

Tett: David is not just a columnist at the Irish Times. He is the nearest thing they have in Ireland to an economic rock star. In fact, so much so that they actually call in the David Beckham of the medium media in Ireland because he not only has the number one podcast in Ireland, um, he's written a number of books, which one of them was the best selling nonfiction book ever in Ireland about the economics and history and the financial crisis. Um, and he also has pioneered an unexplored concept in Ireland, which is mixing economics festivals and debates with standup comedians. It's true. Um, it's called Coca Namec. It happens each year. Each year in Kilkenny, they mix up, literally stand up, stand up comics and economists together. Big serious, you know, famous economists like Paul Krugman. You put Paul [inaudible] on a stage with a kid with a stand up comic and the results are fascinating, but we can talk about that later or you can ask questions.

Tett: What we're going to be talking about today is populism. Because in my role at the Financial Times, I met with the ban and a couple of months ago, I've been chatting to him on and off in recent years. And as usual we talked a lot about populism in America, a lot about Donald Trump, but he was actually on route to Europe because those of you who follow European politics will know that we just had European elections. I actually live in New York, but obviously I keep a close eye on Europe as well. Um, we've just had European elections in Europe in May and Bannon was going to Europe deliberately to try and rally the populous cause he's essentially been working with a number of populous leaders over the last couple of years as part of this big growing movement against establishment parties. And in many ways it's worked because what's happened in the recent elections is that the right wing populous had increased their proportion of the European parliament dramatically.

Tett: The left wing pocket is not so much, but the Green party has also increased its proportion. And as a result for the first time ever, the centrist parties no longer have a majority. And that's a very good metaphor of what's happening right across Europe, which frankly is pretty shocking, pretty surprising, pretty chilling for many Europeans who remember that the last time populism exploded was in the 1930s and that ended with terrible, tragic results. So we're going to talk about what's going to happen, uplifting note. Yeah, that's David's gonna tell us where populism is going, whether we should worry about it and what the antidote may be like. So over to you David.

McWilliams: Thank you very much. Good afternoon. Um, it is a real pleasure to be here. Like I've never been in this part of the world before. I've also never had, uh, an McJillian saying,

McWilliams: now would you speak properly when you open your mouth? So this is my best accent. This is my, I tried to sound like the queen of England accent. If I get over excited, like go back into our normal Dublin Patois and hopefully there'll be a service to, a little thing to explain it all to your notes. A, it's a pleasure to be in the states. I've been to seats many times. In fact, the first time I was in America,

I was a dishwasher. Uh, all Irish kids go to America to work in the nineties, 1980s and 1990s. And uh, because we're not very good cause our accents are in comprehensible. We can't get jobs in the front of house like waiters and bartenders. So we tend to coagulate in the kitchens together. So if you want to know what a kitchen in New York is like, not 96, top of the summer, me and 10 Colombians, I can tell you all about that.

McWilliams: You know, I'm, believe me. Immigration's cool. Immigration is cool. It's a funny thing. It was before a homeland security. So we used to go in on, on holiday visas and everybody would invent an Antony Yonkers. I've never been to Yonkers by the way. We used to go to the American, uh, police force are very, very helpful cause they put the surname of the cup here and here. So we just kept looking for Omara O'Connor, Murphy, Kelly, people who look like me. And then we go in at JFK and they just stamp and say, Hey, welcome blah blah, blah. We talk about the old country. So my relationship with a very, because is very old, a very, very happy relationship. And obviously as an Irish person, it's a very deep relationship that we have with the country. And we feel that this is really our second home in many, many ways. And it's a place we feel very comfortable. Uh, I'm not too sure you feel very comfortable with us here, but that's neither here nor there. We can talk about that later at populism.

McWilliams: I think what I want to talk about is this idea of the recurrence that every generation feels when they're at a tipping point, that their generation is facing these existential crises that no other generation ever felt before. And that creatures like Trump and your version, Brexit and all these odd things and obviously and in Italy are reasonably new and they're unique, but they're not. So as a result, I'd like to do something if I was an American economist, right? I'd come here armed with graphs and charts and PowerPoint, God forbid, right? Or if I was a British economist, the same photos as the Canadian economy is the same. But as I'm an Irish economist, I will come in here only armed with a book of poetry.

McWilliams: This is a thing of beauty. This is my own school book of poetry. The collected poetry of WB Yeats. Okay. B was our national poets. He was the, for the revolution. He was the intellectual driving force behind the Irish cultural revival, which preceded lots of political moves in Ireland and writing in about a hundred years ago. He encapsulated for us the sense of Irishness through his poetry, but he was also like most, most intellectuals of his time, very cosmopolitan, very, very well traveled, very, very well aware of what was going on in the world. And in 1919 he published a poem that he had written in 1917 and in 1917 the vast majority of Irish soldiers were fighting for the British forces, either in western Europe are in Turkey, in the Dardanelles and Gullapalli. And Yates has cousins like my own great grandparents. A great radicals. Many of them died in the Dardanelles fighting against the Turks.

