

THE SUNDAY TIMES



SO I'M NOT DADDY'S LITTLE GIRL

ALLEGRA HUSTON ON THE SHOCK OF FINDING OUT SHE IS THE LOVE CHILD OF AN ENGLISH LORD. NEWS REVIEW



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CULTURE INTERVIEW



I was wrong on recession, says Darling

David Smith and Isabel Oakeshott

THE chancellor, Alistair Darling, has admitted that he and his Treasury officials got it wrong over the length and severity of the recession and that he will be forced to tear up his economic predictions.

He will slash his growth forecast in the budget and warn that there will be no economic recovery until the end of the year, dashing hopes that last week's G20 summit will be followed by an early upturn.

"It's worse than we thought," Darling said this weekend.

His admission comes as an opinion poll for The Sunday Times shows that Labour has enjoyed a "bounce" from the G20 summit. Support is up by three points to 34%, with the Conservatives unchanged on 41%. The Tory lead is down to seven points, its lowest since December.

In his April 22 budget, the chancellor will predict that the economy will slide by at least 3% this year, its worst single-year performance since the second world war and three times the rate of decline that he forecast in November in his pre-budget report.

The weaker growth forecast will mean public borrowing in the coming fiscal year will be well above the £118 billion level that Darling had predicted six months ago, renewing fears about the sustainability of public finances. Independent economists say borrowing could hit £150 billion or more.

In an interview with The Sunday Times, Darling insisted that the economy would emerge from the recession and last week's G20 announcements would help. However, the chancellor conceded that he had underestimated the depth of the recession.

The economy's dive over the past six months had been steeper than the Treasury had expected, he said, making it inevitable that he would be forced to revise his forecast significantly. Britain's gross domestic product slid by 1.6% in the final three months of last year, its biggest drop since the recession of the early 1980s.

Treasury officials said that the first three months of this year were likely to see at least as big a drop. "We won't get the figures for another month, but we think they will be bad, because if you look around the world there's nothing that tells you otherwise," said Darling.

While refusing to be drawn on precise numbers, officials said his comments were consistent with a drop in GDP of at least 3% this year, compared with the November forecast of a 0.75% to 1.25% decline.

The economy's biggest single-year fall in the post-war period was in 1980, when it shrank by 2.1% under Margaret Thatcher, followed by a further 1.3% decline in 1981.

It is the first time Darling has publicly admitted that the government's estimates were wrong, setting the scene for a difficult budget, which the Tories will say provides further Continued on page 2 ►►

LITTLE BLIND SHAMS ARRIVES IN LONDON

STEVE BENT



Shams Kareem, the three-year-old Iraqi girl blinded by a terrorist bomb, arrived in Britain thanks to Sunday Times readers donating more than £127,000 for specialist treatment. Lance-Corporal Alan Smith of the Grenadier Guards, above, who has served in Iraq, called her "a very special little girl". You're in London, my angel, page 3

IRA said 'No' to hunger strike deal

Liam Clarke

SINN Féin and the IRA turned down an offer from the British government that could have saved the lives of up to six H-block hunger strikers who died in the Maze in 1981 and secured the prisoners' most important demands.

The revelations, contained in documents released to The Sunday Times following a four-year wait, will put pressure on Gerry Adams and Sinn Féin to come clean on their dealings with the British government at the time.

It has been alleged previously that Adams considered the emotion generated by the hunger strike an essential tool in his strategy to secure a Westminster seat for a Sinn Féin candidate in an August 1981 by-election.

Michael Devine, whose father of the same name was the 10th and final hunger striker to die on August 20, 1981, said yesterday: "The families demand and deserve the truth about what really happened during this period. These latest disclosures have added substantial weight to previous claims that the last six hunger strikers' lives could have been saved."

Documents released under the Freedom of Information Act reveal for the first time that Margaret Thatcher, the British prime minister, personally authorised an offer of concessions to the hunger strikers. Thatcher's offer came after Bobby Sands and three other hunger strikers had already died and a fifth, Joe McDonnell, teetered on the brink of death.

Thatcher opened a secret channel of communication with the republican leadership immediately after reading a conciliatory statement issued by the protesting prisoners on July 4.

Richard O'Rawe, a spokesman for IRA inmates at the time, wrote the statement. It dropped the inmates' demand to be formally recognised as prisoners-of-war by the British and said that republicans would be content if improved conditions were extended to other prisoners. The demand for special status had been a big sticking point.

In Blanketmen, a book he

wrote in 2005, O'Rawe claimed that he and Brendan "Bik" McFarlane discussed the British response a day later, on July 5. He claimed they agreed that it was acceptable but were overruled by the IRA Army Council.

For the past four years McFarlane and the Sinn Féin leadership have vehemently denied that this conversation took place or that any deal was on offer.

"Gerry Adams and the Sinn Féin leadership should make known what they have instead of boxing clever," O'Rawe said yesterday. "Let's have it out in the open and let the facts speak for themselves."

