Along with PR guru, Fergus Finlay, he was responsible for collapsing the Labour/Fianna Fáil Coalition in 1994. In 1992, Labour achieved its best ever result with 33 seats. Government with Fianna Fail promised to be the most left wing since the First Dail. In theory the Labour leader, Dick Spring, collapsed the Government after the *Irish Times* campaigned against Fianna Fail's choice for Attorney General who, it claimed, had delayed an investigation into a paedophile priest. In reality Finlay and Sparks were on the lookout for any excuse to cause a rift as they hated Fianna Fáil. In a memoir,

Finlay concedes this and claims that the Taoiseach—Albert Reynolds, one of the best leaders the country has had, and one of the most Republican—didn't treat the Labour advisers with the respect they felt they merited. Which was true. Reynolds thought they were a noxious pair and made no secret of that view. Finlay was known around politics at the time as "Fungus" Finlay.

The Commission has been leaking like a sieve—almost entirely from the top. The main proposals it is coming up with are: breaking the connection with the Trade Unions (though they will still be expected to provide money via a Party think tank), abolishing the position of Party Chairman, reducing the numbers and the powers of the National Executive Committee and increasing the power of the Party leader. Gilmore himself has said he will want to dismantle the electoral machines of *"old time"* Labour stalwarts—not that there are many of them left. He, and the Commission, also believe that the use of advertising and various hi-tech gizmos, can replace the wearing out of shoe leather, when it comes to getting votes.

It is not unusual for power to be concentrated in a few hands or in a leader in democratic politics. De Valera, De Gaulle, Adenauer, come to mind. Gilmore is no De Valera, De Gaulle or Adenauer. He is purposeless. The recent financial crisis was a golden opportunity for socialists. The rescue package was a bare bones affair with the flesh to be supplied by the Minister for Finance under whatever pressures were applied. Gilmore went on and on about not being able to back the measure until he knew all the details. A blind man could see that there were no details. But by calling for a united front on the matter he would have been able to insist on details on pain of pulling out. This is basic 'on your feet' politics, and Gilmore is incapable of it.

The attack on established TDs is nothing new. In the late sixties there was the arrival of the smart set who were going to make Ireland *"the Cuba of Europe"* and *"the Seventies will be Socialist"*. They denounced the rural base of the Labour Party which derived from the Land War days and the radicals of the Land and Labour League. (The Irish Transport and General Workers' Union also had its core outside Dublin.) So the constituencies of Paddy McAuliffe, Sean Tracey, Dan and Eileen Desmond, and others were lost to Labour. And the smart set? In the 1969 election Labour returned 18 TDs. David Thornley went Provo. Conor Cruise O'Brien went Ulster Unionist and Michael

O'Leary, party leader 1981-2, joined Fine Gael.

As we go to press Nessa Childers, daughter of former President, Erskine Childers, is announced by Gilmore as a Labour candidate in Leinster for the European Elections. She joined Labour just before the 2004 local elections, but failed to be selected as a Labour candidate for the Council in Gilmore's Dun Laoghaire. So she stood as a Green instead. Last month she resigned from the Greens when Gilmore fixed the Euro nomination for her. And that is how it's going to be.

Part of the remit of the Commission was to look at Labour candidates standing in local elections in the North—a policy supported by Pat Rabbitte. It not alone rejects this but tells a direct lie when it says that there is no Irish Labour Party there. Pat Rabbitte launched the Labour Party Forum, later to become the Northern Ireland Labour Party Constituency Council, on 18th October 2004. Until the last Party Conference, there was a member from the North on the party's NEC.

Another Commission lie is the claim that the SDLP is Labour's sister party. The SDLP, or what's left of it, is a party of the Catholic community. Its members, as far as the South is concerned, divide between Labour, Fine Gael and Fianna Fáil, with the majority supporting Fianna Fáil. In practice, one of its founding leaders who got involved in Southern politics, Austin Currie, joined Fine Gael.

*An Phoblacht* recently said that Labour would get nowhere unless it rediscovered its Republican roots. But Labour leaders have spent a lot of time and a lot of years discarding these roots. And there is less chance than ever with a leadership which has republican roots and is thoroughly ashamed of them. Now the description of it as a funk hole for West Brits is reasonably accurate. Even down to the tragedy of New Labour in Britain being repeated as farce with 21st Century Labour in Ireland.

The 21st Century Commission was instructed by the Party to report to the National Conference on 29-30th November. Gilmore has announced that this will not happen and the Conference will deal with "*economic matters*". It looks like the future of the Labour Party, insofar as it has any, or deserves to, will be out of order at the Conference. That will be discussed at an undisclosed forum at some point in the future.

Meanwhile that postponement gives Gilmore a chance to establish facts on the ground. It is up to the November Conference to decide whether Gilmore was in order in over-ruling the instructions given to the Committee established by Conference resolution. There is nothing to stop Conference from considering the Commission's draft recommendations, dismissing the Commission and/or admonishing the leader.

## Challenges Posed By The Collapse Of The Neo-Liberal Experiment

**President of SIPTU Jack O'Connor gave the following address to his South-West Region Delegate Conference (Tralee 4.10.08) which compares favourably with what Labour Leader Gilmore has had to say on the Economic Crunch.**

These are dramatic times and we have the responsibility of trying to read the unfolding events and their implications for ordinary working people, and to try to plot a course which offers the most advantage for them. In this regard, amidst the maelstrom of current events, the future of the Lisbon Treaty remains to be decided. Although it was rejected in our referendum, Europe still must decide how best to deal with the constitutional questions presented by that result, and we in Ireland must decide our attitude in that context. The issue hasn't gone away and in our evaluation it remains laden with far-reaching potential and consequence for all our people.

Indisputably, hundreds of thousands of working people who went out to vote, voted No. Indeed all the surveys which have been conducted since, demonstrate clearly that the proposition was defeated by working people. Yet remarkably the result has been hijacked by those promoting a business agenda, highlighting issues like corporation tax (which incidentally is decisively dealt with in the Treaty), and the position of the EU Commissioner (which is capable of being dealt with in the Treaty), as being of key and critical importance.

I don't believe that hundreds of thousands of workers voted No because of either of these issues. Many may have been concerned about sensitive social issues like abortion (which is also clearly and decisively dealt with), or military neutrality. But it must be accepted that people were influenced by the deterioration of the quality of the environment at work and the assault on well-established standards of employment that is clear for all to see. Everyday we witness the ratcheting down of job security through outsourcing and the ruthless deployment of vulnerable people as a source of cheap labour, often by means of the employment agency system.

Indeed the Government's own survey, conducted by Milward Brown IMS and published within the last few weeks, states in its executive summary "*when asked directly, respondents cited the issue of the protection of workers as being "very important" more often than any other issue*". And when asked which issues were important in the aftermath of the referendum, workers rights was nominated by both Yes and No voters, as well as abstainers, as being the most important issue,

with 53% overall believing this to be "very important". Yet remarkably, it has not been worthy as so much as a mention by our political leaders or social commentators.

One must wonder how can this be, are they oblivious to the scientific data itself, or is it simply that they do not want to know? I am in absolutely no doubt that the latter is true. These people are not fools—far from it. The problem for them is that recognizing the reality means doing something about it, and doing something about it would alienate very powerful, wealthy and privileged interests in our economy and society

In the debate prior to the Referendum, we fully acknowledged the value of our relationship with Europe. We reiterated our commitment to the idea of a real Europe of the people—the social Europe of Jacques Delors and Francois Mitterrand. This is the Europe that reflected the intentions of those great pioneers who set out in the aftermath of the devastation of the 2nd World War to ensure that such a tragedy would never occur again. They recognized that this construct could only be sustained on the basis of a mutually-respectful balance between business and labour.

However, we also recognized the degree to which this egalitarian idea has been supplanted by the vulgar doctrine of neo-liberalism. This brutal system, which originally asserted itself with the arrival of Ronald Reagan and Margaret Thatcher, based itself on a crude interpretation of the law of the jungle. It saw human progress as dependent on the elevation of the basest human vice of greed to the level of primary virtue. It celebrated survival of the fittest and decried regulation. It saw the key decisions affecting the future of humanity being made in the stock exchange and the supermarket mall, rather than by democratically-elected parliaments and governments. Thus banking conglomerates and stock exchange barons became the new masters of the universe.

Enhancing shareholder value became the sole reason for all economic activity, and the horizon became exclusively restricted to the half-yearly profit statements which triggered sentiment on the trading floor of the stock exchange, while chief executives awarded themselves stratospheric salary increases without any regard for the consequences of their short term strategies. This interpretation of the world translated into the most savage and continuing suppression of employment rights and the aspirations of ordinary working people. Indeed, the recent period has seen the largest transfer of wealth from the great mass of ordinary people to a tiny minority at the top in the United States of America and Europe, in the history of those continents.

A virtually inexhaustible supply of

vulnerable people became available to be channelled by rogue employment agencies into the workplaces of Ireland and Western Europe, to be exploited and, through this process, to serve as the instrument for the dismantling of gains won through more than thirty years of trade union work. Tragically, the European Court of Justice became an instrument of this process delivering controversial judgments in the Viking, Laval and Ruffert cases. Legal niceties aside, there is one theme running through them all—they found a way to dismantle employment protection mechanisms in the relevant countries, further facilitating the race to the bottom.

We highlighted all of this in our analysis. We did not take the naïve view that a No vote would make all of it go away. We understood that the implications of these judgments and the pernicious process they represented, would continue unfolding, regardless as to whether this tiny island on the periphery of Europe voted Yes or No. We took a longer view. We advocated support for the Treaty, subject to the condition that the Government would commit to legislating to give effect to one of the key principles inherent in it, if it was ratified. That principle was entitlement to the benefits of collective bargaining, which is enshrined in Article 28 of the Charter of Fundamental Rights. However, it was our advice that it would not become a reality even if the Treaty was ratified, unless it was enshrined in our legislation. The Government failed to do so and we withheld our support. This was criticized by some as a crude attempt to influence the outcome of the Social Partnership negotiations.

Critics fundamentally misunderstood the issues at play, or chose to misrepresent them. You see, delegates, we actually declared our willingness to sign on for democracy. We were prepared to support the Treaty, despite our concern with the direction of things in Europe—as long as working people were afforded the opportunity to influence and change it. Democracy is not limited to casting a vote once every five years. It is about the continuous interaction of the forces at play in society, and in the economy, with the political system. Corporate global capital enjoys a privileged place in the corridors of power. Trade unionists have always understood the critical importance of building a counter-weight to that through effective organization and participation in collective bargaining.

We concluded that if working people were to continue to be denied that right, then they had little prospect of changing things for the better, and the proposition was to accept neo-liberal orthodoxy on a take it or leave it basis. In effect we said that if that's the proposition, we'll leave it. And whether those in the corridors of power want to accept it or not, Ireland

didn't vote against Europe, Ireland voted against its current cruel model of neo-liberal capitalism!

Of course, as I said at the outset, it hasn't gone away and the issue remains to be decided. In some respects, not much has changed. Indeed, the worst judgement from the perspective of working people to emanate from the European Court of Justice—against rules protecting employment rights in the State of Luxembourg—actually emerged since our Referendum. So voting No did not make it better.

Yet, while much remains the same, things have profoundly and irreversibly changed in the last few weeks. The emperor's cloak of neo-liberalism has been exposed irrefutably by the collapse of the international financial system. The contention that denied the requirement for regulation; that insisted the system was capable of correcting itself; that justified the application of the law of the jungle to every aspect of economic and social life, has been irrefutably disproved. Ironically, those who made millions, insisting on applying the ruthless rules of the free-market for everyone else, had the effrontery to insist on an each-way bet for themselves. Of course, they will insist that it was simply a malfunction, and that it was due to bad people. We know the reality is otherwise. There were plenty of bad greedy selfish people around, but the system isn't collapsing because of them, its collapsing because it simply doesn't work! ..... The rationale for its supremacy has evaporated and with it the attendant insistence on the race to the bottom in the workplace and all that goes with that.

Regrettably, the fact that that unacceptable model of capitalism has been irreversibly exposed, does not mean it will go away. Indeed, it will become even more ruthless and brutal as it undergoes the throes of its death agony, and, as always, the first casualties will be ordinary working people. Indeed there is the potential, as the situation deteriorates, for a level of savagery on the employment landscape which none of us has previously

experienced. The trend towards displacement and wage degradation through outsourcing, use of employment agencies, privatisation, bogus self-employment, and every other malicious tool imaginable, will almost certainly intensify in an effort to shore up collapsing profits and share values. And it will not be restricted to the workplace because the social implications of growing unemployment against the background of declining state revenues makes for a dangerous cauldron, providing opportunities for those who have been marginalized since the end of the 2nd World War to press their deadly xenophobic social potion, with all its dreadful implications for ordinary working people.

In these circumstances, it is absolutely critical that all of us who understand the economic as well as the moral supremacy of the principles of fairness at work and justice in society step up to the challenge. We have to insist on everyone's right to be treated with dignity and respect at work, regardless of their class, creed or country of origin. We must seek to maximize the space for reason and common sense, and doing this entails acting as we speak. We must intensify our efforts to discharge the essential role for which our union was founded—to organise workers in Ireland. Simultaneously, we must continue the battle to enhance the range, extent and scope of legislation to protect peoples' rights at work and provide support for their constitutional right to organize so that they can defend themselves and advance their interests. And yes delegates, we must be to the fore, in promoting progressive change (not to be confused with dumbing down conditions), and the highest standard of work—especially in the Public Service. And we must always treat employers who respect workers, better than those who don't; rather than the other way around. Successful promotion of this integrated strategy within our own union and across the trade union movement is the key to overcoming the challenges presenting against the background of the collapsing neo-liberal orthodoxy...

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# Shorts

from  
the *Long Fellow*

## THE INTERNET

Immanuel Kant imagined a bird soaring above the earth. As it flew higher it grew tired. The strain of spreading its wings was unbearable. The bird thought that if he didn't have to cope with the wind resistance his life would be so much easier.

And then one fine day the bird was granted his wish. But he realised too late that it was the wind resistance that kept him in flight. In a vacuum he flapped his wings frantically before crashing to the ground.

Perhaps an element of the Left was like that bird. It thought that its ideas would soar if the capitalists did not control the media and there was no censorship or even editing. And then one fine day it was granted its wish. On the Internet there is no resistance to the dissemination of ideas. But for the most part the freedom of expression has not led to an improvement in quality or greater diversity. There is just more of the same except the anonymity, which has been afforded to contributors, has facilitated a gratuitous nastiness.

And so on one site we learn that the BICO were "*cunts*". The person who appears to be in charge of the site and who writes under the name of "*World by Storm*" is happy to encourage such a view. Indeed he "*goes some way*" towards agreeing. And he finds Brendan Clifford's views "*irritating*". Perhaps they disturb him from his comfort zone.

Some people prefer to live in a vacuum. But ideas cannot come crashing to the ground if they are at the level of the gutter.

