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Ireland

The Political Crisis

Politics precedes economics and so it follows that if there is an economic crisis there must be a political cause. Economics might influence human behaviour, but politics is determinant.

Objectively Europe should not have an economic crisis. Its debt is dwarfed by the USA's and yet nobody can deny that Europe is in economic turmoil. Why?

The seeds of the current crisis were sown in 1989. Western Europe was absorbed in its own project when the deck had to reshuffled following the collapse of the Soviet house of cards. Germany was distracted by the prospect of unification and France feared that the European project would be abandoned.

Perhaps Francois Mitterrand, Helmut Kohl and Giulio Andreotti thought that economics could, after all, determine politics. They hoped that a single currency would counter the centrifugal force of EU enlargement. But the primacy of politics remains. The contradictions of a single currency in a heterogeneous polity could only be resolved by skilful political management. But Sarkozy is not Mitterrand. Merkel is not Kohl and Christian Democracy has collapsed in Italy so the question of who is in charge in that country is irrelevant.

The unravelling of the European project proceeded with the undermining of the Commission which had a unifying function. The powerful states began to meet and decide things among themselves and the financial markets could not help noticing.

The Irish State is not solely responsibly for its crisis. It played by the rules and before the crisis had one of the lowest State Debt to Gross Domestic Product ratios in the Euro zone. Perhaps it should have realised that private debt was as important as State debt and an escalation of private debt would very quickly impact on State debt, especially if the creditors were outside the State. But if it failed to appreciate this the same could be said of Europe. Europe had no provisions relating to private debt in its Growth and Stability Pact.

Before the crisis EU interest rates were uniform across the Euro zone. But as soon as the countries of the periphery ran into trouble the question of default arose. The markets began to lose faith in the politics of Europe. If there was no longer the political will to continue the European project the imbalance that the EU has with the rest of the world, which is not a problem, becomes less important than the imbalances within the Euro zone.

The word credit originates from the Latin word *credere* "to believe". At around 2007 international investors ceased to believe in the Celtic Tiger story. The present Government acted quickly to make the necessary adjustments and was praised by international commentators for obtaining "*first mover advantage*". The implementation of those adjustments has been successful if measured purely on economic criteria. The State's financial position is projected to be better than plan for 2010. Our trading position has also improved. The State will return to a balance of payments surplus in 2011. This is in contrast to most other EU countries, not least our nearest neighbour.

Manufacturing output has surged ahead. It is likely to be up 10% in 2010.

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The EU And The Crisis

Ms Laffan's Thoughts

I was keen to hear what that heroine of the Nice and Lisbon campaigns had to say about the current situation. Some of her views were reported in the *Irish Times*:

"Ireland's €85 billion rescue package will change fundamentally our relationship with the European Union. The ties of debt will bind us more closely than ever to our EU partners. Yet for many the terms of the deal seem to have left a sour aftertaste. We will take it, they say, but we won't like it.

"Is this resentment an indication that Ireland has fallen out of love with the EU? Prof Brigid Laffan of University College Dublin suggests that happened at least a decade ago, citing the failed Nice and Lisbon votes. The feeling doing the rounds that Ireland was 'done over' on the loans is symptomatic of another traumatic shift in our relationship with the European institutions, regardless of the economic debate on the terms.

"After a decade of prosperity and interdependency with Europe, she says, the crisis loans have kicked us back to the bad old days of complete dependency.

"Pointing the finger at the euro zone or Germany for Ireland's economic meltdown is understandable, she says, but disingenuous. 'Blaming others for the situation in which we find ourselves is the worst possible thing we could do now', says Laffan. 'It will damage us.'

"The single currency fixed a fundamental historical problem in Ireland by providing easy access to capital. What we as a nation did with the money is our business', she says.

"This crisis was home-grown due to political and institutional weakness', she says. 'There is a European dimension, but blaming them is a knee-jerk reaction'." (4.12.10).

Why did it happen a decade ago? Ms Laffan was a leading light in the campaigns on Nice and Lisbon and I do not recall her admitting this and giving an explanation for it during those campaigns. The

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Quo Vadis? ICTU Lets Itself Down (back page)

The Achilles heel has been our banks. This prompted the Government to resolve this crisis in the most transparent and aggressive manner imaginable. A recent Goldman Sachs report indicates that the cost of the banking crisis will be about 22% of GDP. This is less than the forecast of NAMA (28%). No one knows how much the Germans will have to pay to resolve their banking crisis. Estimates range from 30% to 50% of GDP.

Goldman Sachs—in contrast to the prophets of doom who write for *The Irish Times*—thinks that NAMA will make a substantial profit and that the Irish banks would be over capitalised if market conditions were normal.

But economic criteria count for nothing if the politics have no credibility.

There has been a run on the Irish banks due to political incoherence from the EU. Angela Merkel has speculated on torching senior bond-holders as a way of resolving sovereign debt and the European Central Bank has failed to perform the function of

a central bank, which is to provide liquidity to the system. There also appears to be a desire on behalf of elements of continental Europe to pretend that the banking crisis in the EU is confined to Ireland. All of this has caused a flight of deposits from the Irish banking system.

The incoherence at the EU level has been exacerbated by domestic incoherence. After more than three years the Greens have wobbled at the worst of all possible times. The opposition to Fianna Fáil has indulged in an orgy of moral denunciations which has undermined the State's ability to negotiate with the IMF and EU.

As we go to print the EU and IMF have agreed/imposed a deal on the Irish State. The interest rate on the 67.5 billion draw-down facility will probably be a punitive 5.8%. The markets are not impressed. The EU has not made up its mind whether to punish Ireland or help her emerge from the crisis. As a result, the uncertainty will spread to other vulnerable countries within the Euro zone.

The media in this country, aided by the British media, delight in our alleged loss of sovereignty. In contrast to the continental media the viability of the State is being called into question.

The *Irish Political Review* completely rejects this passive approach. The State must rediscover its self belief. If it does not, all economic prescriptions are doomed to failure.

The problem both in Ireland and the EU is political, not economic.

The Irish Times and our Gallant Allies

The Irish Times showed in its editorial of 18th November that there are no depths of hypocrisy to which it is not prepared to descend.

The newspaper invoked the memory of the 1916 leaders to denounce the current Government. But, of course, it could not recall to its diminishing readership its bloodcurdling editorials of 1916 when the fate of those captured leaders was in the balance:

"The surgeon's knife has been put to the corruption in the body of Ireland, and its course must not be swayed until the whole malignant growth has been removed" (The Irish Times 1.5.1916).

And:

"Only by a stern policy of repression and punishment can the government (i.e. the British government—editor) protect the highest interests of the Irish capital and of Ireland as a whole..."

"Ireland's treachery has won its due reward..."

"It is fitting and fortunate that Irish soldiers should have largely helped to crush the seditious outbreak of an Irish minority... Irish regiments loyal as always to their duty helped to crush the rising in Dublin" (The Irish Times, 2.5.1916).

There has been a remarkable continuity in the newspaper's editorial line ever since. It still extols the virtues of Irishmen in the British Army and since independence has denigrated all aspects of the Irish State. And so in its "was it for this?" editorial of 18th November it opined:

"The true ignominy of our current situation is not that our sovereignty has been taken away from us, it is that we ourselves have squandered it. Let us not seek to assuage our sense of shame in the comforting illusion that powerful nations in Europe are conspiring to become our masters. We are after all no great prize for any would-be overlord now."

It concludes this section of its editorial by predicting that recent events will:

"... mark, surely, the ignominious end of a failed administration."

This *faux* concern for sovereignty in no way inhibited the next section of the editorial from being a grovelling account of the proposed royal wedding in which it agonised over the merits of Prince William marrying a commoner.

The *Irish Political Review* wonders whether the "Old Lady of Tara Street" could be that senile. Is it possible that she has forgotten not only what she said in 1916, but what she did in more recent times? Have her lavish property supplements, which inflated the property bubble, really been erased from her mind? Could her mental infirmity have prevented her from remembering her purchase of *myhome.ie* even though it continues to hover like a malign spectre over her financial statements?

Only a child could take *The Irish Times's* ruminations on sovereignty seriously. Its method of denigrating the Irish State is to present a completely unrealistic version of sovereignty and then show how we have failed by these impossibly idealistic standards.

The men of 1916 never had an isolationist view of sovereignty as *The Irish Times* would like us to believe. Roger Casement saw subordination to Britain as preventing us from having closer ties with Continental Europe. The 1916 Proclamation referred to our "gallant allies in Europe". There is nothing inappropriate about making international arrangements to stabilise our economy.

Nor is the State corrupt. It has not quite abolished sin, but all objective international surveys indicate that it is less corrupt than most of our European partners.

Neither the Irish people nor the Irish State has anything to be ashamed of. On the contrary, the Irish State has played the international game with skill and élan. It has had a serious set back in the last 2 years. But if it holds its nerve and ignores the hysteria from Tara Street and elsewhere the country will return to prosperity.

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British Football is succumbing to official 'Poppy pressure', with the war emblem increasingly being carried on players' shirts. However, during a home match, a section of Scottish Celtic Fans held up large banners, carrying the following slogans:

Your Deeds Would Shame All The Devils In Hell

Ireland Iraq Afghanistan No blood-stained poppy on our hoops

The Governing Body of Scottish Football has announced that it will be investigating a section of Celtic FC fans known as The Green Brigade for this display. It has consistently refused to investigate sectarian chants from supporters of Rangers

Poppies At Celtic

I had the pleasure of attending the match in Glasgow yesterday, however, the good name of Celtic FC has been dragged through the dirt once again from the British anti Catholic leaders

On London Road, Glasgow, I was approached by an individual attempting to sell me a poppy and right behind him was a camera crew and a few uniformed officers. This was obviously staged to see the reaction from the Catholic support.

I deliberately took money from my pocket and in full view of the camera I asked politely if I could purchase an Easter Lily instead. The person looked on puzzled and asked me what I was talking about (his white Anglo Saxon education / upbringing had given him away) I explained to him again in full view of the camera, that I would like to purchase and wear an emblem as a symbol of remembrance for Irish republican combatants who died during or were executed after the 1916 Easter Rising whilst fighting against 800 years of oppression and genocide.

The cameras were lowered and they moved onto the next man who was walking with his young son. Again, they asked the same question to this other fan.

The Hoops on the soccer jerseys of Celtic FC is more to us than just a replica top. It is a remembrance of the anti Catholic bias today in Scotland and we will NEVER have a poppy on our shirts

Martyn Joseph Gallogly

Poppy Commemorations in London too are becoming more elaborate. This year some stores shut their doors at 10.45, so that there would be no activity during the prescribed period of silence.

Remembering The Minutes

I live and work in London. We had our two minutes this morning. It just so happened that I had a meeting with a member of the staff from the Imperial War Museum at 11am but of course it was two minutes after 11 when we met up. I asked her if it was required that people should stand still during the two minutes as I noticed people were walking around during the two minutes and she said it depended upon what they were doing at the time (if driving etc. . .) but, I said, does that mean that, unless you were involved in a critical task like driving, you should stand still. "It depends on the type of person you are", was the reply. I then, in all innocence, told her that I remember when it was only a one minute silence and it was now two and was that because of the additional military deaths that occurred since then and will there be a time when it will be increased again to 3 minutes? She didn't know why it had been increased and wasn't sure if it would be increased again at some point in the future but I think she was onto me at this stage and the conversation was deliberately steered elsewhere.

I remain puzzled as to the single and double minute thing. In the currency of time does it mean that the intensity of memory was more concentrated in the old days and that to achieve the same intensity of memory previously achieved in the concentration of the one minute we now need the two minute exposure, modern distracted things that we are, to achieve the same intensity of memory?

Or, perhaps it's something directly related to the moving about. My understanding of the minute's silence was that it was meant to provide the wherewithal to push out worldly distractions and gave space to the mind for reflection on the issue at hand. But, in all the hurly-burly of the society that we've become (a society that, we are told, the sacrifice of the glorious dead enabled us to achieve) it's just not practical for everyone to stand still and reflect for one minute so the one minute intense reflection has been extended to the two minutes on the hope that sufficient reflection will percolate through the hurly-burly to the sediment of memory below, even if you are driving etc. . . It's just a thought but it helped me reflect during the two minutes I was waiting for my meeting to start.

Eamon Dyas

Falling Off The Tigger?

During the height of the Celtic Tiger boom Vincent Browne interviewed Charles Haughey, who was then in retirement and dying. Haughey, the author of the boom, said that his successors were making a mess of it and that the situation was terrible. This was naturally put down as sour grapes: Haughey could not bear to see Bertie Ahern, who had displaced him and was being censorious about him, being so successful on the ground laid out by Haughey, so out of resentment he played the part of the Jeremiah. But he was right, wasn't he? They were making a mess of it.

Fintan O'Toole, the tame *enfant terrible* of the *Irish Times*, who is now trying to be a rabble rouser, said in those times that there was no doubt that Haughey was on the take and the only question was whether he gave something in return. That was a novel use of the phrase 'on the take'.

Public Tribunals, costing millions upon millions, for years tried to pin something on Haughey and, despite free resort to chicanery, failed to deliver the goods—even false goods. Now the Tribunals are chasing other chimeras. Will these Tribunals carry on using up public money in this search for peanuts while billions are being frittered away because those who ousted Haughey and disgraced him could not make effective use of the system with which he presented them?

An extraordinary act of statecraft gave birth to the Celtic Tiger—remember that marvellous year when Haughey hosted Europe in Dublin Castle? And it would have required a great deal of politico-financial talent to ride the Tiger with the requisite mixture of brio and restraint. Maybe it was something that could not have been done. But the chances of doing it successfully were certainly minimised by the disgracing of Haughey, and the Savanarola-type moral posturing that accompanied it in the *Irish Times*.

In Florence long ago Savanarola was got rid of to public approval when his preaching threatened to undermine business. But we gave our Savanarolas their head, and urged them on, even though we are very much in business now and cannot see our way to living without it.

Bernard Shaw in one of his plays gave this line to a capitalist: "*Give me darkness: money is not made in the light*". As has become our way, we have claimed Shaw as a great Irish playwright, even though he

was clearly an English Liberal Imperialist ideologue, but have ignored what he had to say. We demanded transparency and *kindergarten* morality all over the show, and the ideologues who were to the fore in making this demand are hitting out hopelessly in all directions because it has placed us in the grip of the powers of darkness.

The crisis in Ireland was virtually sorted out in mid-November by a deal made by the Government with the representative of the European Commission, Olli Rehn. But, a few days later, the deal was deliberately wrecked by a hostile leak from the European Central Bank. What is the European Bank? It is the Central Banks of the Eurozone, led to a considerable extent by the German Central Bank.

Since money is made in the dark, one can only speculate about the doing of these things. But it is evident that they have been done, and that in the end it centers on Germany.

Europe, before the admission of Britain, in blithe disregard of De Gaulle's advice, was a successful operation of Christian Democracy. Christian Democracy was destroyed in the mid-1990s. Then the Commission was undermined. The EU as a going concern was the Commission. Liberal elements in Ireland played an active part in undermining it. Remember Pat Cox and the scandal of the French Commissioner who gave her hairdresser a job? But lightweight Liberals like Cox only had weight because they were backed by Britain, which had a strong national interest in marginalising the Commission and shifting weight to the Council of Ministers.

The Commission was the political structure of the EU, whose work was to secure the politico-economic development of what was set in motion by the Treaty of Rome. The Council of Ministers is only a meeting of the national Governments.

In olden times, if Ireland made a deal with the Commission, that deal would hold.

De Gaulle vetoed British applications for EU membership on the grounds that its interests were insular and maritime. To put it another way, it was an island—a country surrounded by a Navy, in Gogarty's definition—that lived off the world. Its interest was therefore hostile to

the European interest in self-reliant security.

When Britain was admitted, the Commission was in working order and for a number of years it seemed that Britain's efforts to reduce the EU to a mere Free Trade area were being countered effectively.

Britain's Balance-of-Power game against Europe was made no longer playable by the outcome of Britain's second World War of the 20th century. It declared war on the pretext of holding the German city of Danzig for Poland but conducted the war in such a way that Communist Russia came into legitimate possession of half of Europe.

Balance-of-Power could not be played in Cold War Europe. What became the EU was constructed by Christian Democracy in the part of Europe conquered by the USA and Britain, while a different system was established in the parts that the Red Army took in the course of breaking the power of Nazi Germany.

But then Gorbachev demolished the Soviet system. And it dawned on the London *Times* that the old game against Europe was on again.

About twenty years ago, commenting on the failed *coup* against (or was it by?) Gorbachev, we said in one of our publications that the consequence would be a new era of nationalisms.

The apparent consequence was the reverse. A spurious internationalism took off, the purpose of which was to open up the entire world to the capitalism of the West.

Britain made hay in Europe. Europe lost track of itself. It virtually merged itself with NATO, while NATO—deprived of its defence role by the collapse of the enemy against which it had been formed—became an aggressive, militaristic force.

East European countries, which had little in common with the Treaty of Rome countries, were brought into the EU. And EU/NATO began pressing on Russia, with a view to rendering it helpless and plundering it—until the Russian democracy elected Putin and was promptly declared to be a dictatorship. And the same process was tried with China, until it—seeing what friendly engagement with the powerful capitalist democracies entailed—stamped on the first shoots of Western democracy within itself and made other arrangements for survival.

Ireland, disgracing Haughey and scorn-

ing De Valera and all that he did and stood for, lived all of this to the full. It achieved the *Prevented Future*, which Dev had deprived it of. How delightful it all was. And how simple it was to achieve it once you rejected all that 1916 nonsense, and 1919, and 1932 etc.

Britain has been making money out of National Debt for about three centuries. Its first great Balance-of-Power War, around 1700, was financed by National Debt. The making of money through National Debt is a rare art, better described as a knack than a skill. And it is not unconnected with the making of war. Only Britain did it successfully over a long period, and always at the expense of others, of course.

Ireland must now understand that it doesn't have the knack. And how could the Ireland that disgraced Haughey possibly have it?

And, if it cannot live by usury and financial trickery, it had better become a peasant country making an honest living by doing useful things. And it had better establish an arms industry and get an Army capable of fighting—as the honest peasant countries on the Continent do.

We have always said that Ireland was not a peasant country, despite what the sociologists and snobs said. That fact should now be obvious.

And Ireland should try to get to grips with Christian Democracy. It will continue to have an English problem, which it will never solve by trying to be English, as it has been doing.

Europe was outstandingly successful in the Christian Democracy phase, from about 1950 to the 1990s. England could not gain purchase on it then. It was bewildered by Christian Democracy—as was evident in English biographies of Adenauer, De Gaulle etc.

Christian Democracy is not piety. Nor is it Angela Merkel, the ideological Christian Democrat from the Communist Former East Germany, who came west starry-eyed about capitalism.

NOTE: An unsigned leaflet with no address on it, but which purported to come from *Irish Political Review*, was distributed at the ICTU rally of 27th November.

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Global Crisis

I've never believed that the current crisis has been ultimately caused by the bond market so I've never held that view that the currency speculators are setting this particular agenda.

The bondholders and currency speculators will take advantage of economic conditions but they are not the cause of the mess that the Eurozone is in. What's driving the uncertainty is the basic fault-line of the Euro and that is it is a currency without a state. The modern global economy is a complicated thing but it still comes down to the nation-state.

What has happened is that globalisation has sucked smaller economies into its maelstrom and makes it difficult to pursue their national interests at times of crisis. However, the bigger economies continue to function more or less to their national interests by virtue of their sheer strength. But even the big economies have to take account of the other bigger economies and, while things are good, it gives the appearance of some kind of equilibrium.

The problems arise when the global economic environment begins to experience problems. In the past such large economies would simply retreat into protectionism but, as the mode of capitalism has changed, this cannot be done without significant damage to their own global interests.

In these situations those economies which have the power to operate a currency that has impact on the world stage will manipulate their exchange rates in order to achieve marginal advantages over their rivals. The way this is done is either by manipulating their interest rates or pumping money into their respective economies. The British have done both and the US has done the latter.

The one economy that is most vulnerable to these fluctuations in the currency rates is the one that depends most on its exports. Germany cannot respond in this game because it is manacled to the Euro and I believe that it is Germany that is the target of the US/British interests not the Eurozone as some believe.

For that reason it is in the US and Britain's interest to sustain the Eurozone in a way that ensures that it acts as a shackle on Germany's room to manoeuvre. It has nothing to do with the desire of currency speculators to engage in their activities over a wider range of currencies. It has all to do with the world power struggle that is going on, with China acting both as a player and as the prize.

Eamon Dyas

Editor's Note: As to whether financial markets are targeting Germany or the Eurozone, it is hard to distinguish between them. The German economy is the bedrock of the Eurozone.

Editorial Digest

Sinn Fein Victory. Pearse Doherty won a striking victory for Sinn Fein in the Donegal South West by-election on 25th November. The Labour vote was lower than expected, despite fielding a strong candidate. The following is how the counts went. In brackets, where relevant, are the party first preferences from the General Election on 24th May 2007.

First count: Pearse Doherty SF 13,719 (8,462); Brian O Domhnaill FF 7,344 (20,156); Barry O'Neill FG 6,424 (9,167); Thomas Pringle Independent 3,438; Frank McBrearty Lab 3,336 (1,111); Ann Sweeney Ind 133). Shortly before the election, Ann Sweeney pulled out but it was too late to take her name off the ballot paper.

Second count—distribution of Sweeney's votes: SF+17 now 13,736; FF+14 now 7,358; FG+18 now 6,442; Pringle Ind +53 now 3,491; Lab +9 now 3,375.

Third count—distribution of McBrearty's votes: SF+1,452 now 15,188; FF+278 now 7,636; FG+871 now 7,313; Pringle Ind +272 now 3,763;

Fourth count—distribution of Pringle's votes: SF+1,709 now 16,897; FF+433 now 8,069; FG+869 now 8,182. So FG overtook FF on this the last count and Pearse Doherty was declared the TD.

The independent candidate Thomas Pringle had been a Sinn Fein Councillor between January 2004 and November 2007. Brian O Domhnaill (FF) criticised his Party leadership saying they should have called a General Election instead of this by-election. Frank McBrearty said that he agreed with Ann Sweeney that the by-election was a waste of time and money, but would still let his name go forward. Though his vote was low, it was more than treble the vote that Labour got in 2007.