McWilliams: So much so that the Dublin Fusiliers, the regiment from Dublin had to be fused together with the Monster Fusiliers, which the regiment from the south in order

to create one regimen because so many of these kids were getting killed and the eights, the citizen in Dublin is trying to make sense of the world. He's trying to figure out what is happening and he's listening to the world and he writes this beautiful poem called the second coming. And the second coming is Yates writing about what is going on, not just in Ireland and Britain but in Germany, in Russia, in the Ottoman Empire, in the Austrian Empire. And the, the poem is beautiful. I'm just going to read but I'm actually not going to read because I was educated by the Jesuits and if anybody else is out there educated by the Jesuits, we can form a self help group later on to deal with our trauma.

McWilliams: Um, but because you are educated with the Jesuits, things stick in your head from the age of 14 that don't go. The lines here are beautiful though. Okay, so just like I got a good, I'm going to read you the poem. The second coming WB eights turning and turning in the widening Guyer. The Falcon cannot hear the falconer. Things fall apart. The center cannot hold. Mere anarchy is loosed on the world. A blood dimmed tide is loosed and everywhere the procession of innocence is drowned. The best lack all conviction, while the worst are full of passionate intensity. So just think of those words and apply them to. Now sometimes the center doesn't hold, sometimes the fault and the dangerous creature breaks free of the Falconer. That which is supposed to control the dangerous creature. Things fall apart. Anarchy is loosed. But why? Because the best people, society lack all conviction.

McWilliams: This er is not my problem. My busy looking at my 401ks or my, you know, my next holiday, allowing the worst people in society to be full of this passionate intensity. And when the day now, when you look at Europe right now, the words of Yates a hundred if when you look at the United States, actually right now the words of Yates are beautiful, the opposite, and they're well worth going back to and the reason is the following, not because he described something that was accurate and quite terrifying, but because if you go back to 1918 1919 after the first world war and you look at what the journalists were saying, the politicians were saying, the military people were saying all the people who are paid to think about the future. They were all saying we were going to go back to the gold standard. We're going to go back to trading together again.

McWilliams: We will get over this and there will be a glorious future ahead of us. That was the mainstream view, but yet said, no, it's not going to go like that. What's actually going to happen is things will fall apart. That anarchy will be loosed. And what I've always been intrigued as an economist, which is an unfortunate position if you've any children thinking of doing economics, dissuade them now. Okay. There are many other ways of earning a living. Okay. And economics is one of the least interesting, I suspect after having done it for 30 years. But as an economist, I'm interested in accuracy and what interests me is why did the Yeates, the metaphysical poets who is into spirituality and all really weird drugs, having a great time at amazing parties and Dublin is the value you wanted to hang out with in Dublin, right? Mad, bad things, all sorts of boys, girls, everything going on, right?

McWilliams: Why did he, the metaphysical poet predict the future rights and all the straight accountants at economists and civil servants and technologists and military men get it all wrong. That's what interests me because at a tipping point, that's what interests me and I think it is because the poet, the artist, the musician, that type of person gives themselves the permission to think unconventionally at a tipping point. They give themselves the permission to see around corners, to entertain other ideas while the conventional person is totally terrified by the tyranny of his own peer group, by the notion that we go back to everywhere, the things don't shift. And of course we know what, what Yates was talking about, things falling apart. It was the end of the Ottoman Empire, the end of the German empire. We forget the German empire imploded in the Weimar republic and nobody expected the end of the Russian empire.

McWilliams: And around 1918 everybody was saying, well yeah, this Bolshevik thing, you're not there. Only a few Weirdos. The white Russians will come around with British support and you know what? We'd be back to square one with a sort of a social democratic parliament in Russia didn't happen. The end of the Austrian Hungarian Empire, the Austral Hungarian empire was the ballast of Europe from the late 15th century all the way up to the last century, gum disappeared. Yates seen all that saying that there's something else bubbling up from the surface and that's something else can be terrifying, but only if the best people decide to ignore it. Allowing the worst people to hide jacket. So let's keep those ideas in our heads. You know, the literature sometimes can tell you a lot more than spreadsheets. As a general rule, you know when you see somebody reading the spreadsheet and plane, there's a poor fellow beside me coming over. I was looking at a sarcastic man, you're on an eight hour plane journey, you can read, you can chart up there in the spreadsheet. And I was like, man, okay, no good is ever going to cover that boy. Right? Okay, so don't worry Jill, and I'll stay on course.

Tett: I gave him very strict instructions to talk slowly to stick this on.

