

# Socialist Worker

## Cuts and tax hikes planned...

# ANOTHER REASON TO VOTE NO

**'WE better not upset the population until we get a Yes vote'. This is the current line of the FG and Labour government.**

A raft of new cutbacks and tax hikes have already been prepared, but they will not be announced until after the referendum. The government is terrified of the backlash it got on the household charges – so it is deliberately suppressing news.

They are playing a cynical game of lying again. They won the last election on lies and they think they can repeat the trick with the referendum.

The tax hikes include:

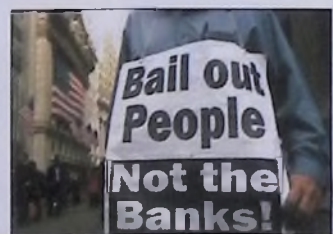
- **New property charges.** According to the Sunday Business Post, 'these taxes are set to run from €188 a year to €3,000, depending on the size and value of the property'.

The household charges campaign predicted that the property charges would increase and this report, unfortunately, confirms it.

The government's aim is to raise over €1 billion in property charges and so the average charge will come in at around €500 a year.

- **The registration of septic tanks.** This was supposed to be launched in March but the government is also holding it back.

They have instead spread a rumour



throughout rural Ireland that a NO vote will mean the end of farm grant payments.

This is just one element of the scare tactics they are using to swing the vote.

The cuts include:

- **Plans to close A&E units and smaller hospitals.** Top of the list of targets are Mallow, Bantry, Portlaoise, and Navan.

- **Cuts to allowances for public sector workers.** The government has launched a big propaganda campaign against 'non-core' payments for public

sector workers.

They aim to slash the pay bill further and their targets are different allowances which public sector workers have negotiated.

Labour Minister Brendan Howlin was due to announce the cuts before the referendum but he has postponed it.

These cuts make a mockery of the government's claim that they are calling for a Yes vote to insure payments for public sector workers in the future.

The Fiscal Treaty is all about more

austerity.

It will force a regime of cutbacks and tax hikes on low and middle income people for the next twenty years.

FG and Labour have done everything to hide the reality by continually asking the NO side where is the money to come from.

We need to tell them loud and clear that it will come from cancelling payments to bond holders and taxing the rich.

So what part of NO do they not understand!

### Inside

**A complete  
rundown of  
the Fiscal  
Treaty**

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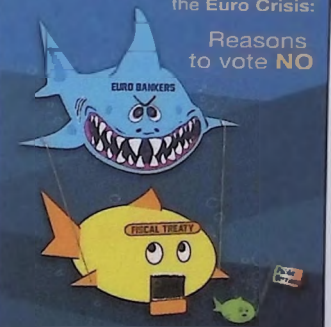
**International  
analysis of  
the fight  
against  
austerity**

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### OUT NOW!

The Fiscal Treaty and  
the Euro Crisis:

Reasons  
to vote NO



Fiscal Treaty and Euro  
Crisis - Reasons to Vote No.  
by Kieran Allen is available  
from voteno.ie

**Join the Socialists—Text JOIN to 086-3074060  
Visit our website—www.swp.ie**

# UNIONS MUST BREAK LINK WITH THE LABOUR PARTY

By KIERAN ALLEN

THE campaign to cut union links with the Irish Labour party is growing.

A Waterford council worker told *Socialist Worker*, 'We took up a petition to stop our union paying our dues into the Labour Party and almost everyone signed it. Why should we be supporting a party that has introduced household charges?'

A Limerick factory worker told a similar story. 'At our annual general meeting,



there was overwhelming support for withholding union dues from Liberty Hall.

'We are sick and tired of Jack O Connor - he does nothing for workers. We are now pushing for a cut off of all funds for the Labour Party.'

The Labour Party is a disgrace.

They have pushed up the retirement age of workers to 68 and have attacked single parents.

Despite promising to stop payments to bondholders, they now squeeze the poor to feed the rich.

They are totally out of

line on the Fiscal Treaty. The European Trade Union Congress has denounced the treaty as an attack on everything European workers stand for. But the Labour Party endorses it.

Yet this party is being funded by the unions:

- Each year, SIPTU donates over €90,000 in affiliation fees and conference expenses to the Labour Party.

- Labour Ministers such as Joan Burton, Ruairi Quinn and Brendan Howlin received donations from SIPTU at election time.
- Other unions such as UNITE are also affiliated to the Labour Party.

It is time to end this madness and punish the party that is attacking organised workers.

The unions should continue to have a political fund - but not a cent of it should go to the Labour Party.

