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# Socialist Worker

## Billions for bankers: REVOLT, RESIST, DRIVE THEM OUT

BRIAN LENIHAN has dropped another bombshell: the entire tax take for a whole year is to be squandered on bailing out banks.

Our children will be still paying for these hand-outs for decades to come.

In September 2008, Lenihan and Cowen made a fateful decision to guarantee the €440 billion in loans that Irish banks had taken out.

This government guarantee ensured that rich speculators would not lose a cent – we, the people, would pay for



Brian Lenihan

their gambling.

Anglo-Irish Banks had over €70 billion in bad debts but the bankers and the political elite covered this up.

Now the FF-Green government are propping up a zombie bank so that their crazy guarantee will not be called in.

If they had any concern for people's welfare, they would never have signed that guarantee. But they only care about their fat cat friends.

Anglo Irish was not the only culprit. In just one year, in 2007, at the

height of the Celtic Tiger boom, the Irish banking system was borrowing €150 billion from international money markets. This was the equivalent of the whole Irish economy for a year.

Their motive was pure greed. The more the banks took in, the more they could operate like drug pushers.

They stoked up the housing market, got people to take out huge mortgages – and then raked in the profits.

Their actions have brought ruin to the Irish economy – but they want working people to pay to clean up

their mess.

They are only getting away with this scam because the political elite are puppets who dangle on their strings. Sometimes they don't even bother to hide how close they are.

The secretary of the Irish Bankers Federation, for example, is Pat Farrell – the former General Secretary of Fianna Fail.

The elite act like an aristocracy of money who just do what they want. And our only answer must be like the peasants of yesteryear: REVOLT.

## NO DEAL WITH THIS BANKERS GOVERNMENT

BUT FIRST we have to deal with the traitors in our own midst.

On the same day that Lenihan revealed his new bank robbery, the ICTU union leaders announced an historic betrayal of public sector workers

They want to collaborate with the Fianna Fail-Green Party government to cut 17,000 public sector jobs and have their members lose the working conditions they built up over decades

The draft public sector agreement would

- Compel some to work an extra hour a week
- Force hospital workers to work anti-social hours without overtime
- Give managers the right to redeploy workers to any part of the public sector



Ex Fás chairman Peter McLoone

- Introduce 'management by stress' by tying increments to performance indicators
- Cut the pensions of new staff and force them to work until they are 68

The union leaders are giving up the fight to reverse the pay

cuts and the pension levy. And the shocking thing is that they have nothing to show for it.

Under this deal, workers will get NO general pay rise before 2014 even though inflation is set to rise.

They will only get a vague promise of some money from the savings made by these huge productivity concessions.

There is no figure on that money, there is no definite commitment; and the government has a get out clause 'if the economic situation deteriorates'.

This scandalous deal has been put together by the ex Fás chairman Peter McLoone and other union leaders who want to get back into a cosy club with bosses and government officials.

## RAGE AGAINST THE MACHINE

THERE IS a huge mood of anger sweeping the country – but it has no outlet.

The organisations that should stand up for workers are now led by collaborators.

Our only alternative is to build a huge grassroots movement from below.

That can start with the coming together of militant trade unionists, community activists and people who have been made unemployed through this government's policies.

A first step in this will be the formation of a National Right to Work Campaign which has the simple message: Bail out Jobs and

Services – Not Bankers.

The launch meeting for the Right to Work Campaign takes place on Saturday 22<sup>nd</sup> May at 12pm in the UNITE Hall, Middle Abbey St.

If you want to see a new grassroots movement, then make sure that you get your union branch or community organisation to support this conference.

Our aim is to build a huge movement that can mobilise thousands for militant action on the streets.

We have to start by organising – it is the only way to build a movement that can drive this government out of office.

# Modern Day Slavery in Modern Day Ireland

By SIOBHAN O'DONOGHUE, Director, Migrant Rights Centre Ireland

A CHINESE woman - a potential victim of trafficking for forced labour - has been freed on bail from a Dublin prison where she was held for the past 18 months, although never convicted of a crime.

Yin Yin (not her real name) was brought to Ireland to work in an illicit marijuana factory.

She was arrested and held on criminal charges.

Despite her plight being referred last November to the body responsible for dealing with trafficking in human beings, the Garda National Immigration Bureau (GNIB), no action has been taken to date on her case.

The fact that a woman, subjected to an extreme form of modern day slavery, was denied her most basic human rights, not only by her exploiters, but also by the state designated with the responsibility to protect her, seems beyond belief.

The Irish government has given assurances that potential victims of trafficking will receive the full protection of the state.

However, the lack of urgency in responding to reports of trafficking is deeply worrying and

is resulting in victims not receiving adequate protection.

When the GNIB identify a person as a potential victim of trafficking, he or she is given a 60 day reflection and recovery period, during which time the Garda further investigate the case.

The DPP then decides if a case can proceed to prosecution.

To date, no case of trafficking for forced labour has proceeded to prosecution - the pattern in most countries that have introduced anti human trafficking legislation.

The bar to prove trafficking is set so high it is extremely difficult to get to the point of prosecution.

Tackling forced labour under the banner of trafficking is too limiting, and too many victims of extreme exploitation are falling through the cracks. Migrant Rights Centre Ireland, and other migrant rights organisations across the world, are now calling for forced labour to be viewed as a crime in its own right.

Forced labour generally involves deception about working and living conditions.

Wages if paid at all, are usually well below the minimum wage.

Many are duped and controlled through a variety of means including debt bondage, where you are told you owe more than what your wages are worth.

The removal of passports is commonplace as is the use of intimidation and violence. Families back home are often threatened.

Many live in conditions of deprivation and despair, believing that they cannot leave.

Criminalisation of forced labour would greatly assist in strengthening protections and rights for people who find themselves in this situation.

If you are interested MRCI's work in this area please get in contact: [www.mrci.ie](http://www.mrci.ie)

**To date, no case of trafficking for forced labour has proceeded to prosecution - the pattern in most countries that have introduced anti human trafficking legislation.**



## 20,000 march in Clonmel to save hospital services

After weeks of preparation, March 27 dawned, a bright spring day and it was time for the Save Our Acute Services rally in Clonmel which had been organised by the "save our hospital" committee. This rally was organised to stop the transfer of acute services from South Tipperary General Hospital to Waterford and Kilkenny and the downgrading of STGH as a result.

At almost 20,000 people, the turnout exceeded all expectations.

The crowds started gathering from 2.00pm and by the time the march started it was obvious to all that the turnout was massive. The people of Tipperary were sending an angry message of protest to Minister Harney.

At 3.15pm the march, headed by the local marching band Banna Cluain Meala, took off and headed down Irishtown through the West Gate and on to O'Connell Street where it ended at the Main Guard where a speakers' platform had been erected.