McWilliams: This is as good as it gets. This is, this is elocution. This is what my mother paid for.

Tett: Oh,

McWilliams: it's true. This is, you know, you, you've got an Irish grandmother, right? I've an Irish [inaudible], lots of Irish fan. You know, an Irish Irish mother's sent their kids to elocution lessons. You know, I was trying to explain to the New York audience recently about Irish mothers and I said, okay, the best way for you guys to think about it as an Irish mammy, the Irish mother is the sort of mother that makes the Jewish mother look or ambitious. So you got a picture. Okay. Okay, so that's my mom. Okay, so this is my elocution side. Right. Okay. This doesn't get out in public. This is only for Aspen.

Tett: Yeah.

McWilliams: But let's just talk very briefly, Julian, before we talk about the big thing on thinking and how we think about the world, because I believe that at these tipping points, what we are betrayed by more is a thinking process, but doesn't entertain issues that are slightly beyond the pale. I need to, I think it's because the artists, when they give themselves permission to think unconventionally great things happen. Can we say like, I don't want in Aspen, we'd say, Oh yeah, but Jesus, we all love unconventional thinkers. God by God gives 10 of them. I'll hang out with those founders all the time. Right. We say in life, you know, and I look at my kids, but we value on conventional thinkers. Hold on a second. We're going into bulls here, but a star trek moment is that it's, sure. Should we just bring this fellow around? [inaudible] you good? [inaudible] okay. We say we value unconventional thinking at tipping points,

McWilliams: but actually do we, do we [inaudible]

McWilliams: do we in our societies, in the United States, in Ireland and Britain

McWilliams: from Germany? Fine. Let's think about it.

McWilliams: Where do we start thinking the process of thinking and learning? You start in school, do we value unconventional thinkers in school? Look at your, your kids. Look at all kids like I think something actually odd happens in school, which is not only do we not value unconventional thinkers, but we punish them because we get the kids to learn by rote and therefore the kid who is good with the one right answer, right? The kid who is a linear brain who can absorb stuff into his head or her head, put it in a little compartment right back there, do nothing with it. And then on the day of the exam, right? Like a maniac in a logical fashion. That's the type of brain we call intelligent. But that's really like a walking, filing cabinet. And then as you get older you realize there's millions of different types of intelligence, millions. But in school we punish the lateral thinkers who we might need or the tipping point. And we elevate the linear thinkers to such an extent.

McWilliams: That

McWilliams: we know now and we tell them we're very clever and they're very brilliant under the most clever people in the best boy in the class. And the priest tell them they're clever and the teacher tells them to clever. And all that's a clever, clever, clever, clever. And then they begin to think about it that they're clever. And so what basically happens is as we know in society, when you get older, you meet loads and loads and loads and loads of people. And there's millions of different types of cleverness and they're all people who changed school in certain way. So there are millions of people, incredibly clever people walking around today who left school feeling stupid. The Corolla is also the case. There are millions of actually quite stupid people left school feeling very, very clever. And these kids, I teach them in trinity, which is an old university in Dublin, a, it's one of those unusual universities that hasn't figured out quite like American

universities how to actually make money. But that's, that's another thing you even teach us on that stuff, right? And when I get the kids in, those sort of very clever kids, they got a one right answer to do well in college, to do well in school, to go out into the big bad world.

McWilliams: They kind of hung around together because there's a thing called confirmation bias and economics that we actually like to hang out with people who think like us. So what happens in society then for therefore, even in the United States, I want as big as this is a clever people hang out together to talk to each other. They get jobs together, they go into the big banks to go into the civil service, to go into the big industries, to go into all sorts of things, right? And because of confirmation bias, they employ each other. And then very, very soon at the very, very top you get group think everybody at the top thinks the same and that's when you make big mistakes and that's when you misdiagnose economic changes and facilitate weird political changes because people are not thinking unconventional about what we're facing and the conventional man is by far and away the most dangerous person in society because that's where populism starts. And I'll explain this when we sit down. Okay. Okay. The English are terrible. Full CFA.

Tett: Well, you've got to tie it. I've got to my clock going a bit done Dave.

McWilliams: One second part. That's where the rubber bumper, I'd be. What was worried we'd, we used to [inaudible]

McWilliams: these mind games and school. Imagine if they'd been an Irish empire.