Gerry goes South. Gerry Adams has decided not to contest the next Westminster or Stormont elections. Instead he will contest the coming Southern General Election in the Louth constituency being vacated by Arthur Morgan. Gerry's replacement as a West Belfast MLA (these things are normally done by co-option) is Pat Sheehan. Pat was a pupil at St. Paul's school in Bombay Street when the street was burned out by the B-Specials and the Loyalists in August 1969. (It should be said here that the British army was already on the streets of Belfast and just stood there watching—so much for them coming over to protect the Catholics!) So Pat joined the IRA at 16. He took the place of Kieran Doherty on the hunger strike in Long Kesh and would have been the

11th to die if the thing had not been called off. As it was, he was on hunger strike for 55 days. He was married to Sheila O'Hanlon, Gerry Adams' secretary, who died in 2006. He was finally released in 1998 under the Good Friday Agreement. He is in charge of Sinn Féin's Middle East section. He is also an avid cricket fan.

Maggie's Poppy. SDLP leader, Margaret Ritchie's, decision to wear a poppy on Remembrance Sunday is causing a bit of a backlash in the letters column of the *Irish News*. It is pointed out that the British Legion which produces the poppy makes it constantly and permanently clear that the emblem commemorates all British servicemen who died in war since 1914. This includes the Black and Tans, the mass murderers in Malaya, Kenya, Iraq, Afghanistan and Serbia, the Bombers of Hamburg and Dresden, the killers in Derry and Ballymurphy, and others too numerous to mention. But Ritchie is at heart a Hibernian. Hibernians are bigoted against Protestants. But otherwise they are good British Imperialists who just want the Irish to be at the heart of the Empire. Thirty years ago this notion would have seemed ridiculous. But the Imperial project (albeit truncated and under tutelage) has been revived, and this time with the blessing of the USA. And so it is only natural that Margaret Ritchie should celebrate the actions of all the soldiers of the Empire. Not to be outdone, the SDLP Mayor of Belfast, Pat Convery, wore his poppy at the City Hall Cenotaph as the "kick the Pope" bands marched past.

Alex Attwood. Alex Attwood, the only SDLP MLA in West Belfast (the other five seats are held by Sinn Féin) took himself off to visit the war graves in Nieuport in Belgium. He said:

"In July 1917, my great-uncle, the man who I am named after, was killed during the Great War... I strongly believe that more and more people in Northern Ireland desire to share more fully in the life of the island of Ireland. But in going forward, I also believe that there should be acknowledgement of that part of the experience of many families on the island, members of whom fought in the First and Second Wars and who paid with their lives... in visiting the memorial that bears the name of my great-uncle Alex, I very much wish to acknowledge his courage and his sacrifice."

Really! Great-uncle Alex was not conscripted. He went abroad to kill Germans—and, if the chance arose, to kill Turks as well. Germans and Turks who never did him or any Irishman one bit of harm. (Nor did they do any Englishman any harm either.) Men do not volunteer for imperialist war to make

sacrifices, let alone to die. They go to kill in the service of the state! The current fashion is to cover the unpleasant *realpolitik* of the Great War with a layer of Hibernian sentimentality. This, like the recruiting propaganda of yesteryear, has a political purpose. And it is as well to be clear about that.

The Humanists As Well! A letter from Les Reid, Chair of the Belfast Humanist Group to the *Irish News* on 27th November is worth reproducing:

"The members of the Belfast Humanist Group would like to thank Belfast Lord Mayor Pat Convery [SDLP] and the Royal British Legion NI, for granting their request to be included in the Remembrance ceremony at the city hall's Cenotaph. This year is the first time that humanists have been included in the Remembrance ceremony in Belfast. Humanists now feel that service and sacrifices of non-religious people are being granted the same respect and recognition as is shown to others."

N.I. Assembly. The present composition of the Northern Ireland Assembly is: DUP 36; Sinn Féin 27; UUP 17; SDLP 16; Alliance 7; Green 1; Independent Health Coalition 1; Independent 3. The three Independents comprise one each who have left Sinn Féin, the UUP and the Progressive Unionist Party.

The DUP. Peter Robinson, in his speech to the DUP Conference on 28th November, had the following to say: "*For us the present arrangements are a transitional phase to a more normal form of democracy... That's why we insisted at St. Andrews, and had it incorporated in law, that the next assembly would bring forward proposals on moving to a better form of devolved government.*" He wants coalition governments to be negotiated rather than mandatory, but he disagreed with the TUV [Traditional Unionist Voice] policy on voluntary coalitions saying: "*We still have to deal with the people that the nationalist community elect. We must tackle the form of government at Stormont not by ripping up all that has been achieved but by working together with others to create a better way of doing things. It's not the easy way but it's the only way that will work.*" Referring to Jim Allister's TUV he said: "*They want to enter Stormont with a ballot paper in one hand and a Kango hammer in the other.*" In an obvious reference to the UUP he said that the DUP was trying to broaden its base while "*others turned inwards from the real challenges that lie ahead*". (There have been several reports recently that the UUP are trying to recruit the current and previous leaders of the Progressive Unionist Party—the political wing wing of the Ulster Volunteer Force.)

Tories v. UUP. Owen Paterson, Secretary of State for Northern Ireland, gave a lecture in London on 16th November. Here he reversed John Major's at least stated policy that Britain had no strategic interest in Northern Ireland. "*Northern Ireland is not a hybrid state... David Cameron's government will never be neutral on the union.*" He also stated that the Tories will be active in the North, with or without the Unionists, and may stand alone in the Assembly elections. This all seemed to drive the UUP Chief Whip, David McNarry, to distraction. Not exactly enthusiastic about the recent, and failed, Conservative and UUP alliance, he labelled the Tories "*liberalists*" and blamed them for trying to drive a wedge between the UUP and the Orange Order.

Robinson and Education. Peter Robinson is really putting himself about these days—and the Stormont elections are still six months away. His main point is getting rid of "*apartheid*" and "*sectarian*" education—i.e. Catholic education. But for unionists this has never been about peaceful co-existence, but about weakening Catholicism and undermining nationalism. In the dark days of unionist supremacy nationalists had little to console or sustain them apart from the Catholic Church (and the GAA). Catholics may complain about the Church—but it is the business of Catholics and not that of the pan-unionists. The North is in a state of flux. It is unlikely that Catholics will abandon their schools.

Attacking Education Minister, Catriona Ruane, Peter Robinson said: "*No matter what attempts have been made to undermine grammar schools there is one simple and unavoidable fact—no matter how much the Education Minister might want to dump grammar schools they are here to stay and so is academic selection.*" There are good and bad Catholic schools, but the difference is not all that great. Most Catholic Bishops are now against academic selection and selection by post-code is hardly possible as the various strata or classes live in more or less the same areas. In the rest of the educational system, the matter is quite different. The classes are rigidly segregated—both in terms of where they live and where they go to school. And there is a wide divergence in the education on offer. Catriona Ruane is at least trying to address that problem, difficult to do when she can not get legislation through Stormont.

Unionist Ireland. Ian Paisley has proposed that there could be a united Ireland so long as it had the Queen as head of state. That we suppose is a step up from the Edward Carson/Lloyd George position. But come on, Mr.

Paisley! You and we know right well that you told your closest followers 25 years ago that there was going to be a united Ireland, Queen or no Queen. And you know very well that "home rule" is no longer believed by anyone to mean Rome rule.

Prisoners. The deal reached which ended the protests by 30 political prisoners in Maghaberry jail is already being put into effect. Changes to personal searching, more exercise and freedom of association, and cell refurbishment are estimated to cost about 600,000 pounds, which says more about how bad things were than anything else.

Policing Northern Ireland. 32-Co Sovereignty Movement members disrupted a District Policing Partnership meeting in Derry on 24th November causing it to be abandoned. Unionists of various hues and Sinn Fein went ballistic. There was lots of heckling and cat-calling but no violence or the threat of violence. People who talk about wanting normality in the North should learn that normality is not about doing what you're told but also involves disrupting institutions of which you disapprove. Such disruption is not necessarily undemocratic.

The Police Federation of England and Wales and the Scottish Police Federation have said that they object to any British police going to the aid of the PSNI—it's too dangerous—even though such a duty exists in law. The PSNI says it doesn't want them anyway. At the end of the war a good many English policemen transferred individually to the RUC. This writer remembers being stopped at a roadblock in Belfast. The car was approached by a policeman carrying two guns, both slung low like a cowboy. He spoke, or rather snarled, with a strong London accent.

Roads. For as long as we can remember the North's two main Motorways didn't actually go anywhere. The M2 went North-West and stopped some miles short of Toombridge—God forbid that it should cross the Derry border! That is still the case. The M1 went South and West to Craigavon, which though formally a city, doesn't really exist. It is half way between Lurgan and Portadown and was supposed to join the two together. Never mind that they are probably the two most incompatible towns in the North. (All Lurgan's new estates are built in the opposite direction from Portadown.) But lo and behold the M1 has now been extended to Ballygawley on the Tyrone-Fermanagh border and close to Monaghan in the South. All the more important as a new Motorway is being built between Derry and Ballygawley to be extended linking

Derry with the Southern M1. Also the Southern M1 has been pushed into the North through Newry to link up with the Northern M1. This was a major engineering feat as miles of rock had to be blasted through. Mind you, we don't suppose that local expertise was lacking! Guess who is paying for a lot of this? Sinn Fein Roads Minister, Conor Murphy from South Armagh, seems to have a special gift when raising money South of the border.

Rail. Quite a while back the Southern government announced that it was cutting back on road building and concentrating on the railways. The first major project is a line from Limerick via Claremorris (on the line from Dublin to both Westport and Ballina), and on to Sligo which has a very good rail service to Dublin. When the economy recovers there is talk of extending the line to Derry giving that city a direct rail connection to Dublin. There are also plans to re-open the Cork to Youghal line. It is already decided to build a Metro line from Stephen's Green in the centre of Dublin through the the North of the city to the airport (which will hopefully survive the austerity programme). Once the disruptive work is completed in the Stephen's Green area, the two sections of the Luas tramline can be connected. The North, especially the Belfast area has an excellent rail service. The problem is getting people to leave their tin boxes at home and use it.

Royal Giggle. The Bishop of Willesden, Peter Broadbent, has caused a bit of fun by predicting that the marriage of William and Kate could last no more than seven years on the grounds that the royals were congenital philanderers! He also said, "*I need to work out what date in the Spring or the Summer I should be booking my republican day trip to France.*" He also seemed to be under the misapprehension that he was only responsible to God and his senior Bishop—rather than the royal family (see *Henry The Eighthism*, in the current issue of *Church & State*). However, the good Bishop had to climb down as did Mike Connolly, leader of the Labour Group on Bury Council. Originally he said: "*In this age of ConDem austerity will these multi-millionaire parasites be paying for their own wedding?*" But then LibDem Councillor, Tom Pickstone, offered a fairly mild rebuke and described Connolly's statement as "*highly inappropriate*". Connolly replied: "*I apologise for the phrase I used.*" That's the Britain for you!

Bad Health. At a time when wages are frozen and NHS staff face redundancy in the North, not a lot changes for senior management—the very people who will determine the cuts. 350,000 pounds has been spent by the Social Care Forum on freebies. 6 to Boston, 2 to Sweden and

one each to Orlando, Nashville and Berlin—54 managers altogether. In most cases these trips coincided with annual leave, so holiday fares didn't have to be paid either!

Dublin March. On 27th November a very large march, comprising almost entirely of trade unionists with SIPTU members to the fore, marched from Wood Quay to the GPO amid a sea of colourful banners and placards, against the idea that the general public should stump up to pay for debts run up by bankers. The organisers said that there were 100,000 marchers. The guards said 50,000. Some of the speakers were very good. Jack O'Connor spoke well enough but by no means up to his usual standard. At the back of the crowd was a bunch of Trotskyists who heckled and booed him. It wasn't possible to figure out their particular gripe, but they hate O'Connor because of the Social Partnership—the injunction of James Connolly that the Trade Unions should begin taking a proprietorial interest in the state.

Corruption. It is almost an article of faith in Ireland, and not just amongst left wingers, that politicians are all as bent as cork screws. This writer took the trouble recently to read two biographies of the great bogymen, *Charles Haughey The Boss* and *Haughey's Thirty Years of Controversy*. One was hostile and the other more or less neutral, but both had to entice the reader by announcing that they were dealing with an age of corruption. Neither book gave one single example of any act of corruption by Haughey—and neither did any of the many Tribunals that we have all being paying so much for. Doubtless there are plenty of scoundrels in Ireland. I would contend that there are very few in the Dail or the Seanad. Compare that with the Mother of Parliaments over the water. Until recently any MP on the take—and most of them were fiddling their expenses to the tune of tens of thousands—merely apologised if exposed, they might in extreme cases be suspended for a few days, and that was that. After all they were being "tried" by their fellow MPs who were also on the take. Now the Standards Commissioner, John Lyon, has got someone from the Standards and Privileges Committee to propose a motion for debate which would allow him to re-open these fast-tracked cases and to initiate investigations himself, something he has hitherto been unable to do. That should be a most interesting debate.

The Recession. A Waterford businessman, Tony Fitzgerald, had the following to say about the depression: "*...if there was 15% unemployment in the country then 85% was working. What created the current situation was the foolishness of 90% of the Irish people.*"

Ms Laffan's Thoughts

continued

assumed explanation was that we had changed our mind, we got disenchanted with Europe, we did this and we did that. And there was something wrong and perverse about us in changing our mind. But her assumption then and now remains that it is one-way traffic with the EU. We change *but they never do*.

I wonder sometimes if people like Laffan are blind, deaf and brain-dead. The EU has been transformed in the past two decades. It is NOT the project we joined. The people involved with this magazine were unique on the Left in supporting the European project since *before* we joined. Therefore we never took the European project as a given. Ms Laffan always did. It was laid on for her and, as it was already successful when she first got involved, she thought it would always be a given.

Therefore she cannot imagine a before and after and an in-between in its development—but we can.

For precisely 10 years since the rejection of Nice, we have criticized the way the EU dealt with the existential problem that had arisen.

Irish people, for obvious reason, are pro-European and it has taken some catastrophic decisions by the EU to change that. Ms Laffan is a close ally of Pat Cox. Does she have any concept of the damage he was instrumental in inflicting on the project with his campaign against the Commission's authority? She gives no idea that she has a clue of what was involved in that campaign—which was totally successful in that the EU no longer had a centre and that is its fundamental problem today.

It is the political incoherence at the top of the EU that is the cause of the current crisis. Who is to blame for that? It is those people in Ireland who acclaimed Cox's victory—and his chief acolyte was Ms Laffan.

Europe is therefore most certainly to blame for this crisis. We are experiencing an Irish dimension to the European crisis. Ms Laffan has got it precisely the wrong way round—again.

Let's await some words of wisdom from Pat Cox!

Jack Lane

THE MEANS TEST

(CIRCA 1938)

[In Northern Ireland]

1

That carpet, those cushions, you won't want,
that gramophone, the records, chesterfield.
suite. Don't need a parlour. A good yield.
Sell this, sell that, the picture of a hunt.
You play the violin, well, that's not
necessary, sell it, sell this, sell that.
How are you going to feed that poor cat.
What's this that I'm hearing, tick-tock.
I have no time for a grandfather clock.
Now, this is the list. You need to sell all.
Get a receipt—How much was that
flowered frock.
Why does your child have two
sleepy-eyed dolls.
Live on the proceeds while your dole
is blocked.
Remember, all our backs are to the wall.

The furniture van has gone. What's left.
A deal table, four chairs, and the two beds.
Bare boards everywhere, like when we
were wed.

How many more echoes to leave us bereft.
We'll put it all back again one day.
Did we not do that back in Thirty-Four.
The delft dogs in the window all adored
or the radiogram we used to play.
Then Outdoor Relief, road pick-and-shovel.
A voucher for food, nothing for the rent.
Next the dole, five bob a parent, marvel
at one bob a child. Pay tick-man, can't.
Might be war soon. Good, things
should unravel.
Build ships, planes, tanks, to back
Britain's intent.

Wilson John Haire

10th October, 2010

(tick-man – door-to-door collector of hire-purchase payments)

Obituary

Mickey Dwyer

A good comrade, Mickey Dwyer, died in Belfast on October 12th last. He had had a long illness but did not tell even his closest family until four weeks before he died, and no one else at all. He said he did not want to be a bother to people, which was typical of the man. So his death came as a great surprise to all of us. His brother said that only a few weeks earlier he was still working in his garden.

Mickey joined the IRA in his youth and his unit fought in the Lower Falls area during the pogroms in August 1969. A nasty rumour did the rounds during the bitter split between the Provisional and Official IRAs that IRA stood for I Ran Away. Nothing could be further from the truth. Gerry Adams, a Provo, paid the most fulsome tribute to Mickey's unit in his autobiography. He said that they fought day and night to the point of almost complete exhaustion with the meagre supply of rifles that they had.

The Belfast IRA was indeed starved of supplies by GHQ in Dublin, and the Dublin Volunteers were kept South of the Border, which led most of them to join the Provos. By contrast the Cork IRA made its own way with full kit to Derry where it placed itself under the Derry Citizens' Defence Committee.

Mickey later became associated with the Irish Communist Organisation (later BICO), whose members brought short arms from England and rifles from the South and manned the barricades in the Upper Falls-Beechmount area under the local Citizens' Defence Committee. Manning this barricade was Mickey's brother Tommy.

In the BICO Mickey's concern was to further the interest of his class and community by establishing national Labour politics in

Northern Ireland, whether of British or Irish origin being of no more concern to him than to the rest of us. Sadly all our efforts were in vain. It cannot be any coincidence that, throughout the years they spurned and rebuffed us, the British and Irish Labour Parties have completely ceased to notice let alone represent the working class interest. The situation today is even worse in that respect than it was when Mickey helped form the Campaign for Labour Representation in Belfast in the mid-1970s.

Mickey was a particularly gifted builder. When work was short in Belfast, as it often was, he would go to London for work, regularly staying in an ICO squat in Islington. Though the youngest member of the family he was probably the wildest. But if you ever needed him he was on your door step in half an hour. And among those he knew and cared for he was a gentle man.

Mickey's great passion was hurling and he was active for many years in the GAA in Andersonstown. He used to make an annual "pilgrimage" to Thurles, as he said, before the new "backdoor" rules came in, that the Munster Final was the real All-Ireland Final! Below we reproduce one of the many death notices that appeared in the Irish News deaths column.

"Dwyer - Michael peacefully at hospital October 12th 2010, beloved husband of the late Geraldine and beloved father of Aedan and Michelle, also much loved grandda of Lauren, Lucie and Cormac, also beloved brother of Liam, Belle, Tommy and the late Patrick R.I.P. Michael's remains shall leave his home, 2 Creeslough Park on Thursday at 9.30am for Requiem Mass in St. Oliver Plunkett Church followed by burial in City Cemetery. Our Lady Queen of the Gael pray for him. Deeply regretted by his sorrowing son, daughter-in-law Christine, grandchildren and family circle. Family flowers only. Donations in lieu to the Northern Ireland Hospice c/o Healy Brothers Funeral Directors, 2 Owenvarragh Park, Belfast BT11 9BD."

Michael Dwyer 1945 - 2010

Shorts

from
the Long Fellow

WHY SAVE ANGLO IRISH BANK?

A reader has asked why it was important to save *Anglo Irish Bank* in September 2008.

Saving Anglo Irish Bank was never an end in itself and in a certain sense it was not "saved". The shareholders or owners of the bank lost 100% of their investment. What was "saved" was the depositors of 51 billion and the senior bondholders amounting to 25 billion euro.

The Government decided that it was not desirable to pay these creditors immediately and therefore it encouraged them to retain their funds in the bank by guaranteeing the value of these loans. By keeping it as a going concern the bank (in effect the State) avoided paying its creditors (depositors and bondholders) immediately and was given time to realise its assets (the bank's loans to its customers).

What was the alternative? Very few of the Government's critics deal with specifics. The arguments are largely based on morality. Anglo Irish Bank was a moral abomination and therefore it should have been banished from the face of the earth. Allied to this moral argument is the suggestion that the depositors and bond holders are cronies of Fianna Fáil. But there is absolutely no evidence to support this. If there are cronies of Fianna Fáil connected with Anglo Irish Bank it is extremely unlikely that they are creditors. The native Irish land speculators and property developers are most likely located on the other side of the balance sheet: on the debtors or borrowers side.

However, there was a rational argument of sorts in favour of letting Anglo go, which does not rely on emotion. The argument was that Anglo Irish Bank was a privately-owned bank. Its liabilities were incurred before it was nationalised and therefore are not the responsibility of the State and ultimately the taxpayers.

Unfortunately, a bank is not the same as an ordinary business. If for example *Dunnes Stores* went bust it would never occur to anyone to ask the State to bail out that company's trade creditors. They would be expected to take the pain. But a bank is different.

Any businessman or individual who involves himself in the market system is prepared to undertake risk. However,

underlying that risk there must be an element of certainty. Businessmen and ordinary workers must believe that their deposits and loans to banks are safe. If that belief evaporates the financial system will collapse with all the consequences that follow.

The proponents of letting Anglo go argue that it was not a bank at all, but a bookie's shop. Well, when the depositors and bond holders put their money in Anglo Irish Bank they were under the impression that they were putting their money in a bank that was licensed by the State. That impression was not exactly fanciful. But, if it is assumed that these people were foolish and should have seen behind the appearance of things, what grounds has anyone to believe that that other bank with the same initials as Anglo Irish Bank is not a bookie's shop as well. And, since these two "bookie" shops presenting themselves as banks were licensed by the Irish State, how can anyone be certain that the State itself is not a casino with a croupier in charge that calls himself a Taoiseach, with all that that implies for the State's credit-worthiness.

That is a line of development which could not be allowed to happen. The State had no alternative but to "save" Anglo Irish Bank. No bank can extend credit to businesses and householders if it has no funds from savers. Credit cannot be created out of thin air. If savers (i.e. depositors and bondholders) do not have faith in Irish banks, the banking system will cease to function with catastrophic consequences for the economy.

Of course, the Government could have gambled that depositors and bondholders would have been able to distinguish between Anglo Irish Bank on the one hand and AIB, Bank of Ireland and the State on the other. But in the Long Fellow's opinion that was a risk that no responsible Government could have taken.