This rally was non-party-political, so although many parties and groups - including FF, FG, Labour, SF, SWP and Workers and Unemployed Action Group - joined the march, when it came to the speeches none was made by public representatives.

Peter Murchan, Consultant Surgeon, Dr. Paud O'Regan, Senior Physician and Dr. Catriona Crowe, psychiatrist - all attached to the hospital - addressed the crowd, followed by speeches from local sports dignitaries and Alice Leahy, founder of the homeless charity, Trust.

If this downgrading goes ahead, no more babies will be born in Co Tipperary as all maternity care and services would be gone from the county.

A petition, launched several weeks ago, now has over 30,000 signatures. By the time this goes to press there will have been an appearance on RTE's Frontline programme by some members of the "Save Our Hospital" committee, and a deputation from the hospital will have met Harney to discuss what the HSE call "a reconfiguration" of STGH.

Will the size of the protest and the numbers on the petition have an impact? And should the campaign have an overt political edge? Watch his space.

Photo: Paula Geraghty

## Outsourcing - No Thanks!

AS OUR union leaders try to wriggle out of fighting government cuts in return for a treacherous deal, one thing they are trying to foist on public sector workers - initially health workers - is outsourcing.

'Outsourcing' is a fairly recent addition to the Bosses' Lexicon of Class War.

It's a slicker replacement for the more awkward term 'contracting out', but the basic function is the same in any industry: an employer singles out a range of tasks performed by employees and decides to pay a third party to look after them instead.

There are two basic approaches:

- Firing workers and getting someone else to do the job for less money;
- Getting another firm to employ the same group of workers to do the same job, with a fixed term contract subject to review.

From the employer's point of view, there are plenty of advantages, among which:

- Lower wage costs: a more fragmented workforce is easier to exploit and intimidate;
- Tightening the screw: an array of measures and 'service level agreements' allows bosses to subject workers to constant surveillance.

For public services, the effects are disastrous: workers forced to focus on meeting bureaucratic performance targets, on pain of losing their job, instead of using their skills and experience to meet real public needs.

Meanwhile the boss class creams fat salaries for meeting crackpot service level agreements.

No wonder, then, that Colm McCarthy's Bord Snip Nua report identified 'scope for securing major efficiencies' through 'outsourcing appropriate public service functions to the private sector'.

The common thread across all outsourcing activities is an attack on workers: you never hear of a boss outsourcing his own job.

In a Workers' Lexicon of Class War, the entry might read 'Outsourcing: see 'Worker-shafting''.

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# Balbriggan challenge for Socialists

BALBRIGGAN IN North County Dublin was briefly in the spotlight recently following Green Party TD Trevor Sargent's resignation as government minister, after his intervention in a Garda investigation was exposed.

However, the media ignored the conditions in which the Sargent affair originated.

Looking more closely, we see a town hit by spiralling unemployment, appalling public infrastructure, and, as a consequence, racist and anti-immigrant sentiment, promoted by local officials.

Sargent contacted Gardai on behalf of a constituent who had approached a parent on his estate about teenagers engaging in vandalism.

The estate, like many others in the area, has no public amenities nearby for teenagers to enjoy, due to planning decisions made by Fingal County Council which - no surprises here - favoured the interests of wealthy developers over ordinary people.

The estate sits at a death trap junction, the site of many serious traffic accidents over the past few years. Schoolchildren, on their way to a school composed solely of mobile classrooms, are forced to walk along a long stretch of crumbling road with no footpath, at constant risk of being struck by passing cars, because Fingal County Council has been unable to compel a property developer with a site along the route to build a path.

Balbriggan has grown dramatically over the last decade, with thousands of workers and their families settling there on account of relatively cheaper accommodation by the standards of the Celtic Tiger (though still exorbitant).

Many newcomers are immigrants, and Balbriggan estates have a cosmopolitan quality to them, with children from diverse cultural backgrounds playing together in whatever confined spaces they have. These estates make wealthier suburbs look like mono-cultural enclaves.

But community cohesion is under severe threat, from spiralling unemployment and anti-immigrant and racist sentiment.

There are over 5,000 people now on the Live Register in Balbriggan: roughly a 30% unemployment rate. Speaking with *Socialist Worker*, some Irish residents expressed resentment toward what they perceive as migrant workers occupying jobs which, in their view, ought to belong to Irish people.

We might expect local politicians from establishment parties to be at the forefront of tackling anti-immigrant

sentiment like this. Quite the contrary.

Balbriggan Town Council's website ([www.balbriggan.ie](http://www.balbriggan.ie)) clearly shows how local Green and Labour councillors are pouring fuel on the fire.

We see Sargent's Green Party colleague, Frank Snowe, in October 2009, submitting motions to inquire about the 'number of rent supplement claims paid to foreign nationals', and the 'number of council housing units occupied by foreign nationals'.

And in December 2009, Grainne Kilmurry (Labour) submitted a motion requesting a review of non Irish nationals claiming child benefit in Ireland and 'also claiming similar benefit in their native country': a scenario entirely legal under EU law. An Independent councillor, Grainne Maguire, supported the motion with the words 'we have to look after our own', meaning Irish people, not foreigners.

The sole dissenting voice, Terry Kelleher of the Socialist Party, who highlighted the racist implications of the motion, was silenced by Cathaoirleach Monica Harford (Labour).

All these motions were supported by the council.

The Celtic Tiger years were a carnival of nationalist pomp from government officials, their backers in big business and their media cronies.

The mere fact of being Irish was widely touted as the secret recipe for economic prosperity.

The economic death spiral launched by the Fianna Fáil government has done nothing to quell this fervour.

Economic nationalism, the call to pull on the green jersey, is the way Irish elites divert the anger and resentment of unemployed and marginalised Irish people away from the elites themselves - the true culprits - and in the direction of vulnerable and marginalised groups.

It confuses and disguises real economic grievances.

When big business promotes slogans like "The difference is: we're Irish!" they are inviting workers to think the bosses are on their side.

If Irish people are busy worrying about the supposed special treatment of immigrants, it makes them unlikely to take on bosses who exploit all workers, regardless of their nationality.

The challenge for socialists, in Balbriggan and beyond, is to combat the divide and rule dynamic of the Irish ruling class and its political parties.

This starts by forming alliances based on the only important difference: the one between exploited workers and predatory elites.



Above: Unofficial stoppage last year caused by management aggression; Below: Victimised NBRU National Executive member Eugene McDonagh

## Dublin Bus

# Reinstate Eugene McDonagh victimised NBRU union rep

EUGENE MCDONAGH, an executive member of the National Bus and Rail Workers union, has been sacked from his job in Dublin Bus.

A driver for twenty one years, Eugene has a clean safety record and was only sick once - following an assault at work. He has consistently won a good attendance bonus.

In every way, he was a model employee but his crime was that he was also a decent trade unionist.