McWilliams: I like the chaos of it. Going into it and say, I really mess in memory. Joking. Okay. Zone at the clock,

McWilliams: but just the last thing. Conventions. I want to come back. One of the Great Canadian economist, J K Galbraith, John Kenneth Galbraith. I know Americans pretend he's American, but he was Canadian. The same things happens to Irish people in British people. Right. Okay. When we win an Oscar was suddenly British. Okay, well from work drunk and our own vomit on the tube or Irish other than it's not. It's very different. It can, it can be wanting to say person when he said something beautiful or conventional, the conventional man, this is Galbraith. When faced with the choice between changing his mind and finding the proof not to do so, always gets busy looking for the proof and that is our biggest enemy when faced with these tectonic shifts that you'll talk about now of economics, of demography, of immigration, of technology, that's looking for the proof to think we're going to go back to a nostalgic era which existed in the past is actually the most dangerous thing because nostalgia is the most dangerous commodity in the human mind because nostalgia is based on a dream. It's basically a notion that never existed. It feels fuzzy and warm and nice and all that sort of thing. You're make America great again. In Ireland we had this thing make Ireland terrible again. We're kind of worried now because we've

got too rich too quickly. We're not that comfortable with, but nostalgia and predatory about nostalgia too is a profoundly dangerous thing. So we will sit down. The populism begins in our heads on poetry much more than economics. Helps you maneuver your way through. So now we'll have a chat. Okay.

Tett: You very much. Thank you David.

Tett: Well, I can see it hands waiting already for questions. Um, I'm sure you've sparked a lot of questions before I do. I'm going to simply ask one question myself, which I'm sure it's on the mind of a lot of people in the audience, which is if you're looking for examples of populism in Europe, which has been exploding, Brexit, obviously one very clear cut example. I've just come back from London. I said I live in New York, but I do go to London quite a lot and I also go to Arnold locks. I've got family there. Um, and I came out of London just now feeling absolutely depressed because the politics in London make Washington look positively rational right now. Um, you know, there's this level of poison, this level of introversion, this, there's level frankly pointlessness to a lot of the debate, which is so depressing from the perspective of Dublin. What do you make a Brexit? Is this going to be okay?

McWilliams: Okay. Well, you know, when, when England gets into difficulty, uh, one part of us laughs a lot.

McWilliams: We chuckle together it's a thing of beauty and to see you so pathetic. It's just, it, it resonates. We forgive you for the famine, for the occupation.

McWilliams: No,

McWilliams: no. Brexit is a very strange creature. I think that when I lived in London, I worked in the city, uh, many years ago. I lived in London for 10 years and I was always very struck by the similarity between English, football commentary and the English psyche. And by that I mean, and this is, this is just an observation. Irish people are weird in London because we are foreign definitely. But we're so close that we're not really foreign either. And, uh, England, middle England, which is a different place always seem to strike me as if you watch the English soccer team playing football. Okay? The English soccer team are built up all the time by the media. We're gonna win the World Cup. We're going to win the workup. Okay? This is our year, we're going to witness, right? And the problem is they don't just have the talent to win the French and the Germans and the Argentinians are better.

McWilliams: So at half time, usually when England or to nail down against someone like Argentina, which they really ate because like not only is there, you're beaten by soccer, but you're beaten by Latinos in the whole thing. They don't let that at all. The English fused with this idea that somebody is cheating us, number one. Okay. And we have the talent and the bank number two to win in the end. So this combination of total self-pity and ridiculous overconfidence. Now you don't

have to be a pop psychologist to realize that this is not a very stable collection. When I look at Brexit and the Brexit party and what is happening to the Tory party, I, I feel this, that there is Gillian does extraordinary combination of a hurt that has been done to somebody by somebody that is deeply unfair, even though when you ask them what their heart was and you said, well, what do the European community ever, it's like what did the European Community ever do to you? [inaudible] right? So it's like

McWilliams: [inaudible] French people.

McWilliams: This is self-pity, which is totally irrational. But combined with that as this crazy overconfidence that you're gonna have these trade deals and you're going to sail off into some neo, Elizabeth and future, and I'm not talking about this, Elizabeth, I'm talking the last lizard position a long time ago. Right? Okay. And Britain will become a great trading nation like Britain to be a great trading nation. You should run a trade surplus. Britain hasn't run a trade surplus since the early nineties okay. A great trading nation is one that's trading all the time on terms reasonably generous twit. It's not. So that's what worries me, that it's, it's a psychosis rather than a piece of economics. The second thing, I think, Jillian, this is the biggest thing for us who live in the neighborhood, you know, and it's a strange neighborhood. Sometimes it's a good neighborhood, sometimes the bad, it's like a little bit of Brooklyn that goes, that's good. Sometimes that goes bad depending on who moves in and out. So I'm talking about England and Ireland and Wales and Scotland. I think that Britain, the Boris Johnson, this extraordinary beast. Okay.