We urge you to take up the following petition in your workplace and union branch:

'We, the undersigned, believe that no union funds should be donated to the Labour Party.

'We, therefore, demand that none of the contributions that we make to the political fund be given to this party.'

Ask union members to sign this petition and demand a reply from the union head office.

If you want to publicise this action, please contact us as info@swp.ie or text us on - 086-3074060

# Striking Irish Cement workers blow the lid on government subsidies



By BRIAN O' BOYLE

WORKERS at Irish cement plants in Drogheda and Castlemungret (Limerick) have been on strike since the first week in April.

Irish Cement is a subsidiary of Cement Roadstone Holding (CRH), the fourth largest building company in the world, and one of Ireland's most profitable corporations.

Last year the company made €711 million in profits.

Despite this it has laid off 50% of its general staff and 25% of its skilled tradespeople over the last three years.

The company has also used the construction collapse to drive through a raft of flexibility measures.

These have resulted in labour costs falling more than proportionately with the fall in sales, but still not happy, the company began with-

holding pay.

This forced a Labour Court adjudication process at which the company was asked to fully reimburse all contractually entitled pay to 115 workers. The company refused.

Meanwhile the boss of CRH, Myles Lee, and his directors have made their share related bonus targets easier in order to cope with the downturn. Last year Lee paid himself €2.7 million and there was no reduction in shareholder dividends.

**State subsidies**

Shamefully, some of this money comes directly out of taxpayers' pockets. Speaking to *Socialist Worker*, Ambrose Murphy, a worker at the Castlemungret plant, blew the lid on an €89 billion state subsidy for this massively profitable private company.

At the behest of the Environmental Protection Agency, Irish firms must meet specific targets

on CO2 emissions. To help them achieve this, the Irish state allocates CO2 allowances to corporations free of charge.

Crucially these allowances continue to reflect the levels of production associated with the Celtic Tiger and any permits not used can be traded on the open market.

According to an internal document prepared by CRH, the company made €22 million from these permits in 2009 and €67 million in 2010.

This is a direct state subsidy that could be used to pay the wages of around 3000 public servants. Instead it is given to a corporation that flouts the states Labour Court recommendations by refusing to pay workers their full salaries.

*Socialist Worker* salutes the bravery of the Irish cement workers and encourages its readers to send messages of support to 087657400.

## NEWS IN BRIEF

### Household tax campaign stays on the streets

By DONAL MAC FHEARRAIGH

A city centre protest rally by the Campaign Against the Household and Water tax in Athlone drew a crowd of over 120.

The rally was addressed by Clare Daly TD and by Luke 'Ming' Flanagan. One participant described the mood as "upbeat" and explained that the rally was part of a series of protests in Athlone, Mullingar and Laois.

She said "local communities are keeping the campaign active and visible by supporting each other and building lively protests in all the major towns in the area".

Speakers called for a NO vote in the upcoming referendum as a way to register anger and opposition to the household tax.

## A BRIDGE TOO FAR

By DONAL MAC FHEARRAIGH

LAST June, to great fanfare, Minister for Social Protection Joan Burton launched the JobBridge internship programme. She claimed that she 'firmly believed' that many employers would offer jobs to their interns after they completed their internship.

The scheme creates six or nine month internships for people currently unemployed, for which they receive €50 per week on top of the dole.

Taoiseach Enda Kenny declared the programme to be a 'flagship commitment' of the Government's Job Initiative.

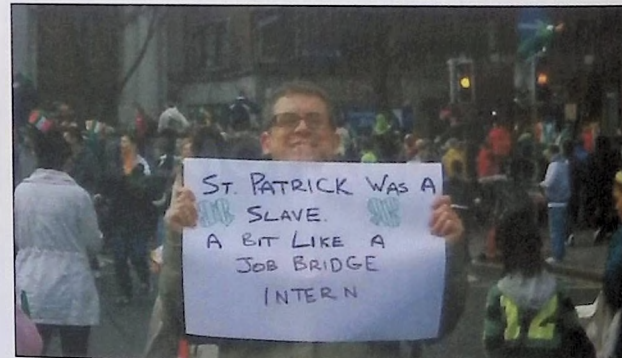
The reality is completely

different. Of the 4,670 participants only 797 interns have gone into employment with either their host company or another company.

The JobBridge scheme is merely a means for the Government to reduce the numbers on the Live Register without creating any actual jobs.

The JobBridge programme is effectively a massive subsidy for private companies, providing them with free labour at a direct cost of €50 per week to the State.