Traditionally, bus drivers had an input to their own schedules. If their routes were changed, management had to first discuss it with the drivers. Far from this leading to any 'inefficiency', workers were treated with a bit of respect and morale was high. Drivers also knew more about traffic on their routes and could make constructive suggestions.

Last year, Dublin Bus went on the offensive and pushed through a deal where this traditional right was lost.

On two separate occasions, drivers voted to reject a deal but were finally pressurised into accepting it the third time. The deal was due to be implemented on Sunday



26 April, 2009, but drivers in Harristown were upset when they found new rosters unilaterally imposed on them.

Eugene McDonagh sought to negotiate on behalf of his members with management on this matter and agreed to come in on a Saturday, his day off, to do so.

But the management refused all attempts to settle the matter, although in other garages, extra time was given to settle similar disputes like

this. Faced with a fragrantly provocative management action, some drivers refused to drive their buses and a two and a half day unofficial strike occurred.

As a good trade unionist Eugene McDonagh stood by his members and eventually negotiated a settlement, where it was agreed there would be no disciplinary action. Within a month, however, the management

sent letters to about 30 staff threatening them with disciplinary and legal action.

Workers were told that they could be sued for 'damages' caused to the company by the strike. Each worker was then taken in for interview and told that the only way to avoid being sued for damages - and for many that could have meant the loss of their family home - was to name an 'instigator' of the strike who had 'pressurised' them into taking action.

Despite this bullying, only two drivers agreed to make statements naming Eugene McDonagh. One had been held for four and a half hours for an interview before signing his name to a statement. He subsequently withdrew that statement - but it was, nevertheless, used in kangaroo court proceedings to 'convict' Eugene McDonagh.

Despite many drivers clearly indicating that Eugene McDonagh did not cause the strike, he was tried and convicted by a vindictive management on the word of one man.

They have only been able to get away with this disgraceful action because his own union colluded with them. The NBRU was founded as

a militant breakaway many years ago but today it works closely with Dublin Bus management.

Instead of a ballot to take official strike action against the oppressive disciplinary proceedings launched against Eugene McDonagh and the other drivers, the union launched its own spurious investigation.

The whole case indicates the deeply repressive regime that is now being developed against active trade unionists. A section of the boss class (employers) want to break unions and will even try to drive decent people like Eugene McDonagh out of work.

The agenda of Dublin Bus is to cut further bus routes and reduce its service.

We appeal to all our readers to do everything they can to rally support for this victimised trade unionist. You can do this by

\* Publicising the facts contained here as widely as possible.

\* Coming to the launch meeting of the Campaign to Re-instate Eugene McDonagh. This takes place in the UNITE Hall, Middle Abbey St Dublin on April 1st at 8pm.

### WHAT THE SOCIALIST WORKERS PARTY STANDS FOR

Capitalism is wrecking the lives of millions and endangering the planet.

A new society can only be constructed when the workers take control of the wealth and plan its production and distribution for human need and not profit.

#### REVOLUTION

The present system cannot be patched up or reformed. The courts, the army and police exist to defend the interests of the wealthy.

To destroy capitalism, we need to remove the present state structures and create a workers' state based on much

greater political and economic democracy.

#### AGAINST IMPERIALISM AND WAR

War is a constant feature of capitalism today as the imperialist powers try to dominate the earth.

The "War on Terrorism" is a crude device to attack any country which threatens US military, strategic or economic dominance.

#### END RACISM AND OPPRESSION

We oppose all forms of oppression and racism. This divides and weakens the

working class.

We are for full social, economic and political equality for women.

We oppose immigration controls which are always racist.

#### FOR WORKERS' UNITY IN THE NORTH

We stand for workers unity against the Assembly politicians and Brown government.

Like great socialist James Connolly, we believe that partition has brought about a 'carnival of reaction'

We want to see an Irish workers republic where all

workers gain.

Our flag is neither green nor orange but red!

#### FOR A REVOLUTIONARY PARTY

To win socialism socialists need to organise in a revolutionary party.

This party needs to argue against right-wing ideas and for overthrowing the system.

We call for co-operation between left-wing parties and the formation of a strong socialist bloc.

We stand for fighting trade unions and for independent rank and file action.

### Join the Socialists

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# 'THE RULING CLASS PART I: QUINN, O'REILLY & CO

## Don't mind the man behind the curtain

By SANDRA BALL

THE FEW rule the many, and the power structure in Ireland paints like a picture of the fabulous land of Oz.

The emerald city, home of the Wizard, is where you will find the real power of Oz.

And if history has taught us anything, it's that people in positions of power are always the super rich. You want to know who has the power? Follow the yellow brick road to the money, to the emerald city in the emerald isle.

Close to the top of rich lists for years is Sean Quinn, head of the Quinn dynasty which has been put into administration because he ran up such huge debts. But that hasn't stopped him pocketing a personal fortune.

Quinn has been an honorary comfortable member of the golden circle for a long time. Unlucky number 13 on the *Sunday Times* 2009 rich list, Sean Quinn's fortune is put at €2.5 Billion.

If Dorothy's Oz was brought to you by the Quinn group, Sean would be the Wizard.

The inner golden circle of Ireland's rich elite - effectively the ruling class - is a spider's web. It's impossible to look at one company or one individual without seeing that they have vested interests in a handful of other key businesses and financial holdings all linked through directorships and stockholdings.

Take Wizard Quinn for example. He owns 25% of National City Brokers, major financial players whose web page has an option under products and services called *wealth management*.

NCB - the rich helping the rich with their riches - was formerly owned by Ulster Bank, in which Quinn also took shares, keeping the circle tight.

Sean lost up to two billion Euro in the Anglo Irish Bank debacle, a sum he claimed could easily be 'absorbed'. Try telling that to the Irish people who now have to 'absorb' Quinn's spreading mess.

So who sits around the Wizard's conference table to discuss Oz?

Number two in command of the Quinn dynasty is also a non executive director on the board of NCB since 2004, Liam McCaffrey.

Other corporate heads in the Quinn clique are Conor Killeen, ex NCB chairman; Paddy Murphy, former Bank of Ireland executive; Paddy Mullarkey, former secretary general of the Department of Finance, and David Mackey, local government boss and chairmans of Croke Park Executive

Committee.

Sean Quinn also hired former Labour Court chairman, John Horgan as a henchman, and prevented SIPTU from securing negotiating rights, keeping the Quinn group non-union.

Another billionaire at the ruling class round table is Tony O'Reilly, media overlord of Ireland, whose Independent News and Media Group owns 200 print titles including the *Evening Herald*, *Irish Independent*, *Sunday Independent*, *Sunday World*, *Sunday Tribune* and the *Irish Daily Star*, 14 regional titles, 2 free newspapers.