## THE MAINSTREAM MEDIA

However the Left did not need the Internet to give vent to its views. A generation of left wingers passed through *The Irish Times* in the 1960s. And many of the prominent left wingers in the universities during the early 1980s ended up in the media (particularly RTE) when they graduated. They have contributed to denigrating national culture. But for what purpose? It certainly wasn't in the working class interest.

Joe Duffy, who was one of the most high profile of student radicals, believes that the British Imperial Government was the legitimate authority in this country during the War of Independence. A couple of months ago he appeared in a documentary tracing his relatives. The *Sunday Business Post's* TV reviewer Emmanuel Kehoe noted Duffy's reaction to discovering the grave of his grand uncle who was a Dublin Fusilier and who had died serving the British Army in France on 18 April

1916, a few days before the Easter Rising:

"My God . . . My God . . . My Christ Almighty . . . The hairs on the back of my head . . . Jesus wept. God rest him now . . . Holy God . . . Holy God . . . Oh my God . . . My Christ" (*SBP*, 28.9.08).

For some people there are allegiances that run much deeper than socialist ideology.

## CROMWELL

But perhaps the tide is turning against the revisionists.

The Long Fellow missed the first episode of RTE's two part series on Cromwell, but was impressed with Part 2. An English historian summed up Cromwell's legacy: the establishment of a Protestant Ascendancy in this country by clearing the good land of the native population. The native population was reduced by a fifth through famine, war and emigration. This Protestant Ascendancy remained as the dominant power for another 250 years. The point was made that Cromwell was also reviled in England immediately after his death. However, he was rehabilitated by intellectuals such as Thomas Carlyle in 19th Century England, a development which was noted by Irish nationalists of the time.

## LORD CARRINGTON

Lord Carrington is no Cromwell! On the contrary he is a rock of common sense. He has not added his name to the propaganda against Robert Mugabe and has pointed out that the Blair Government reneged on its financial commitments to transfer land from the white settlers in Zimbabwe to the native population.

Neither has Carrington been swayed by the propaganda against Slobodan Milosovic. Carrington chaired a Constitutional Conference on Yugoslavia 1991 in which he attempted to facilitate negotiations between Milosovic and the Croat leader Franjo Tudjman. In a recent interview (published in the September 2008, *Labour and Trade Union Review*) he said that Milosovic was "*difficult*" but "*if he said he would do something, he would do it*". But with Tudjman, on the other hand, Carrington "*never*" knew where the Croat leader stood.

All possibility of a negotiated settlement to the Yugoslav crisis was scuppered when the European Community allowed Germany to give official recognition to an independent Croatia. The Dutch Foreign Minister at the time opposed the Germans but incredibly in a comment on the interview with Carrington he says:

"The Germans reasoned that the recognition of Croatia would make it possible to intervene, because then it would become a conflict between states."

So you escalate an internal conflict into an international conflict in one of the most unstable regions of the world!

## THE NATIONAL PLOUGHING CHAMPIONSHIP

The National Ploughing Championships have nothing to do with Yugoslavia, but are about much more than just ploughing. The mood among most business people there was very subdued. However the food and farm machinery businesses seem to be doing well.

One prominent exhibitor was a company called Dairy Master. This highly successful company was set up by a farmer in Kerry, who started by buying second hand farm machinery from abroad. He found that, by making adjustments to these machines to improve their functionality for farmers, he could sell them at a price even greater than the price of new machines. The farmer started his farm machinery business with a loan from the local Credit Union because he couldn't obtain a loan from the banks. The company is now exporting all over Europe.

This is how successful businesses start. The representative of industrial capital (in this case the owner of Dairy Master) meets the representative of finance capital (the Credit Union). Both parties know each other because they have an organic connection with the local community. But the mainstream banking system has moved away from this. The personal connection is lost. Loans are authorised from Head Office by a number cruncher using a formula set up on a spreadsheet. And the consequences of the latter model are there for everyone to see.

If we are to work our way out of the current crisis the existing banking model must change.

Of course, there is an alternative view...

## JOURNALIST SOLVES ECONOMIC CRISIS

The Long Fellow is nominating Mark Hennessy of *The Irish Times* for the Ross O'Carroll Kelly/Marie Antoinette award for services to journalism. In his article of 27th September he makes an impassioned plea to Brian Cowen. The headline reads:

"*Cowen needs to at least act like he really cares.*"

And is that really too much to ask of our Taoiseach? Hennessy is not asking him to actually care merely to "act like he really cares".

Of course, Hennessy really does care because he has gone through the grinding poverty necessary for identifying with the travails of the common man. Here is Hennessy reflecting on the hardship that he experienced as a result of listening to that false prophet, the economics commentator George Lee:

"Would rates be going up? What has he heard? Oh God, can I afford this bloody house? I opted for a fixed-rate rather than variable. Of course, it turned out to be a mistake and I paid 8.25 per cent while interest rates fell all around me, and I slept on a sunbed for longer than was necessary for lack of any other furniture.

Could this be a solution to world poverty?  
"*Let them have sun beds!*"

## True story of the Events at Coolacrease

A recent 'Hidden History' documentary—'The Killings at Coolacrease'—on RTÉ, about an event in the War of Independence, portrayed Offaly people as having committed a sectarian atrocity in murdering innocent farmers in 1921 in order to grab their land.

But, producing a wealth of new information from documentary and other sources, a new book by Offaly historian Paddy Heaney and other writers proves that the claims of the RTÉ programme are untrue and that vital evidence was suppressed in creating its bogus story.

*Coolacrease: the True Story of the Pearson Executions* will be launched by Senator Pat Moylan in Offaly Historical and Archaeological Society, Bury Quay, Tullamore at 8 p.m. on Thursday, 6th November. The launch is open to the public and all are welcome to attend.

The 'Hidden History' programme alleged that two young Protestant farmers, brothers Richard and Abraham Pearson of Coolacrease near Cadamstown, were brutally murdered by the local IRA during the War of Independence in order to grab their 341-acre farm and that the Irish Land Commission was complicit in this. The programme led to much public controversy, in which allegations were made that a Mafia-type code of silence was in operation in Offaly to prevent the truth about the 1921 events from coming into the open.

Senator Eoghan Harris, who played a central role in the programme, declared that the only way to heal the wounds caused by the 1921 events was for the people of the Cadamstown area to own up to the heinous crimes of sectarian murder and attempted ethnic cleansing committed by their forefathers, and to seek atonement by confession and apology.

The new book is co-authored by Paddy Heaney and includes contributions from eminent historian Dr. Brian Murphy, Nick Folley—a grandson of Offaly-man Herbert Mitchell who played a distinguished part in the independence struggle—and others.

Pat Muldowney, who has also contributed to the new book, said on behalf of the publishers, Aubane Historical Society:

"This is a shocking story of defamation, character assassination and cover-up—by RTÉ. An accurate account of the 1921 events was published in 2000 by Paddy Heaney in his book *At the Foot of Slieve Bloom*. There was no cover-up in Offaly. But these events remained relatively unknown outside Offaly until 2007

when RTÉ broadcast its documentary portraying the executions of the Pearson brothers as a sectarian anti-Protestant atrocity in furtherance of a land grab, as part of an ethnic cleansing drive by the Irish independence movement against an ethnic minority.

"RTÉ claimed that its case was proven by Land Commission documents. But now comes the really shocking part. The Records Branch of the Department of Agriculture has now declared that RTÉ did not have access to these documents. Along with the documented records of the executions—which prove why the executions took place—we publish for the first time in this book the Land Commission documents relating to the Pearson farm as well as much other relevant documentation. These demolish RTÉ's bogus account and prove there was no "land grab".

"The Pearsons were executed on the orders of the senior IRA command because they carried out an armed attack on volunteers at an IRA roadblock—wounding four men, one very seriously—and because they were working with the British police and military against the independence movement. The tragedy of the Pearsons was that they took up arms against the forces of the Irish government democratically elected by an overwhelm-

ing majority of the people in the 1918 election. The British state rejected that election result and was waging a brutal war of suppression in Ireland at the time. This was the war effort in which the Pearsons became involved.

"The documentary evidence from the time clearly establishes the facts of what happened at Coolacrease in 1921. The really shocking story is how these facts were distorted by RTÉ in their shameful "documentary" which contained such slurs against so many people and knowingly suppressed evidence that refuted their claims. This is a story of low standards, lies and ugly propaganda on the part of the national broadcaster.

"I would urge everyone to read this book!"

### Coolacrease.

*The True Story of the Pearson Executions in Co. Offaly,*  
an Incident in the War of Independence  
**Paddy Heaney, Pat Muldowney,  
Philip O'Connor and others.**

427pp. ISBN 978-1-903497-47-0. AHS  
€20, £18.

The Aubane Historical Society home  
page: <http://aubane.org/>

## Coolacrease

*The True Story of the Pearson Executions*  
**RTE REBUTTED!**  
*Paddy Heaney and Others*

472pp. €20, £18

**LAUNCH by Senator Pat Moylan**

ALL WELCOME

**8pm, Thursday, 6th November,**  
**in Offaly Historical & Archaeological Society,**  
**Bury Quay, Tullamore, Co. Offaly**

## Land Grabbers

Terence Dooley, a lecturer at Maynooth College, gave evidence in RTE's Coolacrease programme supporting the contention of Eoghan Harris and Niamh Sammon that the War of Independence of 1919-21 was essentially a land grab by landless men to take over estates owned by Protestants, combined with a sectarian feud of Catholics against Protestants.

In earlier articles I pointed out that Dooley's books did not establish a ground for what he said on RTE. I had three books particularly in mind: *The Decline Of Unionist Politics In Monaghan, 1911-1923* (undated, but around 1989); *The Plight of Monaghan Protestants, 1912-1926* (2000) and *Inniskeen, 1912-1918: The Political Conversion Of Bernard O'Rourke* (2004).

The first two of these books is where one would expect to see the Independence movement described as an anti-Protestant land-grab, if Dooley had in his mind the idea that that is what it was, either essentially or in a considerable degree. But that is not what one finds in them.

Both books show the Monaghan Protestants (equally divided into Anglicans and Presbyterians), not as Irish individuals who happen to be Protestant in religion, but as a privileged collective body constituting a quarter of a population of the County but owning most of the property. This coherent minority had held itself apart from the majority for a couple of centuries, causing resentment among the majority by its aloofness and its near monopoly of property ownership and the profes-

Part 3

sions, and an associated predominance in commerce.

Its privileged position was eroded by the dis-Establishment of the Anglican Church (1869), the Local Government Act (1898), and the Land Act of 1903. The enfranchised majority, acting as a collective within the Home Rule movement, then came to dominate electoral politics in Monaghan, and it made inroads into the professional and commercial predominance of the Protestants/Unionists. The Protestants, having discriminated comprehensively for centuries within the system of Protestant state monopoly, now began to complain of being discriminated against within a market system in a political medium of Local Government democracy:

"Thus by the end of the first decade of the 20th century the old Monaghan ascendancy was becoming nothing more than a nostalgic memory for many Protestants who reminisced on former years when they totally dominated the political, social and economic life of the county. But they were determined not to go down without a fight and with the Ulster Unionist movement now at their back they looked forward in anticipation to regaining the glory of a previous era and a status that seemed in ever-increasing jeopardy from the Catholic majority. As a means to this end the Protestants of all denominations and classes united under the cloak of Unionism" (*Decline Of Unionist Politics In Monaghan*, p.6).

Five thousand Monaghan Protestants signed the Solemn League and Covenant of the Ulster Unionists in 1912, committing them to fight against the establishment of Home Rule government in Ireland. In 1913, Monaghan members of the Ulster Volunteer Force were formed into two battalions. And in 1914 they got 1,679 rifles from the Larne gun-running (ibid, p7).

At the critical moment, the British war on Germany postponed the British Civil War which it seemed would otherwise have been unavoidable, and for which the Monaghan Protestants had armed. The Protestant gentry, the leaders of the Unionist rebellion against Home Rule, went off to fight the war on Germany, Austria and Turkey—but their followers did not join them as expected.

The formerly privileged Protestant tenantry were no longer tenants, and were no longer privileged. The great Irish land agitation had made them owners of their land, snapping their economic bond with their gentry. Then, during the war on Germany, the Monaghan Protestants ceased to be an organic part of the Ulster Unionist movement.

The Unionist rebellion came to an end with the declaration of war on Germany in 1914. In 1915 a Coalition Government was formed. It included the (British)

Unionist Party, which quickly became the dominant element in it. And it included the Ulster Unionist Party as a semi-autonomous part of the Unionist Party. After the 1916 Rising the Government was anxious to placate Irish national feeling, which was slipping away from it, and an attempt was made to inject life into the 1914 Home Rule Act, which was lying dead in Redmond's pocket and on the Statute Book. As part of this attempt, the Ulster Unionist Party—which now shared governmental responsibility—was required to shed three of the Ulster Counties: Cavan, Monaghan and Donegal.

The Monaghan, Cavan and Donegal delegates to that meeting of the Ulster Unionist Council in June 1916 issued a Statement deploring the revival of Home Rule politics:

"That we protest in the strongest possible manner against the proposals of the Government to revive the Home Rule controversy during the continuance of the war and during the absence of so many Covenantors serving in His Majesty's forces. And we further protest, on behalf of those Covenantors from the three counties we represent, against any settlement of the Irish question which excludes them from Ulster.

"But if the six counties consider the safety of the Empire depends on the continuance of the negotiation on the basis suggested by the Government, the responsibility must be clearly understood to be theirs, and the delegates of the three counties must abide by their decision" (quoted from Dooley, *The Plight* p.38).

While accepting the UUC decision, these delegates, according to Dooley, made a final plea for 9 County Partition in a pamphlet entitled *Ulster And Home Rule: No Partition Of Ulster*.

The Monaghan Protestants were thrown to the wolves in 1916—to express it in the spirit of their own rhetoric. And it was their brethren of the Ulster Unionist Council that did it. And, thus abandoned, they began a slow and reluctant process of adaptation to life in nationalist Ireland, outside the British cocoon which had nurtured them. This was delayed by the British decision to over-rule the Irish democracy by force in 1919-21, but it seems to have begun immediately in the matter of enlisting for the War on Germany.

Alan Stanley suggests in his book that the IRA had an extermination quota for Protestants in 1919-21. That is sheer invention. But in 1918 there *was* a kind of extermination quota applied by the British Government in Ireland. When it balked at enforcing Conscription in the face of the unanimous hostility of Home Rulers and Republicans, the Government set up in its place a quota system for voluntary recruitment. Each region was allocated a

quota. Monaghan fell so short of its quota that there is no doubt that the Protestants were little more compliant than the Catholics. Dooley writes:

"Monaghan and Armagh constituted one area with a quota of 2,500 men. However, by 4 September 1918, of the 242 recruits from Monaghan-Armagh area, only 22 were from Monaghan. By then it was obvious that the lower and middle classes of the Protestant community in the county had little interest in recruitment, and furthermore, that the sentiments of the gentry no longer reflected those of the other classes on this issue" (*Plight*, p.30).