BONDHOLDERS AND DEPOSITORS

The Long Fellow is not aware of any critic of the Government who advocates "torching" the depositors of Anglo Irish Bank. Unfortunately, senior bondholders rank *pari passu* with depositors.

No European bank has torched its senior bondholders. This is not the case, however, for subordinate bondholders. As indicated last month, Anglo Irish Bank (in effect the State) has offered 20% (and in some cases less) of the book value to its subordinate bondholders. This avoids a technical default. However, even this is a risk. International business commentators have referred to this as a "de facto default" with all the implications for the credit worthiness of the State and Irish banks. However,

the risk of sharing losses with subordinate bondholders is reasonable and far less than asking the senior bondholders to take some pain.

THE MEDIA AND THE FINANCIAL CRISIS

The media in this country is antagonistic to the State. Its *a priori* assumption is that the State is incompetent and corrupt. But although the media is antagonistic it is not independent. It is provincial in the sense that it cannot think critically about any pronouncements concerning this country from London.

The *Financial Times* has suggested that Anglo Irish Bank should consider torching its senior debt. What it considers appropriate for Ireland it would never contemplate for the UK.

Ireland has tackled its financial crisis in the most open and transparent way imaginable. She has taken the loans off the bank and valued them independently. Britain and Germany, by contrast, have dumped their dodgy loans in a box and assumed a haircut of 10%. Unlike in Ireland, nobody knows the true extent of the financial crisis in these countries.

These countries are looking at Ireland as a laboratory experiment in which it would like to test what it would not dare do for their own countries. If the financial crisis is as bad as their worst fears, asking the holders of senior debt to share the losses might have to be considered. But why should Ireland be the guinea pig?

NAMA PROFITS

The *Irish Independent* (27.10.10) reports that the National Asset Management Agency (NAMA) has turned a €140m profit on a loan it bought from *Anglo Irish Bank* for just €40m. Anglo had valued the loan at €80m before NAMA took it over for €40m.

The loan was secured on a commercial property in London which was sold to a Middle Eastern investor for €180m.

This case shows why NAMA is in the interests of the taxpayer. NAMA consolidates the loans that a developer has from the different banks. So, for example, if a developer makes €200m from selling a building he only owed €170m on, all €200m will flow into NAMA where it will be offset against his total debts from different banks.

Holding loans from across several different banks also means NAMA is empowered with a variety of securities, including personal guarantees, which can be used as leverage to compel borrowers to co-operate with asset sales.

The €180m deal makes up a substantial portion of the €500m in asset sales Nama

expects to complete by the end of the year.

It is beginning to look like NAMA will make massive profits contrary to all the predictions of the celebrity economists. Informed comment on the *irisheconomy.ie* site suggests that various international investors are hovering like vultures around NAMA looking to pick up some juicy deals. NAMA, on the other hand, is scared to sell too quickly because of the adverse publicity that would follow if such investors made massive profits from the purchase of the so called "worthless" NAMA loans.

There is a right-wing view that NAMA was a means by which the State expropriated the private shareholder wealth of the banks. The Long Fellow thinks this analysis has some validity, but unlike the right-wing critics supports NAMA for precisely this reason.

IN DEFENCE OF CRONY CAPITALISM

Nobel prize winner Joseph Stiglitz made a vigorous defence of crony capitalism in his submission for Paddy McKillen's High Court case against NAMA.

For anyone who lives in the real world—as distinct from the world inhabited by our media moralists—this will come as no surprise. The economic system cannot function by abstract laws which are impervious to human relationships.

Stiglitz's argument is that, in the absence of such human relationships, the system will become dysfunctional. He identifies two reasons for this: adverse selection and moral hazard. Adverse selection arises from the banks' approach to risk. As the financial environment becomes more risky banks will naturally want to raise interest rates to compensate them for the extra risk which they underwrite. But, as the interest rate rises, the more prudent borrowers will leave the market. The banks will be left with only reckless borrowers, some of whom have absolutely no intention of repaying their loans. This adverse selection of borrowers leads to a downward spiral of higher interest rates and more defaults.

In this environment a problem of "moral hazard" arises on the part of both the borrower and lender. The borrower has an incentive to default because servicing his debt becomes too onerous. Also if the bank becomes "too big to fail" it is encouraged to engage in reckless lending as a means of trading out of its financial difficulties, knowing that the Government will ultimately underwrite its losses.

Here is how Stiglitz thinks that cronyism can overcome these problems:

"One of the most important ways in which adverse selection and moral hazard problems are addressed in the banking sector is through long-term relationships between bankers and borrowers. Long-

term commercial banking relationships, such as those that McKillen has with *Anglo-Irish Bank* and *Bank of Ireland*, help banks differentiate borrowers who are good risks from those who are bad risks. As the commercial borrower builds an ever longer track record with a particular bank, the underwriters gain confidence in the borrower and the bank is able to offer lower interest rates, reduced collateral requirements, reduced information reporting requirements, and greater loan amounts, all at a greater and safer profit to the bank."

FIANNA FÁIL

The unpopularity of Fianna Fáil shows that no Government receives any credit for preventing a crisis. Every decision that FF has taken has had a bad outcome. But the question arises: would an alternative decision have been worse?

We can be certain that the cost of underwriting Anglo Irish Bank's depositors and bondholders will be enormous. There may be doubt about the exact cost (29 billion give or take a billion), but nobody can deny that the outcome is appalling.

The Long Fellow supports the decision with the appalling outcome because he thinks the alternative would have been catastrophic. Not to underwrite the bondholders and depositors of Anglo would have led to the collapse of the banking system and undermined the State's ability to obtain credit. But this alternative scenario is only a hypothesis. Nobody can be certain about the outcome of a decision that was not made.

Last month on RTE's *Prime Time* Eamon Ryan of the Green Party defended the Government policies of austerity. Michael Taft of the *Unite* Trade Union argued that the Government had already tried austerity and the result had been stagnation. Why did it think that persisting with its policies would lead to a different outcome? Ryan could not answer the question.

The Long Fellow believes that not pursuing such policies would have led to a worse outcome. We obtained "first mover advantage" by dealing with the crisis early and therefore were in a much stronger position when negotiating with the IMF. But that is not an easy message to sell. The Government is asking the public to believe that, although things are *certainly* bad, they *could* have been worse.

LABOUR

Opinion polls show that Eamon Gilmore *could* be the next Taoiseach. There are a lot of reasons to think that he won't be, but for only the second time in history the prospect cannot be ruled out (the first time was following the Spring tide in the early 1990s).

The Long Fellow has heard two recent interviews with Gilmore. The first one with Marian Finucane on radio was quite disastrous. He somehow failed to remember the name of the political party that he joined in the 1970s.

In his Late Late Show interview he showed that he had learned from the previous interview and was disarmingly frank about the name of the political party: Official Sinn Féin. About other matters he was less than frank but it was perhaps unrealistic for a chat show host (even a talented one such as Ryan Tubridy) to delve into the relationship between Official Sinn Féin and the Official IRA or how the party developed into the Workers' Party and a client of Moscow.

Although Gilmore's performance was hardly inspiring it was competent and professional. The strategy appears to be to say as little as possible and hope that power will fall into his lap. According to this reasoning in the current climate it is safer to rely on the Government losing the next election than attract scrutiny from an attempt to win the election. Therefore although Gilmore believes Fianna Fáil is unfit to govern, he refused to promise that he would reverse any of the cuts of the Government's forthcoming budget. Gilmore has claimed credit for refusing to support the Bank Guarantee but will not advocate torching bondholders. It is a risk-averse strategy which is not likely to lead to decisiveness or coherence if Labour is in government after the next election.

FINE GAEL

There has been much talk of the country losing its sovereignty following negotiations with the IMF. The Long Fellow completely rejects this view. The Government is correct to look at all options for securing cheap funding outside the bond market. However it is disappointing to see Fine Gael throwing in the towel long before the IMF's visit.

RTE radio news reported that on 27th October Fine Gael's Michael Ring told the Dáil that, when Queen Elizabeth visits Ireland, possibly next year, we should hand control of the country back to her and tell her we are sorry for the mess we made of the country.

What a grovelling lackey of British Imperialism even if—the Long Fellow hopes—the words were spoken in jest!

IRELAND'S LOW CORRUPTION RATING

Ireland ranks as the 14th least corrupt country in a survey of 178 countries conducted by *Transparency International*. It is less corrupt than the UK, France, Germany and the US. Only the Scandinavian countries, the Netherlands, New Zealand, Australia and a few others are less corrupt.

This must come as a shock to the likes of Fintan O'Toole. We know that Ireland

is awful, but it appears most of the rest of the world is worse! Is there any future for humanity?

But for those who don't live in the Irish media bubble, the survey will come as no surprise. The findings have been consistent over many years.

Surprisingly O'Toole has not commented on the level of world corruption. He remains irredeemably provincial in outlook. However, James Downey made a weak attempt (*Irish Independent*, 30.10.10) at explaining our lack of corruption.

His first line of attack was that the report only measured "*perception*". Apparently, our good score is a result of us failing to recognise corruption. What a shocking indictment of the media! It seems Irish people don't take its relentless denunciations seriously.

His second point is that *Transparency International's* definition of corruption is flawed and therefore it fails to realise that "*the sight of the ministers' limousines rolling up to Farmleigh*" is corrupt.

The Long Fellow suspects that when specific rather than general questions are asked (which is the kind of thing that is done in scientific surveys but not in media rants) more balanced and rigorous conclusions are reached.

People in this country expect to be treated equally by our public services. Access to universities is through the exam system which is generally perceived as being fair. Grants to industry are allocated on strict objective criteria. Pat Kenny in his programme denounced *Enterprise Ireland* for being bureaucratic. Well, if it were not bureaucratic, it probably would indeed be "*corrupt*". There have been incidents of small scale corruption in the Guards (mainly Donegal). But in general people trust the forces of law and order. Re: the Moriarty Tribunal no corruption has been found, although dodgy procedures by the Tribunal have been found by the Supreme Court. The same was the case with the Beef Tribunal, although in both cases there was widespread tax evasion.

There was a problem with Planning at a local level, which appears to be about to be sorted out with people going to jail. But even there the bribes involved (a few thousand) were not outrageous. That is not to excuse it, but to attempt to get things in perspective.

THE IRISH TIMES'S PERSPECTIVE

The Irish Times in a very strange editorial (6.11.10) attempted to get things in perspective. The strangeness was not in the content but in the fact that it was in an *Irish Times* editorial. For most of its history that newspaper has been in the business of presenting a distorted perspective and never more so than in recent times. So it is a little surprising that it should be con-

cerned about people describing our political system as being "*uniquely dysfunctional*".

Could it be worried that its own columnists are undermining the economy and thereby putting the newspaper itself in jeopardy?

EMPLOYEE OF THE MONTH

Readers will know that this column has always taken a benign and indulgent interest in the affairs of *The Irish Times*. The Long Fellow never tires of following the intellectual peregrinations of its star columnist Fintan O'Toole.

Fintan—or Tin Tin as he is known because of his earnest struggle against the forces of darkness (i.e. Fianna Fáil)—excelled himself in his column of 2nd

November. He advocated capping all public salaries at 100,000 euro without once mentioning his own salary or those of his colleagues.

Tin Tin somehow forgot to tell his readers that the Editor and Chief Executive of *The Irish Times* each earn 319,000 a year at a time of redundancies and cutbacks in that newspaper. The outgoing Managing Director, who brought the newspaper to the verge of financial ruin before her resignation last February, received an *ex gratia* payment of 1 million euro plus an annual payment of 50,000 for two years.

It appears that what is good enough for the Irish State is not good enough for *The Irish Times*. For this reason the Long Fellow nominates Tin Tin *The Irish Times* employee of the month for November.

REPORT

Ireland and the Great War—*Collins Barracks Event*

The present writer was in attendance at a Conference given at Collins Barracks, Dublin, on Saturday 13th November entitled *Ireland and World War One*.

The Turkish Ambassador to Ireland, His Excellency Altay Cengizer, gave a talk at the conference entitled *Diplomacy of the Choiceless: Turkey's entry into the First World War*, which showed that the Ottoman Government found itself with little alternative but to fight in the Great War, despite initially attempting to stay out of it.

The Ambassador, who has an MA in International History from the London School of Economics and is a keen historian, started by saying that Turkey's entry into the War should be the subject of "*revisionist thinking*", which should give credit to the idea that the Ottoman Empire was not simply waiting for the opportunity to enter the War and join the Germans and Austro-Hungarians. The Ambassador emphasized that the triumvirate at the head of the Ottoman State was not pro-German, as depicted in British propaganda, and the idea that statesman could be turned into mere puppets of a foreign power was ridiculous.

Turkey had no choice but to get involved in the War, stated the Ambassador, because it knew it was going to be partitioned by the Entente Powers if they won. Turkey had wanted to become allied with the Entente Powers, but the Ottoman Government at the time was rebuffed, at least on four occasions, because of the desire, mainly of Britain, to keep Russia on its side, he said. When the Liberal Imperialist Government of Asquith and Grey was in place, they continually turned down Turk-

ish offers and did not come up with anything meaningful in relation to Turkish neutral status to keep the Ottomans out of War. All the Turks asked for from the Entente Powers was a guarantee of the territorial integrity of the Ottoman Empire. However, the Entente refused because it wished to dismember it instead and divide it amongst themselves.

He suggested that Constantinople was the great prize of the war for the Russians, who were not just fighting Germany for "*a strip of land around Posen*".

The Ottomans had attempted to remain neutral in the war but neutrality became "out of the question" for the Ottoman Government because of the "*need for money, ammunition and allies*"—in order to defend such a neutrality against hostile States, determined to carve up the Ottoman State, said the Ambassador.

Mr. Cengizer also pointed out that it was often forgotten that for Turkey the Great War lasted for more than a decade. It had begun in June 1911, with the Italian assault on Libya. It took in the Balkan Wars and did not end until October 1922, or even February 1923.

Next, the Ambassador turned to the events that led to Turkey's involvement in the War. He revealed that both the Russians and the Greeks had asked Churchill to confiscate the two ships being prepared in Royal Navy dockyards for the Turkish Navy, in order to deplete the defensive capability of the Ottoman State. These had been paid for by popular subscription by ordinary Turks and had been part of the naval alliance which Britain operated with the Ottoman Government. When Churchill

seized these ships (prior to even the start of the Great War on Germany, let alone the war on Turkey) the British added insult to injury by offering the Turks £1000 per week in 'compensation'. This would have meant Britain not completing the 'compensation' for 20 years! And all the while the Turks would have been without the ships, leaving their capital defenceless, and vulnerable to Russian and Greek naval attacks in the Black Sea and Aegean.

The Ambassador also told the audience that the Black Sea incident which the Entente used as a pretext for war against the Ottoman Empire began when the Russians started laying mines at the approaches to the Dardanelles in the Black Sea. This would have had the effect of preventing the Ottoman navy supplying their army in the Eastern provinces—a vital sea-link, due to the lack of roads and railways. It would have meant the end of the Ottoman Empire if this route was not kept open to supply the Eastern armies of the Ottoman State who faced accumulating Russian invasion forces in the Caucasus.

The Ambassador noted that the British Imperialists underestimated Turkey's strengths because they had portrayed the Ottoman Empire for generations as the 'sick man of Europe' and ripe for the taking. However, the fighting ability of the Turkish people escaped their notice and they paid the price for their overconfidence.

At this point in the talk a presentation of rare photographs of the Gallipoli and Turkish Fronts was presented by Dr. Nesime Ceyhan. One of the first photographs was an example of a Turkish propaganda poster. It was of the crude German type, lacking the sophistication of the masters of the art, in England.

The Ambassador explained that the Turks had no idea about propaganda and had to be taught by the Germans had to produce it. He said that to this day Turks were no good at the art of propaganda.

The next series of pictures were from the battle at Gallipoli. The Ambassador described a number of things that are not generally known in the West. The Turkish trenches, which were often cut by women, as one photograph showed, were bombarded by the British with up to 6000 shells per hour. The British also aimed their shelling at the minarets of local mosques—which had to be subsequently camouflaged by the Turks. The British intention in aiming at the minarets seems to have been to demoralize the local Moslem population.

To the present writer this was a very significant fact because of the use of propaganda in Ireland about the supposed German destruction of Reims Cathedral and other Catholic Churches to get Irishmen in British uniform. This had been the staple diet of the Home Rule propagandists for the Imperial war writing in the Liberal Press.

Finally, the Ambassador pointed to the links between Republican Ireland and the Turkish Assembly at Ankara established by Atatürk. The Turkish democracy had been one of the first recipients of Ireland's 'address to the free nations of the world' proclaiming its independence from Britain.

At the end of the Ambassador's talk a couple of people from the audience pointed to the fact that the Irish who went to Gallipoli had no notion that they were going to fight the Turks until the last minute. They had been recruited on the basis of war propaganda against Germans and, when Britain had taken on a new enemy in Turkey, the recruits found themselves on the way to Gallipoli, much to the surprise of many in Ireland.

Another speaker asked the Ambassador about how Gallipoli (or Canakkale) was commemorated in Turkey. The Ambassador pointed out that the Gallipoli Front was only one of four or five Fronts that the Turks had to defend against invasion. Some Turks even died fighting in Galicia in central Europe. This was not because the Ottomans had any territorial pretensions there but because the German/Austrian Front was so important in relation to Istanbul. If this Front capitulated to the Russians, the Ottoman capital was in dire danger and the war would be lost.

In relation to this aspect the Ambassador pointed to the "*loneliness of the Turks*" during the Great War and offered the example of how the Turkish military attaché was astonished to hear the bells ringing in Vienna in celebration for the British capture of Jerusalem. He was dumbfounded at this and said to the Austrians: "*Why are you celebrating the victory of your enemies?*"

At the end of the question session there was a rather poignant moment when the Ambassador was audibly affected in describing the great loss that the Turkish people had suffered at Gallipoli. The majority of the young, first generation of highly-educated Turkish youth, died in defending their homeland at Gallipoli and were lost forever to the country. This rather put into perspective for the audience

the lesser extent of sacrifice suffered by Irish, Australian and New Zealanders in the invasion—the main commemorators of the battle.

The next talk was given by Mr. Philip Orr, the author of *Field Of Bones*, a recent book about the battle of Gallipoli. Mr. Orr described himself as coming from an Ulster Unionist background. His talk was entitled *Gallipoli, Ireland's forgotten battle*. He noted that there had been a "*rediscovery of the story in the last 25 years*" in the Irish Republic. However, he contrasted this new discovery with the attitude in the Unionist community in the north where the Somme had always been a marker for identity. Unfortunately Mr. Orr did not elaborate on the reasons for this which might have been interesting.

He noted that the 10th Division, which was often called an Irish Division, left for Gallipoli from the very building of Collins Barracks (it being subsequently renamed when the British handed it over to the Free Staters).

He asked the question, *why Gallipoli?* His answer included the reasons that the Gallipoli operation was to get around the "*quagmire of the Western Front*". It was also aimed to breach the Straits and re-supply the Russians. He noted that Turkey was felt by Britain to be the "*sick man of Europe*" and an easy touch for her navy.

The main objective was to knock out the artillery on the side of the Straits so that the Royal Navy could penetrate the Dardanelles and bombard Istanbul into surrender. An earlier naval attempt by Churchill to storm the Straits had been unsuccessful due to this artillery and the mines laid by the Turks, and that led to the sinking of the Queen Elizabeth, the world's greatest battleship.

Mr. Orr noted that the 29th Division, which contained many Irish veterans of the British Army, old professional soldiers rather than recent volunteers, was brought in from Madras in India for the operation. He also noted that there was a large French contingent at Gallipoli, but the French like the British tended to use their colonials in the operation. He revealed that it was said that the French Senegalese Moslem troops who died were buried under crosses at Gallipoli. Furthermore, the British used many Moslems in their forces, soldiers who became disconcerted when they heard the call for prayer coming from the enemy trenches. They did not realize and were not told that they were being used to destroy the great Islamic State in the region.

Mr. Orr argued that, after about six months of the Gallipoli operation, it was

found that "the old quagmire of the Western front had reappeared at Gallipoli". There was half a million casualties on both sides and about a third of these were deaths. An estimated 4000 Irishmen were killed during the battle.

He talked about Hellas Bay, the operation where a large ship, the River Clyde, was used as a Trojan horse by the British, adjacent to the site of Troy. The idea seemed to be to beach this ship and to unleash the troops hidden within it on the unsuspecting Turks. However, the Turks were wise to this Trojan horse, and felt (according to the Ambassador) that they were avenging the Trojans. As a result 850 of the 1000 men contained within the ship became casualties.

The Royal Dublin and Munster Fusiliers were so devastated by casualties at Hellas Bay that their remnants were subsequently formed into what was known as the 'Dubsters'.

Mr. Orr also explained that the British recruitment in the North of Ireland was based on a "cunning plan to get both communities involved in fighting" for Britain, even though they were fighting for diametrically opposed objectives—Union and Home Rule.

He noted also that the men hadn't a clue where they were going or who they were fighting until they neared the beaches at Gallipoli. Some of the officers who were aware, and had had classical educations about Troy and Achilles, romanticized the mission and tended to fall into an imperial complacency about its prospects.

Mr. Orr also revealed that one of the most serious miscalculations of the British plan concerned the water supply to its troops. Soldiers were given a one day water supply and after that were forced to use local wells. But 70% of these wells had water that was not drinkable and which caused disease. Only the Turks knew which wells were drinkable so this became a major cause of death with dehydration accounting for many casualties. He also spoke of the "sniper madness" that developed amongst Imperial troops, an early form of post-traumatic stress that accounted for many subsequent suicides.

Mr. Orr also valuably pointed out that the 10th Division was afterwards sent to Macedonia against the Bulgarians (and to subvert Greek neutrality) after its evacuation from Gallipoli.

Finally, Mr. Orr tried to answer the question of why Gallipoli had been "placed in the shadows" in the Irish Republic. He noted that the battle was associated with "rejuvenation in Turkey and formed the founding myths of the Australian and New

Zealand States". His reasoning seemed to be that Gallipoli had no such use for Ireland where it was seen simply as a disaster. It is a pity that this aspect was not further explored.