They own more than 130 radio stations and 100 websites. It's not just Ireland's media they dominate. The O'Reillys are the leading press players in 5 countries.

Chairman of INM is Brian Hillery, former Fianna Fáil politician, and one-time director of UniCredito Italiano Bank, the European Bank for Reconstruction and Development, ICC Bank, and Ireland's Central Bank.

So when you stand back and look at the vested interest of some of the rich ruling elite a very clear picture emerges. The people controlling Banks, Media, Big Business, Finance and Property amount to no more than a hand-full.

Let's paint a microcosm of the bigger picture.

You're sitting in the pub having a pint. Your glass was made by one of Sean's glass workers. You are watching an ad for the Ryder Cup, held in Sean's hotel. The pub is heated by Quinn radiators. You might have a copy of one of Tony's papers in your hand, reading about the banking collapse in which so many of them were involved.

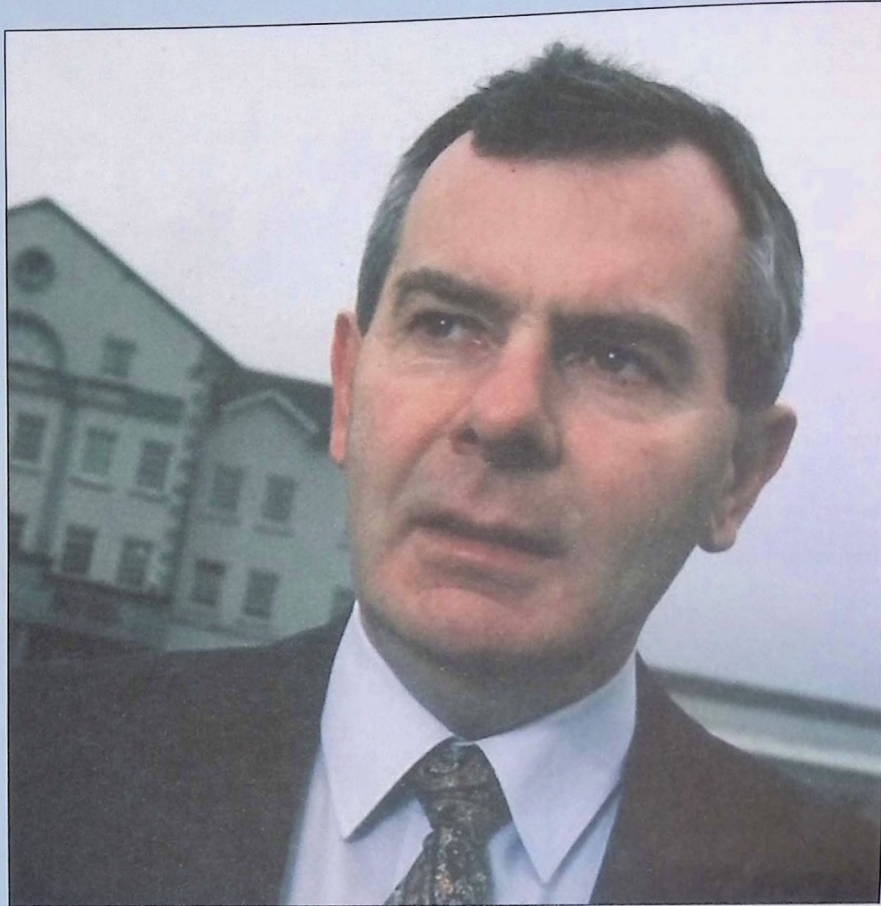
You put some of your hard earned money on a horse, and if you win your fortune, NCB and the boys will help you with your wealth management. Sean, who owns 25% of the company, might get a few bob commission. Or put your money in the hands of Brian the Banker, chairman of Tony's Media empire.

You get into your car insured by Sean and turn on Tony's radio station. You stop off to get some fast food, packaged by Sean, and even if your luck turns and it makes you ill you can fall back on Sean's private healthcare cover.

This isn't Kansas anymore. It's a playground for the super wealthy rich ruling elite of Ireland.

There's no place like home eh?

**Next Issue: Smurfit & the Gang at CRH**



Top: Sean Quinn and above: Gavin and Tony O'Reilly

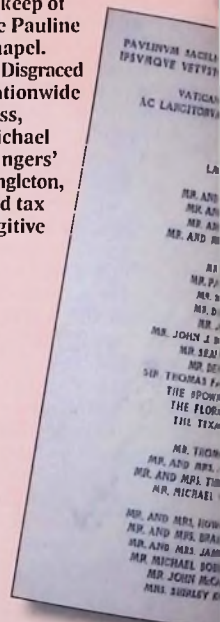
## Rich Irish Tiny Can't the Vatican

JESUS MAY have said that it's easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God, but some of the more notorious members of Ireland's rich elite might beg to differ.

They've been plying Jesus's earthly representatives with cash in the hope of eternal reward.

Before Pope Benedict got round to penning a letter to acknowledge the widespread sexual abuse of children by Irish clerics, albeit without acknowledging the Vatican's role in the cover-up, he was hosting a lavish bash to express his 'profound gratitude' to luminaries of the Anglo-Irish/NAMA axis such as Sean FitzPatrick, Johnny Ronan, Sean Mulryan and Paddy McKillen for their 'profoundly generous' contributions to the upkeep of the Pauline Chapel.

Disgraced Nationwide boss, Michael 'Fingers' Fingleton, and tax fugitive



### WEALTH WATCH

WE HAVE always said that behind the current 'financial crisis' lies a massive transfer of wealth from ordinary people to the super rich, world-wide.

The recently published Forbes Rich List proves the point.

In the last year, as workers

everywhere have faced pay and benefit cuts on a scale not seen in generations, the number of billionaires in the world increased by a massive 37%, from 739 to 1,011.

And the concentration of wealth in the hands of the super-rich goes on apace.

Ireland's five existing billionaires saw their fortunes increase massively during the last 12 months, while a sixth joined their ranks for the first time.

Mobile phone mogul,



Denis O'Brien - currently expanding his business grip on devastated Haiti - increased his fortune from \$2.2bn to \$3.5bn, a 45% hike in a year.



Despite gambling away nearly €2bn on Anglo Irish Bank shares in 2008, businessman Sean Quinn saw his personal fortune increase by a

whopping \$800 million in the last year.

Poor Dermot Desmond had to make do with just \$100 million extra in the course of the year, upping his fortune from \$1.5bn to \$1.6bn.

The new boy on the block is Louth businessman Martin Naughton, with a personal fortune of \$1.5 billion.

While 40% of the world's billionaires are Americans,



this is down from 45% a year ago. The balance of wealth - and power with it - is shifting to the east. The number of billionaires in both China and Russia doubled in the last year.

And while the filthy rich get ever richer, those scamming on their taxes continue to thumb their noses at the rest of us as well.