Tett: I used to work next to Boris Johnson in Brussels. Yeah. I was a journalist when he was there. I used to have to follow up in scoops. It was good. Yeah,

McWilliams: it's scoops. I think he's going to be the last prime minister of the United Kingdom. I think you are. The kingdom is going to break apart and that is, that is it. And that from an Irish perspective is then that we pay back for a variety of very obvious reasons. But I think the big city, the British project was a very, very, very good way of disguising English nationalism for 500 years under a glorious project. So they kind of convinced the Scots that they can build a few roads and we can just give him a few positions and the weld and ourselves and do jobs. So there was an English nationalist project that started under a hundred [inaudible] with the occupation of items. That's what started heavy gauge wasn't even English, he was Welsh. But that gives you a sense of our neurosis. Okay. And I think that's all coming to an end now. I think it's eight, an English dominated Conservative Party, which looks and feels and smells like the Brexit party. Yup. Is going to not terrify the Scots, but it's going to justify thought moment where you go into the polling station and your heart says there's a better future.

Tett: Okay. So will Ireland reunite.

McWilliams: Oh, no. Doubted. Undoubtedly. Um, this, this, there's only, there's only one. Yeah.

Tett: Can you reunite Ireland when you have the Protestant, um, population of normal to so viscerally, viscerally opposed to that? Or is it [inaudible]

McWilliams: the to deal with the Northern Irish Protestants to marry them.

Tett: Okay. My own family, I've got north and south as well.

McWilliams: My wife is from the Protestant tribe up in Belfast. So you marry them, you confuse them at the start.

McWilliams: Yeah.

McWilliams: Call your children on in comprehensible Gaelic names and things. No. Then you have little mutants, children who don't know what they are. So all is fine. So it's like living in Brooklyn, it's all fine. Right. But my sense is that, and I don't talk about art and tape is the last thing you want to do is go to ask them to some [inaudible] in the United Ireland. The Protestant community in Northern Ireland will only constitute 18% of the total. So there's more immigrants in Ireland than there are unionists. And your prime minister who an immigrant, our prime minister is a gay Indian man who would have thought in Catholic Ireland that we'd have a gay Hindu run in place.

Tett: And very popular. Incredibly popular. Yeah.

McWilliams: And, uh, that means a countries change and countries change positively as well as negatively, you know, and once you get the economics right, you can propel the country in a totally different psychological and emotional path. Uh, with respect to Northern Ireland. I mean, there are fears. If you look at the breakup of Yugoslavia in the break of the legal Slava, you can see quite easily that Serbia is England in the UK, the big dominant power, Croatia, Scotland, the smaller book, quite muscular power and Bosnia could be Northern Ireland, the mixed race, uh, ethnically messy. But my own sense is that we in Ireland have had an ability to deal with this over the last 50 years. Our country's changed so much. You have a small amount of loyalists that military presence and yes, they will be problematic. We need to find a Mandela. Do you remember when Mandela came out in South Africa?

McWilliams: I'm on Della first went and he put on the Springbok Jersey, Springbok Jersey, the Rugby Jersey of quite South Africa. Black people never played rugby and rugby and destemmed the song of the white South Africans was very racist. And Mandela said to his own people, Park your aspirations here with sort that out in time. I'm going to go over and be friend our enemies and tell them, you don't have to fear us. We can do a deal with you. Ireland and maybe Varadkar our new prime minister can do something quite similar. We need to embrace them

to be generous, to make them really on threatened, to give them all the flags they want, all the education, all the tolerance to give them jobs to excessively give them jobs so that they feel that there's some for their kids. Cause that's what it's all about.

Tett: Well, the amazing thing about having a gay Hindu prime minister of Ireland is that not only shows the capacity of countries to change in ways that it can be quite astonishing on the good side. I mean, yeah, the speed at which Ireland accepted gay marriage is quite astonishing. Um, and

McWilliams: my mother hasn't accepted it yet. My brother had agile go to turn back street. By the way. My mother said he doesn't really look [inaudible]. I'm like, mom, you can't say that it's 2020. Well. Um, but you know, it's that he does, he's, anyway, I old school, she's 84.

Tett: I've just about, kept you on track with time, David. Okay. So I'm going to turn to the audience for questions cause I'm sure many of you have got questions. Um, we do have a roving microphone. Feel free to chuck anything to do with European politics where I can look at data, we can go to Europe as well, but just get stuck in our own. Um, and as ever it would be courteous but not compulsory to identify yourself and please keep the questions or comments, um, short.

Audience Member: Okay. Uh, Tony Clancy, West Cork, one of our own like ams. You look like me. Born and raised there. All right. Yeah. What happened? The accent? I learned ps 46 in the Bronx.

Audience Member: uh, you, you gave a very plausible path about what might happen in the UK or the lack of UK. You got the bosques got cattle on. Uh, what happens to NATO when we become so tribal, um, in Europe and, and what happens, what happens with Russia when NATO is no longer hypothesis as much of a fool worse.