Dooley comments that all that happened since 1914 "*meant that the rank and file were now virtually leaderless, and consequently disorganised and unable to cope with the attacks directed against them during the growing Anglo-Irish conflict*" (p41). But he does not give a connected account of those attacks, pleading that he is not writing "*a study of the War of Independence and Civil War in Monaghan*" (p.42). This means that he mentions only particular acts, without context, in a situation in which meaning depends on context.

He writes as follows, under the heading, *The Revolutionary Years, 1919-1923*:

"At the time of the outbreak of the War of Independence in 1919 the Protestant community of County Monaghan was more than ever an island in a sea of Nationalism, but instead of the Irish parliamentary party it was the Sinn Fein party which was controlling the waves. Sinn Fein had succeeded in securing both parliamentary seats in the county at the general election of 1918. By 1920, it also had control of local government and, in fact, in May 1919, Monaghan Co. Council had been the first such body to pass a vote of allegiance to Dail Eireann on the initiation of the then commander of the local IRA and later Garda Commissioner Eoin O'Duffy. Monaghan Protestants were to suffer much intimidation, outrage and murder as a result of the outbreak of guerilla warfare...

"One of the primary reasons why the local Protestants became so susceptible to IRA attacks was the fact that many of their homes, especially those of the gentry, contained arms and ammunition from the old UVF days which were now badly needed by the country's IRA" (p.42).

The "*old UVF days*" were all of three years in the past, if one takes the exclusion of Monaghan from Ulster by the UUC as having also excluded it from the UVF. Otherwise I cannot see what grounds there are for referring to the UVF in the past tense.

In parts of Ulster I believe the UVF flooded into the British Army for the Great War, and was thereby considerably disrupted. By Dooley's account that did not happen in Monaghan:

"Although 52 members of the Monaghan UVF joined for active service in September [1914], the reluctance of their comrades to do likewise soon became apparent. As early as December 1914 the County Inspector was noting that there was no improvement in recruiting, with scarcely anyone coming forward. In October 1914, a recruitment drive in Monaghan town failed to obtain a single recruit—not an unparalleled event as the same happened later in Carrickmacross, Castleblayney, Ballybay and Rockcory. By February 1917 recruitment for the army in the county scarcely existed" (*Plight* p30).

The local Unionist paper, the *Northern Standard* deplored "the cleavage developing between Unionist leaders and the rank and file as a result of the latter's complacency towards recruitment":

"The editor reflected the views of the gentry as week after week he continually chastised local Protestants for not enlisting. On one occasion he claimed that the local UVF men were open to ridicule from the county's Nationalists who viewed them as good for nothing else but playing soldiers in the various Orange halls where there was no danger from German bullets. On another occasion he sarcastically referred to how enthusiastic and sympathetic local Orangemen were to appeals for recruits from Tom Kettle, 'that is the proportion who were not of military age, while those who were eligible kept quiet'..." (*Decline* p11).

The gentry went off to the War. Norman Leslie of Glaslough wrote:

"Future generations cannot be allowed to read the decline of the British empire and attribute it to us... let us forget individuals and let us act as one great British unit, mixed and fearless... It is better by far to go out with honour than survive with shame".

But the Protestant populace was not caught by that spirit: "It would seem that the war, instead of inciting local Protestants to show their loyalty to Britain by going to the front, generated a more powerful incentive to stay at home" (*Plight* pp28,30).

Tom Kettle, a Home Rule ogre who took the Tyrone seat for Parliament, and raised Unionist hackles with his witty AOH [Ancient Order of Hibernians] vituperation, became a warmongering Imperialist on the spur of the moment in early August 1914, and became a war propagandist in the London papers and a recruiter in Ireland along with the Ulster Unionists who hated him. But to no avail in Monaghan:

"only the need to encourage recruitment could entice a Unionist hardliner such as William McWilliam to share the same platform as the ardent Nationalist, Tom Kettle, at Monaghan town in June

1915. But for all their efforts, their rewards were minimal and at a recruitment meeting in Monaghan town in September 1915 Colonel John Leslie could not help voicing his disappointment at the fact that the meagre seventy men which Monaghan had contributed to the battalion under the command of Col. Blacker did not even make up a company" (p29).

So, while the nest of gentlefolk in Monaghan went all-out for the War, their peasantry stayed put. And I assume that the gentry only supplied the officer stratum of the UVF, and that the rank and file therefore remained at home after August 1914 with close to two thousand rifles.

Dooley writes:

"As a result of the relaxation of Unionist sentiment by the leaders in order to maximise their participation in the war effort, and by the rank and file looking after their economic interests, the mediums through which the anti-Home Rule sentiments had been expressed in former years fell into disuse. In September 1914 it was reported that drilling was not as active as previously in the Unionist clubs. A year later the Unionist clubs and the UVF had become totally inactive, and by 1920 there was only one Unionist Club in the county with more than thirty members.

"The Orange Order, which in Monaghan had done more than any other organisation to mobilise the Protestant population into an effective anti-Home Rule movement, lost much of its vigour. For three years the order held no 12th of July celebrations... Reports of Orange Lodge meetings, and Unionist club notes, which had traditionally filled columns of the *Northern Standard* had virtually disappeared by 1918" (*Decline* p11).

The Unionist gentry, having the world to conquer, switched off the Unionist militancy of 1912-14. Up to August 1914 they were locked in a conflict with a Liberal Government kept in power by Home Rule MPs, and they made military preparations for a war on the issue of Home Rule. In August 1914 the civil war was averted by the war on Germany. In September Redmond was given Home Rule-on-the-Statute Book and went recruiting along with the Unionists. He was happy and they were happy. But they had better grounds for it. Inoperative Home Rule got Redmond chattering about the gallantry and chivalry of Imperial warfare while depriving him of his leverage on the governing of the State.

When the Liberals declared war they made themselves dependent on the officers of the Curragh Mutiny. The power of Unionism, which had grown considerably during the Home Rule conflict, increased immeasurably with the declaration of war. It became part of the Govern-

ment in the Spring of 1915, and took it over in 1916, ousting a large body of the Liberals in the process and reducing them to an ineffectual Opposition.

UVF militancy was appropriate to the extra-Parliamentary opposition to the Liberal/Home Rule Parliamentary regime. It was no longer appropriate when the Liberal/Home Rule combination was superseded by the Liberal/Unionist alliance to conduct the World War, and the unstoppable rise of Unionist dominance within that alliance. The Unionist gentry, tending to the affairs of the Empire as part of its governing body, and wrecking the Liberal enemy of 1912-14 in the course of doing so, switched off the UVF [Ulster Volunteer Force] militancy. But the UVF rank and file in Monaghan did not flock into the British Army for the Great War. They stayed at home and tended to their local affairs despite the exhortations of their betters. But neither did they embark on a *rapprochement* with nationalist Ireland, any more than members of the UVF who joined up to fight the Germans alongside Redmond's volunteers did. They remained Ulsterish and Unionist even after Ulster Unionism cut them off in 1916.

Joining forces to make war on a third party proved to be no basis for unity on home affairs between the UVF and Redmond's National Volunteers. Nor did the renegeing by the Monaghan Protestants on their Imperial obligations signify a movement towards those on the nationalist side who also decided to stay at home. Go to war with the National Volunteers or stay at home with the Irish Volunteers, it made no difference. And I could never see why it should. Redmond's expectation that unity would result from a joint exercise in killing a third party was only the rotten fruit of self-deception. And Churchill's purple prose about the dreary steeples of Tyrone and Fermanagh reappearing as the deluge subsided was a reversion to the attitude of Imperial disdain towards things Irish.

Ulster Unionists and Redmondite Nationalists went killing Germans for the same purpose which led them to form the UVF and the Irish Volunteers. There was a continuum between their preparations to make war on each other at home and their enlisting to make war on Germany. The purpose of each was to do down the other, either by direct conflict or through influence on Whitehall.

The Monaghan Unionist rank-and-file were brow-beaten by their gentry over recruiting, but paid no heed. And they were cut off by the Ulster Unionist Council in the service of a Government initiative to channel, or limit, the effects of the Easter Rising within nationalist Ireland. But the initiative failed, and, with Unionism in power in the State, despair was premature. And, as Churchill said, the pre-War quarrel remained intact throughout the War. And

it was stirred up in Monaghan in the Summer of 1918. Here is how Dooley describes it:

"On the Nationalist side, the growth of the Sinn Fein movement was to have very significant implications for the local Protestant community as it signalled the growth of a new and more violent form of sectarian bitterness which was to manifest itself in outrages directed against Unionists between 1919 and 1923. The inconsistency which characterised the Lord Lieutenant's proclamation of 3 July 1918, in theory banning all public meetings, but in practice allowing local Orangemen to renew their 12th of July celebrations, while banning local Nationalists from holding an *airidheacht*, renewed the feeling that in the past there had been one law for the Orange minority, and that governments in Ireland were concerned with maintaining the supremacy of the former and the repression of the latter. As Nationalists in Monaghan subsequently began to feel discriminated against by government's inconsistency, the county once again became the breeding ground for sectarian animosities. In Monaghan town during Loyalist demonstrations to celebrate the armistice, a Sinn Fein crowd began to sing rebel songs and intimidate those singing the British national anthem. Although only a minor skirmish ensued, it was to foreshadow events in the revolutionary years from 1919 to 1923" (*Decline* p12).

Why is the conflict between *God Save The King* and rebel songs described as sectarian?

Forty years ago, before the recent war in the North began, I proposed that the conflict of the Protestant and Catholic communities should be treated as national. I suppose Dooley was too young to have discussed such matters at the time. He acknowledges Professor R. V. Comerford of Maynooth as his mentor. Comerford begins a recent book with a pretentious dismissal of the "*two nations theory*", about which he says there was a noisy debate during the seventies and eighties. In fact there was no debate about it in the public media, and very little elsewhere. And Martin Mansergh praises the *Irish Times*, where one might have expected it to be discussed, for not allowing discussion of it. All that I recall in the way of public discussion is a denunciation by Jack Lynch in the Fall of 1969 which nobody disputed.

Ulster Unionism was characterised as a remnant of feudalism and religious bigotry, which would soon disappear when pressure was brought to bear on it. Redmondism, Sinn Fein and the Free State were national, and Unionist dissent from them was sectarian.

That made a kind of ideological sense, with Ulster Unionism having bonded itself by means of a revival of 17th century

theocratic Covenanting. But it wasn't sensible. It was plainly evident to me that the Ulster Unionist community was a socially durable entity of the kind that was called national, and that the attempt to treat it as something else was certain to fail. And I even said that it struck me as being more durable than nationalist Ireland—which has turned out to be the case. I did not notice that Professor Comerford said anything at all on the matter before striking a pretentious pose a couple of years ago.

And now we have something like a complete reversal of the position from which the Two Nations was denounced forty years ago. The singing of "*rebel songs*" at an Imperialist demonstration by Unionists is described as sectarian by Dooley.

It doesn't seem to me that Dooley himself has given any thought to this, but just uses the word as he found it being used in an academic environment already made over by the revisionist project.

The revisionist project did not try to achieve its object by analysis and argument presented openly. That approach, by stimulating thought, would have been counter-productive. The method was, by dominating academic institutions and major publishing, to habituate people to new verbal usages, and let the meanings follow.

The victory celebrations of the Great War in November 1918 were utterly jingoistic, so much so that Churchill felt that they debased the War and he had to grit his teeth when going along with them when his election agent said he must. I assume they were not less so in Monaghan than in London, even amongst those who had refused to fight. And I assume that the unnamed "*rebel songs*" were part of the election campaign that Sinn Fein won six weeks later.

The Orange Order, an exclusively Protestant body, was central to the organisation of the Unionist movement, and therefore it and the movement it organised might be described as sectarian in the strict sense, though I think it misses the political reality of the situation to stick too closely to the strict sense.

The British National Anthem asked God to preserve the King and send him victorious, "*long to reign over us*". I suppose a nationalist crowd in Monaghan would not have objected to that sentiment four years earlier, and might even have sung it for themselves. But in November

1918 they were of a mind to have done with the King, had realistic expectations of what might be done in the name of the King to hold them close, and they protested with their own songs.

I don't know when *Faith Of Our Fathers* was written or when *Lead Kindly Light* was set to music. I suppose if the Monaghan nationalists sang the former it might *in extremis* be described as sectarian, but even in desperation the latter would be doubtful. But I have never heard either sung in a rebellious manner. And I can't think of any other religious song those Monaghan rebels might have sung.

Sinn Fein undoubtedly consisted of Catholics for the most part, but it was not Catholic in principle, and a number of Protestants were active in it. Ernest Blyth, who won the Monaghan seat for Sinn Fein, was an Ulster Protestant.

England politicised religion in Ireland—or sectarianised politics, if you will—by its Penal Laws against Catholicism. The populace—the inhabitants of the country who were excluded from the privileges of state—was Catholic. Short of mass conversion, it could not have been otherwise, seeing that during the century of full-blooded Penal Laws Catholics could only enter the sphere of the state by becoming Protestants. And for a century after that, while the *de jure* privileges of Protestants were being dismantled gradually, their *de facto* privileges remained considerable. A position established through centuries of privilege does not evaporate on the instant when the legal basis of privilege is amended. Legal privilege ended only with the Local Government Act of 1898. And Dooley showed that the gross imbalance in favour of the Protestant minority in property and commerce, established during the centuries of legal privilege, was far from being evened out by 1911.

Ulster Unionism was sectarian in the strict sense by virtue of the fact that it was organised round the Orange Order. The Home Rule Party might be described as being sectarian for about ten years before 1914 by virtue of the fact that a Catholic secret society, the Ancient Order of Hibernians, was woven into its organisational structure under John Redmond's leadership. But I cannot see what grounds there are for describing Sinn Fein as sectarian. Before 1916 it was primarily a cultural group, with an appeal for intellectuals, which attracted many Protestants. Long

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ago I stumbled across a Sinn Fein novel—or *the* Sinn Fein novel—through which I got a feel for what the movement was at the start. Its title, as I recall, was *The Ring Of Day*, and it was published around 1910. (I don't know if amidst the deluge of largely obscurantist or useless publishing of recent decades it has been reprinted.)

The original Sinn Fein aim was to make Ireland an active partner with Britain in the running of the British Empire, as Hungary was with Austria in the running of the Hapsburg Empire. This was to be done through the restoration of the Kingdom of Ireland under the British Crown, with the Crown acting on Irish advice on Irish affairs.

Due to the mis-naming of the Easter Rising by a British journalist, the mass organisation of Republicanism, built up in 1916-18, was called Sinn Fein. I don't know what influence the original Sinn Fein body had within the new movement, or whether Griffith held to his original ideal. We are told, in defence of the view that the Treaty War of 1922-3 was an authentic Civil War, that the Sinn Fein of 1916-21 was an alliance of ultimately incompatible elements, and that when independence was conceded in December 1921 those elements—of which the old Sinn Fein was one—fell apart, and went to war against each other in 1922. But it seems to me that this is only a deduction from acceptance of the *a priori* position that the Treaty War was a Civil War: if Civil War broke out when Independence was achieved, there must have been a fundamental conflict of aims within the Independence movement.