In just three months last year, the Revenue Commissioners collected €120 million in unpaid

taxes from a small number of self assessed individuals.

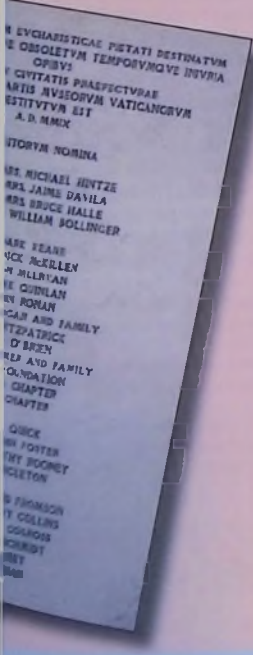
This is a huge amount of money, but still only a fraction of what could be collected as it comes from a minuscule number of audits targeted at a tiny percentage of those in a position to defraud the Revenue.



One of the names on the latest tax defaulters' list is Diarmuid Bradley. Mr Bradley is a very eminent

Seek  
els in  
an

llionaire Denis O'Brien  
ere lauded too.  
Developer Derek  
Quinlan cried tears of Irish  
ride when he bought the  
favy Hotel in London,  
one can only speculate  
the convulsions of  
eligious ecstasy that hit  
im when contributing  
to the restoration of  
Michaelangelo's *Crucifixion  
of St Peter*.  
St. Peter, of course,  
asked to be crucified  
upside down, but our  
home-grown saints are  
unlikely to meet with such  
punishment for bringing  
the country to its knees.  
Yet at the very least  
we should expect the  
Criminal Assets Bureau  
to go to Rome to bring  
back a chunk of the  
Pauline Chapel ceiling  
in reparations for the  
miseries perpetrated on  
the rest of us by the Vatican  
and its Irish benefactors.  
The contributions of  
all were immortalised in  
a marble plaque in the  
chapel.



# NAMA DRAMA: A MULTI BILLION EURO TRAGEDY

By RODDY O'CONNOR

THE TRUTH is out. It is going to cost us, the taxpayers, €100 billion or more to save Irish capitalism from the crisis created by Fianna Fail, their developer friends and a criminal clique of reckless bankers.

The most corrupt and reckless bank of them all, Anglo Irish Bank, is going to cost us a mindboggling €22.3 billion to save all on its own. It already got €4bn from the public purse last year, and another €8.3bn on 1 April. And Lenihan says it will need another €10bn in the near future.

Despite this, the bank's pals in government say it would cost more to close it down. But they really haven't a clue. Anglo chairman, former Fine Gael finance minister Alan Dukes, said it would cost €20bn to pay off Anglo's creditors and shut the bank down. Lenihan told the Dail the figure was €30bn, and Brian Cowen told RTE it was €60bn.

The truth is, Fianna Fail is determined to save the bank whatever the cost because it is, to all intents and purposes, the Fianna Fail bank. It was Anglo that bankrolled the wildest developers who in turn pumped millions into Fianna Fail.

Anglo boss, Sean Fitzpatrick, was Bertie Ahern's financial hero. When he was Taoiseach, Bertie would ask "What does Seanie think?" before making any major financial decisions. Cowen, too, had some yet to be revealed dealings with Anglo and Fitzpatrick.

But it's not just Anglo. AIB is rotten to the core as well. It already got €4bn of our money to stay afloat and now needs another €7.4bn to fill the latest hole in its accounts. AIB says it will try to raise this privately, but it has been saying a lot more than its prayers recently, so don't be surprised when it eventually sucks whatever they need from the public purse.

Then between them, the EBS and Nationwide building



Brian Lenihan and Peter Bacon announce NAMA a year ago

societies require a hand out of €3.5bn, and Bank of Ireland – which has already had €3.5bn – needs a further €2.7bn which it also says it will raise privately if it can. But don't hold your breath.

When all these sums are added together they amount to a staggering €40bn. But the opposition parties in the Dail say at least another €8bn can be added because the government always understates the magnitude of the banking problem.

So that makes €48bn – twelve times the amount the government cut from public sector pay in the last budget. Raising that sort of money will decimate public services, wages, and conditions for generations.

The reason this is all coming out into the open now is because NAMA – the National Assets

Management Agency – has started taking over the banks' bad debts.

The debts NAMA is taking on – all owed by property developers and big-time speculators – have a face value of €80bn, but because the property on which the loans were secured has fallen dramatically in value, NAMA will pay 'just' €50bn for the debts.

This, of course, is far too much, but because the banks are getting 'only' €50bn for assets that were once worth €80bn, they have to record a loss of €30bn. Banks usually make up losses by dipping into their capital reserves, but Ireland's banks have gambled away all their capital in the property bubble.

That's why the tax payer is being compelled – by Lenihan

& Co - to fork all the extra money announced at the end of March.

And there is much worse to come.

Some analysts think NAMA will be lucky if it gets back €15bn from the €50bn it is giving the banks for their developer debts. This is because the assets NAMA will have to sell – fields no-one wants, half built offices, shells of houses (the assets developers put up as security for their loans) are worth just a fraction of what NAMA is paying for them.

If this turns out to be the case, then instead of making a €5bn profit as Lenihan promised a few months ago, NAMA will lose the taxpayers a further €35bn.

Add this to the €48bn calculated above, and the total comes to €83bn.

And there is still worse to

come.

NAMA is only dealing with big developers debts in excess of €5 million. But there are hundreds of unpaid debts of less than €5 million. The banks will eventually have to write off these loans as well and come cap in hand to the taxpayer for another bail out.

Then there's the coming tsunami of mortgage defaults. As tens of thousands of workers with mortgages have already lost their jobs it won't be long before the banks have to admit to billions in losses here as well, bringing the total cost of this crazy bail out to at least €100bn.

Capitalism certainly needs banks to function. But it should be clear now to everyone – not only do we not need capitalism, we simply can't afford it.

citizen indeed.

He's the former Deputy Chief Executive of Permanent TSB, one of the country's major banks.

He's a recent President of the Irish Banking Federation. He was head of the School of Professional Finance.

And he was appointed to the council of Brian Cowen's Foundation for Fiscal Studies where he sat alongside former Revenue chairman Frank Daly.

MrDaly, of course, is now



the chairman of NAMA, in which capacity he will shortly start forking out billions of our money to corrupt and useless banks.

Before he even begins, Brian Lenihan has given Daly a staggering 70% pay rise, up from €100,000 a year to €170,000.

Ordinary members of the NAMA board have been given 32% extra on their pay, while



Michael Connolly, a former Bank of Ireland executive, has been appointed chairman of

NAMA's audit committee, with a salary of €150,000 for a three day week.

But that's just the small change.

No less than €264 million will be paid every year in fees to the bevy of consultants, valuers, accountants and lawyers retained by NAMA

to make it look like it knows what it is doing.