McWilliams: Okay. I'm on Russia. I have always felt that the Russian worldview is really badly understood. And both Jillian and I spent some time in Russia. I was in Russia when Russia collapsed in 1991. A crazy venture trying to learn Russian, which was a mad idea. Uh, another thing my mother didn't agree with, man, fairness. I was, you learn that sort of language with a communist and things. But uh, and I visited Russia almost every year and I spent a lot of time working there as an account. Sorry. So the Russian worldview is our society collapsed in 1991 92, absolutely encouraged by the West and the America primarily, but America and western Europe were part and part of a process which saw our great country, the Soviet Union, which after all won the second world war and was something to be proud of if you're a Russian collapse around it.

McWilliams: Then NATO position, these bases all around the Baltics in Poland is brazen, very close. Then they start to metal in Ukraine. We have probably elected president in Ukraine, whether you like them or not. And the rate, this is the Russian view

that the European Union Egged on by Poland back by American. NATO orchestrated the coup d'etat in Ukraine and they depose the legitimate president. They put in a puppet who happened to be pro European. This is the Russian view. So not only did they surround us in the Baltics and eastern Europe with NATO right up in front of us, they start meddling in our near abroad and Ukraine. Crimea has always been Russian. Khrushchev took it as a little present for the Ukrainian SSR and they'd say, we're taking it back. So when I talk to Russians, they have a very different worldview. In fact, the connected to Brexit I was really interested in is talking to, uh, Russians of a Paris Johnson about three weeks ago.

McWilliams: And they compared Gorbachev to Johnson. And the reason they did, they said Gorbachev didn't understand what he was handling, the fires that he was actually beginning to stoke the incredible potency of nationalism. He didn't understand that. He just thought with rhetoric alone of democracy and Perestroika, he could actually change the country. And they said the same things as bars. So let's look at it from the Russian perspective. Russia's always feels threatened by the west. Anybody who spends time in Russia who reads Russian literature, they understands that their core position is a struggle between the Peter, the great Russians who want to go to the west and involve themselves in the west and be great like the rest. And the kind of Pushkin all was soul snitchin soul of Russia where they're the Ed, where the Slavic, how'd you sit with it? They were the keeper of the flame for Orthodox Christianity.

McWilliams: And we're anti western. So I think that we in the West have to understand that Russia deep down is afraid of us with good historical reason. You know, Napoleon and Hitler, they didn't come from India. You know, they came from Europe and the problem of Russia, it's very easy to invade. There's no, there's no, there's no mountains from Belgium to the Urals. It's all flat. And historically that's a very street. So, so when you come back to NATO, uh, it strikes, well it strikes me that once if Britain reconfigures and leaves the European Union, which it, I think it will, it will be difficult. NATO was always very much the military arm of the European Union, except we didn't pay for it. You guys paid for it. Uh, I think your position has changed dramatically that Trump doesn't want to pay for anymore. And in the Europeans we'll have to re orientate their defense spending and get closer to Russia. I mean, the big fear in the Atlantic pairs has always been an alliance between Russia and Germany. It's the one that makes most sense. In Europe, the Germans have loads of industry and no resources. The Russians have loads of resources and no industry usually. So all since slur Parmesan, the Brits, all British foreign policy, that latter front person has to be, keep Germany away from Russia. And I think that's going to be the new game.

Tett: I want to jump in there and say any of you interested in this? Um, the Financial Times that she had a very long interview with a Vladimir Putin. Yes. Um, two days ago. And if you're not FTE subscribers already, um, let me know. Um, but if you go online, you can see this long interview with um, Putin. Well, he basically

says that liberalism is dead. Now that's pretty self interested because of course Putin and Russia have been stoking up a lot of this rise of populism and playing all kinds of games. But you can get a sense of the geopolitical shifts right now and the shifting sense of competence. Um, anyway, and see we've got lots of other hands waiting. Right?

McWilliams: One last thing on Putin, okay. Yeah. 20 years ago, Putin had a destroyed country. It was a failed state. Okay. 20 years later, everyone goes to Moscow to Jeddah flag to Putin. That's the reality. Whether it's the Middle East, whether it's in China, whether it's in Asia, whether it's in Europe, whatever he is, Dung Putin. If you are a Russian, he has given you back confidence. He's given you back a sense that your country going places and you know, we have to say that's an achievement.

Tett: Excellent scholarship achievement. We have four different, three, four hands. Why don't we take three the three hand, three questions together and group them together and see whether there's overlap. So one, two, and then three.

Audience Member: Oh, so, uh, listening to your remarks, you talked mostly about poetry and very little about currencies and which ways makes you think that perhaps, uh, the nationals and we're seeing today isn't about economic anxiety. It isn't about, uh, economic displacement or localization, but you might say it's more like the nationalism we saw in the 19th century. It's about blood and soil and belonging and community. Would you say that?