I could find no such conflict of aims. What struck me was how harmonious it all was compared with other national movements. Sinn Fein was united in support of the demand for political independence, and there was no social revolutionary movement lurking within and biding its time. It split on the issue of whether to revoke the Declaration of Independence adopted by the Dail after the 1918 Election and accept a British offer of something less under threat of "immediate and terrible war" if the offer was not accepted. The Crown was the issue in the split in the Dail, in the Treaty War, and in Free State politics until De Valera repealed the Oath. And ever since the Oath was removed with impunity the Treatyite element has not known quite what to make of itself.

(Martin Mansergh, a Treatyite in Fianna Fail, has recently declared that the Civil War should be left to the historians to sort out. That means to the revisionist academics.)

Sinn Fein in 1918-21 accepted the existing social structure and demanded nothing but political independence. No

## Third Order Of St. Francis

This is a comment on Pat Walsh's review of Seán Swan's *Official Republicanism, 1962 to 1972* (IPR August 2008, Vol. 23). Doctor Pat writes that he "never knew", (in the context of Seán Swan's book), that "Joe McCann... was a lay brother of the Third Order of St. Francis and he was buried in their robe...". Joe was a hero of the 'left wing', 'Official' / Stickie Republicans. The "iconic picture" (Pat Walsh's phrase) of Joe, under the Starry Plough by Inglis's Bakery in flames has gone round the world as an image of resurgent Irish Republicanism. It was an image that could be understood nearly anywhere. It decorates the cover of Seán Swan's book.

Dr. Walsh seems to take Dr. Swan's implied comparison between Joe McCann and the (implicitly, fascistic) Seán South (of the disastrous Brookeborough Raid of New Year's Day 1957) at face value. South was a member of the Maria Duce organisation. It wanted the Roman Catholic Church to be Established Church in the 'Republic of Ireland' (as it became in 1948). He was a citizen of an actual State. The (Catholic) Church dominated the State, and permeated its culture. South could be described as simply an active citizen.

It is difficult to understand why the Franciscans are so well regarded in Ireland. It may be 'folk memory'. The Vatican put the Order in charge of Ireland in the Penal Law period. (The Jesuits looked after England (which included Wales), the Dominicans Scotland.) The Franciscans don't have a large presence in the North. The Poor Clares have an enclosed convent on Belfast's Cliftonville Road. It is possible that parents enrol their offspring in the Third Order when they are born. A spiritual version of the life insurance they take out on (or for) their children.

On a less high-falutin' note, a piece of rough brown cloth costs less than a (presumably usually new) whistle'n'flute, or dress. 'Funeral furnishers' who set up in working class areas were in the business of making a living by providing a service, not making a fortune. It is more than likely that a great many people buried in the robe of the Third Order were recruited *post mortem*. The easy-going Franciscans were unlikely to object. Life, after all, for them, does not end at the grave. As the 'funeral furnishers' provided everything, they may have had supplies of the robes on hand.

In Joe McCann's case, his family probably had something to do with the matter. The 'Official' IRA would, presumably, have preferred him in his Volunteer uniform. (McCann managed to recruit a number of working class Protestants into the Republican Clubs (Sinn Féin's alias in Northern Ireland) and even the IRA.) The family's feelings may not have been entirely pious. They presumably did not want the 'Crown forces' to interfere in his funeral. If he had been in Volunteer uniform they may not have been allowed to give him a decent funeral. (Think of the grisly charade of Larry Marley's funeral. Many working class Catholics were as disgusted by the Provis as by the Brits and RUC. It was (still is) a culture in which funerals were events with quite rigid protocols. Young skinheads attempting to kick Peelers in the crotch were not among those protocols.)

The Third Order is an odd set-up. It appears to have no actual function. It may have involved, for serious members of the organisation, prayers and other devotions. Other Catholic Orders, which took an interest in working class life, like the Redemptorists in Belfast (and Limerick) tended to be up-front, even a bit militaristic.

The (men's) Confraternity in Clonard was divided into three Divisions. Admittedly these were based on the three nights on which they met. And they were the men and boys. The women's sections took up the other nights. I am not sure if there was a specific 'division' for 'girls' or young women.

The point of all of the above is to underline the fact that, not so long ago, there was a comprehensive Catholic culture in Ireland. It encompassed actual poverty as well as the elective poverty of the Franciscans. Being interred in the Third Order's 'uniform' was an everyday (and unisex) event.

Solidarity, **Seán McGouran**

grouping within it suggested that a settlement under the Crown would be preferable!

And, as for the Dual Monarchy: it was a dead duck before it ever touched the water. Britain was not going to share the running of the Empire with Ireland as Austria did with Hungary. Irish independence would be preferable to that.

By November 1918 the War was over,

Home Rule was a dead letter on the Statute Book, the Unionists were dominant in the War Cabinet, and the ideals for which the Irish had been recruited to fight Germans and Turks were shown to be deceptions—and Monaghan Sinn Feiners did not stand by submissively while Monaghan Unionists asked God to keep the King victorious, long to reign over us. And that was *sectarian!*

**Brendan Clifford**

## Michael Collins' False "Vision" Of Ireland In The World

In his article *Georgia And Russia* (*Irish Political Review*, September 2008), Feargus O'Rahallagh reprimands Brian Cowen and the Government for their silence on Georgia, and claims that by their silence they had refused to "live up to Michael Collins' vision of an international league of nations, Dev's ambitions in relation to the League of Nations, or Frank Aiken's vision of the United Nations..." While I agree with much of what Feargus writes on this matter, I think he is wrong in attributing a strategy for sovereignty in foreign policy to Michael Collins. De Valera had declared Irish solidarity with many nations struggling for their freedom, from Abyssinia to India, and Aiken had boldly defended the rights of Tibet at the UN in the 1950s, but Collins' "vision" for Ireland in the world was another matter entirely, sketching out a role for Ireland as a subordinate element in a bigger scheme of things.

Collins announced this "vision" in an article entitled *Ireland As The Pivot Of A League Of Nations*, which appeared in the British press on 7th December 1921, the day after the signing of the forced Anglo-Irish Treaty. This article by Collins was recently reprinted in the first issue of *Irish Foreign Affairs* (published by *Irish Political Review*). It is to my knowledge the only major statement by Collins of his views on a Free State strategy in world affairs. It is inexplicably omitted from the first volume of the series *Documents on Irish Foreign Policy* (which covers this period) published by the Royal Irish Academy, which has taken on the role of documenting the history of Irish foreign relations on behalf of the State.

Following the signing of the "Treaty" of 1921, Collins needed to explain his reasoning for how it achieved the "freedom to achieve freedom." In particular he had to show how it was the basis for securing the Irish sovereignty which it so blatantly negated, and the strategy which the Free State would pursue within the confines of the Treaty to achieve that sovereignty.

Collins argued that the *de facto* position ("Dominion status") achieved by the "Colonies" of the Empire (he means of course the white ones) was understood by them as an equal partnership of independent states alongside Britain in a Commonwealth of Nations, and that this reality should now be accepted *de jure* in a legal restructuring of the Empire. He argued from this as follows:

"An association on the foregoing conditions would be a novelty in the

world. But the world is looking for such a development, and it is necessary if the old world of internecine conflict is to emerge into the new world of co-operative harmony. For such an association would be the pattern for national co-operation on a wider scale, and might form the nucleus of a real League of Nations of the world. Great Britain now has the opportunity to lay the foundations of such a new world order in the relations to be established between the nations of the British Commonwealth. In such a League of Nations there would be no inequality of status. Oaths of allegiance from one nation to another would become meaningless and would be quite unnecessary where there would be real allegiance of all to the common interests... General Smuts has given warning that South Africa will be restive in any association which is not a League of Free Nations. The colonies can only be kept if they are themselves on a free and equal footing and if such a footing is also conceded to Ireland as a free partner in the group...

"Into such a League might not America be willing to enter? By doing so America would be on the way to secure the ideal of free, equal and friendly nations on which her aspirations are so firmly fixed. Ireland's inclusion as a free member of this League would have a powerful influence in consolidating the whole body, for Ireland is herself a mother country with world-wide influences, and it is scarcely to be doubted that were she a free partner in the League as sketched the Irish in America would surely wish America to be associated with such a combination. In that League the Irish in Ireland would be joined with the Irish in America, and they would both share in a common internationality with the people of America, England and the other free nations of the League. Through the link of Ireland a co-operation and understanding would arise between England and America, and would render unnecessary those safeguards which England wishes to impose upon Ireland... Without real and permanent co-operation between England and America world-peace is an idle dream. With such co-operation war would become impossible."

Collins' "vision" presented a case for a British-led "League of Nations" consisting of the white colonies/Dominions of the Empire in which an independent Ireland would provide the link necessary to bringing America into it, and creating an Anglo-American league as the central force in

the world. The European states are not mentioned as having a role in the 'League', let alone India or the other nations then struggling for their freedom. It was a programme for Irish absorption within a reformed British Empire which, in alliance with America, would dominate the world.

If anything, the article is a further indication that Collins had capitulated to the British Government in December 1921, accepting the *realpolitik* of empire. It also indicates Collins had bought into and become an advocate for the post-War geopolitical visions of the imperial *Round Table* grouping which had dominated the British side in the Treaty "negotiations". The *Round Table* would appear to have found their man!

The Treaty was ultimately accepted by the Dáil, not because any grouping in that Dáil supported the abandonment of the Republic which three successive elections had mandated, but because of the British threat of "immediate and terrible war" which C.P. Snow—Editor of the *Manchester Guardian*—had let it be known he knew would follow if it were not accepted. The Imperialist framework for evolution towards full independence which Collins had argued for in his "League" article was not a case put in those debates. Indeed, following the division on the Treaty, the Sinn Féin movement prepared to fight the Dáil elections in March 1922 on a joint platform as a manoeuvre to deal with the crisis in a unified manner.

Tim Pat Coogan, in his biography, *Michael Collins*, which appeared in the 1990s and brought much new documentation to light, wrote somewhat incoherently of these events because the facts he presents make a nonsense of his thesis that the position adopted by Collins after the Treaty was not a capitulation to the will of the British State.

The Army of the Republic was divided over the Treaty, but was willing to wait for the Dáil to come up with a politically coherent way forward. According to Coogan, five days before Collins and de Valera concluded the election "Pact", Churchill wrote to Collins and threatened that the British Government would not accept it: "As far as we are concerned in this country, we should certainly not be able to regard any such arrangement as a basis on which we could build." For the British, the Treaty was a re-assertion of control over the political development of Ireland, and the elected Dáil had no right to compose itself as it saw fit. The part of the army and political command which did not accept this British *fait accompli* provisionally prepared a basis for an alternative political course by establishing a centre in the Four Courts which it called

the *"Headquarters of the Republican Executive"*. Speaking on behalf of the British Government in the House of Commons, Churchill made it clear that the military destruction of this entity was now required, or the *"immediate and terrible war"* would be firmly back on the cards:

"If it [the headquarters in the Four Courts—PO'C] does not come to an end, if through weakness, want of courage, or some other less creditable reason it is not brought to a speedy end, then it is my duty to say, on behalf of His Majesty's Government, that we will regard the Treaty as having been formally violated, and we shall take no steps to carry out or legalise its further stages, and that we shall resume full liberty of action in any direction that may seem proper, or to any extent that may be necessary to safeguard the interests and the rights that are entrusted to our care."

The Treaty was something the British Government felt in a position to take or leave as it saw fit, and regarded the resumption of war as its legal and rightful option. What *"full liberty of action"* meant was known to everybody, as at this time such *"full liberty of action"* was in full swing in various other former or newly acquired colonies. The British State decided that the 'Irish State' it had created had to launch a "Civil War", and if it didn't the establishment of the "Irish State" would be rescinded. Collins accepted this and the British obligingly supplied him with heavy artillery to get the business started. Collins cabled Churchill seeking heavier calibre shells needed to destroy the heavy masonry of the Four Courts buildings. Churchill obliged, and even offered bomber aircraft—which had been proving so successful in Iraq—*"quickly painted Free State colours to show that they were an essential part of your forces."* but the artillery sufficed. Following the destruction of the Four Courts, Churchill, who well knew the historic importance of the centuries of national records it contained, cabled to congratulate Collins: *"The archives of the Four Courts may be scattered, but the title deeds of Ireland are safe."*

The Free State military victory in the Civil War ushered in ten years of a Government strategy and foreign policy effectively based on Collins' *"vision"* of 1921. It is a strategy which very well may have achieved interesting things. And its fans certainly see it in that light. Garret Fitzgerald wrote recently that *"The Irish State achieved independence in 1922 and absolute sovereignty in 1931, with the reform of the structure of the Commonwealth"* (*Irish Times*, 20.09.2008). But to regard the Irish position of 1931 as *"absolute sovereignty"*—without rights to an independent foreign policy, an army strictly limited in size and equipment,

(and to a role of policing Republican 'threats'), sovereignty defined by allegiance to a British monarch, a neo-colonial economic dependence, military occupation of its major defence facilities etc.—is to part company with reality. The fact is that the failure of the Cumann na nGaedhael Government to make any progress in the Collins framework opened the way for the defeated Republicans of 1923 to regroup and return to power ten years later to resume the politics of creating a sovereign state.

A recent biography of Joe Walshe, Secretary of the Department of Foreign Affairs in the 1920s and 1930s (Aengus Nolan, *Joseph Walshe. Irish Foreign Policy 1922-1946*, Mercier, 2008), makes it clear that throughout Free State foreign policy was conducted almost exclusively within the framework of the Empire ('Commonwealth'), and ignored other international forums, notably the US and the League. It even toyed with the idea of Irish colonial mandates in Africa within the Empire. De Valera reversed all that when he came to power and restored the programme for establishing Irish sovereignty, ignoring the Empire and maximising Irish influence with the US and within the League. Dev led Ireland onto a world stage as an independent country for the first time. In intense diplomatic, economic and psychological conflict with Britain throughout the 1930s, he eventually succeeded in achieving substantial Irish sovereignty with the ending of British military occupation in 1938.

The re-writing of Irish history since the 1970s under the auspices of Oxford University has led us to Presidential openings of British war memorials up and down the country. These include the 'honouring' of war criminals of Irish birth involved in the dirty business of empire, such as the British massacres unleashed in retribution for the 'Indian Mutiny'. Irish wartime neutrality is also being rewritten to portray De Valera's wartime policy as essentially a policy of secret involvement in Britain's war effort which could not be countenanced in public politics and hence had to be pursued surreptitiously. It is hardly surprising that the rebirth of Redmondism under the guise of *"reconciliation"* is also leading to a return to the positions promoted by Michael Collins at the time of the signing of the Treaty, as reflected in the recent brazen statement by Fitzgerald.

Michael Collins' *"vision of an international league of nations"* represented a capitulation to the strategy of the *Round Table* group for the survival of British Imperialism in the post-WWI world and of seeking to maximise an Irish role within that framework. It was a flight of idealism. In his 1921 article, Collins wrote:

"All former phases of Anglo-Irish struggle are now seen to have been but incidents in the English claim to dominate Ireland and to control Ireland in England's interests. England has now, in substance, renounced that claim, and the business of the Irish Conference is to shape the form of partnership or alliance in which two peoples of equal nationhood may be associated for the benefit of both."