That's a total of €2.64 billion over NAMA's expected ten year life span.

Among the recipients are accountancy firm, Ernst & Young, the crowd who missed all the wrongdoing in Anglo Irish Bank which they audited, as well as Lehman Brothers, the giant US bank whose collapse precipitated the present world-wide crisis.

And back to the tax defaulters.



Another man caught defrauding the public purse was race-horse trainer John Mulhern, who sadly dropped dead shortly after coughing up €1.4 million to the Revenue.

Mr Mulhern was well schooled.

His father-in-law was the late lamented Charles Haughey, who revelled in telling the rest of us to tighten our belts while he lived the high life on bribes from tax-

avoiding businessmen.

Talking of which, lawyers working for the Mahon Tribunal – supposedly investigating corruption in high places - have pocketed €4.3 million in fees since December 2008, despite the fact that the tribunal hasn't sat once since then.

This enormous bag of loot is shared between just 7 senior barristers, 11 juniors and a handful of solicitors.

Isn't it good to know we are all pulling together for the good of the country!

# Capitalism, not simply corruption, caused crisis



By CONOR KOSTICK

Fintan O'Toole, Shane Ross and Matt Cooper, whose books on the crisis, record in authoritative detail the corruption and greed of certain bankers, developers and politicians. Below the covers of their books are illustrated.

HANGING AROUND the neck of the government – and its successors – is a debt so massive its full extent is not known, but certainly runs to many tens of billions of Euro.

Now, in their desperation to shift this entire burden onto ordinary people, Ireland's rulers are engaged in the greatest offensive on working class living standards since the 1920s.

Look at what they're doing to our pensions.

The Pension Reserve Fund – workers' taxes put by for their old age – stood at €22bn before this crisis. Crashing stock markets wiped out much of this even before Brian Lenihan raided it for €7bn to bail out the banks. As a result, there is a huge hole in the income needed to support pensioners.

Then came the pension levy on public sector workers.

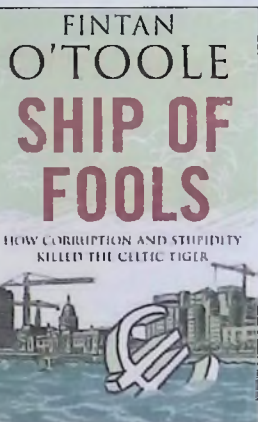
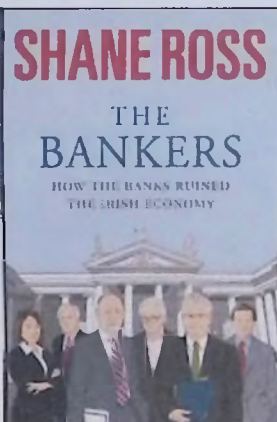
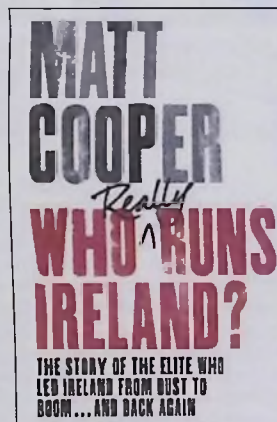
And now the government plans to withhold all old age pensions until workers reach 68. In the meantime the private pensions industry will hit the jackpot as workers are compelled to pay into private pension schemes.

Proposals such as these have led to general strikes in countries with a tradition of challenging government decisions, because they amount to a major transfer of workers' income to those who live off dividends and profits.

Without such resistance, similar attacks will occur here in health, education, transport, etc – regardless of which of the main parties is in power because they are all committed to saving capitalism.

There is no doubting the seriousness of the crisis here, and in understanding how it happened – if not how to deal with it – we're lucky to have three recently published books: Fintan O'Toole's *Ship of Fools*; Shane Ross's *The Bankers* and Matt Cooper's *Who Really Runs Ireland*.

These are important works, recording in authoritative detail the corruption and greed of certain bankers, developers and politicians that certainly exacerbated the cri-



sis here.

But while these authors have performed a valuable service, the impression they create is that the crisis arose from the cronyism in Irish society that is best symbolised by Fianna Fail's notorious Galway tent.

While there certainly were outrageous political favours given to leading business figures – covered well by all three authors and especially by Matt Cooper – what's missing from all of them is an understanding that the fundamental problem underlying this crisis is one endemic to the capitalist system.

Nearly 150 years ago, Karl Marx exposed how the boom-bust cycle was built into capitalism. Individual capitalists, seeking to maximise short term profits, promote booms, but undermine the capitalist system as a whole, provoking periodic crashes.

This fundamental observation remains true today despite the enormous developments in the nature of capitalism since Marx's day.

Just look at what happened here.

Because banks are so critical to the smooth running of capitalism, there were lots of rules to prevent banks suffering huge losses. But

bank bosses, and regulators, were swayed by the apparent success of short-term decisions that maximised bank profits at the time, but were to have ruinous consequences for the wider system.

The pursuit of short-term profits by using money borrowed internationally for speculation in the property market created an enormous bubble with massive overproduction. There are 340,000 empty houses and around 50% of commercial property lies idle.

A crash was inevitable, turning short-term profits to massive losses, and leaving behind an unprecedented debt mountain.

Lenihan's solution to the incredible losses of Ireland's financial elite was the creation of the National Asset Management Agency (NAMA).

By transferring their losses directly onto the shoulders of Ireland's workers, NAMA is designed to save those capitalists – banks, developers and others – who lost fortunes when the financial and property bubble burst.

And in saving them, Lenihan & Co hope to give the capitalist system a new lease of life – until the next crash.

Because the authors of these three books want to see Ireland as

a successful capitalist player in the world economy, they are at their weakest in offering an alternative to the austerity for workers that follows from the NAMA strategy.

Matt Cooper believes entrepreneurs like Sean Quinn, Tony

O'Reilly, and so on, are necessary for future economic success and that Ireland's trade unions will be an obstacle to this.

Fintan O'Toole is far more egalitarian in wanting the state to desist from subsidising failing banks and instead spend the money in a way that promotes social justice. This is something that of course readers of *Socialist Worker* will approve of, but O'Toole stops short of proposing an alternative to capitalism.

Perhaps the most radical of the authors – ironically given that his own political background is far from being socialist – is Shane Ross. He accurately portrays the bankers, and their big-business associates, as a close-knit and powerful class to whom even the government bows.

Ross concludes: "Fianna Fail could have eyeballed the banks and the mandarins. It didn't. It was fearful that the bankers could press the Armageddon button and take the country down with them... the permanent government [of very senior civil servants], conspiring with the bankers, was more powerful than the elected government. It had always

been thus...