When you take into account the hidden cost in continued social welfare payments to people who are working, and the loss in tax revenue, which would be received if these people were



actually being paid properly for the work they do, the real cost is much higher.

It effectively reduces the minimum wage to €238 per week (€188 + €50). Many interns report that it actually costs them more than the extra €50 per

week to do their internship, due to transport costs and the cost of lunches, work clothes etc.

Trade unions should be leading the fight against this attack on the minimum wage and the victimisation of unemployed workers.

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### 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 Terrorlam" 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 Cameron 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.

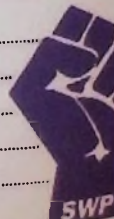
We call for co-operation between left-wing parties and the formation of a strong socialist bloc.

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

## Join the Socialists

Fill in the form and send to SWP PO Box 1648 Dublin 8

Name.....  
Address.....  
.....  
Email.....  
Phone.....



## What Socialists Say



## We can stop austerity— Vote NO to the austerity treaty

ELECTION results in Greece and France have sent the euro elites into a panic. A new wave of resistance is spreading throughout Europe.

Our rulers insist that austerity—savage cuts, job losses and privatisation—is the only cure for Europe's ailing economies.

But now it seems that ordinary people are refusing to take their medicine.

In Greece over 65% of voters flocked to parties that opposed the austerity being imposed on the country.

The new French president Francois Hollande was similarly elected on an anti-austerity ticket.

The French election and the looming elections in Holland, as well as the defeats for Merkel in German local elections has emboldened the left in the German parliament who are now blocking the passage of the Fiscal Treaty and the ESM Treaty.

The splits emerging in the ruling class across Europe reflect the deepening crisis. For four years they have doled out severe austerity, shifted the private debt burden onto taxpayers and savagely cutting living standards.

They thought this would enable the European economies to recover.

But they were wrong. We are now facing a new recession in Europe.

Workers are right to refuse to pay for an economic crisis created by banks and corporations.

And our rulers have good reason to fear what happens when the people refuse to bow down and accept austerity.

## A world to win

**THE mass movement against the household and water taxes is the first major sign of the revolt against austerity in Ireland.**

**It will be joined by others if FG and Labour push ahead with their cuts agenda. The resistance here has not yet reached the levels seen on the streets of Greece – but the anger is growing.**

**The Labour Party faces a similar wipe-out as happened to the pro-austerity left in Greece.**

**Those pushing for a 'growth pact' have little to offer. Hollande wants to renegotiate various economic treaties, but he is committed to following the European Union's budgetary rules.**

**His solution could mean deeper 'structural reforms' - more attacks on unions and wages.**

**Even these attacks won't solve their crisis.**

**There is no "normal" growth we can all get back to in the midst of a collapse of capitalist investment.**

**The people striking and protesting across Europe have the potential to create a new kind of society.**

**They can build a world that isn't based on the blind pursuit of profits and the rich ripping off the poor – a socialist society. We can help that struggle by getting out and voting NO to this 'Austerity Treaty'.**

## AFTER THE CHILD ABUSE SCANDALS:

# GET THE BISHOPS OUT OF OUR SCHOOLS

By KIERAN ALLEN

THE Catholic Church is due to hold a major Eucharistic Congress in June.

The event will stand in sharp contrast to the last congress held in 1932. This was used to celebrate Catholic power in De Valera's Ireland. Today the Catholic Church is in disarray.

Over 70% of priests are aged over sixty years of age and the institutional church is dying.

The refusal of Cardinal Sean Brady to resign has provoked outrage amongst many grass-roots Catholics.

A general assembly organised by the Association of Catholic Priests drew in over one thousand people who demanded more participation in their church.

Recent revelations in a BBC programme showed that Brady had taken detailed notes of the abuse of young boys who suffered at the hand of Brendan Smyth.

But afterwards he did nothing to warn parents about the dangers.

Brady's refusal to resign has led to widespread condemnation.

But virtually no action has been taken against an institution that sheltered child abusers.

Yet the whole scandal raises serious questions about church-state relations in modern Ireland.

### Why are we paying for child abusers?

Compensation to victims of child abuse is currently set to run to €1.36 billion.

But under an amazing 'indemnity deal' concluded by the Fianna Fail Minister, Michael Woods, in 2002, the Irish state will pay the bulk of it.

The deal allowed the Catholic Church to get away with a cash payment of €128 million from eighteen religious congregations.

They were also supposed to transfer properties worth over €220 million but only a small fraction of these were worth anything to the state.