This illusion—that the British Empire had ceased to be a predatory power in the world, and that Ireland and Britain could now work in 'partnership' as *"two peoples of equal nationhood"*—was fundamental to Collins' foreign policy strategy. It is an illusion equally central to Fitzgerald's delusion with regard to the 1931 'Statute of Westminster' and to the current gestures of 'reconciliation' accompanying Ireland's Presidentially graced celebrations of Britain's 1918 victory in the 'Great War'.

**Philip O'Connor**

## Remembering The British Legion

The following letter was submitted to the *Irish Examiner* on 15th October

### CITY HALL CONCERT

The *Irish Examiner* reported that the Lord Mayor Brian Bermingham "has announced details of a concert in the City Hall on Nov. 8 to honour the memories of the estimated 2,600 Corkmen who died in the First World War. Patrons have been invited to attend in period dress and compere Michael Twomey will conduct proceedings in the style of Leonard Sachs who hosted 'The Good Old Days' " (10 October 2008).

Is it appropriate to remember the dead with a fancy dress concert? Am I alone in finding the idea repulsive? The Irish who died in WWI died twice. They died physically and the reason why they died also died with them because it was based on a lie—the 'freedom of small nations.' They were killed and their ideals were betrayed by the government they fought for.

What Cork and Ireland got when they actually expressed their desire for freedom was the Black and Tans and the Auxiliaries. The latter were all ex-soldiers of WWI and they, among many other things, burned down the venue of this concert, the Cork City Hall and a large part of the city. This was how they were inspired by, and how they interpreted, the 'freedom of small nations'.

One wonders how the 2,600 Cork dead will be represented in fancy dress. Will we have people dressed up as skeletons or corpses to join in the fun? That would seem a suitable way to complete this whole sick event.

Will there be a thought for the approximately 10 million others who were killed in that war and why they were killed?

**Jack Lane**

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## Muriel MacSwiney:

### Three Letters To A Schoolboy

**Introduction:** Is Irish history being properly taught? Do we even honestly address the real causes of the Famine? Must a British Labour Prime Minister always be a lackey of the USA? Can France assert a foreign policy independent of the USA? Must Germany react unpolitically?

These are all very pertinent and contemporary questions. But they were also posed more than four decades ago in the following three letters addressed to a Dublin schoolboy. Their author was Muriel MacSwiney, widow of the War of Independence's martyred Lord Mayor of Cork, Terence MacSwiney. I myself was their recipient.

I was 12 years of age on the one occasion that my sister Brenda and I were both privileged to meet Muriel MacSwiney. This was in the New Year of 1962, when she visited our home as the guest of our parents Micheál and Kay O'Riordan. A few weeks later a short-lived correspondence commenced. Regrettably, Muriel did not follow through with the promised third letter of 1962 that would have elaborated on her intriguing references to Germany. Nor was there to be the promised further meeting between us. In 1966, probably in response to a St. Patrick's Day card sent by my sister and myself, Muriel wrote the third and final letter hereunder. On this occasion, to my great regret, my own failure to sustain the resumed correspondence was probably the reason why it then lapsed yet again.

**Manus O'Riordan**

#### ONE

London W.C.2  
28th March 1962

Manus Ó Riordáin,  
*A chara dhil,*

*Tá brón orm nach bhfuil an litir seo as Gaoluinne.*

I don't know how to spell your name; belonging to the family you do there is no doubt that it is a good Irish one.

I should be delighted if you would write me asking me for any information you want; you will get the answers. I was in the Irish movement from 1915 until the end of '23, when I went to live in Germany. (I am still in it in the way your father and mother and a few more are).

I think we should know our history, especially when all knowledge of it has been suppressed so long by a foreign usurping power; but what is more important is what we are doing in the present day and preparing for the future. Therefore people of your age are the most vital.

Your father, and your aunt from Cork [my maternal aunt and godmother, the Cork Communist and Labour activist, Máire Keohane Sheehan—MOR] made grand speeches at the Congress.

With all best wishes to your parents and your nice sister.

*Le meas mór*

**Muirgheal Bean Mhic Suibhne**

(You, unfortunately, must write my name as *Béarla*, as the *Sassenach* does not understand, c/o Lloyd's Bank, London, W.C.2

#### TWO

London W.C.2  
7th April 1962

Manus, *a chara dhil,*

Many thanks for your letter of 1st April. I too much prefer to obtain information by word of mouth, except when I want to pin down a lying propagandist, when one has to keep the printed text of what they said. I will be in Dublin again fairly soon (not until well after Easter) and we can have another talk.

The best thing I read about the Famine was Arthur Griffith's introduction to John Mitchell's **Jail Journal**; this was a new edition in 1914 or '15. Terry lent it to me when we hardly knew one another.

My father used to say that the people were dying everywhere of what was called 'famine fever'. I think he was about 20 at the time. All my family, although entirely Irish by race (Ó Murchadha), were West Britons, English Imperialists; but I think now that my father was a Liberal and did not like the Famine. The Irish Famine was not caused [Muriel's own emphasis—MOR] by the failure of the potato crop; that happened all over Western Europe; there were however plenty crops in Ireland (wheat, barley etc) which the capitalists in Ireland exported to make money and thus caused the Famine.

I am very interested in what you told me about your name which is a fine one.

I shall write to you a longer letter about Germany. The Germans were, and perhaps still are, the most unpolitically minded people in the world; that is why they voted for the Nazis, the voting was free at the time.

*Le grádh chun Brenda agus tú féin.*

**Muirgheal Bean Mhic Suibhne**

#### THREE

Paris XV  
7th April 1966

*A chairde dhil,*

Very many thanks for your card. I was just going to write and send you enclosed ["*Le Plestinais*", édité par les cellules communistes de Plestin-les-Grèves, Juillet 1965—a Breton regional French Communist Party bulletin—MOR]; it is my little corner of Brittany, full of wicked communists like myself. The same is true of many other parts; and the Party in France is very large as you probably know.

De Gaulle is being very good in his foreign policy. I don't approve of career officers, which he is, or of political Catholics, which he also is, altho' rather independent; but I do admire him for being a real French nationalist. He could have done what nearly all the French officers did at the time France was invaded, 1940, go over to the Germans, their hereditary enemy. Same as the English for us Irish.

And now he does not see, and neither do I, why France should be swallowed by the United States. I think myself, and so do many French people, that the only real bulwark against the USA-Bonn axis is France independent. Wilson is a little American slave. [British Labour Prime Minister Harold Wilson—MOR]. Holland, in spite of all they suffered from the Nazis, have a Nazi marriage of their princess; they may, and I hope they will, return to a republican government; they were a famous republic in the past.

However, de Gaulle is very bad at present in interior France. There are not enough government credits for schools and hospitals, and although a great number of flats have been built, they are far too dear. Not like the 3% of wages paid for accommodation in the Soviet Union. Your father told me about a friend of his, at Trinity I think, I no longer have his name [a reference to Anthony Coughlan—MOR]. If he is still there I would send him papers from time to time if he would like them.

I hope you are all well? Spain is stirring a good deal. The results of the seeds sown by the International Brigade.

I am not coming over for the 50th anniversary of 1916. I consider that—not alone after 50 years, but 5—there should be proper conditions, especially for the children: free health services, good schools, full employment (not having to quit our own Éire to be able to live; we had it during the English reign). Religious Freedom.

I want exactly what the Communist States have, but even if it did not go so far, it need not be as bad as it is. The Catholic States, Spain, Portugal and many South American ones are even worse than Éire; there is complete slavery in Venezuela.

I would like very much to know what you both are doing in and out of school? I think an awful lot of you.

*Le meas agus le grádh mór*

**Muirgheal Bean Mhic Suibhne**

Later that same year I was, however, to function as the means of transmission in respect of a letter addressed by Muriel MacSwiney to another constituency. On 19th October 1966 the agricultural crisis of that year resulted in nationwide protest marches led by the President of the National Farmers' Association, Rickard Deasy, and his future successor, T.J. Maher (decades later, an Independent MEP for Munster), which subsequently converged on Government Buildings for a 10,000 strong rally. Thereafter, successive teams of nine farmers' leaders commenced a round-the-clock on-site vigil.

Muriel wrote to my father asking him to deliver her message of support to the NFA. Knowing that it would only have resulted in hysterical media red-baiting of those farmers if the Irish Communist leader himself had been seen to do so, my father instead asked me to deliver that letter. This I did, handing it personally to T.J. Maher on 26th October, which he in turn brandished on that evening's TV News bulletin. Under the unadorned but bold sub-heading of **Mrs. MacSwiney**, the *Irish Times* reported on 27th October:

"Among the letters of support received yesterday was one from Mrs. Terence MacSwiney, widow of the former Lord Mayor of Cork. Written from Paris, it said: *'Very interested and indeed most delighted at your courageous march on Dublin to complain to the Government of their lack of support to the farmers, the most important people in every country, and, especially owing to our traditions, in Éire'*... Mrs. MacSwiney enclosed *'a little symbol of my gratitude'*. Mr. Deasy said last night that the symbol had been a cheque for £5 which was unlikely to be cashed."

As this letter only passed through my hands and was not addressed to me, it could not, of course, be described as letter IV. But there is a case for describing my last letter above as III (a) because, although now published in full, it had in fact been accompanied by a further inserted note—what might be described as a *de facto* appendix.

In that addendum Muriel gave her views on what she held to be the lack of regard and respect being shown for the central role played by Tom Clarke in the 1916 Rising. What might otherwise be called letter III (b) I have, however, already quoted fully in the August 2006 issue of *Irish Political Review*, during the course of an article entitled *"To be or IRB?: Muriel MacSwiney on 1916"*. This present article therefore completes the publication in full of all of my correspondence from Muriel MacSwiney.

**Manus O'Riordan**

## Muriel MacSwiney's Memoir of the War of Independence

**The widow of Terence MacSwiney, the Lord Mayor of Cork who died on Hunger Strike, recalls the events of national interest, 1915-21 and provides a biographical note on Terence**

The first national occasion at which I was present was a public meeting in memory of the Manchester Martyrs at the Grand Parade, Cork, in the autumn of 1915. Seán McDermott, Terence MacSwiney and Peadar Ó hAnnracháin spoke at it. Seán McDermott was the only one of the executed leaders whom I ever saw. I was interested in the national Sinn Féin movement before then.

In 1914 after the outbreak of World War I, I answered a call for girls to train as nurses at the South Infirmity, Cork, to nurse wounded soldiers. I realised, young as I was, that the need for nurses would be great as the war was bound to cause criminally appalling suffering. I had no romantic interest in soldiers whom I had always hated even as a child. My motive must have been completely humanitarian. When I realised that my course of action put me down as pro-British I gave it up at once. My family, of course, were completely Imperialist, conservative, capitalist and Roman Catholic. These were the ideas that were instilled into me and carefully fostered. We were all sent to school in England, because we would meet only "common people" in Irish schools.

I think reading Sinn Féin and Irish Volunteer newspapers was what enlightened me, and also the wonderful principles and high moral standing and self-sacrifice of all men and women in the Nationalist Sinn Féin movement. This contrasted very favourably with the people I had been brought up with.

I was the youngest of a family of six with a big gap between me and the next to me. I was kept completely isolated as a child, not allowed to play with other children, or even to speak to people outside the family, no one was considered "good enough".

I was seventeen when I left my snobbish convent school at St. Leonard's, Sussex. I had learned literally nothing there but class differences and how to be a lady. I never assimilated either.

I had suffered from the age of four from seeing the appalling social conditions, especially among the children. The Irish movement, besides fulfilling my nationalist aspirations, seemed to me at that time to also solve that great wrong. I got to know the MacSwineys and others in the movement around '14 '15, but I think it was the newspapers more than anything else which converted me to the Irish Nationalist Movement.

I read Connolly's "Workers' Republic", Arthur Griffith's "Nationality", "Scissors and Paste", "The Spark" and McNeill's "Irish Volunteer" every week. I also became immediately interested in the Irish language and got Nora Borthwick's wonderful little books "Ceachta Beaga Gaedhilge". It was in Liam Russell's shop in the Grand Parade that I got these papers and books. You met everybody there. He was a Volunteer and all the heads of the Volunteers – Co. Cork Commandant Tomás MacCurtain; Seán O'Sullivan, the Cork City Commandant; Liam de Róiste and occasionally Terry MacSwiney used to be there. It was a meeting place for people of that kind. There was another little newspaper shop kept by two sisters, the Misses Wallace, but I think it was a little later I got acquainted with that, though I think it was going all the time. The Misses Wallace were later connected with the Citizen Army.

It would be about the end of 1916, I imagine, that I became actively interested in the national movement. I met Deóra French at her uncle's, Professor Stockley, and she was deeply involved in the Gaelic movements.

I became a member of Cumann na mBan either in the end of 1915 or the beginning of 1916 and attended the meetings at different places. I used to visit the MacSwiney's house in Victoria Road. As far as I can remember, Mary MacSwiney was the President and Miss Nora O'Brien who had a hat shop, was Secretary of Cumann na mBan.

I remember Terry (I think in January 1916) being arrested and tried for a speech. He was left off with a fine of one shilling and many of his friends including Seán McDermott, sent him a shilling. I did too and his sisters told me afterwards that he kept mine. He was a Technical Teacher at this time and used to organise the Volunteers in the country. Previous to this he had been working as an accountant in Dwyer's. He organised a strike of the workers which was successful in improving their condition. His family were very poor. Mary was teaching at St. Angela's in Cork, and Annie in the Isle of Wight. Terry left Dwyer's about a year after the strike and became a Technical Teacher which enabled him to do the work he wanted to do with the Volunteers. About a year before the Rising he gave up his teaching altogether and devoted himself entirely to organising the Volunteers. He

was especially active in the Bandon and Ballinadee areas.

Liam de Róiste and especially Dónal Ó Ceallacháin (who was a Volunteer and was a Technical Teacher) should be able to tell about this better than I can.

On one of the occasions before Easter on which I visited MacSwiney's house, I met Alice Cashel who was very active in the preparations for the Rising. She would know all about that period and before. Dónal Ó Ceallacháin is another person who was active then and would be able to give a complete account of the events of that time. He is now employed in the E.S.B. and living at "Cúilín Mara", Seafort Avenue, Sandymount.

A short time before the rising I was in Dublin and I must have had a message for Terry, because I waited for him in Parnell Square outside the Gaelic League Offices (25) and after giving him whatever message I had, I asked him was something going to happen and he said "any day".

We all knew that the Volunteers marched out to the country on Easter Sunday, taking two days' rations with them. They came back some time on Monday, I cannot remember when. Although I came from such a frightful family, the Volunteers always treated me very well and trusted me, even Seán O'Hegarty who was a very suspicious man. I afterwards learned that Terry distrusted me before he met me, (because of the family I came from) – he was right.