"The launch of the NAMA project was perhaps the bankers' greatest triumph. It had sent out a potent message: that Ireland's banks were too big to be allowed to fail; Ireland's bankers were too powerful to punish."

One underlying message that comes through in all three books is that Ireland's ruling class fears a backlash from below. And they are right to do so.

It is relatively easy for them to deal with politicians and buy off, or ignore, the heads of the trade unions. But when a mass movement – like the one we have seen in Greece – arises in Ireland, it will bring with it a proper accounting and a thoroughgoing purge at the top of the country's financial and business world.

*Ship of Fools: How stupidity and corruption sank the Celtic tiger*, Fintan O'Toole, Faber

*The Bankers: How the banks brought Ireland to its knees*, Shane Ross, Penguin

*Who Really Runs Ireland? The story of the elite that led Ireland from bust to boom and back again* by Matt Cooper, Penguin

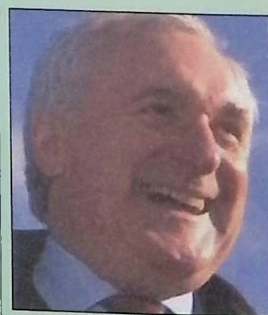
## Absentee TD on the make

WHEN HE was in office Bertie Ahern never tired of telling a gullible public that he had no interest in money.

But since abandoning office in disgrace in 2008 – after failing to explain the source of the huge sums of cash washing through his numerous bank accounts – he has really started to milk the system for everything he can get.

Although rarely seen around the Dail, he is still a TD, drawing a salary of €98,424, plus another €25,000 in 'expenses'.

On top of that, he trouses an additional €98,901 a year in ministerial pensions, a sum that will double when he eventually retires from



public life.

And while ordinary public servants face severe penalties for absenteeism, the bold Bertie spends more and more of his time jet-setting around the world on speaking engagements at \$40,000 a pop,

minimum. Incoherency and gobbledegook come as at no extra cost.

Among the countries Bertie has graced with his silver tongue is Honduras, scene of a recent extreme right wing coup and a place where death squads now roam the streets torturing and murdering trade unionists and left wing dissidents.

In his most recent speech to students at Oxford University, Ahern blamed the 'global recession' for all of Ireland's economic woes and said everyone now had to 'pull together' and keep their expectations 'in line with current economic realities'.

# Are US-Israeli relations changing?

By LAYLA ARAFAT

FOR THE last few months the United States has been saying that talks between Israelis and Palestinians - branded *proximity talks* - would be helped if Israel froze building illegal settlements for a while.

The Palestinian Authority had made these proximity talks contingent on such a freeze. Half a million Israelis live on settlements built illegally on the occupied West Bank.

The settlements are illegal under international law, yet Israel continues to build on the 18 percent of historical Palestine that is supposed to form a future Palestinian state.

**Irony**

The sad irony is, we don't even have a chance to criticize the obvious futility of yet another round of talks - aimed at little more than rebranding Israel's occupation under a new name - because Israel won't delay its illegal settlement building, thereby making the talks impossible.

On 9 March, during his visit to Israel, Vice President Joe Biden vowed unyielding American support for Israel's security, and on the same day Israel's Interior Ministry announced 1,600 new housing units for Jews in East Jerusalem. Mr. Biden condemned the move as 'precisely the kind of step that undermines the trust we need right now.'

A media frenzy followed



US President Obama and Israeli PM Benjamin Netanyahu

about the apparent schism between the White House and the Israeli government over this issue. Headlines in leading newspapers spoke of a 'rift' in US-Israeli relations.

The *Wall Street Journal*

said the Israel rift threatened the US's plans in the Middle East.

**Green Light**

One had to read Israeli paper, *Ha'aretz*, to find out that, actually, the US had

given a green light to new settlements, when it made it clear that the settlements' announcement had been the problem rather than their actual construction - which would of course be allowed to take place eventually.

The unfortunate timing of the announcement meant that the proximity talks were now going to be rejected by the Arab side.

Biden's plan had been to leave Israel with an announcement that the talks

have officially begun, but instead he was forced to leave with the news that the Arab League had suspended its participation.

Despite the 'rift', the United States agreed to hand over \$250 million worth of Hercules C-130J aircraft to the Israeli army, while the rest of the US annual aid budget of \$3 billion is also intact.

So why won't Obama go beyond rhetoric and take a hard line against Israeli settlements?

In fact this game over the settlements has been played for years between the US and Israel.

All that is different now is that the US would like to put off a resolution to the Palestinian tragedy with a cover of yet more talks, while the Israelis would really rather not have to bother talking at all.

Some optimists think the latest disagreement is the beginning of a future rift that may develop between the US and Israel.

They point out that the criticism from the United States has made it easier for other countries to condemn Israel.

A pointed example is the UK's move to expel an Israeli diplomat over the passport issue this week.

So maybe we *are* seeing signs of the United States reconsidering its unqualified backing of Israel.

As a Palestinian who has long followed this US-Israel game, I am not holding my breath.

## HSE Slashes Mental Health Funding - Again

By KIERAN MCNULTY

IT IS now more than four years since the Government accepted an independent report it had commissioned, *Vision for Change (VFC)*, as the basis for its future mental health policy, yet almost nothing has been done to realise its full implementation.

In Kerry, *Vision into Action (VIA)*, that would see the policy rolled out in the county, is officially on hold - according to a member of HSE staff in Kerry - because no progress is being made on establishing community mental health teams.

There are two key related factors here.

First, the *HSE Service Plan* for 2010 states that this year's budget has been cut yet again by €668m, down to €14.07bn.

For mental health the situation is even worse. By EU 15 standards, Ireland should spend at least 12 per cent of its overall health budget on mental health. In the mid 1980's the Irish State was spending just over this amount.

By last year this figure had dropped to 6.9 per cent and for 2010 it has been cut even more drastically to 5.4 per cent.



Caroline McGrath, Director of the Irish Mental Health Coalition

To a large extent this has been achieved by the second related factor - the continuing HSE staffing embargo which has reduced mental health staffing numbers from 10,476 to 9,772 in the fourteen months up to February.

The HSE's neo-liberal philosophy is exposed in the title of its current four year health plan: *HSE Corporate Plan 2008-2011!*

On the current staffing embargo, Caroline McGrath, Director of the *Irish Mental Health Coalition*, commented: "This moratorium is a crude and brutal instrument that is crippling the Government's reform programme, as outlined in *A Vision for Change*."

"The Government's plan for moving from acute hospital care to a community based service, was based on

redeploying existing staff and expanding the total number of staff.

"Instead we have a service that is not even maintaining the status quo but is haemorrhaging staff, reducing *A Vision for Change* to a mere pipe dream. Clearly, too, the fact that mental health problems cost the exchequer €3bn per year has not been appreciated."