Tett: Okay, so question, so is it not about economics, but actually about, um, you know, identity for your blood and soil,

Audience Member: Jim Dubin, what happens with the, the rise of call it populism now to the EU? You look at if Brexit happens, what happens in France? What happens in Italy? What is what is going to happen to the EU with everything that's

Tett: so is the EU going to break up? Yeah. And we had a question over there.

Audience Member: Can you hear me? Okay? So, uh, what's, what's a bad about the breakup of the United Kingdom? Forget Brexit. It's, but if England was England, I agree with you.

Tett: And he's not entirely disinterested and neutral.

Audience Member: No. But the, uh, the Scottish have always threatened or wanted to play that game, the well shot and understand well enough, the artists Sydney in on k. Um, but uh, you know, uh, a pure England is not a bad idea as far as I'm concerned.

McWilliams: Okay.

Tett: Yeah, I just like complication that all the sudden green base is there in Scotland, but yeah.

McWilliams: Okay. So the, the, the, the, the, the one, the one about the EU and the blood and soil nationalism and then on the United Kingdom, my own sense is the blood and soil. Nationalism is a function of demography. If you've a very young, it is a very, very easy sell. This bloating soil will expand and we will use force to do so. The European Union is a quite an old ethnic group, ethnic group. People are very, very well off. People don't want any sort of lurched to the extreme. I spent the last weekend in political Bruges where I went to university and I was a master's and a place on the College of Europe which produced all the European community officials who the ones who are negotiating with the Brits. Actually at the moment I was interested to talk to them. The crisis in 2008 destroyed the fanaticism of European integration and it gave a hell of a lot more power back to our call department rep, which are to the individual countries and that is the way the EU works now.

McWilliams: In the past was the European Commission now works much more like the European Council because people don't want any more European integration. There is no overwhelming for European integration. On the other hand, there's no overwhelming desire for independence and more sovereignty. So what we have is what the European Union is always worked, and I used to work at the commission years ago. It's a fudge in you scratch by. It's probably a little way, the way Washington works, you know, we, you know, what do you need? You know, the way they say in negotiations, nobody ever gets where they want to get what they need, right? So what do you need when you go home? Oh, we need a few quid for the farmers and there's a few more roads and we're worried about immigrants. And my sense is that strength, most Europeans really understand that the alternative to the European Union is total calamity.

McWilliams: Because people remember what happened and it's reinforced all the time. My son went to school in Germany when he was about 12 because somebody has to learn the language at the overlord. When he got, he said, okay, you're going, and, and I asked him, but he said he's a dad. It's not that the Germans don't talk about the warriors, they never showed up talking about the bloody war. Right. In school from the age of 11 they talk, we did this, we did this, this is, this is, this is on us. And, and that's deep. So I think the European Union, number one has been given a huge shot in the arm by Brexit. Brexit has shown everybody how difficult it is to leave, how powerful actually the EU is when it wants to squeeze me. Basically we, you have England sitting over here on one side of the table and Germany is sitting over here and has England by the right. You know that expression and I, every now and then it just goes eight.

McWilliams: It's a power play and England isn't powerful enough. That's it. And the Germans and then on whether Britain breaks up. Look, I think Britain, I think we both think Britain in itself in its most in the expression I saw for example at the London Olympics, which was not that long ago, 12 years ago, was an open

tolerance, civilized, unbelievably dynamic, creative place. It still is that that hasn't disappeared, but nationalism has been, I think dangerously fueled by the personal ambitions of a number of individuals and it has taken off and look, we know in Ireland, you know, as I said to my English friends, I can understand that you're doing, you want to go independent and wave your flags and sovereignty. I can understand all that stuff, you know, but look, you know, the first 70 years is the hardest. Right? Okay. Independence is hard. You know, you've got to be, you've got to wake up in the morning and pay your way.

Tett: We've got time for, I think just one or two more questions. Question there. Oh yeah. Good. We got a microphone behind you. Do you have questions?

Audience Member: Could you just say a little bit about, you haven't talked about any of the other countries in Europe. Yeah. Populism. And actually that was the topic of the yes thing. So could you talk, uh, uh, it's been very good though. Um, could you say a little bit about, you know, Poland and Hungary and France and so forth? I do have about four minutes.