I should mention here that Micheál Ó Cuill, who was, I think, from Cill na Martire, when he found that there was to be no Rising in Cork, walked to Dublin. It must have taken him the rest of the week, because the Volunteers were all arrested after the surrender and in the Rotunda Gardens when he arrived. He was deported with the rest to England. In 1920 when Terry, who was Lord Mayor of Cork, was in Brixton he suggested from Brixton that Micheál of whom he had a very great opinion and who had been helping him in Irish language matters, when he was Mayor, should act as his successor. I think Micheál is still alive.

The events in Cork during Easter could be better described by other people than myself, although I was in and out of the Volunteer Hall all the time. On the Monday our coachman came into the house and said "There is war in Dublin". I imagine I went out then to see what was happening in Cork. Everyone of the staff at home was all for the Rising and for me and against the family. My eldest brother was a great admirer of Sir Edward Carson. It must have been at that time my family gave up talking to me altogether. I was alone with my mother in the house for two years and we were not speaking to each other. She considered the Volunteers were cowards and criminals of the deepest hue.

TO BE CONTINUED

## Mayo War Park

**President Mary McAleese opened a 'Peace' Park in Co. Mayo in early November, as flagged in a letter to the *Irish Times* by one of its promoters, Capt. Buckley. The following reply by Nick Folley was sent on 24th September but failed to find publication**

The Mayo Peace Memorial Park as described by Capt. Donal Buckley (*Irish Times* letters 22.9.08) seems a curious thing. It is clear enough why we might honour Irish soldiers who fell while on service in various UN peacekeeping missions. They paid the ultimate price to try and bring peace and stability to many parts of the world when it was needed and, I believe, are still greatly respected in places such as the Lebanon. What is less clear is why such a memorial would include Irishmen who died wearing a US or British uniform and, as Capt. Buckley reminds us, in theatres of war such as Vietnam. What contribution to peace did these men make? How did the war in Vietnam bring peace? How did men who died fighting the Vietcong in Vietnam, or Germans in the trenches of World War One 'die for us' as Capt. Buckley would have us believe? To compound this nonsense he adds 'no matter what uniform was worn'. It is a historical fact that a small number of Irishmen also died in Nazi uniform or fighting for other fascists such as Franco. Does the Peace Memorial Park commemorate these too? I very much doubt it, as even Capt. Buckley would be forced to admit that it would also imply tacit support for Nazi ideology. It is equally inescapable that honouring Irishmen who happened to die in British and American uniform is tacit support for all the wars fought by these countries, mainly imperialistic in ideology and nature. Such support is in direct opposition to our tradition of being a sovereign republic, ironically the very national characteristic that has for so long made us so acceptable as UN Peace Keepers the world over. This is not a peace memorial, but a war memorial. It is not a sign of 'maturity' or a 'nation coming of age' to establish such a confused monstrosity, but a sign of a nation that's lost its sense of direction.

**Editorial Note: It seems that the Mayo event was graced by the British, Canadian, Australian and Belgian ambassadors and representatives from the German, the United States and French Embassies**

## Mayo Peace Memorial

**The following letter by Jack Lane appeared in Mayo News of 7th October**

Four years ago a participant in one of the greatest war crimes in history was honoured in Mayo by a minister of the Irish government. Sergeant Major Cornelius Coughlan (Victoria Cross) of the Gordon Highlanders was praised by Defence Minister Michael Smith for his role in putting down the so-called Indian Mutiny of 1857, which Indians call their First War of Independence. Minister Smith praised Coughlan, along with sixty other brave Irishmen, as he put it, who were awarded the Victoria Cross during the military campaign that followed the Indian Mutiny.

A letter published after the 1857 fall of Delhi in the *'Bombay Telegraph'*, and subsequently reproduced in the British press, testified to the scale of the massacres carried out by British troops: *'All the city people found within the walls (of the city of Delhi) when our troops entered were bayoneted on the spot, and the number was considerable, as you may suppose, when I tell you that in some houses forty and fifty people were hiding. These were not mutineers but residents of the city, who trusted to our well-known mild rule for pardon. I am glad to say they were disappointed.'*

Fanatical blood-lust saturated the Empire. Charles Dickens said: *'I wish I were commander-in-chief in India ... I should proclaim to them that I considered my holding that appointment by the leave of God, to mean that I should do my utmost to exterminate the race.'*

A book published last year (*War of Civilisations: India AD 1857*, by Amaresh Misra, a writer and historian based in Mumbai) argued that up to 10 million Indians, and not the 100,000 acknowledged by Britain, were slaughtered over a 10 year period in revenge for the so-called 'Mutiny'. In India this period of acute terror was called 'the Devil's Wind'. Being blown to pieces at the mouth of a cannon was regarded by the British perpetrators as one of their more humane methods of slaughter ('instant death to the victim, salutary terror to the onlookers who had body parts sprayed all over them').

What would we say if a Dutch or Bosnian government minister today were to honour one of their many countrymen who, as volunteers in the German army, were decorated by Hitler for their role in similar Nazi extermination in the Ukraine in 1942?

On October 7, President McAleese will endorse in our name the Mayo Peace Park.

We are told this 'Peace Park' will honour those Mayo people who fought in foreign armies and foreign wars in the twentieth century. So if they participated in the extermination of half a million Filipinos by the American Army in 1902 we honour them. Or the incineration of a hundred thousand defenceless civilians in Dresden in 1945, or the obliteration of Hiroshima in the same year. Or the My Lai massacre in Vietnam in 1968. Or the razing of Fallujah in 2004. Or any of the innumerable other criminal acts for which we as a people gave no authorisation and had no responsibility.

Is Mayo about to sleepwalk into yet another war crime commemoration similar to its celebration of the rape of Delhi by Cornelius Coughlan and his colleagues in the British Army?

## Commodities—

### *there's another way to build an economy*

The following article was written in mid-January of this year, before the Credit Crunch bit, but it contains observations which remain of interest

Almost two years ago on a hot southern hemisphere summer day I read a piece in the current and cultural affairs weekly, the New Zealand *Listener*. By staff journalist Nick Smith, the article—*Future Economy*—reported on a rosy scenario for the New Zealand economy, more specifically its rural economy. He reported that already rich farmers were set to become even richer. Agricultural prices were going to soar, as also would production as producers responded to that market signal. Agricultural exports were set to grow strongly and all of this was in prospect for at least the next decade: "Real, long term and sustained high commodity prices are on the way" he observed (*Listener* 18.3.2006, p32).

There was Smith explained, a simple explanation for all of this—in a word, "China".

Smith quoted *Westpack Bank's* chief economist in New Zealand Brendan O'Donovan, "The key factor is that Asia is getting wealthier and wealthier and at a rapid pace. And as you get wealthier, you tend to move up the food chain. You move from root vegetables to protein."

Since reading that piece almost two years ago I have on and off followed trends in world commodity prices, movements and trends (including production)—not just in the case of foods such as milk and dairy products (as were examined in that article), but also in respect of grains as well as of commodities in general, minerals, metals, oil and so on.

It has largely been a one-way story: ever rising prices, bringing good news for growers, producers, loggers and miners. Yes there has been and there continues to be, price volatility, at times quite marked and sudden. There have been fluctuations, but taking the long view the trend has been inexorably upward and according to the forecasters this is set to last, driven particularly by China's insatiable demand for resources as it urbanises and industrialises and Chinese living standards rise . . . and rice. In Beijing, we are told and read, the authorities have embarked on a policy to give to every child in China a free *pinta* a day, although of course it will take some years to achieve. These trends and developments are mirrored in India and a number of other emerging markets—Brazil, Argentina, Malaysia for example, but **China** remains the big driver.

These days the coastlines of New South Wales, Western Australia and Queensland resemble something akin to Normandy on D-Day: bulk carriers and freight ships lined up queuing out to sea and waiting to

dock and load ores, coal, grains, dairy products to feed and fuel the burgeoning emerging markets and new industrial powerhouses of Asia. In Hong Kong and other big Asian ports there is the other side to the coin, equally D-Day in scale, container ships queue to load exports to the West: to go through HK and see the scale in the harbour and out to sea is simply mind-boggling.

There is currently a shortage of shipping and shipping futures has become a new asset class of choice for investors—the Baltic Dry index is where to put your money or bet. Just Google the Baltic Dry index to see what has been happening to it—spectacular. The shortage in shipping tonnage is set to continue—*ceteris paribus*, of course—and in shipyards business is booming and order books are bulging.

Unquestionably, much of what is driving the commodity boom (with clear and unquestionable ups and downs—inevitable day and daily market price volatility) in, for example, Australia, in Latin America and elsewhere, is not of any direct or immediate relevance to Ireland, even though we benefit indirectly through for example the role of our international financial services sector in the financing, funding and insuring necessary investments in shipping, aircraft or whatever.

We in Ireland do not have the vast resources and reserves of coal, copper, zinc, uranium and so on that the states of Western Australia or Queensland or countries such as Brazil have, which are surfing the big commodity market price-waves. We also don't have the vast oil reserves of Saudi Arabia or the enormous pastoral land resources of New Zealand—although we have enough zinc to derail the entire Northern Line on 11th January, 2008, and our farmers—particularly dairy farmers—are doing very nicely thank you as the recent report of An Bord Bia has highlighted.

So, taking the global view, what is happening is not entirely irrelevant to our puny Isle, particularly what is happening in unfashionable farming and agriculture, food and CO<sub>2</sub> production.

We need to take a look at a broader picture. In July of 2007 the Governor of the Reserve Bank of New Zealand (the country's central bank) Dr. Alan Bollard, speaking to farmers in Waikato, New Zealand (at a meeting of the Waikato Grasshoppers), summed it up in respect of New Zealand (and critically for Ireland): "The implication is that a country which can produce animal protein from pastoral

*production has a big competitive advantage."*

Read that sentence again and it should spell good news for Ireland's pastoral rural economy, as much as it is proving to be for that of New Zealand's—even though we do not simply have the scale (acreage) of pastoral land that the *Kiwis* have (although we mirror each other in terms of quality, tradition and practice and we are oppositely seasonal). Excepting scale we are mirror images of each other. Except that life in Europe is not as simple as Ricardo's textbook concept of comparative advantage might suggest. New Zealand is today its own free agent (it is independent and sovereign), Ireland is not (it is a member of the EU, subject to its policies and laws). New Zealand is free to avail to the maximum of the law of comparative advantage—should it so arise (as it has)—Ireland is not.

Ireland is critically constrained by the Common Agricultural Policy (CAP). Milk production is capped, beef is constrained, although the nonsense of set-aside has for the moment been set aside. Of course New Zealand has not always been as advantaged as it now is in availing of the law of comparative advantage. When Britain joined the EU the *Kiwis* found themselves fundamentally suddenly shut out of the British food market—end of guaranteed export (or feeding "the mother country"). Now today though they have an alternative and one that is moving up the food chain: new China, not old Britain, beckons Aotearoa today.

There is also something else: Ireland was in the (not so distant) past constrained also from taking advantage of Ricardo's law through being locked in, as a pastoral supplier, to the British Government cheap food policy, by means of the then British deficiency payments system. EEC (as it then was) membership was supposed to break us out of this—which it did under the original version of the CAP. But that original version of the policy is long gone.

There is though, another nonsense in Ireland's case in all of this. Things, growing, digging up and making things, is no longer in fashion in Ireland, whether for local or overseas markets. Our policy-makers and politicians have as their mantra, the pursuit of the "*knowledge-based economy*", whatever that is. This aside is not to dispute the importance of the hi-tech sector, international services, including financial services, supplying "*apex consumption*" goods and services and so on (i.e. those premium-branded, tailored goods and services, whether supplied to individuals or businesses).

However we should not forget the basics including those areas—such as pastoral agriculture—in which we do have or can build our own distinct comparative advantage. Modern dairying is also very

much a "knowledge-based" enterprise.

Key for Ireland today to my mind is the dairy sector. Look at Alan Bollard's scenario (for New Zealand). As a canny central banker Bollard does qualify heavily his view of the future—as he must in his role and position as Governor. So, "*Any discussion about the outlook [for dairy prices and demand] has to be heavily qualified. Predictions of future dairy prices involve a range of uncertainties and we shouldn't pretend that the outlook is clearer than it really is.*" However "*current spot market shortages are likely to remain at high levels in the short term*" and, "*there is certainly no compelling reason to suggest that strong global demand for dairy products will slow markedly soon.*"

Dr. Bollard concludes that:

"Supply responses in dairy are inevitably slow. And with the boom in biofuel demand sending production costs in many parts of the world soaring the ability of supply to 'catch up' to demand will be constrained further ... any increase in global dairy supply may well rest on the prospects of emerging exporters such as Argentina and the Ukraine along with the ability of China to meet demand. It is certainly possible that we could be facing a 'new era' for dairy prices."

What is he saying? To my mind he is being two-handed (in the economics sense of the usage). On the one hand, things look good for pastorally based suppliers *vis a vis* growing demand in the markets, but on the other, there may be a new generation of suppliers (of raw material) who may collectively undermine current producers' capacity to take advantage of growing demand and their capacity to sustain high prices to consumers and high returns to producers (farmers).

Of course Dr. Bollard is right to be canny—to recognise a fundamental upside potential driving a key sector of his economy (pastoral production) and at the same time look for down-side risks to this now booming sector of the economy of the land of the Long White Cloud: he is trying to see the clouds from the trees—as one might say.

Are we in Ireland missing out on the boom and bloom in pastoral (and other) food production? Yes and no. Clearly the current CAP regime disadvantages Irish agriculture at present and potentially disadvantages Ireland for the future as long as the "up-side" is odds on—we are simply throwing opportunities away, big opportunities.

Second, to the extent that policy-makers and officials (whether elected or appointed) remain consumed with their belief in their understanding—one should say prejudice—about Ireland's future as a "*knowledge-based economy*" then they throw away two things. One is to take

advantage of the law of comparative advantage and the strength of pastoral production at a great moment of advantage (now and into the foreseeable future). The other is to throw away growth that might otherwise might have happened and had its consequences socially as well as economically, on the ground that uneaten bread is not missed (unless benchmarked in a civil service salary review).

Implicit in the surge in global food and agricultural prices is a vast improvement in Ireland's terms of trade that is not being fully realised as a result of European policy (the CAP) and domestic policy prejudice (preoccupation with the "*knowledge-based economy*").

So let us cut to the chase. What are the policy issues?

First, Government needs to realise what the world is about—of all things, food, the making and growing of produce, and its delivery and supply (logistics as they call it today).

Second, we do as a nation have a competitive advantage and a shift in our favour of the global terms of trade.

Third, following from this we must push in the CAP mid-term review due this year, for a market-based shift in the CAP, toward favouring pastorally based competitive advantage.

Fourth, we must in Ireland base the shift explicitly towards dairying—milk. Let us abandon completely commitment to the "*dual purpose cow*" and go full-teat for dairy production. There is a consequence that flows from this last point: we must achieve a new round of co-op amalgamations. We need to seek—even force—amalgamations, to create an Irish 'Fonterra' (the New Zealand government-created dairy local and global monopoly), part of which must the entail merger of the Dairy Board into the new entity (as was done in NZ).