The consequence of the Government's short-sightedness is that mental health staff feel increasingly frustrated, and that their idealism and dedication is being abused. Increasingly mental health patients are being issued with medication, to the delight of pharmaceutical corporations, because the government refuses to adequately fund an alternative social model, or recovery model of mental health that would provide alternatives to pills.

As suggested in *VFC*, this model would include increasing staff numbers generally, especially in the areas of psychology, counselling and occupational therapy.

More funding would be provided for greatly increased mental health service user



Minister for Equality, Disability & Mental Health, John Maloney

input, and for initiatives such as autonomous service user led-drop in centres, perhaps as community development programmes.

The minister responsible for mental health, John Moloney, is hoping to raise capital (not human resources) funding from the sale of long stay psychiatric institutions - which should have been done years ago.

But there is no guarantee that their estimated price will be realised, or how long it will take to sell them.

Meanwhile Ireland has an appalling level of suicide and the human rights of mental health patients remain a serious concern as highlighted by *Amnesty International*.

Children are still admitted into adult psychiatric wards with all the dangers that that implies and ECT is still being administered despite being banned in many other countries while there is no adequate monitoring of involuntary detention.

Mental health is an emergency situation and everyone, including mental health advocates and members of the health service unions, need to campaign together urgently for its proper reform and funding.

# Socialist Worker

## BLOODY SUNDAY: TRUTH VITAL FOR ALL WORKERS

By EAMONN MCCANN

IN EVERY other atrocity of the Northern Troubles with which Bloody Sunday is compared, the victims were acknowledged as innocent and the perpetrators deemed evil.

But in the case of Bloody Sunday the State stood by its own. Paratroopers who had killed or wounded 28 unarmed civil rights demonstrators were cleared by an official inquiry while the victims were dismissed as gunmen and bombers.

It is this which drove the families to wage their long campaign for a new inquiry.

The Saville report was finally handed over to Northern Secretary, Shuan Woodward, on 22 March. But the bad faith of the British Government remains evident.

Ministry of Defence officials and members of MI5 have been allowed to pore through the report before publication and ask for changes.

This despite the fact that the MoD was the killers' employer, and MI5, through false information and cover-up, had a

hand in bringing the massacre about.

Nationalist parties in the North, particularly Sinn Fein, have been remarkably easygoing about people who were complicit in the killings being invited to read and suggest changes to the report before the families of the victims are allowed a look-in.

The problem for the Nationalist parties is that in the 12 years since Tony Blair appointed Lord Saville to head the inquiry, a DUP-Sinn Fein coalition has been established at Stormont - based on tacit agreement that nobody who supports the new institutions of state will be held accountable for offences in the past.

So the truth about Bloody Sunday has become an even hotter potato.

They argue that creating uproar about Bloody Sunday now would risk the breakthrough which has given Nationalism a place in government for the first time.

This suits Shaun Woodward and the shameless government he is a part of as much as it suits Nationalist leaders.

Britain's rulers have good reason to fear the truth of Bloody Sunday. Their



forces face allegations of torture and murder in Iraq and are still fighting a dirty war in Afghanistan.

A report which detailed the Derry massacre, apportioned blame and described the government's role in covering up for the killers and libelling the dead, would lend plausibility to claims of torture and murder against British soldiers today.

This is the main reason Woodward wants the report out in as bland a form as possible, and - after an inevitable flurry of comment - forgotten about.

So the interests of the Nationalist parties and of the British government coincide.

To look at Bloody Sunday solely in a Nationalist perspective is to avoid the fact that when the State murders its citizens

it is in the interests of all that it be held to account.

The issues arising from Bloody Sunday go much wider and deeper than Orange-Green politics.

Wherever we look around the world, it's working-class people who bear the brunt of State injustice.

Every worker or member of a marginalised group - Protestant, Catholic, Irish, British, whatever - has an interest in discovering how and why the Derry atrocity came about and what it tells us about conflict in the present.

It is not a matter of politicians of this or that party "selling out".

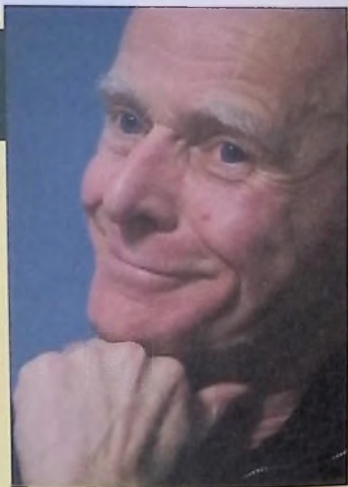
It has to do with the way Nationalism, of its nature, tries to bind the mass of the people to the elite of the same community.

The leaderships always settle for a place in the existing power structure. Rank and file followers are left behind, frequently embittered.

Only parties based squarely on the interests of those at the bottom of society, whatever their community, can fight the issues emerging from Bloody Sunday through to a conclusion.

### MCCANN'S THE MAN!

## Break the Mould: Vote Socialist on 6 May



"WITH PEOPLE Before profit, you get what it says on the label.

"Our programme is based entirely on raising the interests of the people left behind by the peace process above the interests of the profiteers who dominate our society."

So said People Before Profit (PBP) candidate Eamonn McCann, launching his campaign in the Foyle, Derry, constituency for the Westminster election due on

6 May.

The campaign has attracted support in the constituency well beyond the original core group from the SWP and others in the Socialist Environmental Alliance which previously fought Foyle. The SEA last year merged with PBP.

Appealing to young voters in particular to register for the poll, Eamonn McCann said: "We know that many don't vote because they have no faith in the main parties.

But we are in the race to offer a real alternative to the gridlock of Orange versus Green.

"Both Unionist and Nationalist parties accept the communal divide as the axis of politics. In fact, they are products of the divide. But none of them pursue policies to advance the position of people at the bottom of either community.

"Job cuts, closures, pressure to hold down wages - the Stormont budget makes

all this inevitable. All the main parties back the budget strategy - and then complain when the inevitable cuts come along. More and more people are on to this scam and won't vote the same way again.

"Our task is to show that resistance is possible and can work."

Canvassing is already well under way. The reception in areas like Galliagh, the Bogside, Brandywell and the Waterside has been highly encouraging. New election

workers are coming forward.

A brilliant campaign song by singer-songwriter Paddy Nash expresses the pitch of the campaign perfectly. "Put the people before the profit/ Put the need before the greed/ Find a new direction/ Beyond the Orange and the Green."

However, there is no complacency in the ranks.

"We know we are going against the grain in appealing to class rather than communal allegiance,"

says Eamonn McCann.

"Among trades unionists and community activists there is a positive attitude to PBP - but also a scepticism about making any breakthrough. We want to break free from the traditional pessimism of the Left in the North.

"A solid performance in Foyle will encourage others to take up the challenge elsewhere.

"Any help we can get from outside Derry will be very welcome."