Mr. Orr also argued that commemorating Gallipoli and the operations in the Middle East was a far more complicated business than the Western Front commemorations that had been established. This was because the British Empire had attempted to capture the great cities of Islam, like Istanbul and Jerusalem. This had much more of a serious consequence in the world today and was therefore very problematic as a harmless commemoration. He argued that it was important that commemoration go beyond mere "celebrating of bravery" to deal with the important issues connected to imperialist conquest in the area.

This view was backed up by a questioner at the end who felt that remembrance commemoration should be merely a stage in the process of remembering and that the next stage should be to examine the wider implications of the British Empire's

activities in the region. Whilst commemorating the dead was fine commemorating the cause was another, more dangerous, thing entirely, he said.

On the whole, the present writer felt that this meeting was very worthwhile. It was obvious from a glance at the 200-strong audience, and the nature of some of the questions, that many were mainly there with an interest in remembrance. A sizable section of the audience seemed to have been on the recent Mary McAleese led 'pilgrimage' to Gallipoli.

However, the presence of the Turkish Ambassador and his insightful talk was a valuable intrusion into what might otherwise have been another remembrance event. It forced the audience to confront the fact that there was another view of the Great War, and that this event at Gallipoli was not merely a sad event for Ireland in terms of loss of life but also a disastrous event for the region that was subject to the British invasion and further military conquests.

Pat Walsh

Review: *The Journal of the Skibbereen and District Historical Society* (Vol. 6, 2010)

Protestants In West Cork

On Thursday, June 10th, Lord David Puttnam launched this year's *Journal of the Skibbereen and District Historical Society* in front of a large crowd in the West Cork Hotel. In it (Vol. 6, 2010) there is an article by Jasper Ungoed-Thomas, who is the grandson of the one of the most well known Protestants in West Cork during the first half of the 20th century. The article is entitled "IRA Sectarianism in Skibbereen?" and it begins:

"I was brought up listening to stories of what my Protestant family called 'The Troubles' which roughly covered the years 1916 to 1924 from the first stirrings of what is now known as the Anglo-Irish war, or War of Independence, to the Civil war and its immediate aftermath. There were tales of my grandfather, Jasper Wolfe, being kidnapped by the IRA, of attempts to shoot him, of his house on the outskirts of Skibbereen being occupied by Republicans and Free State in turn. Once, the IRA visited with an idea of burning the place down."

What else is new, you might ask? But Thomas goes on:

"But I never heard any suggestion of sectarian hostility towards the Wolfes. Whether from the IRA, from their Catholic neighbours, or indeed from any Catholics at all. The Wolfes, as far as I understood it, saw whatever enmity they

had to endure as inspired by Republican rather than Catholic hostility."

If one accepted the now conventional academic/media view of the War of Independence in West Cork this may come as a bit of a surprise coming as it does from inside the Protestant community there, from the horse's mouth, as they say. Mr. Ungoed, being a fortunate man, is happily not a product of Irish academia or media and it was he who was in for a surprise:

"So", he writes, "I was surprised when controversy broke out over allegations of IRA sectarian violence in West Cork. I was just beginning research into the life of my grandfather (1872-1952) and the times through which he lived. I started to keep a careful lookout for the evidence of any IRA sectarianism."

Thomas outlines the attempts to execute his grandfather by the IRA and, as he was the British State Prosecutor for Cork, he understands that this was the reason and no other. Because of his grandfather's legal position, Thomas appreciates particularly the aspect of the conflict that entailed one legal system in competition with another. And he cites what happened to a great-grandson of Daniel O'Connell, D.M.J. O'Connell, who was head of a legal firm in Skibbereen but also a Justice

of the Peace—as were other Catholics in similar positions. These were upholders of the British legal system and therefore were treated as legitimate targets just the same as his grandfather—and worse—as the latter was lucky enough and clever enough to escape the full consequences on each occasion.

Among the many incidents he covers he describes what happened to the Warner brothers.

"The experience of the Warner brothers was not untypical. Tom Warner, whose family lived in the Republican stronghold of Caheragh, recalled a particular incident. One night, Tom's older brother, Joe and father were taken away by Volunteers. His mother was sobbing, "*They'll shoot them and we'll find them on the side of the road to-morrow*". A few hours later, Mr. Warner returned, very shaken but unharmed. Shortly after that, Joe too came back. It turned out the IRA, desperate for educated men, had offered him a commission if he would join them. Joe, however, explained that he could not accept the honour because he was going into the church. Aspiring Church of Ireland Minister and Volunteers parted 'the best of friends.'"

There is just one error of fact—concerning the spies who were executed. He says that: "*according to Tom Barry, the West Cork Brigade killed sixteen informers, four Catholic and twelve Protestant*". But in Meda Ryan's *Tom Barry: IRA Freedom Fighter*, she quotes an interview given by Barry to Nollaig O'Gadhra, where Barry said that in the 3rd West Cork Brigade, they—

"...executed 15. Incidentally, for those who are bigots—9 Catholics and 6 Protestants! British propaganda announced him [in each case] as a Protestant landowner. But if it was a Catholic who was executed for spying—'blood money'—he was only mentioned by name, never that he was a Catholic."

A forgivable error in an illuminating article.

Copies of the journal can be had for 10 Euro (plus postage) from: Brendan McCarthy, Chairman of the Society, Skibbereen, Co. Cork. (028-21094begin_of_the_skype_highlighting/breandanmor@gmail.com)

Contents of the 2010 Journal:

A History of Aughadown House, by William Casey.

The First World War at sea off West Cork, by Edward J. Bourke.

The Earl Grey Pauper-Emigration Scheme, 1848-1850, by Sile Murphy.

A Cape Clear Trilogy, by Chuck Kruger.

Homesteading in Canada: The story of Billy Wolfe of Skibbereen, by Jane Wright.

The Rossbrin Castle Manuscripts, by Alfie O'Mahony.

An American Wake in Skibbereen, by Jack O'Connell.

Then and Now—Tidings from the '50s, by Brendan McCarthy.

Lissard House Hotel and the Swiss, by Paddy Leahy.

Louis P.W. Renouf, by Paddy Leahy.

I.R.A. Sectarianism in Skibbereen?, by

Jasper Ungeod-Thomas.

The Influence of Trees on Place Names in West Cork, by Eugene Daly.

When Charlotte met Shaw (Notes for a love Story), by Perry O'Donovan.

Place and People: The Fiction of West Cork's War of Independence, by Padraig G. Lane.

Jack Lane

Review: *Follow the Money* by David McWilliams

Performance Economics

It is interesting to contrast David McWilliams's book with Fintan O'Toole's *Ship Of Fools* (reviewed last month). McWilliams is an economist, while O'Toole is an arts critic and political commentator. It might be thought that within every critic there is an artist struggling to get out. But O'Toole's book never rises above moral denunciation while McWilliams shows glimpses of an artist's sensibility.

The book attracted media attention because of McWilliams's slightly submissive fantasy of an interview with Miriam O'Callaghan. The following extract gives a flavour:

"Miriam winks, a faint pout and a casual lick of those hyper-glossed lips. You're mine now, boy, she signals. This is my web you've just walked into. Clothes on or off".

You would never find Fintan O'Toole taking a risk like that. He would know instinctively that there is a puritan taboo against acknowledging that a professional woman might have recourse to strategies other than intelligence.

McWilliams felt that he had to make an abject apology for this *faux pas*. His reason was that, although he had not intended to be offensive, the fact that O'Callaghan took it as such was reason enough for him to proffer an apology. In my view this was ridiculous. Even if McWilliams were wrong, a public figure such as O'Callaghan should learn to take the rough with the smooth.

But his depiction is perfectly defensible. Recently O'Callaghan practically accused the Minister for Finance of being a criminal. It is at the very least a moot point whether a less attractive woman would have got away with such a line of questioning.

McWilliams has never felt it necessary to apologise for suggesting that our elected politicians were conspiring with an unaccountable elite against the people. More relevant to the book he has never apologised to Brian Lenihan for revealing the details of a late night private conversation they had. But then elected politicians, unlike media personalities, cannot afford

the luxury of taking offence.

Some of the most important decisions in life are taken subconsciously. The fact that McWilliams thought it more important to ingratiate himself to the media world rather than the political world has sealed his fate. Unlike Patrick Honahan or Alan Ahearne, it is unlikely that he will ever have a significant role in the apparatus of the State. Perhaps he has no regrets, but in my view the need to play to the gallery has had an adverse effect on his analysis.

McWilliams begins his book by describing the trauma of his father losing his job and the consequent humiliation felt by a family living in a middle-class housing estate. It is not clear how long his father was unemployed but he did manage to find employment again and throughout this period in the 1970s his mother worked as a teacher, which was not that common in an era when middle-class women were discouraged from remaining in the workforce after marriage. While McWilliams hardly experienced grinding poverty he conveys quite well the struggle of a middle-class family as well as its prejudices.

The families in his housing estate wanted to distinguish themselves from the working-class estate down the road. So their roads had anglicised names such as "*Windsor*" or "*Tudor*", while the working class had roads named after holy men (Oliver Plunkett) or 1916 heroes (Pearse, Connolly etc).

He notes that many of the middle class in the suburbs that had sprouted up in the 1960s and 1970s were not Dubs at all, but country people taking positions in the civil service and professions.

Perhaps the most prevalent prejudice of the professional classes is the nagging suspicion that other people, who are probably less intelligent and certainly less educated, are doing better than themselves. The fact that the successful ones took more risks and might have been more innovative is discounted.

During the Celtic Tiger era wages and salaries increased dramatically and taxation policies increased disposable income

by even more. At the same time credit expanded. Ireland had access to German savings through the banking system. The professional classes and the prosperous elements of the skilled working class had been given the capacity to invest. Since these classes were risk-averse and lacked an entrepreneurial spirit it was only natural that they would invest in what they thought was the most reliable investment of all. What could be safer than houses?

McWilliams points out that their aversion to risk meant that they were late to the game and therefore they bought at the top of the market. There is a lot of anger in the country, but it is not working-class anger. It is the bitterness of media personalities and lawyers who thought they were capitalists on the basis of a petty bourgeois vision.

McWilliams's book is far better than O'Toole's or even Shane Ross's book (*The Bankers*, reviewed in October 2010 *Irish Political Review*), because, unlike the latter two writers, he presents a plausible sequence of cause and effect. However, in my view, he panders to middle-class prejudices. The impression given is that the middle class are not the authors of their own misfortune, but victims of a shadowy elite.

He compares the transmission of credit with the drugs business. Of course, the analogy is flawed. While credit is the lifeblood of the economic system, the same can hardly be said of drugs. Nevertheless, in other ways the analogy is illuminating. In both cases the source of the product comes from abroad. The distribution channels have similarities. At each stage from source to final consumption the various middlemen take a cut. Both credit and drugs have an addictive quality. The final consumers become drawn into a lifestyle which they cannot easily escape from. Whether it is shopping trips in New York or the next hit in a dingy squat, the final consumer becomes dependent on his supplier.

There is nothing natural about either the desire to obtain credit or the consumption of drugs. Although the private consumption of drugs alienates the individual from society, there must be a social mechanism which enables delivery. There is a social network which gives individuals access to the commodity; educates them about the paraphernalia and means of consumption; and convinces them that such behaviour is acceptable.

McWilliams constructs a *dramatis personae* to explain the social context of the delivery of credit. His characters are

clichéd but his clichés contain a grain of truth. He calls one of his actors the "*Merchant of Ennis*". This *persona* is a local GAA hero who inherits an auctioneering business from his father. The father is conservative and principled. The prodigal son in this story is not evil but has become caught up in a situation which is beyond his control. He has persuaded his extensive social network to borrow in order to invest in property. How could the scorer of the winning goal in the County final be anything but trustworthy!

The "*Merchant*" is in contact with "*Shylock*", who works for a mortgage broker. The latter presents himself as a dispenser of disinterested advice on accessing credit, but is in fact paid a commission from Anglo Irish Bank. He is cold, calculating and alienated from society because he was born outside marriage at a time when the country was more Catholic in its convictions. He doesn't socialise but instead plots and schemes his revenge on society while enriching himself at the expense of others. Later he works directly for Anglo Irish Bank, but unlike his colleagues doesn't participate in the investments which he recommends to his clients.

There are others, such as a character in an electrical store who encourages his friends to buy on credit. The credit appears cheap. Repayments are low to begin with but after a period of 18 months there are "*balloon repayments*" which, if the borrower is unable to repay, have high penalties.

These vignettes are interspersed with McWilliams's real-life experiences, including his encounters with Sean Fitz Patrick. He suggests that FitzPatrick, a Presentation College (Bray) boy, was driven by a desire to wrest control of the banking system from the old Anglo Irish, Protestant establishment, which is ironic given the name of the bank.

McWilliams critique deserves to be taken seriously because, unlike other writers, his wisdom is not just from hindsight. He knew that there was a bubble before it burst. However, his knowledge preceded the bursting by many years and as such he would not have been of much greater help to policymakers than the bubble's cheerleaders. To change metaphors, it is one thing to know that the merry-go-round was spinning too quickly it is quite another to know when to hop off.

There is a famous—but probably apocryphal—anecdote about Joe Kennedy who a few days before the Wall Street crash had his shoe shined. The shoe shine boy advised Kennedy about which shares to buy. Kennedy concluded that if a shoe shine boy was buying shares it was time to sell.

In McWilliams's book one of his characters, the "*Breakfast Roll Man*",

decides to sell on hearing of the media personality Pat Kenny's legal dispute with a neighbour over a plot of land. With the benefit of hindsight *Breakfast Roll Man's* timing is impeccable, but it is a little implausible that Kenny's grubby dispute would have been a catalyst for anything.

This reviewer had a genuine if very modest "*shoe shine moment*". I was looking to buy an apartment in Dublin city centre in 2006. There were two identical apartments available just off Capel Street. One was 100,000 euro more expensive than the other. The estate agent told me that only the more expensive one was eligible for Section 23 relief. Such relief was only of value to someone looking to let the property since the tax relief could not be availed of by an owner-occupier and would in fact be withdrawn permanently once the owner occupied it. The estate agent couldn't resist telling me that the expensive property was about to be bought by an owner-occupier before her company offered him an alternative apartment. Apparently, the logic of this buyer was "*the market price was the market price*". It never occurred to him that part of the "*price*" was driven by a tax incentive which he could not avail of. It seemed to me a real indication of a bubble psychology.

McWilliams concludes the book with some reflections from "*Ms Pencil Skirt*", a young professional in a PR firm who was made redundant after having taken out a mortgage in a house which is now in negative equity. This character is a vehicle for McWilliams's ideas on the economy.

In this analysis the middle class are outsiders who are the victims of insiders. NAMA is a conspiracy to protect the banks and property developers. It is not clear how the developers are being bailed out and McWilliams/Ms Pencil Skirt does not explain. At the time of writing a major developer, thought to be a stalking horse for other developers, is challenging NAMA in the courts.

In this part of the book McWilliams resorts to populist rhetoric. For example it is claimed that the assets of NAMA are really liabilities.

His solution is leaving the Euro but there is no analysis of how this might be done. He thinks that Ireland needs a weak currency but doesn't dwell on the detail that Irish debt is denominated in Euros. Opting for a weak currency would have the effect of making Irish National Debt more onerous.

He suggests that "*investors*", by which he means bond-holders, will take an understanding view of a debt default and would be only too happy to continue to lend again to the country. But this has not been the experience of defaulting countries

such as Argentina. His earlier analogy of the credit system with the drugs business gives a moral justification for a debt default. If the bond-holders are analogous to drug-dealers, what moral claim have they on debtors? And if the borrowers are helpless and impoverished addicts, surely such people are more worthy of pity than condemnation?

But the lenders are not drug pushers. The Senior Bond holders are, by and large, pension and investment funds who bought bonds to avoid risk. They wanted a modest return. The borrowers, on the other hand, were not helpless addicts. They were for the most part educated people with a reasonable standard of living who were not satisfied with the return they could obtain from deposits in a bank or post office. They were greedy for more.

There will, of course, be many readers who will say that they did not participate in the credit bubble. Why should they bail out the banks? There are two things to be said about this. Firstly, such people will have been less affected by the downturn. They will not have negative equity. They will not have a personal debt burden to carry. Secondly, there was no significant political tendency which opposed inflated property prices. A commission was set up to investigate affordable housing. The conclusion was that there was an overwhelming interest in not deflating the market. Those that had grabbed the bottom rung of the property ladder were quite prepared to use their feet to make it difficult for new entrants.

The people who are most shrill in their denunciation of the political system are those that participated in the bubble the most vigorously. McWilliams has become their hero. He exonerates them from responsibility and condemns our political leaders for "*capitulating*" to our creditors as well as not saving "*us*" from "*ourselves*".

Unfortunately, patching up the banking system is a less arduous task than financing our public services. The banking crisis cannot be separated from the crisis in the public finances, since the delinquent behaviour of the banks enabled us to live beyond our means. We are in the process of making the painful adjustment, but we still need access to credit from abroad to mitigate the social effects of this process.

In conclusion, McWilliams shows some real insights in his book. He also manages to convey the atmosphere of the time in a human way, even if some of the characters he constructs are stereotypes. However, in my view he resorts to populism by blaming elites and exonerating the people of all responsibility. This weakness distorts his analysis and leads him to reach for flawed solutions.

John Martin

Driving Ol' Éire Down?

The print media in London has had a wonderful, moralistic, time discussing the financial crisis in regard to Ireland. A lot of it is essentially about the paddies getting above themselves. Britain may shortly solve its problem of an under-skilled work force, by, as happened in the 1950s, importing hundreds of thousands of skilled, English-speaking people (trained and educated at no expense to the UK exchequer) from Ireland. There are allegedly tens of thousands of young Irish people in London. Where they are living? Britain has suffered the opposite problem from the Republic. Few housing units have been built over the past thirty years. Most of the ones built were designed for the wealthy. Virtually no 'social-housing' has been built. Those who can't afford a mortgage take what they get and like it.

Every political party in Ireland has been excoriated. The Progressive Democrats (PDs) seem to have slipped everyone's mind. Arthur Griffith's "*inkyfingered Irishmen*" have helped rubbish Fianna Fáil (but not the Greens) in the London media. Fintan O Toole, 'Commonwealth' (Empire Lite) enthusiast, wants a New Republic, with an electoral system similar to Israel's. Ireland's hyper-democratic system, imposed by the Empire (when it wasn't so Lite), has resulted in situations where the tail wagged the dog, as in FF and the PDs in Ahern's period.

O Toole is motivated by a desire to destroy FF. It doesn't seem to have struck him that FF itself could become a tail wagging the dog. Israel's curse is tiny, crazed, 'religious' and racist parties, which are vital to governing coalitions. Does Mr. O Toole want the same in Ireland?

Colm Tóibín wrote (Guardian Sat., 20.11.10) *Looking at Ireland, I don't know whether to laugh or cry*. He does his duty by sneering at Ireland. He starts with an anecdote from Argentina. He was asked to help entertain two Nord Americanos, one from the World Bank, the other from the International Monetary Fund (IMF). He describes them as "*serious and dedicated*". He does not examine to what they are serious and dedicated. They were "*mildly bored*" by Tóibín's work. He was reporting the General's trial for terrorising the Argentine people and 'disappearing' tens of thousands. The attitude of these operatives to the people was contemptuous. Protests were "*a waste of time*". The Argentines were just going to have to

suffer "*years of hardship*". They were astonished that the train to the resort in which they had recreated themselves ran on a twenty-four hour basis and was cheap.

Even the Generals knew there was such a thing as society. The people of Buenos Aires had the right to enjoy the seaside at a reasonable cost. For the IMF everything should make an immediate profit. No matter what effect this had on society at large. Mr. Tóibín seems to have no problem with this mind-set. Those who arrived in Dublin "*like to get the job done and than get home*", he doesn't wonder where their home might be. (It is usually the USA, which has never been 'IMF-ed'). He takes an unthinking attitude to the *Irish Times* invoking the "*men of 1916*". The editorial he quotes carefully notes the representatives of "*the European commission, the European central bank*" arriving in Dublin. The IMF is mentioned last, almost as an afterthought. The Commission and the ECB have dithered about this matter. The IMF has been masterful. Ireland, then Portugal, Spain, Greece (Hungary, and other places) may suffer on the Argentine model.

Tóibín claims he is not concerned about sovereignty, but about the ordinary citizen. Who, for example, have to use public hospitals while "*middle class*" people pay for treatment in private ones. Such things are not particular to Ireland. Some of the finest hospitals in London are private ventures. The "*four main Irish politicians... all come from political tribes*". This led to "*a sense of entitlement*" and an "*awful arrogance*". They have been telling untruths "*over the past two years*". That there has been an unprecedented financial ('North Atlantic') crisis is irrelevant to this moralistic denunciation. He has not noticed that there has been a concerted attack (mostly out of London) on the integrity of the Irish State and economy.

Polly Toynbee in the *Guardian* attacked Ireland for being a quasi-criminal tax haven. The *Irish Times* helpfully reprinted this to make us all feel suitably guilty. Ms Toynbee did not mention 'Crown Dependencies' in her article. Many of them are actual tax havens. Allegedly the UK Government has no power over them. One, the Isle of Man, was told (by John Major's government) to change its laws on Divorce and Homosexuality. It complied immediately. The business section of the *Guardian* described Ireland as being

"bullied". But that was a knee-jerk reaction to the ECB's involvement.

Tóibín hopes the IMF's attentions will destroy Fianna Fáil's "entitlement to rule". He simultaneously writes that there is no "political figure or... party... with any serious social vision or sense of purpose". Implicitly he is admitting that FF does have something of a social vision. Despite endless abuse in the media it was FF that transformed Ireland's infrastructure and economy. Fine Gael would not have negotiated the various national agreements. FG would almost certainly not have included the Unions. Labour tends to take the FG line. The Progressive Democrats were outright Manchester Liberals, and probably largely responsible for the current situation. Sinn Féin, currently, is behaving like a British-Left franchisee.

Tóibín quotes the IT editorial on "a few shilling of sympathy from the British chancellor" about which he does not "feel any shame". Way should he? It's a loan at 4% interest. Not an outrageous profit by modern standards, but hardly a handout. Britain does a roaring trade with Ireland, and would suffer if it did experience financial wipe-out. He feels "a sort of reverence for" the Good Friday Agreement. Apparently this made us aware of shadow as well substance in our heritage. "Irish politicians and... British ones" negotiated this with imagination and openness. This oblique reference means he can ignore Fianna Fáil (and Sinn Féin) input. One doesn't have to second-guess where Martin McGuinness comes in his demonology.