Fifth, only Government can be the catalyst in prospect of this agenda: the stock market won't do it and with their localist culture, the co-ops won't do it either.

Doing it must involve dealing with localism—through allowing for and encouraging and pressing for, a shift in milk from the north and west to the east and south of our island. The exchange should be the allocation to exiting northern and western farmers of shares in the Irish 'Fonterra'. Only Government can do it.

Doing all of this must involve the Irish Government in genetic and cattle-breed improvement and change. We've got to get serious about unfashionable agriculture!

For Ireland's 'Fonterra' as much as New Zealand's Fonterra international relations and partnerships and joint ventures will be crucially important. Fonterra is locating joint ventures in China and developing partnerships with for example, Nestle, in

South America. And has its eye on Australia.

Our agrisector is doing more than well, even booming—if constrained by CAP and domestic indifference in favour of the "*knowledge-based economy*". Let us lift the lid off the CAP constraint and also get serious about comparative advantage and the shift in our favour of the terms of agricultural trade. It is time that we came to terms with the fact that agriculture can become a life-force for the Irish economy—much as the New Zealand geographer Harvey Franklin observed now so long ago, "*New Zealand people continued their faith in the pastoral sector as the cure to their economic problems*". It's coming good for them!

We better start buttering our economy and giving growing a go as opposed to being or ascribing to be, know-alls to the world.

**Feargus O Raghallaigh ©**

**Editorial Query:** We wonder whether the benefits of Coop amalgamation would outweigh what would be lost in input from local farmers? Perhaps some super-coop structure could be established to co-ordinate the work of coops instead. Readers are invited to contribute to this discussion.

## Antipodean Notes

### part 2

High on a bluff over Auckland, overlooking Waitemata Harbour, on Bastion Point, there stands a memorial, a mausoleum, a tomb, grave—call it what you will. It is impressive and surrounded with grounds, a memorial clearly to someone 'big'. Except that he was never 'big', New Zealanders are not like that.

On 11th January 2008 Edmund Hillary died, 'Sir Ed'. New Zealand came to a halt for the funeral and the talk was 'when did we last see the like of this?' And the answer was '1940, MJ's funeral.' And so it was.

Sir Ed was a great man, immortal for, if nothing else, his report of reaching the top of Everest, "we knocked the bastard off", for a bee-keeper, a ripe turn of phrase.

But, to politics: more than half a century earlier New Zealand also came to a halt. The train left Wellington carrying the coffin of Michael Joseph Savage (1872–1940) to his resting place in Auckland, his electorate (constituency). The train pulled through all of North Island and they all came out apparently, as the carriage moved through the island. In Wellington itself there was an enormous State Funeral. In the midst of war, they built the mausoleum and the New Zealand Labour Party paid for the surrounding gardens.

Who was Michael Joseph Savage? MJ has left little record, but an enormous legacy. Biographers are distraught at the lack of record. But there is a great legacy—I have never met a New Zealander who cannot talk of the man other than in a revered way and it is said and some have seen this, his picture still hangs on kitchen walls through North and South.

MJ was an Australian-Irish Catholic, not exactly the going thing in the New Zealand of his day, to which he emigrated in 1907. He thought that he could foment the revolution in Kiwiland, having concluded that it was a hopeless prospect in Oz. He thought that the fertile territory would be South Island's west coast, full of Irish miners and a hunt for gold—gold dust for Unionising socialists. He got as far as Auckland and never got beyond other than becoming immersed in Auckland socialist politics, and then national politics, building what he initially opposed, a Labour Party for New Zealand, what he thought initially a far too mild and conservative body and entity.

Michael Joseph might be regarded as something of a sell-out by some—radical turned turn-coat, sleeveen, never worth his salt, no more than a chancer all of his life. To boot he had no education. But why then did New Zealand come to a halt on this man's death and funeral? Why such a turn-out for an Irish-Australian Catholic and why do the pictures still apparently hang in old kitchens and why the mausoleum?

Savage has left nothing behind: he never married and there is virtually nothing in his own name in the New Zealand National Archives (I can attest to that). But like Sir Ed, MJ left a legacy nonetheless. He did a few simple things: he brought Labour to power in New Zealand (becoming the first Labour Prime Minister in 1935), created the first welfare state on coming to government, radically reformed pensions policy (no means testing) and started the broadcasting of parliament on New Zealand radio. And he did all of this in the 1930s?

These are of course simple things, not of significant intellectual weight and there are no treatises. Just the pictures on the kitchen walls—and the memory of a much-loved favourite bachelor uncle, the man who built and brought to power Labour in New Zealand and who through simple ideas, like a welfare state, brought civilisation to the world.

There is one other thing about Michael Joseph. It is said of him in New Zealand that he was occasionally taken to going 'walk-about' in his little car with his billy can in the boot and occasionally, or indeed regularly stopping off and 'brewing up' a can of tea with a local, so accosted and sensing the lie of the political land. But all he was interested in was building a real Labour Party, opportunist that he was, they are all cheats and opportunists, aren't they? All he wanted was the mausoleum after all, the welfare state, education for all, public housing and all of the rest was just his way to his tomb.

**Feargus O Raghallaigh**

## Imperial Allegiance

The long suffering TV licence payer had to endure another instalment of the *Hidden History* series (30.9.08) which looked suspiciously like an attempt to soften up public opinion in advance of a visit by the Queen of England.

Contributors included Mary Kenny, John A Murphy, Mark O'Brien (author of books on the *Irish Press* and *The Irish Times*), Shane Hegarty of *The Irish Times*, Michael Laffan (academic) and Tim Pat Coogan.

The main thesis was that we had an imperial heritage and that it was natural for the Irish to give their allegiance to Royalty. One contributor, a person whose name was Meehan (first name Vincent?) was indignant that Portlaoise was not called by its "proper" name of Maryborough. He also compared Irish Republicanism to the Nazis. This opinion was left uncontradicted as if it was a representative view within the society.

There was footage of Royal visits to Ireland by Queen Victoria, Edward the Seventh and his successor George the fourth. Edward seemed to love going to Punchestown races.

The programme profiled a few eccentrics who were obsessed with the British Royal Family. In most cases it didn't seem to be political. One man claimed that he was proud to be an Irish Republican but at the same time admitted to being intensely interested in the British Royal family.

A note of reality was introduced by Des Bonass (Trade Unionist) who claimed that he had no difficulty mobilising a couple of thousand to protest against the visit of Prince Charles a few years ago. It was one of his most successful campaigns.

John A. Murphy said that while there was an interest in the Royal Family there was no demand for a return to the Commonwealth. He imagined that if the Queen visited she would be treated in the same way as any other visiting head of State without any of the post colonial obsequiousness. If the proposed visit is presented in those terms I would have no difficulty with it.

Shane Hegarty of *The Irish Times* said something like that this was an opportunity to come to terms with ourselves. This is a typical *Irish Times* view: our attitude to Britain is some kind of psychological condition.

Tim Pat Coogan claimed that Major Vivion de Valera was quite disappointed at the lack of coverage of the Lady Di wedding in the *Irish Press*. But is this really indicative of latent Royalism on the part of Major de Valera. It could have been that the newspaperman could see the value (in terms of circulation) of coverage

of the marriage of a beautiful woman? In one of the vox pops a contributor said that he had no interest in the British Royal family since the death of Diana.

There was not much of a Protestant input, just a brief interview with a Methodist clergyman from Sandymount describing the interest in this country at the time of Queen Elizabeth's coronation (in the 1950s?). Mark O'Brien commented that *The Irish Times* used to conclude its coverage of various traditional Anglo-Irish events such as the Royal Dublin Horse show with the words "... and God Save the Queen/King was sung with enthusiasm".

One line that was put by Mary Kenny was that after Independence we replaced one aristocracy (the British Royal family) with the Vatican. The celebrations of the 1932 Eucharistic congress bore many of the hallmarks of a Royal celebration.

The programme gave numerous examples of a lack of Republican rigour by this country. One of the contributors said that it was a masterstroke to paint the post boxes green. But we never erased the royal insignia on the boxes. It was suggested symbolically that if you scratched the green paint hard enough you would find red paint underneath.

An enormous statue of Queen Victoria was in the front of Leinster House for decades after independence. It was only taken down around the time of the declaration of the Republic in 1948. It lay in storage for some time before being shipped to Australia for their bicentennial celebrations. Someone remarked on the irony of a statue of Victoria (known as the Famine Queen) being bundled off to Australia.

But there is another way of looking at this. The fact that very little was done to erase the symbols of the old imperial regime could also be indicative of a spirit of toleration and a distaste for rigid ideological enthusiasm. The programme completely failed to demonstrate any widespread enthusiasm for the idea of Royalty among Irish people. But that is not to say that there has not been a royalist tradition in this country. Perhaps it has been extinguished with time. But there was such a tradition which had a rich native culture and which the native Irish were prepared to fight to defend.

One of the great "might have beens" in Irish history is what might have happened if James the second had followed the advice of Louis the fourteenth and contented himself with being King of Ireland.

But exploring the Jacobite tradition of Irish history would not have suited the agenda of the *Hidden History* series.

**John Martin**

# Does it Stack up?

## Stack

### USA BANK CRISIS

One thing is absolutely certain: nobody is telling the truth, the whole truth and nothing but the truth. The crisis was built on deceit, lies and fraud but nobody will admit it. There is an old saying which goes: If you ask questions and you do not understand the answers, it means one of three things, (1) you are a fool, (2) the responder is ignorant or (3) the responder is lying. In the present crisis, it seems that there is a lot of ignorance among the so-called experts and that those experts who do, or should know are lying. At the beginning of the crisis, we were also given an excuse we could all understand—monies were lent to house buyers in the USA—many of whom could not repay their loans and this precipitated the crisis. This explanation was outrageously untrue. \$700 billion dollars were to be paid out by the Federal Reserve. But the domestic mortgage market in the USA is probably worth about \$25-30 billion dollars in total. This is a long long way from \$700 billion dollars. So who has got the \$700 billion?

In Japan \$80 billion has been "poured into the country's money markets in an effort to keep global financial turmoil at bay". Exactly what this means is concealed by jargon. It seems the financial journalists do not understand what is happening (or they would explain it if they did) and the experts are not about to tell us. Our common sense tells us that the "king has no clothes on" because the USA is China's biggest debtor and the USA has in the recent past and continues to spend huge resources in its wars around the world and now \$700 billion or more is to go into the capitalist system. There cannot be much more in the USA where the population is about 500 million people (nobody knows exactly). China must be aware that there is a distinct possibility of not being repaid what the USA owes her. It is a waiting game. A bit like, when the USA funded the British Empire in two World Wars and waited.... Now it is the USA's turn perhaps? And China, India and Russia are waiting, waiting in the wings for their turn on the world stage. For sure, it will not be China who blinks.

### BRITISH DEMOCRACY

The British, or perhaps the English, obfuscations whereby the powers and prerogatives of the English Crown were transferred to Parliament and yet, when it suits the Prime Minister, they weren't are coming into focus in a case to be decided by the House of Lords (sic: actually by the judges promoted to be Law Lords by the Prime

## BUDGET continued

hospitals and build schools.

"The loans are not to be provided to first time buyers of just any old property. No, it only applies to new builds. This means the big developers come out the winners.

"In fact, the private seller will be at a distinct disadvantage since the first time buyer won't be able to get a loan to buy his or her house but will get a subprime loan from the income tax of the private seller to fund the purchase of the big developers' newly built property.

"The first time buyer will not benefit either. Property prices are dropping and the more they drop, the better it is for the first time buyer. The first time buyer will soon be able to get a mortgage on a property over 20 years instead of the insane 40-year mortgages pushed on buyers in recent years.

To recap, the Government wants to discriminate against private sellers in favour of big developers. I am a first time buyer and I will keep well away from this scheme. I invite others to join me. (Irish Property Buyers Association, *Irish Independent*, 13.10.2008).

"Like his father, the Finance Minister, Brian Lenihan describes himself as "not quite a socialist but a social-democrat".

Minister.) The case is that of the Chagos Islanders who were simply rounded up in 1966, all 2000 of them and taken in captivity to Mauritius where they were dumped in the slums to fend for themselves. And for what? Because the British wanted a good deal on Polaris Missiles and in return they gave the USA a 70 year lease on Diego Garcia—the largest of the Chagos Islands in "vacant possession". It was Nazi-style collusion between the two "democracies".

Removing the islanders was no problem for the civil servants in London who described the islanders as "Tarzans or Man Fridays". The Civil servants or officials as they like to call themselves were in fact demonstrating that they themselves were, like their own political masters, uncivilised savages. All this was done behind the club-doors in great secrecy at the time. The Queen of England agreed to what was done to her subjects (did she care?) and Parliament was not "officially informed". The question for the Law Lords will be; did the Queen have the power to agree to the deal? But then perhaps the Chagos Islands are in a similar position to Jersey and Guernsey over which the Queen is **deemed** to rule as the Duke of Normandy—another of those fictions so beloved of the self-called "democratic British". They ignore the fact that the Dukedom has long since become part of France. Apparently, the only part of the former

(Peter Kelly, F.F. TD, Longford). (*Irish Examiner*, 15.10.2008).

Sooner or later, property will have to fulfil its obligation to the national interest, the 2009 Budget was a unique opportunity for Brian Cowen to lay down a serious marker and introduce a radical Budget that would set out a clear plan for the economy over the coming years.

Instead, the Taoiseach and his Finance Minister just decided to hit ordinary families and workers with an extra €2 billion in taxes.

### Home ownership

Rank	Countries	Amount
1	Ireland:	83%
2	Italy:	78%
3	Australia:	69%
4	United Kingdom:	69%
5	Canada:	67%
6	Finland:	67%
7	United States:	65%
8	Belgium:	65%
9	Japan:	60%
10	Sweden:	60%
11	France:	54%
12	Denmark:	53%
13	Netherlands:	49%
14	Germany:	43%

Weighted average: 63.0%

DEFINITION: Home ownership as % of all households (Data is for 2000).

Economist, 30 March 2002

Dukedom left to the Queen's ancestors are the States of Guernsey and Jersey and she is the Duke even though she should, if anything be the Duchess!

It is all like watching an evil and expert conjuring act which goes on and on to bewilder the audience. To his great shame, the case was appealed to the Law Lords by Tony Blair of recent fame who decided it wasn't good enough when the Courts decided in favour of the Chagos Islanders. As noted above the Prime Minister appointed the Law Lords.

### LEST WE FORGET

As the President of Ireland, in her role as Head of State, attends another commemoration of the British Army in World War 1, this column asks once again—what about the Smerwick Massacre by British Forces of men, women and children lulled into surrender that November morning long ago? As academics and official Ireland keep urging us to "draw a line under the past and move on" yet insidiously incite us to build up a militaristic outlook and remember always the army of "democracy and civilisation". Thus the British colours flutter always now in our glorification/celebration of them and sleeveism once more creeps through our veins.

Michael Stack

## BUDGET continued

which will reduce the payments on a tracker mortgage by up to €90.

First-time buyers got a boost from the Budget when Minister Lenihan hiked the amount of tax relief at source they can claim for paying a mortgage.