McWilliams: It seems to me that there are two strands of populism, okay. There's eastern Central European populism, which is racist and anti Semitic. It's very old. So there's west European populism, which you see a in France in its most flamboyant expression and northern Italy, which is why the called Mickey mouse populism. Okay. It's not that serious price. The stuff you're seeing in Poland and Hungary on the ground and Slovakia is deep rooted old school Christian exceptionalism. And it's really terrifying. So in France and in Italy, right? Italy because of a thing called the Dublin agreement, which was signed in 1991 means that the place where the immigrant lands has to deal with them. So at the end we're going just come in from Africa to Europe. If they land in Italy, it's at least problem that we'll have to change. Okay. Right. So because of geography, they're all coming to Italy. They're coming to Italy and Greece to countries that are pretty fragile. So let's go back to France has been living with a concoction of the PNR, who were the white people who got kicked out of Algeria in the Algerian war? They're there. The ground swells, the national front in southern France. Okay. Uh, and economic dislocation in north western and eastern France. Okay. So it's a strange hybrid of old school, Algerian migrants who are white and who owned Algeria under the French rule and then the disenfranchise industrial working class.

McWilliams: Both of these issues can be dealt with economics. Italy is a strange hybrid that they're actually, they don't even like themselves. Right. You know, so the Northern League wants to separate from Calabria and that ain't gonna happen and Italy will limp on. But the expression of populism that we see in Poland, which is turning back LGBT rights, is got a nasty antisemitism, semiotic undercurrent that they always yank up and down all the time. Hungary exactly the same. That's much more unpleasant. And that's what it looks much more like 1932 then did a Brexit and any of that sort of stuff, which is sort of more

kind of coffee shop nationalism I would say. Then the central European stuff, which is real and unpleasant.

Tett: Alright we have time I think for one more question, if anyone else, anything else I'd like to ask or raise

Audience Member: Um, yes. Going back to, uh, to Europe and populism and the roots without going back maybe to the 19th century, but, uh, do you think that Germany, uh, made a colossal historical mistake by not, um, uh, by not encouraging fiscal and monetary policy that would be, uh, very strongly, uh, on the expansionary side, uh, and didn't take into consideration how put in, you know, to what you were saying before, Jillian was working hard to bring down, you are open, so on and so forth. So retrospectively that, do you think that the roots of the continental European populism are to be found in the short sight of Germany in 2009, 2012?

McWilliams: I think it's a very interesting question because from my opinion, Germany holds both the key to all this because basically Europe is Germany, right? We read its arts of waving flags and Yada, Yada, Yada. But when it comes to the cost, you know, Germany is a population of 90 million people. It's big. I'm sorry about this. This keeps flicking. There was a huge amount of ideology in Germany based around the bonus book. So if you think what happened, Berlin will down 30 years ago, unexpectedly, everything's Jesus. What are we going to do, right? The French say, okay, what we're gonna do is we're going to stop governments. Oh, into the east and going independent. Okay, so how did we do this? We dragged them into this idea called the monetary union and the euro against their will. So Helmut Kohl goes to meet around and says, you know what?

McWilliams: I'd like unification and you have two minutes left. That's grand. He says, I'd like unification. This is what we could do and can show you it you can share was it was an Aussie as well. And the French say, okay, you can have your unification, but we want money, which is a very French position to take right on the German set. Okay. How do you mean to, so we've got this euro thing, it's an idea we have down here. We're going to dust off this euro and we're going to impose it on you and we're gonna take away the power of the Bundesbank and take away the power of the dodge mark. So the Germans are there are, therefore, I did have a serious job before I was at a central banker in Ireland during this period. Then the Germans are saying, okay, for political reasons we'll go with the euro, but technocratically we are gonna set the roots.

McWilliams: Okay. Part of that rules, the following that Germany looks at money as a public good in the same way as you would treat, for example, fresh air. That money should be protected by treaties and ideas and shouldn't be interfered with either the fiscal and monetary side. The Italians, on the other hand, look at money as a tool that you use when you're in trouble. So if the economy falls, you just print more of this stuff, right, and the theater alien way so you can these two psychologists coming together. So the Germans win that battle in

2009 they squeeze the Greeks, squeeze the Italians, they squeeze the French into these crazy ideas that we shouldn't have budget, budget deficits in recessions, mad stuff, crazy stuff, but they were really in the driving seat. Then I think now what is happening, Marco's leaving the stage. She could be leaving quicker than we know.

McWilliams: There's a new bonus by our European Central Bank chief coming in and my own sense is that Germany will ease up on the fiscal, a monetary orthodoxy to allow France and particularly Italy to breathe a little bit because particularly a country like Italy has suffered a lot within the Europe a lot and it needs to generate its own domestic demand. Italian unemployment amongst the under thirties is close to 30% that's not sustainable in any country. London is full of young, clever Italians and Brexit wants to kick them out. So we might be eating a lot of pizza over in Dublin very soon. Who knows?

McWilliams: But I think your point is valid that Germany has some responsibility holders, but also only Germany can be the locomotive to get Europe anywhere. Nobody else can do it.

Tett: On that note, I'm not going to even try and summarize what David said, but it's certainly been stimulating. Provocative. I've learned a lot. I hope you have as well. And if nothing else, he's shown that the Irish can blend economics and comedy better than anyone else. So thank you.