Something else he reverences is the European Union, which apparently "opened the country up to the word around it". Colm Tóibín is in his mid-fifties. Meaning he was born in the mid-1950s, he must, possibly vaguely, recall 'the Missions'. Catholic Ireland's ardent missionary activity was so ubiquitous, that in parts of Belfast, *Far East* (the magazine title of a missionary order) became rhyming slang for 'priest'. The narrowing of Ireland's horizons was the task the media, the IT in particular, set itself from about the time of entry into 'Europe'. Prior to that we thought about China, Latin America, and the uplands of Papua-New Guinea, practically speaking on a daily basis. The occasional contributor to the *Irish Political Review*, Desmond Fennell, took on the editorship of the German-based *Herder Correspondence* in an entirely matter-of-fact manner.

What Colm Tóibín seems to mean is

that he has learned to appreciate Germany. (He might, in that case, enjoy the Athol Books German-Irish collection.) He hoped German attributes might rub off on Ireland. This is despite the fact that he seems to be aligning himself with those who have made it their task to make Ireland a cheap copy of England. Loathing of Germany and all and any of its attributes, is what modern English culture is about, apart from some oddities, usually accused of being 'right-wing'. He was put out by the *Irish Times's* reference to Chancellor Merkel as if she were "malignant". The IT has the proper British attitude to Mrs. Merkel. Its quoting the men of 1916 is an attempt to disguise its spoor. (Incidentally, what happened to the women of 1916? Has the IT not forgiven Markievicz, and a number of others, for 'racial', national and class apostasy?)

Seán McGouran

Report

The Harris Privilege

'Coleman at large' had an interesting theme on 24th November—the role of revisionism in Irish history and the self-hatred that exists today among so many people about their society. Coleman introduced it very well, posed very pertinent questions about this phenomenon and is to be congratulated for appreciating it as an issue worth discussing.

The most prominent exponent of this self hatred today is Eoghan Harris—a legislator, public representative, prominent commentator and a regular newspaper columnist. However, when Jack Lane of the Aubane Historical Society referred to his views it was declared off-limits because Harris was not present!

However, that has never prevented Harris from castigating the Aubane Society and its members when none of them were present. And going so far as to describe its members as "mentally defective" as he did at a Seminar in Cork on 8th December last year organised by the Bishop Colton of Cork (see report in *Church & State*, issues 96 and 97).

There is no other public figure that has this privilege accorded to him/her and if they had most of our media would have nothing to say. Thankfully such a level of self-censorship does not exist. Let's hope that Marc Coleman will rectify matters by having Harris and Lane present when the issue is next discussed on his programme.

Report: The following letter was submitted to the *Irish Times* on 30th October, but not published

1641 Massacres

Wesley Boyd's "Irishman's Diary" article about Islandmagee (30.10.2010) is curiously worded. He says that, on a rumour that the Catholics of Islandmagee were attacking Protestants in 1641, a "retaliatory" massacre was inflicted on the Catholics by Scottish soldiers. Massacre in "retaliation" for a rumour? There had been no massacres of Protestants, and the Islandmagee Catholics were not in rebellion.

In fact, the 1641 massacres of Protestants by Catholics in Portadown and elsewhere were in retaliation for Islandmagee and other massacres by the Protestant settlers and soldiers from Scotland.

A couple of years earlier the religious insurrections and warfare of those times had commenced in Scotland, with the purpose of "the extirpation of Popery, Prelacy, ... superstition, heresy, schism, profaneness, and whatsoever shall be found contrary to sound doctrine and the power of Godliness; lest we partake in other men's sins, and thereby be in danger to receive of their plagues; and that the Lord may be one, and his name one, in the three kingdoms" (Solemn League and Covenant).

Here is how these retaliatory massacres of Protestants by Catholics in 1641 were subsequently described, from the Catholic side:

"They banned our faith, they banned our lives, they trod us into earth,
Until our very patience stirred their bitter hearts to mirth;
Even this great flame that wraps them now, not we but they have bred,
This is their own work, and now,
THEIR WORK BE ON THEIR HEAD!"

The author of these lines from the Muster of the North was Charles Gavan Duffy, who became Premier of Victoria in Australia.

And here is how the poet Thomas Moore put it, in the voice of "Captain Rock":

"November 18 (1641)
Tidings just come to hand, that on the night of the 13th ult., the English and Scotch of Carrickfergus, did issue forth, and attack and murder, in the island Magee, 3000 men, women and children, all innocent persons, there being as yet no appearance of revolt in that quarter. If this doth not cause all Ireland to rise on the sudden, then is the blood of her Mac's run dry, and her ancient O's become ciphers indeed."

Pat Muldowney

The Earl of Strafford and 1641

I agree with the statement made in last month's editorial, that 1641 was an event in a clash of civilisations. But I feel that the Editor does not give one of those civilisations its due weight.

"The ethnic cleansing of Ulster under James 1st was followed by the establishment of a functional system of government under Charles 1st." But surely it was the ethnic cleansers themselves who established the functional system of government, such as it was? Chichester and Davies were the founding fathers. They constructed a system and it was functional, in the sense that Ireland was at peace, there were no more rebellions, an effective system of courts operated throughout the country, trade and the market grew constantly, and so on.

The Earl of Strafford, who was viceroy from 1633 to 1640, inherited this system and tried to reform it (in the interests of the King). As for the ethnic cleansing, he was planning more of it. When he died he was preparing a major plantation of Connacht and several smaller plantation projects. For years it was one of the key demands of the Confederation of Kilkenny that Strafford's plantation projects should be scrapped and that no new plantations should be undertaken.

"An Irish Parliament representing the main social bodies in the country, including Catholic and Protestant, settler and Gael, met during the 1630s when the English Parliament did not meet as it had shown itself subversive of government." But, if Strafford's 1634 Parliament was representative, then so was Chichester's Parliament in 1613. As representative bodies the two seem to be very much of a muchness.

Chichester's Parliament had a clear though not overwhelming Protestant majority, concocted by means which were best described by Philip O'Sullivan Beare. According to Hugh Kearney's figures there were 102 Catholics and 130 Protestants, that is 44% Catholic representation. For the 1634 Parliament (enlarged from 232 members to 256) he gives 107 Catholics and 143 Protestants, with six whose religion is unclear, i.e. 43% Catholic representation. (Details are from Kearney's *Strafford in Ireland 1633-1641*.)

But even within the artificial Catholic minority, there was gross over-

representation of the towns and the Anglicised Old English. The main body of Gaelic lords were simply excluded, as O'Sullivan Beare pointed out. Someone, I forget who, did a calculation for Chichester's Parliament, and reckoned that there were 18 Gaels in it—18 out of 232! I haven't done this calculation with the 1634 list, but I doubt if many more than 18 will be found there.

"As far as one can tell at this distance, the regime of the Crown in the Irish Parliament was functional. When the regime was overthrown, the consequences were much like the consequences of the overthrow of the functional Baathist regime by USUK, with Irish assistance." Isn't the comparison far-fetched? In Iraq an invading and occupying force violently smashed a system of government that was native and had emerged from a long course of development in the country itself. If we were to find a comparison in Ireland, then it might be what Grey, Mountjoy and Chichester did. But not what the English Parliament did to Strafford, a colonial viceroy who was trying to consolidate Chichester's work.

Apart from that, this comparison represents the 1641 rebels as creators of pure mayhem (because that's one's impression of the rebellion in Iraq). In fact, they showed constructive political energy and skill. The Confederation of Kilkenny grew directly from the rebellion, and it wasn't a trivial achievement.

The Editor seems to be of the opinion that, if only the governing of Ireland had been skilfully managed after the period of 'ethnic cleansing', one of those civilisations would have faded quietly away. I disagree. 1641, or something like 1641, was inevitable. It was inevitable because the old civilisation, although it was seriously wounded, and although its poets in disturbing 'laments' sometimes said it was dead, had not really felt it was dead and did not feel it was dying. It was due one more great heave, it owed that much to itself.

Of course, the heave wasn't successful. Objectively, materially, it ended in disaster. But subjectively the honour of the old civilisation had been saved. In fact, for a century and a half afterwards the aim of restoring the old civilisation, in conjunction with restoring the Stuarts, was affirmed throughout what remained of

Gaelic culture, without any serious challenge posed to it (see e.g. Eoghan Ruadh O Súilleabháin).

After that the old civilisation had to go underground, but down to the present day one can trace the shaping effect of 1641. It's the key event in modern Irish history. It's really very hard to imagine what Ireland would be like if it hadn't happened. And it didn't happen without good reason.

John Minahane

EDITORIAL COMMENT

The editorial comment on the 1641 slaughter said that it was precipitated by the disruption by the English Parliament of the system of Government in Ireland. It did not suggest that the system of Government in Ireland was even roughly representative of the social bodies in Ireland, or that it functioned autonomously. It was run by the King's chief Minister, who aspired to give the King a secure base in his Irish Kingdom when the English Parliament was intent on undermining government.

The Irish Parliament was an instrument of the Government. The authority of the Government was to that extent arbitrary. An issue in the governing of England between the Crown and Parliament was the necessity in a large complex society of an Executive authority in the state that was capable of acting arbitrarily on occasion. The most effective support of the Crown did not come from believers in the divine right of Kings, but from politicians who came from the Parliamentary side but did not think that government could be conducted by Parliament or by Parliamentary Committees, and thought that the capacity for arbitrary action was best preserved in a network of tradition in which it was obfuscated or mystified, rather than founded on a rationalist ideology of Political Science. They thought it was best to have Executive authority vested in a King, whose only qualification for the position was that he was his father's son, rather than have a Strong Man emerge from the ruck in every round of the game.

Parliament was an instrument of Crown Government in England as well as in Ireland until it went into dissension the late 1620s and into rebellion in 1640-41. The rebellion was successful for a generation, but government by Parliament never happened. The flimsy semblance of Parliamentary government was prolonged by a Strong Man who mastered Parliament, but was unable to manage it purposefully.

The English Parliament made itself unusable as an instrument of government

and was not called during the 1630s. During that decade an Irish Parliament was a usable instrument of government.

The Government of Ireland was conducted independently of the English Parliament by Strafford as Minister of the King who was sovereign in both countries. It was governed in the interest of the King as sovereign without reference to the interests which would have been represented in an English Parliament if one had been called.

When an English Parliament was called in 1640 to provide finance for a war against the Scots, it went into rebellion and it punished Strafford for conducting independent government in Ireland on behalf of the King by accusing him of treason, prosecuting him in a Show Trial, and finally killing him by Bill of Attainder when he defended himself too well in the Trial.

During the lengthy proceedings against Strafford in England, the English Parliament succeeded in breaking up the Parliamentary combination through which he had governed Ireland. It secured Irish Parliamentary support for the charges against him, one of which was that he had treated Ireland as a conquered country. Some years later, when the English Parliament had put down the King, the first thing it did was to engage in a thorough conquest of Ireland.

Along with being accused of governing Ireland as a conquered country, Strafford was also accused of not acting with determination to suppress the religion of the majority of the people in Ireland. That was something that the English Parliament clearly intended to do.

The trial of Strafford on trumped-up charges, the killing of him by Parliamentary Bill, and the breaking up of the Irish Parliament by English Parliamentary demagoguery, unloosed the forces in Ireland that Strafford had been binding together.

That English policy in Ireland was genocidal in tendency is something that should be taken for granted. But there are different modes of genocide and great importance is attached to the differences between them in our time.

The differences lie partly in the way the thing is done, but mainly in who is doing it to whom, and in whose interest it is being done.

The United States, which committed its genocides openly, with military action,

economic coercion, and small pox blankets, and supporting moral publicity, at least had the decency not to sign the United Nations Genocide Convention after 1945. And, since the USA is the strongest moral force in the world today, there must be a case that the extermination of peoples that is not done in gas ovens is not too bad, and that if it is done to people who can be considered backward, it is positively virtuous. (A few years ago we were surprised, even shocked, to find democratic socialists in Dublin who were strongly of the opinion that the extermination of the native American peoples was not genocide at all, but was just something that happened in the course of nature—even though the people doing it were Reformed Christians of the advanced European variety.)

As far as we know, Strafford did not dissent from the English genocidal policy in Ireland, but his application of it was mild by comparison with what Chichester and Mountjoy and Francis Drake did, and with what was being set in motion by England in America. He had the normal English understanding that Ireland had to be made like England, but he did not see this being done by systematic killing of the Irish, or by forced conversions. His method was piecemeal colonisation as the possibility arose. But his pressing object as the King's Minister in Ireland was to raise revenue for the King in Ireland and to construct an Army for him here. And, to do this, he enforced the law against powerful interests in Ireland and insisted that contracts be adhered to by great as well as small, and he sponsored economic construction.

What the King needed in Ireland was not racketeering colonists, but people who abided by their contracts and paid their dues. In governing thus, without fear or favour, he affronted many powerful groups in Ireland who had thought that the function of English law in Ireland was to assist them by applying it against others, and not to subordinate themselves to it.

In what other period during the long English domination was Ireland ever governed except in subordination to English interests? In what other period was the British Crown anything but the English Crown with knobs on?

For once 'British' meant something more than English, and it was Strafford's treason make it so.

And if it was Strafford's understanding that Ireland could only be consolidated as

British by becoming more English, and that piecemeal Plantation was a way of doing this, what he actually did during his time in Ireland was to provide systematic government to what had been accomplished by others before his time.

Comparisons between situations are never comprehensive. The comparison made with the invasion of Iraq was that a system of government, that was functioning was disrupted by a force external to it, and the social elements of that system were precipitated into antagonism by the disrupters. Neither was an autonomous representative system. Each was a system made functional by authority. When that system of authority was broken there was mayhem.

The editorial did not suggest that the Ulster dispossessed created mayhem, or that they were rebels. The description of them as rebels presupposes a State. Any State—every State—is a curb on mayhem (unless one takes an anarchist view of these things). The creator of mayhem is the party that destroys the State. In the case of Iraq that party was the US & UK, with Ireland playing a part (beginning with its Presidency at the UN Security Council) that was not negligible. In the case of Ireland in 1640-1 it was the English Parliament.

The rebellion was not in Ireland but in England. (And in Iraq there was no semblance of rebellion, only the destruction of the State by invasion, with the consequent plunging of the social elements—being constrained and shaped by the State—into a state of nature.)

If it is insisted that Ireland was in rebellion in the 1640s, rather than that it was deprived of its Government, one has to specify the State it was in rebellion against, and that is problematical. The State which reconstructed Ireland after O'Neill's rebellion was itself undermined by the Puritan Parliamentary rebellion in England. There was no undisputed authority which the Irish 'rebels' might have been loyal to. And it seems to us that the word *rebellion* is much too freely used with relation to Irish affairs.

The period 1640 to 1660 (or even to 1688, or 1714) is a politically awkward period for the politics of English history (a thing which England takes much more seriously than Ireland). Shortly after the Parliamentary murder of Strafford, another Parliamentary leader went into the service of the King, survived with his son in exile,

and returned in 1660 as his Minister—Edward Hyde, aka Clarendon. Clarendon wrote a magnificent history of the period and called it *The Great Rebellion*. It is a perfectly accurate title. Parliament discovered for itself in the course of twenty years that it was only in rebellion. It found that it was unable to construct a State and govern it, and in exhaustion it returned to its allegiance to the Crown. But recognition of that indisputable fact is not acceptable to English *amour propre*. And so Ireland has been made the rebel scapegoat.

The most recent English book on our subject is *England And The 1641 Irish Rebellion* by Joseph Cope (2009). There is no Irish book with the title, *Ireland And The 1641 English Rebellion*. England remains securely cocooned in its mesmeric myth, which is impervious to factual deconstruction, and Ireland has been increasingly mesmerised by it ever since Taoiseach Lynch made obeisance in the early Summer of 1970. Today it is simply the case that Irish academics just cannot see England in its actual historical existence.

Following the destruction of the State—the regime—a replacement State was almost constructed in Ireland by the Catholic Confederation. It was an impressive achievement in the circumstances, but it was a case of "*almost*", and "*nearly never bulled a cow*", and a miss is as good as a mile, and Ireland was open to Cromwell when the English rebellion had polished off the King in 1649 and aspired to establish a British State on the principles of a new theocratic vision of the Divine Right of the Saints.

We have no idea whether the old Irish civilisation would have faded quietly if Strafford's view of things had prevailed. We took up the issue of 1641 only because the Ascendancy remnant in Ireland made a current issue of it. We see no point in saying there would have been a slaughter of some planters anyway, regardless of the turn of political events. Such a statement is outside the realm of possible knowledge. In our response to the Ascendancy raking up of certain 1641 events for a current political purpose, while turning a well-trained blind eye to others, we confined ourselves to describing the actual context of state in which these Ulster events happened—i.e. the destruction of the functional British state in Ireland by an English rebellion.

If Taoiseach Lynch bowed the head on

behalf of the state in 1970, mental obeisance had been made long before that in the main Irish University, where a Professor from MI5 had been presiding since the late 1940s—T. Desmond Williams. Hugh Kearney, a History lecturer at UCD, published his *Strafford In Ireland: A Study In Absolutism* in 1959:

"With policies destined to arouse grave discontent, it was calamitous that a man of exceptional administrative ability should have been chosen to carry them out. Strafford's very talents proved to be the source of disaster in themselves and he succeeded in a way that was beyond his immediate predecessors in increasing the tensions of political society already strained beyond the normal even for the early 17th century. Yet it would be unjust to lay wholly at Strafford's door the blame for the decade of disaster which followed his fall from power. It may be maintained that his deputyship postponed what was almost inevitable, since the indiscriminate pressure which he exercised on so many groups had the effect of uniting them against him, however temporarily, the diverse elements of Irish political life. The rising of the dispossessed was bound to have taken place sooner or later. What is surprising is that it did not occur in 1625 during the Anglo-Spanish war, when the opportunity to reverse the plantation presented itself. Had it occurred in 1625 it is probable that the Catholics and old English would have refused to join the Ulster Irish... Fifteen years later, however, the old English and experienced the results of complete exclusion from power...

"By the middle of 1641 it was clear that Strafford's deputyship had been a failure. His policies, religious and otherwise, had been reversed in every important feature. Connacht was never to be planted with English settlers...; instead, by a strange irony it became the refuge of those old English proprietors who were driven out of Leinster and Munster by Cromwell. In religious matters, Strafford's policy had an adverse effect upon the interests of the church he had favoured and his vision of absolute monarchy, operating as the only completely free agent in a world of vested interests, did not survive his death. Eventually, the English government was forced to compromise with Mammon and govern throughout the 18th century by means of the kind of established interest which Strafford had attacked.

"The reasons for so overwhelming a failure are obvious enough. Strafford was attempting to impose unity where none existed...

"Strafford's policy was successful for a time but its eventual failure could be anticipated. The decisive factor was religion. Political absolutism was one thing, religious absolutism another. Had Laudianism not been in power in England, Strafford might well have been able to

rely upon the support of the Ulster Scots and the new English puritans...

"So the unity which Wentworth [Strafford] attempted to impose upon Ireland proved to be extremely short-lived and less than six months after his death had completely dissolved" (p219-220).

But Strafford did not just die. After a rigged Show Trial which failed, he was sentenced to death by a simple Act of Parliament against which no defence could be made, and the killing was done before immense crowds for which stands were erected around the killing ground. And the killing was celebrated by festivities around the rebellious parts of England. The execution of Strafford was the English equivalent of the French storming of the Bastille, or the Bolshevik storming of the Winter Palace. It was the event which undermined the old State—but since it was not followed by the construction of an effective new State, as happened in France and Russia, it was a mere rebellion.

Strafford's policies did not fail in Ireland. England revoked them.

The "*unity*" which Strafford sought to impose on Ireland was the application of something like law to the various interests in Ireland "*indiscriminately*", including his own Church.

That "*mistake*" was certainly not repeated by the regime of the Glorious Revolution of 1688, which was a regime of Anglican Ascendancy, with ample space allowed for fundamentalist Protestantism, and a pan-Protestant alliance for the suppression of Catholicism and a general confiscation of Catholic Property. Kearney is right about that.

His sub-title is a clear instance of mesmerism. "*Absolutism*" is a term from English historical ideology. It is a word that Whig history likes to apply to the Stuarts. English rule in Ireland was always *absolutist* from the viewpoint of the bulk of the population, but less so under Strafford than was generally the case because he did not govern in the service of an Ascendancy caste.

History-writing in Ireland must now be very nearly as bad as it can conceivably get. Might it be that the ignorant raking up by the Ascendancy remnant of one of the 1641 events at a moment when the English Government is offering to profiteer from the Irish financial crisis, which English finance actively helped to bring about, could break the mesmeric spell? ○

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IRELAND IN THESE RARE OLD TIMES

In the fevered and rather febrile atmosphere that is surrounding Ireland in the last two weeks, there has been a rush to judgement of the actions of the Irish Government that is indicative of the worst excesses of agit-prop. Those rather old predictable stewards of the latter school have been to the fore in demanding definitive answers in a fast-changing financial and political world. Two of those most to the fore have been Vincent Browne and Fintan O'Toole. I have to concede that I watch very little TV, except perhaps the RTE TV News at 6 o'clock. So I have been taken aback when watching programmes presented by Pat Kenny in RTE (the national broadcaster!) and in TV3 by Browne where there is bear-pit mentality towards the political interviewees. Once when I went out to the hospital for an early morning medical procedure I was waiting in the waiting room and there was this show on British TV. To my amazement the presenter actively encouraged such outrages by his TV audience that it descended into fisticuffs when finally big burly men had to pull ladies apart over some indiscretions that obviously had been aired before I started attending on the proceedings. I was so shocked that when I went in for my appointment I was shaking and told the surgeon of what I saw. He looked at me and said to the effect that this was quite typical fare for such shows. I was disbelieving of him but after seeing what now passes for serious political programmes on Irish TV, I now know that the indices for our culture are very low indeed. Everything is set up so adversarially that I will not look at these shows ever again. And from speaking to people there is a growing trend to just turn-off the TV, break open a bottle of wine and put on some easy listening music. Even in pubs, I am reliably informed this is the trend unless it is sport.