Anthony McIntyre, another former IRA protesting prisoner, said: "I think Sinn Féin should have made all documents available a long time ago. They shouldn't have waited for this to happen. Looking back, I think that this offer would have been acceptable to most of us at the time."

Three of the prisoners who died on hunger strike were members of the Irish National Liberation Army (INLA), a small left-wing group. Willie Gallagher, a spokesman for the Irish Republican Socialist Continued on page 5 ►►

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Found: the seat of all human wisdom

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Jonathan Leake
Science Editor

SCIENTISTS have identified the seat of human wisdom by pinpointing parts of the brain that guide us when we face difficult moral dilemmas.

Sophisticated brain scanning techniques have found that humans respond by activating areas associated with the primitive emotions of sex, fear and anger as well as our

capability for abstract thought.

The findings, to be published in the Archives of General Psychiatry, represent a significant incursion into territory once regarded as the domain of religion and philosophy.

Dilip Jeste, professor of psychiatry and neuroscience at the University of California in San Diego, said: "Our research suggests there may be a basis in neurobiology for wisdom's most universal traits."

Jeste and Thomas Meeks, his colleague, found that pondering a simple situation calling for altruism activated the medial prefrontal cortex, an area linked to intelligence and learning. However, when faced with a difficult moral judgment, the brain activated other areas including those connected with both rational thought and primitive emotions.

Meek said: "Several brain Continued on page 3 ►►

Blair is world's best paid speaker

Robert Watts and Michael Sheridan

TONY BLAIR has emerged as the world's highest-paid public speaker, earning almost £400,000 for two half-hour speeches in his latest appearance on the international lecture circuit.

He received the fee during a 36-hour visit to the Philippines, where he lodged with the British ambassador.

Blair's oratory — which cost more than £6,000 a minute — included such insights as "politics really matters, but a lot of what goes on is not great" and "religion [can be] a source of inspiration, or an excuse for evil".

The former prime minister, who has earned more than £15m since leaving Downing Street almost two years ago, also observed: "Politicians are a very strange people" and

"helping people is a noble profession — but not noble to pursue". Some of the 2,000 tickets were priced at more than £350.

Manny Pangilinan, chairman of PLDT, a telecoms company that sponsored the speech at Ateneo de Manila University, told the local press that Blair was paid €200,000 (£182,000) for a talk entitled The Leader as Nation Builder in a Time of Globalisation.

A spokesman for Blair

denied that he had requested or received payment in euros, a stronger currency than the pound. He would not clarify whether the payment was made in dollars or sterling.

Later that day Blair delivered a second lecture, The Leader as Principled Negotiator, for a similar fee at a luxury hotel.

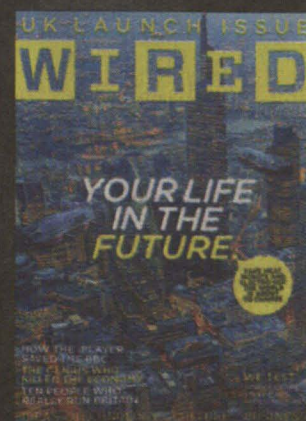
He was flown into Manila by private jet on March 23 and conveyed by helicopter to the Continued on page 2 ►►

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IRA rejected Thatcher's offer of concessions

►► Continued from page 1
party (IRSP), its political wing, said yesterday: "Over the past number of days the IRSP has been speaking to relatives of the three INLA hunger strikers, ex-INLA army council members who were involved in the hunger strike and also to the then officer-commanding of the INLA prisoners about these particular documents. All have



Striker Raymond McCartney

stated that they were not aware of the back-channel initiative.

"Both the then INLA army council and the officer-commanding have stated to the IRSP that if they had been made aware of the content of these developments at that time they would have ordered the INLA prisoners to end their hunger strike."

It has been established from other sources that the back-channel communication passed from Thatcher through MI6 and Brendan Duddy, a busi-

nessman, to Gerry Adams. When contacted, Duddy declined to comment but said that he was lodging his papers for the period with University College Galway and that they would be published at the "appropriate" time.

Bernard Ingham, who was Thatcher's press secretary, told RTE in 2006 "there was no question of negotiation; there was no question of concessions during the strike. If this was the way they wanted to go, then it was: on their heads be it."

While this stance was maintained for the first four hunger strikers it clearly was softened after their deaths.

The Northern Ireland Office (NIO) delayed four years before releasing the newly published documents. They are still withholding material which it is claimed is "capable of damaging relations with the Irish government."

The NIO stated: "Many of those involved in the original issue are still involved in the ongoing political process".

The office refused to say if this was a reference to the Sinn Féin leadership, but that is likely, since most other politicians and civil servants who were active in 1981 have since retired.

The NIO added: "To release this information at such a politically sensitive time might have an adverse impact on plans for the devolution of policing and justice."

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