Up to now first-time buyers could claim 20 per cent of the interest they pay on their mortgage, up to limit of €10,000 for a single buyer and €20,000 for a married couple. This translated into a maximum of €333 a month, and applied for seven years.

But the Minister yesterday increased the rate to 25 per cent for year one and year two. For years three, four and five the new relief is 22.5 per cent.

The change will be backdated to apply to first-time buyers who bought a house in the last four years.

First-time buyer couples in the first two years will see the tax relief increase from €333 a month to €416 per month.

For a single buyer, the relief rises from €166.50 to €208 per month in years one and two.

First-time buyers who purchased beyond this time period will remain on the current level of mortgage interest relief, which is a maximum of €333 for a qualified first-time buyer couple, and half that amount for a single buyer.

The Budget was a disappointment for homeowners who have paid a mortgage for more than seven years.

For non first-time buyers, the maximum relief decreases from €1,200 per annum to €900 for a couple and €600 to €450 for a single person. The rate that these amounts can be claimed at goes down from 20 per cent to 15 per cent.

A non first-time buyer couple will see their mortgage tax relief at source fall from €100 a month to €75, if they are claiming the full relief. The changes to mortgage tax relief take effect from next January.

### STATE MORTGAGE

(Home Choice Loan)

The State is to step into the housing market as a lender.

The new 'Home Choice Loan' will be available to first-time buyers of new properties only.

Builders welcomed the Housing provisions for Budget 2009 saying the initiative to offer 92% home loans through local authorities would provide a substantial boost to housing in 2009 when just 25,000 homes are expected to be built.

"The Government can borrow cheaper than the banks and that should make houses even more affordable," said John Moran, M.D. Manor Park Homebuilders.

"In effect the local authority move

means a first-time buyer will be able to raise €280,000 of €315,000, leaving them to find just €35,000.

"In the current tight banking environment, with banks offering just 80% loan-to-value mortgages, it was virtually impossible for most first time buyers to make up the €80,000 shortfall themselves, he said.

"While it will take time to filter through to the market, Mr. Moran said there was a natural demand for up to 40,000 homes per year, given the relatively young age of the population." (*Irish Examiner*, 15.10.2008).

### GOVERNMENT MORTGAGE SCHEME

However, the new State-backed mortgage scheme will only provide funding for around 1,800 first-time buyers.

The Home Choice Loan scheme is designed to provide loans of up to €285,000 to workers who have been refused bank mortgages due to the "credit crunch".

Junior Housing Minister Michael Finneran revealed that the funding available for the scheme was €500m—meaning that just 1,754 people will be able to secure mortgages at the maximum rate.

"It's a mortgage at a commercial rate, there's no incentive in it, it's there solely to address the credit crunch and it seems like there is a lot of people in that category," he said.

The scheme is to apply to anyone earning more than €40,000 who has been refused a mortgage by the banks, and has been in permanent employment—or self-employment—for two years. Successful applicants are to be offered standard variable rate mortgages of up to 30-years, with rates of between 5.35 per cent and 5.4 per cent. But they will only have to provide an 8 per cent deposit—compared to the 20 per cent sought by banks.

The present writer did a quick calculation on the Minister's figures of 5.35 per cent to 5.4 per cent. The standard variable with Permanent TSB at the moment is 4.95 per cent, if these rates were applied, the repayments on €285,000 for a 30 year loan would be €1,681 a month—and that seems like a lot to be paying out of a yearly wage of €40,000. Payment based on the Scheme's Interest rate would be even higher!

Mr Finneran said that credit checks would be carried out to ensure that applicants had not obtained the 8 per cent deposit by taking out a bank loan.

Applicants also have to provide proof that they have been unsuccessful in securing a sufficient mortgage from a bank or building society to buy a home.

Mortgage brokers have been approached and asked if they would be willing to arrange the State-provided home loans. Sources indicated that the brokers would

be paid a set fee, thought to be around €1,000, for arranging the mortgages.

Since the demise of 100 per cent mortgages, most lenders are now demanding deposits of up to 20 per cent before approving a mortgage. This means first-time buyers are having to come up with deposits of between €30,000 and €60,000.

The new scheme has been designed by the Department of the Environment and Local Government, with input from the State's Housing Finance Agency. The Housing Finance Agency raises money for local authorities to use to support housing projects. Affordable housing schemes have run into major difficulties, with developers withdrawing from the programmes claiming they cannot make money.

Up to now, local authority loans had a maximum loan approval of just €185,000. The new scheme will expand the maximum loan approval to €285,000.

"My intention here is to respond to the credit need of people who can genuinely afford a mortgage," he said.

Labour TD Roisin Shorthall has claimed that the scheme might see the Government become a "subprime lender".

Mr. Finneran denied that the scheme, which only applies to new houses, was a sop to the building industry. Research had shown that 70 per cent of first time buyers buy a new home, he said.

The scheme is due to get under way in the next two weeks.

### "SUPREME LENDER"

Critics have argued that it will stop house prices falling to their natural level.

But Mr. Lenihan insisted the new housing scheme would not distort prices in the housing market, and he dismissed charges that the Government was attempting to support builders by providing funding for buyers of new houses.

Financial adviser Karl Deeter, who has campaigned against state support for builders, said the scheme was "a blatant attempt to secure the future of those represented by Tom Parlon and the Construction Industry Federation". (*Irish Independent*, 16.10.2008).

The Minister—

"intends providing loans from the Government to ensure first time buyers can get mortgages for properties on which the banks refuse to provide mortgages.

"The banks are refusing to provide loans on these properties because the properties are vastly overpriced and they believe the mortgage holder will be unable to keep up payments.

"Since the banks won't provide these loans, they are effectively subprime loans.

"This means the Government has decided to become a subprime lender at a time when they can't afford to clean our

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## BUDGET continued

"The new charge will be set at €200 per dwelling, and will come into effect in 2009. It will be payable by the owners of private rented accommodation, holiday homes and other non-principal residences but will not be applied to new dwellings as yet unsold. The Minister for the Environment, Heritage & Local Government will bring forward legislation at an early date to give effect to these arrangements. (Brian Lenihan: 14.10.2008).

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*"Above all, the land [Property] ceased to be a source of revenue; in the 1860s for example, 25% of total Irish revenue was raised directly by taxes on land; in the course of the twentieth century, the expiry of land purchase annuities, the abolition of local Government rates, and the growth of central Government's assistance to agriculture have transformed the land into a net receiver of public revenue." (W.E. Vaughan, Landlords and Tenants in Ireland 1848-1904, Dundalgan Press, 1984, p.41)*

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The introduction of the measure was described by Minister for the Environment John Gormley as a "watershed moment" in Local Government funding.

The levy will help to compensate the Local Authorities for the sharp drop in development levies due to the fall-off in new development activity.

The new property tax will be applied by Local Authorities at €200 per year on all non-principal private residences, holiday homes and private rented accommodation, and will come into effect in 2009. The money would compensate local authorities for a €25 million reduction in exchequer funding in 2009.

However, developers who have been left with surplus properties on their hands due to the downturn in the housing market are to escape the charge, as the measure "will not be applied to new dwellings as yet unsold", Minister Lenihan said.

Local authorities have already been ordered to reduce payroll costs by 3 per cent by the end of 2009 and to halve the money they spend on consultants advising on projects other than infrastructure and housing programmes.

Direct exchequer investment in the Local Government Fund, which along with motor tax represents the bulk of local authorities' money, has been cut from €545 million to €520 million, a reduction of 5 per cent.

Collection of the second-homes tax is likely to result in a smaller proportion of the Local Government Fund being made up by direct exchequer funding in subsequent years. Mr. Gormley yesterday

said he predicted a "warm welcome" from local authorities. However, some city and county councils could be less happy about how the money will be shared out.

The €200 will not be paid directly to the local authorities where the holiday homes or rental properties are located, but will go into a central fund.

"It has to go directly to the Local Government Fund. Each local authority will collect it, but you have to take into account that there has to be some form of equalisation." (Irish Times, 15.10.2008).

### CAPITAL GAINS TAX

Persons selling property (other than primary residences) and disposing of other assets will face a slight rise in Capital Gains Tax, up 2% to 22%, a move which is set to garner an additional €190m in 2009, with changes also in dates for payments due.

### "The Land of Second Homes"

The Central Statistics Office (CSO) estimates that 200,000 people own buy-to-let properties and another 200,000 have second homes, 50,000 which are listed as holiday homes.

Chief Executive of the Institute of Professional Auctioneers and Valuers, Fintan McNamara, described the local authority levy as a "penal tax" and called for its review in the upcoming Finance Bill:

"While the figure may appear relatively low, it acts as a further disincentive to the many thousands of people who provide private accommodation to students and short-term dwellers, relieving the State of a burden." (Irish Independent, 15.10.2008).

### Threshold

Aideen Hayden, chairperson of Threshold, the national housing organisation, believes that there is a strong likelihood that landlords will pass the annual levy directly on to their tenants.

"There is currently an affordability crisis in the private rented sector for people on low incomes. Landlords under pressure to meet mortgage payments are seeking rent increases or higher-paying tenants. At the same time, tenants on low incomes are struggling because of reduced employment opportunities, rising living costs and increased competition for affordable rented accommodation. They will not be able to cope if this new €200 levy is passed on to them as well."

So Threshold, an "organisation whose aim is to secure a right to housing, particularly for households experiencing the problems of poverty and exclusion" are opposed to the concept of Property Tax.

Is it any wonder the Government doesn't give a damn!

### HOUSING

Finance Minister Lenihan:  
"The Government has invested signifi-

cantly in housing in recent years. For 2009, the Government is allocating over €1.65 billion in Exchequer funding for a range of housing programmes.

In view of the changed conditions in the housing market we have decided to reform some schemes.

First, we will extend the existing local authority mortgage scheme by increasing the maximum loan available to borrowers. This extension will assist purchasers who wish to become homeowners but who are, at this time, unable to obtain loan finance. This will be a targeted and temporary initiative.

Funding will be provided by the Housing Finance Agency and it will be operated by a small number of local authorities acting on a regional basis. [[www.homechoiceloan.ie](http://www.homechoiceloan.ie)]

Second, we have decided to introduce a single Government Equity Initiative to replace a range of existing schemes which have developed in recent years. Under this Initiative the Government will assist those seeking affordable housing by taking an equity share. This proposal will simplify the delivery of affordable homes." [Government Equity loans; Shared Ownership scheme].

Minister Lenihan's aim is to put a floor under freefalling property prices with a variety of measures aimed at stabilising the economy and staving off the worst decline in construction values since records began.

Economist Jerome Casey writing in his latest *Building Industry Bulletin* has expressed the belief that house prices could fall a further 40 per cent in some cases.

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### HOUSES: THE BUDGET FIGURES

- \* Extra mortgage interest relief over five years for first-time buyers who bought since 2005. Mortgage interest relief for all others cut from 20 per cent to 15 per cent.
  - \* A €200 per annum levy on second and investment homes.
  - \* Stamp duty on commercial property transactions cut from 9% to 6%.
  - \* A new Government Equity Product to be introduced to assist affordable house buyers, similar to the new British example.
  - \* A new Home Choice Loan for first-time buyers, up to 92% of purchase of a property worth up to €285,000 in value, is to be introduced.
- 

People who have paid a mortgage for more than seven years are set to lose €300 a year in mortgage tax relief.

The move will more than wipe out the gains for homeowners from the October cut in European Central Bank rates,

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## Property Before People *That's Budget 2009!*

No statement highlighted better the skewed attitude by the political establishment towards the duties of Property in Ireland than Community, Rural and Gaeltacht Affairs Minister Eamon O Cuiv's defence of the Government's decision to impose a €200 tax on second homes. He said it was an "equitable tax" because it would require foreign owners of holiday homes in Connemara, for example, to contribute to the cost of providing local authority services in their area.

"If an Irish person owns a house in Spain, he would pay rates. But a non-national in Ireland (with a holiday home) doesn't have to pay a contribution to the State. So it will bring a bit of equity to this," he said. (*Irish Independent*, 15.10.2008).

"A bit of equity", that's for sure—will we ever achieve full equity in relation to the duties of Property in this state?

Two things here: one, if Minister O Cuiv is relying on the returns from the new €200 'property tax' by foreign-owned Irish holiday homes to make any sort of dent in our national debt, we're in for many a long and cold winter.

Secondly, he states that thousands of Irish in Spain have to pay rates on their property in that country—they do indeed. Likewise, in most member states in the EU and throughout most of the democratic world. But not in Ireland.

Perhaps, the Minister could make a special 'Irish plea' to the EU seeking exemption for all Irish holiday home owners on the continent!

The Government had a golden opportunity, a moral obligation, almost, to finally introduce a comprehensive and progressive range of Property taxes to put us in line with the majority of civilised states and relieve the burden of tax on wage and salary earners. At long last an opportunity to rectify the abominable decision by Taoiseach Jack Lynch to abolish Domestic Rates, with the support of Fine Gael in 1978.

Politically and economically, the time was never more ripe—Property speculation has brought the capitalist system to an abyss as damaging and serious as the Depression of the 1930s.

Property has caused the crisis: so why should it not be obliged to pay a substantial price in the economic recovery!

The Minister expects a yield of €80 million from the "non-principal private residence" tax, which is merely a blip on the property radar and at the same time, he, and his Government are on the verge of political 'hari-kari' over a yield of €100 million, just €20 million more, with the abolition of the automatic entitlement to a medical card for citizens over the age of 70 years.

Yes, this might not have been the best time to lay the foundations of a comprehensive property tax but a definitive beginning should have been made—developers are on the verge of bankruptcy with big loans from the banks; residential homeowners are under particular pressure to pay mortgages and are suffering negative equity, true—but there is no "best time" in Ireland when it comes to the question of Property tax.

Indeed, you could justifiably argue that Jack Lynch's political bequest is today a major source of the immoral and outrageous housing disaster in the republic. The lack of an equitable, progressive and democratic rates system in no small way fuelled the staggering cost of housing.

The construction of enormous developments of four and five-bedroom housing would never have arisen if a proper rating system existed. In its place, the intrinsic need to build modest houses would be paramount and vital resources would be freed for other purposes. Housing would have been a social requirement, not predominately a speculative exercise. Six out of 10 housing units are purchased by people who will never reside in these new dwellings. That's a national shame!

"The introduction of a €200 levy to help fund local authorities may have been unexpected but some sort of local charge could not have been deferred much longer. Our water and refuse difficulties are such that this levy will increase regularly and significantly. The same prediction can be confidently made about the €200 a year levy on non-principal homes. Those steps should only be seen as precedents as the sums involved hardly make it worthwhile to collect them."

(Irish Examiner editorial, 15.10.2008)

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### BUDGET SPEECH Local Authority Charge on Non-Principal Private Residences

"Demand for Local Government services is increasing all the time. It is important that local authorities can operate on a sustainable financial basis. The Government has, therefore, decided to broaden the revenue base of local authorities by introducing a charge on all non-principal private residences. The charge will be levied and collected by local authorities, and will be used to support the provision of local services.