First up though I have to say that Pat Kenny was a disgrace in his own RTE TV programme. There was a panel, one of whom was Tony Killeen, the Fianna Fail Minister for Defence, who was literally roared at by the likes of Fintan O'Toole. The latter is Deputy Editor of *The Irish Times* and has done well out of the Celtic Tiger with his paper being to the fore in pushing the kind of life-styles that promoted conspicuous consumption. He himself has a rather big second home quadrupled in size as the *Irish Political Review* in a previous article by this column detailed. In this programme, which had started when I switched on, Killeen was at the mercy of not only the panel but of Kenny himself—whose own big house and salary were made known to an almost disbelieving Irish people

when he quarrelled with an elderly neighbour over a piece of land which Kenny claimed by squatter's title. Luckily for his neighbour, the courts decided against Kenny's land-grab tactics and made him settle to the elderly man's benefit. But now, by setting up Killeen and giving the audience (well picked no doubt) braying rights, the idea of political debate went to the wall. But, fairs play to Killeen, he was well able for them all and said O'Toole was just a ranter throwing out insults.

Kenny kept referring—to my amazement—to the (self-serving) comments by the UK Chancellor of the Exchequer, and Tory MP, George Osborne about being in "*secret talks with Ireland*". Well obviously they were anything but "*secret*"! But it seemed for Kenny that the authority for his source being the UK Chancellor himself—well that was more or less it—wasn't it? My advice to Kenny is try for a job in the UK if you are as disgusted as you pretended to be by the Irish Fianna Fail Government's policies.

One other thing about that unforgettable programme was that the only audience member to say something of worth was a young man from Germany. The poor *creator* was appalled at what he called "*the blame game*" and interceded with everyone to concentrate "*on finding solutions for the problems at hand and forget who was to blame for what*". In fairness—this did cause everyone to momentarily pause—and then it was back to what we Irish do best now—cast stones at easy prey and forget our own culpability.

MORE MEDIA FIGURES

Vincent Browne is such a trouble-maker and *scuit* in my opinion that I suppose I should not have been shocked at his black-guarding and grandstanding in this—one of the most critical times for Ireland. But then one always learns these things the hard way. On his TV3 programme, he had on a man who stated under his name that he was a banking analyst which made me immediately suspicious as I have never even heard of him before. There were also a couple of *Irish Independent* journalists—I think—and the former Taoiseach, and former Fine Gael leader, Garret Fitz Gerald. The latter was impressive and had to correct Browne several times. Fitzgerald also asked for debate and that the subject be treated with serious merit but Browne was not for turning when he was having such sport.

At one point the latter did concede that the former Taoiseach had spent some forty years correcting Browne and Garret muttered quite audibly that he didn't have much luck with it obviously. Browne laughed which I think says it all. Browne made much of the poor sections of society paying for the sins of the wealthy but this was pretty rich coming from someone who was advertising their mansion for sale in *The Irish Times* for over a cool million euro in one of the most exclusive areas of Dublin even in these

straitened times. What the media succeeded in doing—to my astonishment—was making me feel anger for the way members of the Government—in particular Fianna Fail were treated when they were coping with an almost fantastical financial and political *tsunami* of actually world-wide proportions. And doing so pretty well by any standards.

My contention is that Ireland and her Government were succeeding in recapitalising the banks, stabilising the situation regarding their borrowing when the mysterious "*Bondholders*" blew us out of the water—quite literally. I further contend that this is part of a sustained attack on the Euro itself by individuals/institutions unknown and that is why the situation is already moving on to other countries—those the British charmingly refer to in their own particularly unique way—PIGS, an acronym for Portugal, Ireland, Greece and Spain. And why stop there? Why not France and Germany—the big duo themselves? The British media have been full of dire threats towards the Euro from day one and they should have been kicked out when they would not enter the euro-zone. They and their friends have everything to fear from a successful currency that is not theirs to control and it is pretty predictable that they will do everything to bring it down.

The Bank of International Settlements (BIS) in their seventeen-storey tower building in Basel (called the Tower of Basel to those in the know) and the IMF have finally got the upper hand in this country but we can still get out. It was the pressure—unrelenting—from the secretive "*Bondholders*" that finally tipped us into the death embrace of the IMF who are even now targeting our resources. Who would have believed that *water* here in this most fertile of countries is now being promoted and taxed as *a commodity*? It beggars belief and leaves me wondering what my mentor—my beloved grand-uncle would make of it all and the party to which we both gave so much being the originator of such a policy?

The Minister for Finance, Brian Lenihan TD, only got one thing very publicly wrong. He said that "*we all had partied during the Celtic Tiger era*" and now we all had to take on the burden. He is wrong here. Not all the people partied, but we certainly witnessed them doing so. And we were amazed at their profligacy which was not just at their big houses or helicopters but their Planning and Developing frenzy. That they were ably helped at this by certain politicians and civil servants is well known. Ireland is still a small enough country that we know who these people are. They have been given the gift of NAMA but surely even Brian Lenihan knows he cannot expect us to bail them out. That request is obscene and should be rescinded if Fianna Fail as a political party wants to stay in the game for the next coming years at a most perilous time for our very State itself.

Julianne Herlihy ©

The Ghost of Admiral Hall knocks on the Door

A reply to a letter from Jeff Dudgeon, *Irish Political Review*, October 2010

Admiral Sir William Reginald 'Blinker' Hall was one of the most formidable men involved in the evolution of the Intelligence arm in the course of the 20th century. He became Director of Naval Intelligence in November 1914 as plain Captain Hall. Some years later he was promoted to Admiral and in 1918 he was knighted. His nick-name 'blinker' was because his eyes suffered from an uncontrollable blink. Hall centralised the Royal Navy cryptographic section in the famed "Room 40". As well as his appreciation of the value of breaking in to the supposedly secret communications systems of the enemy he had special skills in the field of counter-Intelligence.

He had a special ingenuity in feeding the enemy false information. On one occasion, in order to mislead the Germans as to the strategic intentions of the British, a fake version of the *Daily Mail* was printed with a headline about troop concentrations in the south of England. Hall played on the normal reaction humans have to information they distrust. They look for corroborating facts. Hall, as a master of feeding false information, contrived and deftly presented the corroborating material. He was a senior figure in the handling the Casement case. Anyone examining issues related to Casement during WWI would need to be aware of Hall's *modus operandi*.

MILLAR GORDON

As stated in Jeff Dudgeon's letter, Millar Gordon or more formally, Joseph Millar Gordon, Myrtlefield Park, Belfast, did indeed sign the Ulster Covenant. So also did his widowed mother Ellen who lived in the house with him. They also appear in the Census of Ireland for 1911 as living in the house called Carnstroan, along with a servant, Sarah Walker. The Mother and son are registered as Presbyterians while the servant is Church of Ireland. Following Ulster Presbyterian custom the son uses the maiden name of the mother as a forename. In the census return he is 20 and his mother is 56. Millar was the only child of a bank manager. He was born in Larne.

Casement knew an uncle, John Gordon, who was about Casement's age and also a Bridge enthusiast. It is possible they knew each other from being in school together in Ballymena. Casement wrote to him from the Amazon on one occasion to describe a particularly spectacular hand

of Bridge. John Gordon had inherited the family jewellers' shop in Ballymoney. This friendship could have facilitated Casement being invited to stay in the Gordon home in Myrtlefield Park, Belfast. There are two surviving letters from Casement to his cousin Gertrude Bannister addressed from the Gordon house in Belfast. There is also a letter surviving from Joseph Millar Gordon to Casement in the archives as well as two postcards. These are written in the formal and polite manner men used when communicating in writing with each other in those times. There is no sense of a love affair being under way.

J. Millar Gordon progressed from being a bank employee to working in stock broking in Dublin. He moved to Dublin around 1920. In 1925 he married Mary Helen Martin in Rathgar Presbyterian Church. There were two sons from the marriage; James and David. Eventually he ran his stock broking business from an office in Anglesea Street. Millar retired to Greystones. In 1956 he died and was buried in Redford cemetery, Greystones. His mother Ellen was buried there in 1933 and his wife Mary found her last resting place there in 1967. Much of the above comes from Jeff Dudgeon's Casement biography. The rest was gleaned from online sources.

The controversial diaries paint a different picture of the relationship between Casement and Joseph (Millar) Gordon. There is a passionate sexual affair, especially from Casement's side. They meet from time to time as circumstances permit. The affair began in 1907 when Millar was 17 or perhaps 16. In June 1911 Casement purchased a motor cycle for Millar or at least financed such a purchase. The Cash Book diary for June 2, 1911 records £25 for "motor bike for Millar". This was a considerable sum in those days. The cost of delivery was also recorded; 18 shillings and three old pence for "Carriage of Motor Bike to dear Millar".

Archived correspondence has War Office Intelligence trace the motor bike mentioned in the diary via vehicle registration records. These show the vehicle had been registered in 1910 and then again in 1911 to one Joseph Millar Gordon of Myrtlefield Park, Belfast. So a banal public record has demonstrated the authenticity of the infamous diaries? Well, not quite.

One can imagine, in 1916, some party had been shown some of the diaries and they refused to believe them authentic.

They could have been shown the entry regarding the purchase of the motorbike and then the corresponding motor registration data. One piece of evidence backs up the other. The corroborating evidence the doubting mind required was produced. This was how Admiral Hall, the ingenious contriver of false information, what is nowadays termed disinformation, operated.

If a forgery is built around pre-existing circumstances and facts, then these can be used as false corroborative data. Take the example of the purchase of the motor bike. One explanation is that Millar Gordon really purchased a motor cycle in 1911 out of his own resources. He was the only child of a bank manager and held a position in a bank himself. It is plausible he could have afforded to buy a motorbike. An Intelligence team could have researched various individuals known to Casement in order to uncover various forms of extravagance such as foreign holidays or the purchase of vehicles or animals. These outlays could then be worked into the contrived narrative as purchases financed by Casement. An alternative explanation is that, public motor registration records were straightforwardly forged themselves. Either way, the result is the same; a false impression was created and then reinforced.

So, there are a number of possible ways to explain and interpret the Millar Gordon story as it appears in the diaries.

What is most strange about the discovery of evidence in the diaries and elsewhere apparently linking Casement and Gordon in a homosexual affair is that so little was done about it. If the evidence was authentic then here was an opportunity to put Casement on trial not only for Treason but also for breaching codes of sexual morality. Millar could have been pushed into turning King's evidence with the diary material used as leverage. Now there would be the evidence from the diaries backed up by the sworn testimony of Millar. Casement and his fellow Irish Republicans would have been disgraced. The British position in regard to American public opinion would have been enhanced. For the German's it would have been another propaganda nightmare. Yet, there is no record of Millar being as much as interviewed by the authorities.

Dudgeon, in his book, attempted to explain away this inaction in terms of British gentleness and a certain incompetence. Not everyone was convinced.

It is quite possible Joseph Millar Gordon went to the end of his days without a notion he was mentioned in the diaries as the lover of Casement and had he learned this would have found it both preposterous

and laughable. He died in 1956 and the diaries were put on very restricted release in 1959. His alleged identity as Casement's favourite lover did not emerge until the 1990s, with the gradual release of MI5 files.

EDWARD CARPENTER AND CASEMENT

Edward Carpenter was an English progressive political theorist, socialist, idealist and poet. He was active in the late 19th and early 20th centuries. Unusually for the time he was openly gay. "*Homogenic*" was the word he coined and used in the place of the modern term, "homosexual".

In his letter Jeff Dudgeon claimed Carpenter "*discussed Casement's homosexuality in 1915, before his diaries were discovered*". This creates an impression that Carpenter took it for granted that

Casement was, like himself, homosexual. This is misleading. What the evidence points to is that Carpenter discussed with Sydney Parry the possibility that Casement might be homosexual. Parry would, the following year, marry Casement's cousin Gertrude Bannister. According to what appeared in Carpenter's diary the discussion was inconclusive. I have received the text of what Carpenter wrote from a source Jeff will hold in the highest regard. The entry is simply this: "*Talk about Casement (? homogenic)*". The question mark says it all.

Could the question have been prompted by rumours set in circulation by 'Blinker' Hall's surreptitious activities?

At this distance in time it is not possible to tell.

Tim O'Sullivan

Jack Jones Vindicated

The M15 request to wire-tap Jack Jones, on the grounds that he was in contact with the British Communist Party's Industrial Organiser Bert Ramelson, was rejected by the Wilson/Callaghan Labour Government in November 1969 but authorised by the Heath/Maudling Tory Government in October 1970. It was, however, withdrawn in 1971. (Professor Christopher Andrew, *The Defence Of The Realm: The Authorised History of M15*, pp535- 6 and pp588-9.)

Cambridge Professor Andrew—not only MI5's authorised "historian" but a sworn member of that British Intelligence agency for such a strategic project—launched his smear narrative, alleging that Jack Jones had been a "*paid agent*" of the Soviet KGB, on the very day that Jack's Union was celebrating the life of its fourth General Secretary on 5th October 2009. That smear also coasts along on the assumption that a relationship between Jones and Ramelson was itself a sufficient reason for treating Jones as a Soviet stooge. And yet Andrew, the History Professor, is either unfathomably incompetent or unforgivably disingenuous as a historian (it is not for me to come to a definitive conclusion as to whether he is a fool or a knave) in failing to seriously examine what exactly were the relations between Jones and Ramelson, and what exactly was their context.

So, what was the precise product of wire-tapping Ramelson's telephone conversations that leads M15 and its mouthpiece Andrew to portray Jones in such sinister terms? It is the M15 chief's report that Ramelson "*claimed in August*

1969 that Jones had said that although there would be tactical differences between himself and the Party, they were going in the same direction and wanted the same things" and that Jack was "*sound politically*" with "*courage and guts*" (pp535-6 and 667).

And yet even that M15 chief had to admit in 1971 that "*in present circumstances the realities of Jones' position as General Secretary of the largest trade union in the country press more heavily on him than any influence the CPGB could bring to bear upon him*" (p589). None of the context for a close working relationship between Jones and Ramelson between 1969 and 1971 is presented by Andrew. And yet it is such a context that establishes this two year period as the exception that proved the rule. Jones always valued the hard work, discipline and commitment of CP shop stewards, and if there was a common viewpoint about a particular phase of the Trade Union movement's struggle, it was in the TGWU's interest to maximise the combined effectiveness of all the forces that required to be marshalled.

In Part Three of this series of articles, in the October issue, I established that Jack Jones had been a dual member of both the British Labour Party and the CPGB from 1930, but concluded that, when he transferred from Liverpool to Coventry in 1939, he had ceased to be a member of the CP and was in disagreement with the line it held on World War Two before Hitler's invasion of the USSR in June 1941 Jones supported the pro-War stance of the

TGWU's founding General Secretary, Ernie Bevin, particularly after the latter joined the Government as Minister for Labour in May 1940. In politics Jack Jones could most accurately be described as a left-wing Bevinite. The fullness of that description, of course, presumes ongoing tensions. In his 1986 autobiography, *Union Man*, Jack recalled the beginnings of such a "*dialectical*" relationship:

"I had been already elected as a shop steward, and to the branch and area committees of the TGWU, as well as on the National Docks Group Committee of the union. This meant that I came into contact with Ernie Bevin General Secretary of the union, who took a keen interest in the Docks Group and was present at all the national meetings. He had been the driving force in building the union and he let everybody know it. On occasions we had to listen to Ernie orating about the financial problems of the world... He may not have been the clearest exponent of complicated issues but he achieved remarkable results by his driving power... Earlier I had been active in a campaign to make good the wage reductions in the docks industry that had been applied in 1931. At a meeting attended by Bevin I had the audacity of youth and asked why he had ever agreed to a pay reduction. His argument was that other industries had fared worse and he had done a good job by escaping with a smaller reduction. I urged early restoration of the cuts, which he resented" (p55, 2nd edition).

And yet, five years later, Jack Jones was prepared to revisit that conflict, with a somewhat different narrative, suggesting that the reader should not take for granted that he himself was still of the view that his 18 year-old's "*audacity of youth*" had necessarily been vindicated against Bevin's own strategy at the time. In a lecture which he delivered on 30th September 1991 to the Ernest Bevin Society—associates of the *Irish Political Review* in Britain—Jack now related:

"Employers, of course, followed the pattern set out by the government, and sought to reduce wages. They succeeded in many cases. There were in fact ten per cent wage cuts in a whole range of industries. In the Docks Bevin negotiated a seven per cent reduction on basic pay, and five per cent on piece work. It took quite a few years to start to go back on that and get a restoration of the 1931 cuts. Indeed, the Trade Union movement conducted campaigns to restore these cuts. I remember having a big argument with Bevin; I was a very young man then, and I had come on to the docks from engineering, and was questioning him about how the Trade Union leadership could negotiate reductions in pay, which I did not think was a good idea. He replied that he had done better than other

Part Four

industries, and indeed he was able to persuade my fellow-workers that he had done a satisfactory job in that sense. He managed to hold the situation, and eventually we got a restoration. That was Bevin. He wanted to maintain organisation, despite adversity, rather than disorganisation and anarchy. He succeeded in doing so in a very difficult industry, the docks industry."

Jack always remained loyal to Bevin's achievements. While he admired the achievements of the latter's near-namesake Nye Bevan as architect of the National Health Service established by Britain's Post-war Labour Government led by Clem Attlee, in no way could Jack ever be described as a Bevanite, for he had little time for Labour Left iconography that simplistically designated Bevin as "*Right/bad*" and Bevan as "*Left/good*". Of Bevan he wrote:

"(From 1956) the outlook of the Labour Party establishment towards Nye began to change and it was not long before he was chosen as shadow Foreign Secretary. In retrospect it is difficult to understand why Bevan moved away from unilateral nuclear disarmament when Trade Union support for it was growing. Probably he thought the only opportunity he would have to secure the leadership of the Party was to win the centre and this was one way of doing it. Unfortunately when his prospects were at their highest he fell ill and later died. It could be that his critics from the left, whom he himself had nurtured, accelerated the disease that killed him. I did not worship at his feet, so I write without adulation, but I think his leadership would have united the Party in a way Hugh Gaitskell never could have done. Nye Bevan's problem in the past had been his lack of Trade Union support, although his public meetings were always packed and enthusiastic. Nye didn't always help himself. He was a distant man who developed an element of grandeur in his style. I stopped him once in Parliament to introduce him to a Yugoslav Trade Unionist, whom I had taken up to see Parliament from Coventry where he had been on a delegation. Nye could scarcely conceal his impatience. Perhaps it was because I was a TGWU man—it was a Deakin's time. This was not the only occasion I felt he was losing the common touch, but I consoled myself with the thought: *Politicians are like that!*" (p151).

The Labour Party under Harold Wilson won the British General Elections of 1964 and 1966. The TGWU's Jack Jones served on the Labour Party's NEC from 1964 to 1967. This is the period when it appears that Soviet officials might well have sought to nurture their own sense of importance in Moscow by reporting normal conversations with Jack as "*intelligence reports*".

Legitimacy?

The following letter was submitted to the *Irish Times* on 16th November but was not published

In your Saturday edition of the *Irish Times* (13-11-10) you noted that the Irish State will mark the 88th anniversary of its foundation on December 6th. This would correspond to the consequence of the Anglo-Irish treaty, when in December 1922 the Free State formally came into being. However a more natural date is the 19th of January 1919 (next January being the 92nd anniversary) when the democratically elected Dail sat for the first time and declared independence from Britain. In fact the current Dail is the officially considered to be the 30th, in direct line back to that first one. The United States dates its foundation from July 4th 1776 when the Declaration of Independence (again, from Britain) was signed. The Americans did not need the British to formally recognize their independence in order to date the foundation of their State, nor do we here in Ireland.

Nick Folley

It was, however, clear that Jack's own interests in the NEC—from which he was very happy to retire in 1967 (although elected to serve until 1968)—had nothing to do with wanting access to any Government "*secrets*", but everything to with advancing the economic interests of his Union's members. He secured the Labour Party NEC nomination to serve on the Economic Committee of the TUC. But by 1965 he was already at odds with both Labour's Deputy Prime Minister George Brown and the TUC General Secretary George Woodcock:

"For some reason George Woodcock joined forces with George Brown, First Secretary of the new Department of Economic Affairs, in promoting a joint Statement of Intent on 'productivity, prices and incomes', shortly after the formation of the new Labour Government. The TUC signed the statement, together with the CBI and the Government. It was hurriedly constructed and highly generalised and I saw it as a gimmick designed to conceal the introduction of a statutory incomes policy. It was launched in theatrical fashion at a ceremony in Lancaster House with George Brown performing an evangelical role, over-selling the benefits of an incomes policy. What a smooth-tongued operator he was ... Perhaps the hurry in issuing the Joint Statement was due to the pressure on the pound, but the iron fist soon replaced the velvet glove with the setting-up of a Prices and Incomes Board. George Woodcock and George Brown had been at great pains to stress the voluntary nature of the policy, but the wage restraint aspect could not be disguised and the TGWU voted against it at the Special Conference of the TUC. George Brown seemed to be obsessed with incomes policy. Running into him in the House of Commons I told him: *The trouble with you, George, is that you're miles away from the shop floor. The norms you are talking about will mean a bad deal for the low-paid workers*

and you know it. You are doing the employers' job for them.' He did not like sharp criticism of this kind and his response was to bluster and bully. I strongly resented the fact that economic controls and planning were missing in the Government's policies. Brown, who had manipulated himself into the role of guru of the Government's economic affairs, was, I thought, making a half-baked approach to the crisis. I could not stomach the idea of pushing wages down while Brown and others were attempting to justify big increases in the salaries of MPs... His response was that I was a carping critic." (pp167-8).

But Jack also saw the need to have an alternative strategy:

"I had thought for some time that opposition to wage restraint on the part of the union was in itself not enough. We needed to develop a policy which would unite the union, develop constructive discussion and help to raise the standard of living of the low-paid workers. We should come forward with a positive, alternative policy. In opposing the Government's prices and incomes policy the TGWU had been in a minority at both the 1966 Trades Union Congress and the Labour Party Conference ... I prepared a paper setting out a detailed case for £15 as a minimum wage and proposing that an attempt should be made to set up negotiations between the TUC and the newly constituted Confederation of British Industry (CBI). This, I argued, would put the spotlight on low wages. Other issues could be the forty-hour week, leading to a thirty-five hour week, and a minimum of three weeks' holiday with pay. Of course I know that these targets looked unrealistic at first sight but my idea was to arouse the movement to a united campaign... True, our ideas were accepted in a routine kind of way by the TUC General Council, and adopted at the following Congress, and were seen as good points for discussion, but there was no effort by the TUC to win public support. The Communist Party and the

Left in general were not happy about the policy, but the real reason for lack of action was the overwhelming inertia of most union leaders. They tended to oppose change and in any case were afraid to upsetting the Government."

"One aspect of our policy was the emphasis on productivity agreements. I addressed dozens of conferences and wrote articles on the theme for a variety of publications on the *News of the World to Tribune*. In my article in the *News of the World* I said: *Too many disputes in industry... seem to arise from inadequate communication, lack of understanding of agreements and lack of consultation. To deal with this situation, trade union officials and shop stewards should surely have the right to hold meetings of their members on works premises, and when necessary during working hour. Given this approach, productivity agreements represent not only the chance to secure bigger pay packets and shorter hours combined with employment security but also the opportunity for workers to have a larger 'say' in industrial decisions which affect their working lives'...*" (182-3).

Since Bert Ramelson was by this stage the CPGB's Industrial Organiser, Jack's reference to that Party being "*unhappy*" about his strategy is an allusion to Ramelson and himself being very much at odds with each other during that period. Ramelson was also "*unhappy*" with Jack's industrial democracy strategy and, no less than Labour's Minister for Transport Barbara Castle, he regarded Jack as a "*syndicalist*" deviationist. Jack described his interaction with Castle as follows:

"After spending some time discussing transport integration and the plans for regional transport authorities, we turned to my views on industrial democracy and how they might fit into the machinery Barbara and her friends had in mind. The discussion was inconclusive, for Barbara thought my ideas '*way out*', '*syndicalist*', even '*anarchist*'. I found her reaction incomprehensible, for I was simply urging that when she came to set up regional transport authorities, working people in the employment of the authority, such as busmen, should be appointed to serve on the board. She conceded that it would be useful to have people on the authorities with practical experience, but did not agree that they should represent the workers. Neither did she agree that employees should serve on the authority in which they worked. Her ideas prevailed in subsequent legislation. In my many dealings with Barbara Castle I found her anxious to do things for the workers but not with them. Her outlook was not all that unusual in politicians of the Left" (p193).

Harold Wilson's promotion of Barbara Castle to the position of Secretary State

for Employment and her White Paper on Trade Union legislation coincided with Jack Jones's election as General Secretary of the TGWU. He recalled:

"The White Paper *In Place of Strife* caused much division and bitterness. It shook the Labour movement. Yet through it all, there was no desertion from the ranks. I was the Executive Officer of the union (or to give the job its full title—Assistant Executive Secretary) but my standing had been enhanced by the overwhelming majority I had received in the ballot for election as General Secretary. The vote had been concluded in December 1968 but Frank Cousins was not due to retire until September 1969, so I was still in the designate stage. I had, however, been elected to the General Council of the TUC in September 1968 and this enabled me to play a leading role in the debate on the White Paper. The twofold nature of the Government's proposals put the General Council in a dilemma. Some proposals were favourable, but they appeared to me a sugar coating on a very bitter pill. The government was determined to apply legal sanctions. It had tried it with the prices and incomes legislation and had failed, now it sought to control the Trade Unions by other means. This approach, the TUC declared, would 'worsen rather than improve industrial relations'. A great deal of press speculation occurred and leaks suggesting early legislation began to appear. The General Council responded to pressure from Frank Cousins, myself and others to seek a meeting with the Prime Minister. Meantime shop stewards were upset at what appeared to be a direct attack on them. Those of us on the General Council who had lived through the rough and tumble of life on the shop floor know there would be real trouble if coercive measures were applied. The meeting with the Prime Minister took place on 11 April 1969. He was accompanied by Barbara Castle. We told them that (except in wartime) there had been no criminal law in industrial relations for over a hundred years, and that we would not co-operate with the operation of legal sanctions..." (p203-4).

The British General Election of 1970 saw Labour's defeat and Ted Heath's Tory Government take its place. Jones's spear-heading of the struggle against the penal clauses of Labour's proposed Industrial Relations Bill was now succeeded by the need to struggle against an even more penal Bill enacted by the new Tory Government. This, then, was the context for the Jones/Ramelson cooperation in the years 1969-71—which had nothing to do with any "*KGB agent*" activity on the part of either party, despite the smears inherent in M15 Professor Andrew's 'exposure' of such contacts. To Labour Prime Minister Wilson's credit, knowing this to be the

case, he refused outright M15's request for permission to tap Jack's phone; and to Tory Prime Minister Heath's credit, as soon as the wire-taps that he had initially authorised also proved this to be the case, he insisted that they should cease in 1971. Moreover, it was the character of the Trade Union strategy developed by Jones in the subsequent years of his leadership (until his retirement in 1978) that led to his decisive break with Ramelson.

Jack wrote of new developments, commencing with a meeting between himself and Prime Minister Heath in 1972:

"Although I had known that Heath was not unsympathetic to labour, from the days when I had met him as Minister of Labour (in 1963), the exchange strengthened my conviction that he genuinely wanted to get on with working people. There was a marked change in his attitude towards the unions following the early abrasive months of his Government. He was always ready to meet TUC representatives... In April 1972 the TUC was invited to meet the Prime Minister to discuss the economic situation... At the April meeting and subsequently Heath and his ministers wanted to concentrate on economic cooperation, with an eye to wages restraint, despite the Government's earlier protestations of opposition to the idea. We for our part were determined to make the Industrial Relations Act the major issue. Our approach was constructive, trying to gain acceptance of improved conciliation and arbitration procedures as an alternative to the Act. I made much play with Ted Heath's own statement on TV: '*We have to find a more sensible way of settling our differences.*' It was perhaps too much to expect for him to do an about turn on his legislation, yet had he been able to it would have transformed his relationship with the trade unions and his future in the Tory Party. Should we talk to the Government, if they want to talk to us? That question became an issue the General Council debated over many months. I became convinced that it was in our members' interests not to miss an opportunity of changing the Government's mind. Unemployment was growing rapidly, and inflation was rising, our attitude on these developments needed to be put strongly, as did our concern over low-paid workers and pensioners..."

"In the event the industrial membership of the National Economic Council (the TUC and the CBI had six members each) was called in for the joint discussions Ted Heath seemingly wanted. Examination in detail of the problems of low-paid workers and of prices was on the agenda. We could not say 'no' to that, and we were soon into a series of meetings at Downing Street or Chequers. The talks were a little abrasive at times, but always Heath was at his most courteous with the TUC representatives ... I for one was not

willing to be swallowed up, and that went for Hugh Scanlon too. We continued to press the trade union case doggedly... Of all the people around the table, Hughie and I were in the most difficult position, because in both our unions there was strong opposition to our participation. In Scanlon's case his union decided he must withdraw from the second round of talks... Proposals and counter-proposals were argued over the table. The TUC and the Government spokesmen did most of the talking, the CBI contribution was very limited. Then, after countless hours of meetings, there was an abrupt ending. To the surprise of the trade union side, Ted Heath declared that certain important items we had been emphasising pensions, rents, the impact of EEC membership, the Industrial Relations Act—were outside the scope of negotiation. Such matters, we were told, were for the House of Commons to determine. A rigid posture was suddenly adopted by the Government; even to this day I am unable to understand why. No one could have been more disappointed than TUC General Secretary Vic Feather. He had been a firm supporter of the talks throughout and had taken at face value the Government's claim that it was prepared to enter into a real partnership with both sides of industry in the management of economy. He felt that Ted Heath had thrown away a golden opportunity. And yet he himself may have been responsible for the disappointment, by misleading Heath into thinking the Government could get agreement on wages and prices without commitment on the wider issues we had raised, while at the same time encouraging me and others to feel that agreement was possible on those very issues..."

"In 1973 there were almost as many meetings between the TUC and the Government as in the previous year, but without the presence of the CBI and Hugh Scanlon. The TUC team consisted of five, including myself. Presumably Heath talked to the CBI separately, but the media no longer wrote of 'tripartism' or 'corporate states'. A battle for public support was in progress. Although I became increasingly despondent about the possibility of changing the Government's policies, I was convinced that we had to put our point of view at every opportunity. If the spotlight shone on Downing Street then we should be there, otherwise our members would feel we were not doing our job. At the TGWU Biennial Delegates conference in July 1973 I was under strong pressure to oppose talks with the Government. In reply I told the Conference: *'The Union should not place itself in the position of being blamed for not talking when our people expect it of us ... You do not pay me to sit dumb. You pay me to speak, to act, to help, to advise, and part of the process is publicly to present our case...'* Our difficulties in establishing our case with Ted Heath and his ministers served

to strengthen my efforts in the TUC/ Labour Party Liaison Committee. The programme we had been urging on the Prime Minister, I believed, should become Labour's policy. Getting this accepted did not prove easy; I found myself having to argue as strongly with the Labour leaders as I had done with Heath and his colleagues over the control of retail prices, for example. No Prime Minister, either before or since, could compare with Ted Heath in the efforts he made to establish a spirit of camaraderie with trade union leaders and to offer an attractive package which might satisfy large numbers of work-people. That was the case with his 'stage three'. He and his advisers offered a deal permitting limited free collective bargaining on top of thresholds agreements to help the low paid and compensate

for increases in the cost of living. Attractive as this was, it meant the continuation of the Industrial Relations Act and a failure to meet our social programme. Statutory control over wage increases hit workers in the public sector most of all. This was especially the case with the miners who had a strong case for much more than the Government schemes would allow" (pp256-9).

1971 was the year when I commenced work in the Irish Trade Union movement. Two years later—influenced by Jones's strategic *"New Departure"* for the 1970s—I set out to counteract the influence of an Irish would-be Ramelson.

(to be continued)

Manus O'Riordan

Part Five

Naval Warfare

The Blockade of Germany was the centrepiece of the war British Liberalism declared on Germany. Irene Willis in her 1921 book *England's Holy War* points out that, because the English Liberals rejected the Conservative demands for conscription to be employed in their 'war of civilization,' they were forced to fall back on the recruitment of neutral nations to do the fighting which English Liberals determined should not be made compulsory for the British themselves—despite the danger 'civilization' was threatened with.

The Liberals became the chief advocates of the belief in the omnipotence of the British Navy—a kind of trump card which they pulled out whenever demands for military compulsion from the Tories reached a crescendo after the military stalemate set in on the Western front. And it was Asquith himself who announced the Blockade very early in the war (even though Winston Churchill, the First Lord, had seen to it that the Navy had begun its war even before the declaration of war itself).

The moralists of British Liberalism were the chief proponents of the Blockade against German civilians. As A.G. Gardiner, of *The Daily News* put it, in advancing the case of the "silent effectiveness" of the Royal Navy killing on 12th December 1914: *"You do take my life when you do take the means whereby I live. And it is the means whereby she lives that the British Navy is taking from Germany."* And on 31st July 1915 the same writer suggested: *"the pressure of sea power, though slow to make itself felt, has a deadly and cumulative certainty that is the more irresistible because its operations are so subtle and incalculable"*.

By the end of 1914 practically every German ship had been driven off the high seas by the Royal Navy and her maritime

commerce was largely broken. At this point Britain had not yet abandoned all the restrictions laid down by the Declarations of London and Paris and by the Hague Conventions but it exercised enough pressure on Germany to satisfy the Liberal press that Germany was a nation under siege whose resources were being depleted by the British siege.

The Blockade was effectively in place and complete when arrangements to regulate trade with Germany were imposed by Britain on the neutral nations of Europe. The fact that this contradicted the stated claim of waging a war for small nations seemed to be immaterial to the British.

To get round the British Blockade Germany began to use the provisions of the Declaration of London (1908) on maritime trade to transfer her trade through neutral ships and ports. 'Conditional contraband' shipped in this way was supposed to be immune to interference, and thus constituted a way of getting around the Blockade. The British moved therefore to prevent this—safe in the knowledge that their position of naval supremacy would mean that they would never need to resort to using neutral ships and ports to the same extent as Germany.

So, on the 29th of October an Order in Council proclaimed that the Royal Navy would presume that any vessel carrying 'conditional contraband' to a neutral port where those products lacked an 'acceptable' signer for the order would be liable to seizure. The British had noticed an increase in the number of cargoes consigned "to order", which meant that the receiver of the goods could do whatever they wanted with these products after they arrived at the neutral port, such as sell them to a German merchant or for shipment to Germany. The Order in Council shifted onto the owner of the goods the responsibility

for proving that the ultimate destination of a cargo was not the enemy and therefore made all goods liable to seizure if the Royal Navy was not satisfied of an acceptable destination. Thus the policy of "*stop and seizure*" was made vastly easier for the Royal Navy and neutral trading with Germany began to be strangled.

The Order also proclaimed the right of the British Admiralty to designate any neutral country "*an enemy base of supply*" if it believed the enemy was drawing supplies for its military through that country. In other words, Britain began to treat neutral countries supplying Germany as if they were a part of Germany itself. This measure allowed Britain to seize shipments of 'conditional contraband' headed for neutral ports and compel the shippers to present evidence that the cargo was not on its way to the enemy.

The growing pressure laid on Neutral European states in late 1914 was further increased when the Admiralty declared the North Sea to be a 'war zone' on the 3rd of November. This effectively removed Holland as a supply route to Germany—a process that completed by March 1915.

The Blockade, therefore, represented an encirclement of Germany, in which under British pressure, the neutral Low Countries, Scandinavia and the Baltic States were stopped in trading with Germany. Most important, Germany was prevented in purchasing Swedish iron ore. It therefore represented a siege of Europe by the Royal Navy.

A new policy was then employed to ratchet up the pressure on Germany. On New Year's Day 1915 *The Daily News* wrote: "*We have departed from our old practice of stopping cargoes of foodstuffs only when destined for the enemy forces, and are stopping them even when they might be used for the civil population.*"

The justification for interfering with food meant for civilians was that Germany had engaged in price-fixing. The Liberal Government saw this as tantamount to a crime against the free market.

What the Germans had done, under pressure from the Royal Navy, was to assume control of all the grain and flour in the country and to fix prices in the German market. This enabled Liberal England to insist that Germany had instituted a kind of socialist war economy in which the Royal Navy could no longer distinguish between the military and civilian populations. It was maintained that the German Government's action made the whole of Germany "*an armed camp*" and consequently put imports of foodstuffs, even when destined for civilians, into the contraband list. Essentially the siege of Europe was thereafter instituted and enforced by the Royal Navy.

On January 30th in *The Daily News*

Gardiner, in an article *Berlin's Black Week*, wrote in the following terms of the Blockade against Germany:

"We hold the purse of the world in our hands, more important, the keys of the world. And it is because we have locked the door against her that that economic stress which will finally bring her overthrow is casting a shadow over her... the nation is put on rations, and no ingenious explanation can alter the import of that grim fact. Prices are soaring here, but it is not because the storehouse of the world is closed to us. It is because transport is insufficient but the trouble with Germany goes deeper. It is a nation under siege and a nation whose wells are running dry."

Churchill, confident in the power of the Royal Navy, even suggested in the House of Commons on February 15th that the naval warfare could win the war by itself: "*We shall bring the full force of naval pressure to bear on the enemy. It may be enough without war on land to secure victory over the foe.*"

The *Liberal Daily News* celebrated Churchill's speech with an editorial entitled *The Triumph of the Navy* which pointed out the great influence of the Royal Navy upon the war:

"It is easy to forget the magnitude of that influence because its greatest achievements are as silent as they are crushing. But in all history there has been nothing comparable with the ascendancy which the British fleet has established on the high seas today. It makes Germany a nation under siege, living upon its own vitals, and apart from all military considerations, doomed by the mere flux of time. But even yet the Navy has not put forth the full measure of its power... we may declare a blockade of the German ports or we may extend the definition of contraband. Already there has been a hint that the latter course may be pursued in relation to wheat. The justification for this policy would be the fact that the German government have taken control of the wheat supply of the country, and that therefore it is now a formal military element in the situation. The inclusion of wheat in the list of contraband is strictly within our rights."

In response to this action, in February 1915, the Germans threatened a submarine campaign. At the same time though the Germans made it clear that, if the Royal Navy ceased to prevent foodstuffs for civilians reaching Germany, it would withdraw this threat. In response to this President Wilson proposed that the Royal Navy should allow the foodstuffs intended for the civilian population to enter Germany under American guarantee and under American distribution in return for the Germans dropping their threat of submarine warfare.

However, the British refused Wilson's

compromise, believing the submarine threat to be all bluff:

"The proposal is not likely to be acceptable to the British government. Germany has menaced us with horrors and penalties she has no means of inflicting. Whatever our losses from submarines, they cannot represent more than an inappreciable fraction of our merchant marine. Germany, unable to enforce her threats, is, not unnaturally, willing to withdraw it on conditions. But it is not to our interest to listen to any conditions. We prefer that Germany should do her worst, knowing very well that her worst will be quite bearable. Apart, therefore, from the difficulty, the virtual impossibility of distinguishing between food for civilians and food for the Army in a country where the government has taken all foodstuffs under its control, our answer to the American suggestion should be a polite refusal" (*Daily News*, 25 February 1915).

So Britain, believing it had command of the seas, scoffed at the temerity of the Germans to suggest restricting the naval conflict.

The Liberal Government encouraged the submarine warfare against its merchant shipping believing that it was a bluff and that the damage that could be done in the naval conflict by the Royal Navy far outweighed that which could be done by German submarines. It therefore turned down the American compromise which would have led to fewer deaths among civilians and merchant seamen of all countries and instead opted for an escalation of the war.

Most of the English Tory press did not bother to conceal the fact that the British policy with regard to contraband started the submarine campaign rather than the other way about and it was the Royal Navy that was the provocative element in the conflict.

For the Liberal press, however, there was always the question of conscience. As soon as Germany made its intention of retaliating known, the Liberal press proceeded to call the actions of the Royal Navy retaliatory.

It also availed of the invisibility of the pressure exerted by the silent British Navy compared with the visibility of the German submarine campaign to produce atrocity propaganda.

What united both Tory and Liberal was the conviction that it was the inalienable right of the Royal Navy to rule the seas and to exert pressure upon the enemy. The right was looked upon by all sections of the British State as a sacred duty with the moral sanction to inflict Blockade on the civilians of both the enemy and neutrals viewed as being beyond dispute in Britain's siege of Europe.

Pat Walsh

Next month the escalation of the Blockade from March 1915 is examined

Does
It
Up

Stack
?

BETTING AND GAMING WINNINGS

As if we have not enough boards and quangos and inspectors of this and that, Mr. John O'Donoghue TD is wishing another shower of them on us. On 18th November 2010 in the middle of the several present financial crises rocking our country—but not, it seems troubling some members of the Dail—the latter has ordered a new Bill introduced by Deputy O'Donoghue to be printed and promulgated. It is the *Betting, Gaming and Lotteries (unclaimed winnings) Bill, 2010* which will empower the Minister for Tourism, Culture and Sport together with the Minister for Finance to take control of "Moneys that constitute unclaimed winnings". A Board is to be set up called "The Undeclared Winnings Board". There will be Board members—ten nominees—plus a nominated chairperson. There will be expense accounts, allowances, fees and remunerations. There will be inspectors whose functions will be to make sure all unclaimed winnings are paid by "service providers" aka bookmakers or lottery organisers (but not The National Lottery.) What is interesting about this proposed Act is its complexity. There are 47 sections and at first glance, it seems simple enough but then on detailed reading, The Unclaimed Winnings Board (UWB) function is to advise the Minister on a plan for disbursement of moneys for projects to assist the personal and social development of persons who are economically or socially disadvantaged, the education of persons who are educationally disadvantaged or persons with a disability (within the meaning of the *Equal Status Act 2000*). Doesn't this list seem to be applicable to most people earning less than the average wage? Or to persons earning enormous wages who did not get a PhD? The UWB will have no function in collecting the unclaimed winnings or in disbursement of money. The money is to be collected and managed by the National Treasury Management Agency (NTMA) and enforcement will be by inspectors appointed by the Minister who will control the inspectors and set the inspector's "remuneration fees and allowances" which will be paid by NTMA. It will undoubtedly bring in a huge amount of money because it refers not only to unclaimed winnings from now on but to all unclaimed winnings in the past. But why such a triple bureaucracy? What will be hidden from view? It remains to be seen if the Bill passes into law.

IRISH CRISES— THE PROPERTY CRISIS

There are now three major crises in Ireland. Each of the crises are affecting the others. There is the property/construction crisis (the Property Bubble), there is the Banking Crisis, and there is the Public Sector Crisis. Each of these started separately. The Property Bubble is similar in its nature to the South Sea Bubble and to the Dutch Tulip Bubble which are well known to every economist.

From 1997 to 2001, the USA had a Dot-com Bubble concurrently with the Property Bubble there. The NASDAQ composite index rose to 5048 on 10th March 2000, it fell 10% in a single day 14th April 2000 and by October 2002 the NASDAQ Composite index was down to 1,114. The bubble had burst. Japan is still suffering from the Share Price and Property Bubble which had a boom in the Japanese economy in the 1980's. At the start of the 1990s the bubble burst and within a few years many of the top Japanese Banks were bankrupt and they stayed in business because their depositors were protected by the Japanese government (i.e. the Japanese taxpayers). Was this the model on which the Irish Government's Bank Guarantee Scheme was based in 2008? Will it take 20-30 years also for Ireland to recover from the Celtic Tiger years?

These bubbles are a kind of mania—there seems to be little or no sense to them. Look at the Tulipmania or Dutch Tulip Bubble which started in the 1620s when the prices of rare tulip bulbs started rising until in 1633 a house was exchanged for three rare bulbs. Did this bring people to their senses? Not at all, it made the mania worse! It looked like a quick way to get rich. People of all classes started to sell everything they had so as to buy the tulip bulbs. The climax came on 5th February 1637 when a family of orphans sold their deceased father's bed of tulips for 90,000 guilders (millions of Euros in today's money) and within days the market collapsed leaving thousands of people ruined. Multiple court cases followed and later, in May 1638, the Government ordered that once a buyer had paid 3.5% of the agreed price the contract was cancelled. The sellers suffered and so did the moneylenders.

A combination of greed and herd instinct seems to be involved. Very many of the property buyers in Ireland had no need of the property bought. They already had a house and many young people living with parents bought houses just to avail of their "entitlement" to mortgage interest relief against their taxable income. Mortgages were easy to get because incomes were rising and the price of the house would go up so you couldn't lose and the banker couldn't lose, they thought. Bubbles always burst but they thought this time it was different. The property

analysts and financial pundits in the media said so. But of course the analysts and pundits were being paid to say exactly what they said because auctioneers, mortgage brokers and banks provided enormous advertising incomes for the media who also were making hay. The property market was absolutely bulging with properties by 2003, when competition between developers began to force prices down. The media responded by holding conferences aimed at boosting confidence in the property market. Dr. Peter Bacon was in much demand up and down and across the country as a speaker at property conferences. Nevertheless, the drop in prices was inexorable. Too much property had been built. Today the market is valuing property at about one-third of the market value at the height of the boom and values will go much lower yet. This is typical of many Bubble Manias in the past.

THE BANKING CRISIS

The Banking crisis is not at all as straightforward and there are many causes for it. The property bubble is emerging as a substantial cause, with all the banks having loaned money on mortgages and also in billions of euros to the large developers who, it now emerges, were investing hugely in properties across the globe. The banks were ably assisted into the crisis by solicitors, chartered accountants, auctioneers, chartered surveyors, valuers, politicians and public servants who freely and apparently unthinkingly facilitated planning permissions for houses, apartments, offices, hotels, health spas and golf courses galore—all in excess of any visible or foreseeable demand.

Another cause of the banks' problems was dealing in derivatives which are an unreal asset based on computer entries or on pieces of paper. Bankers are no different from anyone else when it comes to gambling on get-rich-quick schemes, especially when all the other bankers are at it too. As has been said about New York bankers: "The bankers had a herd instinct for trouble". There used to be a time when bankers took in deposits in their native country and lent out the money, also in their native country—but for the past century that has not been the case. Banks worldwide lend to each other in billions of dollars, yen, pounds and euros in what has become known as a global market. If a bank fails in the USA, which has happened, it has repercussions like a domino effect around the world.

For the Irish banks, it all happened together. But arguably, if the Irish banks had stuck to a 10% reserve ratio, they might have survived the storm. When they were giving out such a huge volume of loans to one sector—the property sector—they should have at the same time increased their reserves to 15% or even towards 20%. But instead bankers also

joined the herd to get rich and the major banks reduced their reserves down to 3%. A ludicrously low and unsafe figure.

Why did they do this? Well perhaps because they guessed they could expect the Government to step in to help them if they failed. After all the Government of the day had previously helped AIB over its ICI [Insurance Corporation of Ireland, a subsidiary of AIB] debacle by levying 2% on every insurance policy in the State—a levy that is still ongoing today. And the Government did step in on 28th September 2008 and seems prepared to do so on a continuing basis as a result of which the Irish banks are now almost nationalised. Like the French banks.

THE PUBLIC SECTOR CRISIS

Thirdly there is the public sector crisis. The Public Sector has been getting out of control since the time of Jack Lynch and his unelected economic advisor Martin O'Donoghue. Jobs were "created" by increasing the numbers in the Public Service. "Created" whether they were needed or not. The level of bureaucracy was increased purposely to create jobs without regard for the increases in costs in the private sector to deal with all the added red tape. Together with the increases in public service numbers, there was then the whole benchmarking concept which was introduced by Bertie Ahern's Government. Instead of sensibly benchmarking the public service pay to the average of the public service pay throughout the EU, it was benchmarked to the pay in Ireland's or rather Dublin's private sector and no regard was paid to the lack of job security in the private sector nor to the fact that private sector employees had to by and large provide for their own pensions, car-parking, computers etc. etc. out of their own pay or that of their employers. The comparison was odious at the time and it is more odious now. The public service is now estimated to number about 320,000 and it is costing the country a fortune which it cannot afford and any real substantive efforts by the Government are slow to non-existent to combat this existing threat to the good governance of the country because the politicians themselves are benefiting so enormously from benchmarking by salary and expense accounts as have been revealed by the newspapers. And all this makes the "Bondholders" jittery about Ireland, or so we are told by the ever obliging media.

BANK FOR INTERNATIONAL SETTLEMENTS

Who are these "Bondholders"? The great Irish media does not deign to tell us. Here enters the Bank for International Settlements (BIS) which is a sort of private banker's club. Meetings are held four times a year and the most important stuff takes place over dinner and in the bar where whispered conversations discuss

the fate of nations. The headquarters of BIS is in Basel, Switzerland. The BIS is not, despite its auspicious name, an official organisation. It is a private club of certain central bankers (not all of them) who are attempting to establish, they say, a single world currency. In actual fact, they seem to appear when the IMF appears. In the nation which is targeted, public assets are privatised and sold off. Asset stripping is the aim.

The BIS issues what are known as the Basel Accords by which BIS aims to control national and international banking systems. The Accords are not of themselves a bad thing. They appear to be aiming at an ideal to be attained. However in 1998 when a Basel Accord was issued to require banks to increase their capital requirements from 6% to 8% it emerged that using the new standard, Japanese banks, although among the world's biggest, were not adequately capitalised. This was the perception so they were forced (?) to cut back lending thus creating a recession in Japan. Property prices fell, loans defaulted, capital moved out of Japan to Bangkok, Kuala Lumpur, Jakarta and to New York. The Japanese banks went insolvent and ended up being nationalised.

In May 2002, the *Asia Times* published an article by economist Henry C.K. Liu entitled "*Global Economy: The BIS v. National Banks*" which said that the Basel Accords have forced national banks to march to the same tune, designed to serve the needs of highly sophisticated global financial markets regardless of the developmental needs of their national economies.

"National banking systems are suddenly thrown into the rigid arms of the Basel Capital Accord sponsored by the Bank of International Settlement (BIS) or to face the penalty of usurious risk premium in securing international inter-bank loans ... National policies suddenly are subjected to profit incentives of private financial institutions.... BIS regulations serve only the single purpose of strengthening the international private banking system... The IMF and the international banks regulated by BIS are a team: the international banks lend recklessly to borrowers in emerging economies to create a foreign currency crisis, the IMF arrives as a carrier of monetary virus in the name of 'sound monetary policy' and then the international banks come in as vulture investors in the name of financial rescue to acquire national banks deemed capital inadequate and insolvent by BIS rules".

An example of this, is the Governor of the Central Bank of Ireland, Professor Patrick Honohan saying recently that "*all the banks in Ireland were up for sale*" to a laughing media audience.

Henry Liu notes that developing countries with their own resources did not actually need the foreign investment that

trapped them into debt to outsiders.

The *Irish Times* 19th November 2010 used extensive graphics designed by themselves to show Ireland's allegedly huge debt and that of the other euro-zone countries like Portugal, Spain and Italy allegedly subject to the threat of the "Bondholders". Remarkably the source cited for this rather extensive economic exercise was printed almost illegibly in small print. The source was BIS which prompted my extensive research into this hitherto unknown entity. The *Irish Times* did not go on to tell its readers any of the fascinating material which I have reproduced above. One wonders why? So it is *prima facie* the case that the *Irish Times* is on the side of BIS, the IMF and the secretive "Bondholders".

It is in the national interest that the nation and our Government should know who owns the *Irish Times* and who exactly are the "Bondholders".

As they are doing a job in Ireland now, the posse appear to be moving onto Portugal and Poland. Will Italy and Spain be next? Why do we have Matthew Elderfield and his deputy—who are both UK establishment figures—as the regulator and deputy regulator here? And why do we have Ajai Chopra, who is the mission chief for Britain of the IMF—who has already stated the UK to be "*to be on the mend*": a laughable statement, with their quantitative easing and, by the way, who is actually backing the UK pound? The UK is our strongest competitor and so why do we allow these English agents to get their hands on our throats?

It does not stack up at all.

Michael Stack ©

TEARS OF ICE

They are killing Christians, Shia, Sunni
with suicide vests, car-bombs, and torture.
The evil of Man, the great dispatcher?
The psychopath, social misfit, loony?
Those who caused it wash their hands of
Iraq.
Horrified night and day with the bloodstained
the screens flicker, the papers bicker,
feigned
pious hands, emotional cul-de-sac.
Those who held it together jailed and
hanged,
this most diverse ethnic society,
an artificial concoction gang-banged
by invaders of notoriety.
Scream democracy, your creation
harangue.
Better now, with your impropriety?

Wilson John Haire
9th November, 2011.

A Cultural Cringe?

PORTfolio is a free sheet distributed in Dublin's IFSC (International Financial and Service Centre (where working class people used to do a decent day's work), and (presumably, Postal) areas 1, 2, 3 and 4. Volume 8, May 2010, has *Two New Tugs for Dublin Port*. The tugs, "part of an overall €16 million investment" by the Dublin Port Company, were named in a ceremony "where Minister for Transport Mr. Noel Dempsey T. D. was guest of honour".

They were named after "two remarkable patrons of exploration", and famous Irish seafarers, Ernest Shackleton and Sir Francis Beaumont (both of the UK's Royal Navy). Beaumont "created the scale of measurement for wind force". Beaumont seems to have spent much of his career trying to make life and work bearable for ordinary sailors. But the fact that he was a Knight of the Realm seems to be the main reason why he got a boat named after him. (He was born in Navan.) It is a very wee boat, but it is the serf (one up from 'slave') mentality that grates.

Shackleton (Athy, Co. Kildare) "was a fearless explorer whose legacy as the world's greatest exploration leader will live on as an inspiration to pioneers for centuries to come". A number of Italians, Christopher Columbus, John Cabot (Giovanni Caboto—who sailed out of Bristol), Amerigo Vespucci, even Marco Polo, might be slightly ahead in the 'greatest exploration leader' stakes. There were Waterford and Wexford men on board Columbus's flotilla.

Tom Crean was on Shackleton's Antarctic expedition (actually two expeditions. Shackleton made a mess of the first one). Irishmen founded the American, and Argentinean, navies. There are, and have been, quite a lot of Irish seafarers. The late John de Courcy Ireland spent a good portion of his long life disinterring our naval history. I don't begrudge Shackleton or Beaumont a nod of recognition. They were distinguished seafarers.

It is the state of mind behind the use of their names that is disturbing. It is constrained, insular and gormlessly Anglo-centric. There was a time when most Irish people knew we had a sea-faring tradition. It included St. Brendan 'the Navigator'. And Admiral Brown, who founded the US Navy, has a statue in his native Waterford.

It's conceivable that the Dublin Port Company feels that it should not celebrate

a rival port. Tom Crean was a Kerry man. If the DPC wanted to remain within a truly British ambit there is Jim McGinnis of Belfast. He got a VC for sinking a Japanese battleship. Jim was not 'loyal' or 'British' enough for Belfast after 1945. Has Dublin the same problem in 2010?

Seán McGouran

The following letter appeared in *Evening Echo* (Cork), 22nd November 2010

War veterans

I would agree with many of the sentiments in the Evening Echo editorial on Thursday, November 11, that those Cork men who died in the First World War should be remembered.

I believe the vast majority enlisted following John Redmond's call to arms, or simply for purely economic reasons, rather than for any love of King and Empire. Whatever the motivations, it was a tremendous waste of Irish lives in a conflict that was essentially an imperialist power-play between King and Kaiser.

Therefore remembrance ceremonies should be of a sombre civic nature rather than the almost glorification that the unfortunately titled 'Royal British Legion' in Ireland goes for.

One only has to look at wreaths laid at the cenotaph on the South Mall every November to see remembrances for British Army campaigns in Aden, Cyprus and Borneo and so on, how long before we see mention of Iraq and Afghanistan?

Thankfully, there is no mention of Ireland though I'm always slightly bemused to see poppies sold in Cork city centre, which 90 years ago was burned to the ground by British soldiers, many of them First World War vets.

We have also seen an attempt in recent years to almost equate those Irish men and women who struggled for Irish freedom in the 1916-1923 period and those who served in British uniforms in the First World War. Without being disrespectful, I believe there can be no comparison. As we approach significant anniversaries in the coming years, let us hold fast to the reality that the struggle for full Irish Freedom was ignited at the GPO rather than on the fields of France.

Mick Nugent

Editorial Note

Due to pressure of space, we have been obliged to hold over a number of articles, including Part 2 of *De Valera On Zionism And Palestine* and the beginning of a new series on Constitutions, starting with the Swiss Constitution

ICTU continued

And poor EU. The work of its Christian Democrat founders in Germany, Italy, France and Benelux has been all but destroyed by expanding until it no longer knows what it is and merging with a militaristic NATO.

The systematic undermining of the EU has been going on over many years, with the approval of the *Irish Times*—which is the only elite institution in Ireland, being mysteriously financed, and conducted by an Oath-bound secret society.

Ireland certainly did nothing to halt the dilution of the EU and its systematic subversion of itself during the last fifteen years, while the *Irish Times* cheered it on. But to suggest that Fianna Fail had some special role in de-legitimising the EU carries obsession into fantasy.

And then we have "the brutal truth: Irish democracy has been abandoned by a zombie government".

If the verbiage is taken seriously, the conclusion is that there must be a revolution. But where are the revolutionaries? The revolutionaries of a generation ago are now mostly well-heeled members of the establishment, of the Fourth Estate.

Political democracy is what we have got. It is not being withheld from us. Who could withhold it?

Social democracy is what we had in some degree, though not particularly in connection with the Labour Party. The EU had it in a considerable degree, as Christian Democracy, until under British influence it started demolishing it as anti-competitive.

O'Toole is a word-spouter above all. He does not put forward what his aims are. He is acceptable to all sorts, a sought-after speaker and commentator at home and abroad. A special guest of the Commonwealth in London, a red (or is it green?) revolutionary at home—and with assets to be envied to boot. His working class credentials are tenuous to say the least.

What on earth was the ICTU thinking of in having him chair a serious demonstration?

QUO VADIS? continued

will be either bought and closed down by their economic rivals, or asset-stripped. This is a price Ireland can not and must not pay for the international funds being made available to it.

Cuts in living standards will be reinstated in a year or two's time, but a privatised State asset will not be retrievable.

The IMF (run by a French Socialist, by the way) and the EU can take their pound of flesh from Ireland, but they must not be allowed to take the means of rebuilding the country as well.

We know that the Greens have publicly opposed any selling off of State assets.

We know that Fianna Fail has not put any such sales into the Four-Year Austerity Plan.

We know that Sinn Fein has consistently warned of the EU embrace and is committed to building a national economy.

We know that Michael Noonan—Fine

Gael's Finance spokesman—has advocated selling the family silver, the Semi-States.

What we do *not* know is what Labour policy is. The silence from Labour Leader Gilmore is ominous.

There is huge anger in Ireland at the sudden collapse from affluence. It is important at this point to keep a rein on emotion and look at the options for the future. Workers should reject the nihilist advice coming from the likes of Fintan O'Toole—people who have never supported Social Partnership or made a single practical proposal to increase industrial democracy or the economic self-management of the working class.

What is needed now, in the run-up to an election is to ask hard questions of the contending political parties, and to look to those who will seek to rebuild the Irish economy in the self-reliant, cooperative tradition of old—and who commit to keeping the levers of economic decision-making in the hands of the Irish democracy.

ICTU Lets Itself Down

A Trade Union demonstration against the Plan for dealing with the crisis was held in Dublin on November 27th under the auspices of the Irish Congress of Trade Unions. It was a demonstration against the crisis, and the world that caused the crisis to happen, rather than a display of force in support of some alternative way of dealing with the crisis.

There is of course a place for vigorous protest against the world and all its works, even in a democracy.

Democracy is not all it is cracked up to be. Utopian idealism has been projected onto it, which it is by its nature incapable of fulfilling. Democracy operates through general egoism and vested interests and its political perspective is short-term.

The lack of seriousness in this demonstration, even as a protest against the nature of the world, is pointed up by the fact that it was chaired by the Assistant Editor of the *Irish Times*, dilettante rabble-rouser, and big-time coiner of money, Fintan O'Toole.

O'Toole, as Chairman—or "*Master of Ceremonies*"—

"Led the crowd in a minute's chant of 'Out, Out, Out' to the Government" (*Irish Times*, Nov. 29).

That is O'Toole's usual chant. It is what he chants whenever Fianna Fail is in Government. So he said to the Trade

Union demonstration the thing that he always says.

A few days earlier the meaning of the chant would have been a demand for an Election before the Budget and before negotiating with the EU etc. There was something to be said for that course of action from a Fianna Fail party viewpoint: Put the crisis to the country, and put the Opposition parties (which were in denial about the reality of the situation) on the spot. And put the electorate on the spot too, and oblige it to face up to the nature of the world, instead of just protesting against it.

If there had been an election before the deal with the EU, would O'Toole have stood as a candidate? Will he stand when there is an election? If not, why not?

Nothing in the Irish world meets with his approval. So who can act for him but himself? He has that facility and depth of understanding that enables him always to know instantly the right thing to do, although he somehow never expresses it in a way that others can grasp. So why won't he stand?

It can't be that the process of electioneering puts him off. He is our most fluent demagogue, and now that he has ventured amongst the *demos* it should be all plain sailing for him.

On the other hand—
—there was George Lee.

The meaning of *Out, Out, Out* now is that the deal with the EU etc. should be set aside and an Election be held in a probably worsened situation.

The infinitesimal depth of O'Toole's vision is displayed in his *Irish Times* article of November 29th: *Abysmal Deal Ransoms Us And Disgraces Europe*:

"The losers... are not the Irish governing classes, who have shown themselves so impervious to shame. They are the Irish people, whose sense of democratic citizenship has been rudely stripped away.

"But they also include the EU itself, whose political institutions and leaders are painted as mere pawns of the European banks and the ECB. Even Angela Merkel, who suggested bondholders should bear something of the pain, has been left looking impotent".

Ireland is a "*broken and delinquent state*", but Europe—instead of handling it with a "*sensible calculation*" of self-interest—is indulging itself in "*the sadistic pleasures of punishment*".

And the Irish Government—

"turned a banking crisis into a sovereign debt crisis which it then transformed into a crisis of Irish democracy by undertaking negotiations it had no right to conclude. And now, in concert with the EU and the IMF it has turned a crisis of Irish democracy into a crisis of European legitimacy..."

"*Irish governing classes*"—where are they? Ireland is a democracy without anything like a governing class. Our only governing class was got rid of almost a century ago—and O'Toole (the discreet Commonwealth man), and the *Irish Times*, now find it useful to pretend they think that was a good thing, so that they can make cheap debating points about the heritage of 1916 being thrown away.

Ireland is a very pure democracy without even the ballast of a former ruling class. It is exceptionally egalitarian and its instinct is to pull down any effective elite that threatens to rise out of it. There has only been one—the development connected with Haughey both as a professional man and politician, which threatened to become influential as purposefully national-bourgeois.

And poor Angela Merkel!—who made herself impotent over the years by implementing British policies in the German economy—work begun by her predecessor, the Social-Democrat Chancellor Schröder.

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Comment

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Quo Vadis?

It has been revealed in the *Financial Times* (2.12.10) that the US Federal Reserve has been silently bailing out international banks, the qualification being that they have a branch in the USA.

The assistance takes a number of forms, one of which allows banks to swap non-performing loans which are backed by assets for Fed. cash loans, at a haircut. The idea was to prevent the international banking system from collapsing after Lehman Brothers was allowed to expire. A follow-up story reports *Crisis-Hit Banks Flooded Fed With Junk* (3.12.10).

There can be little doubt that similar creative practices have been quietly deployed in Britain to maintain financial institutions. Both America and Britain have been printing money to enable them to do these things.

Irish capitalism has not managed its affairs any better or worse than British or American capitalism. It simply has not got the weight in the international Darwinist financial world to give itself the preferential treatment extended to the big boys.

Neither of the Opposition political parties of Irish capitalism—Fine Gael or Labour—would have managed the economy in any different way to Fianna Fail.

The Government had just one card to play when the European Central Bank and Angela Merkel decided to force an enhanced austerity programme on Ireland—and that was to have its banks to declare themselves bankrupt. Ditching Irish banking is a demand made by the Left, which sees that the country has been let down by the EU and been made subject to a punitive bail-out. But such a policy would make a bad situation worse.

Ireland needs to hold on to as many of its independent levers of economic policy

as it can. The roots of native Irish banking go back to Daniel O'Connell—and the AIB is part of that inheritance. Only Irish-owned and -managed banks can be subject to a degree of political direction and economic control from the Irish democracy. Those former Communist countries in Eastern Europe which heeded the Globalist Gospel and allowed their banks to go to foreign interests had cause to rue that decision when the financial crisis hit. They could not direct 'their' banks into recovery mode—or prevent locally-generated funds being sent abroad.

If a country's capital is sent abroad, labour is likely to follow.

It is not just through the banking system that a recovery must be pursued. Ireland needs to examine other ways of keeping Irish capital at home for productive use. At the moment private pensions are a problem area. Heavily subsidised by the taxpayer, they are not performing for those who have invested good money down the years in the hope of a comfortable retirement. Moreover, the Pension Funds tend

to invest abroad, not in the Irish economy. It would make much more sense to stop subsidising the private pension schemes and instead switch to a 'Pay As You Go' State Pension Scheme, with graduated contributions and earnings-related benefits on French lines. At a stroke this would guarantee a proper pension for those paying for it and keep capital at home—where it can be used productively in growing the economy.

The most successful economy in the world—that of China—has been the creature of a strong and intelligent political party, the Communist Party. That Party has retained the commanding heights of the economy—and particularly banking—under State direction.

A small country like Ireland needs to study how things are done, not in the failed States of Globalist Capitalism—which can always bend the rules to suit themselves—but in the success stories, such as that of China.

The financial crisis was made was made in the City of London, New York and elsewhere but the small fish caught up in it can only hope to have a future if they save what they can out of the wreckage. The key to that in Ireland is for the Government to hold on to as many of the economic levers of society as possible. Top of these are the banks, others include the Semi-State companies.

We have seen what happened to Eircom when it was privatised—asset-stripped and starved of investment. The only bright spot has been that—due to the Trade Union leader, David Begg, under a Fianna Fail Government—the workers retained a considerable share in the company through their Union. The hope must be that they will enlarge that stake and eventually take over the management of the company.

If other Semi-States are privatised, they

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