The collapse of property prices has meant that these are worth even less today – so the Catholic Church will get away with even more.

In addition, they have been busily transferring property to special trusts to put them outside any threat of expropriation by the state.

The religious congregations involved have vast amounts of wealth.



Brady's refusal to resign has led to widespread condemnation.

Philip Beresford, the editor of the Sunday Times Rich List, has said: 'Based on the figures for Irish and UK income and property, a conservative estimate would be €15bn.'

'But the total value of all of the 18 congregations could be as much as €20bn.'

**At the very minimum, the state should immediately rescind the Woods deal and demand that the Catholic Church pay over the full cost of compensating its victims.**

### Why are we allowing Bishops to Discriminate?

The Catholic Church and other religious institutions are allowed to discriminate in the hiring of teachers and to sack those who do not conform to their 'ethos'.

This is despite the fact that teachers' salaries are paid for by the Irish state.

Section 12 and 37 of the Employment Equality Act allows a Catholic run school or teacher

training college to discriminate against teachers who do not conform to its ethos.

This represents a direct threat to gay teachers who are often frightened to come out because of this legislation.

It is also used to effectively force non-Catholic teachers to teach Catholic doctrine in schools.

Section 7(c) of the Equal Status Act allows church run schools to give preference to potential pupils who adhere to their faith over non-adherents.

**These discriminatory provisions should be immediately rescinded so that religious bodies are not allowed to discriminate in employment in schools or recruitment of students.**

### Why are we subsidising religious teaching?

The Rules for National Schools (1965) allow for two and a half hours per week for religious instruction.

In denominational schools, this half hour per day is used for religious instruction in a particular faith.

The Catholic Church also insists that all subjects should be pervaded with the teaching of its religious values.

Thus, Irish language conversation classes are sometimes structured around a discussion on building a May altar for the Virgin Mary.

A recent survey of parents, however, found that less than half (43%), of all those with children under 15 would like to see the two and a half hours "spent on teaching religion each week" retained.

Class time would be far better spent on teaching modern languages or science.

**Religious instruction should be conducted on a voluntary basis outside school hours.**

### Why are bishops still running our schools?

89% of primary schools in Ireland are still run by the Catholic Church. They also run four of the five main teacher training colleges.

Yet the day to day running costs of these schools are overwhelming drawn from state funds.

This archaic system is totally out of line with modern day realities.

There is a growing number of non-Catholics in Ireland yet there is no provision for state run primary education.

Weekly religious worship has fallen to 42% in 2007-08, from 79% in 1988-89 and many Catholics are also opposed to the Bishops controlling schools.

When presented with a choice as to which type of school they would prefer – "a school managed by and promoting the faith of a particular religion" or "a school managed by the State with equal status and opportunity for all religions", 25% of respondents favoured the former type of school, with 72% favouring the school managed by the State.

Ireland needs to break decisively with denominational education.

When he took up office, Ruairi Quinn predicted that half of primary schools would be transferred to state ownership.

But an advisory group he established has argued against a 'big bang' approach and wants a much more gradual change.

In light of the revelations about child abuse, this is unacceptable.

**The state should end church control of education and establish democratically elected local boards to run the schools.**



# UNPACKING THE AUSTERITY TREATY

As the date for the Austerity referendum draws closer, Professor Terence McDonnell explains the key provisions contained in the text and argues that a vote for 'Yes' would be a disaster for Ireland.

**Q—Despite the on-going media coverage many people are still unclear as to what exactly the fiscal treaty is really about. Could you briefly explain the key provisions that will be put before Irish voters on 31 May?**

**A—**The fiscal treaty is made up of numerous articles, but at its core, there are three rules which seek to impose harsh new constraints on the budgetary plans of democratically elected governments.

Specifically, there will be

- (1) A **debt break rule** which states that a country must get its national debt below 60% of its GDP,
- (2) A **balanced budget rule** which will mean governments cannot spend any more than 0.5% of GDP beyond what they collect in taxation.

AND,

- (3) A **general inflationary rule** which ensures that even in an emergency, governments cannot spend more than 3% of GDP\* beyond what they collect in taxation.

Taken together, these rules impose serious constraints on the public finances.

And if any country fails to stick to these targets that immediately open themselves up to scrutiny by unelected bureaucrats from the European Commission.

**Q—These rules certainly sound harsh but isn't it important to have a balanced budget? After all, any householder knows that you cannot continuously live beyond your means?**

**A—**The first thing to point out is that if ordinary households never ran a budget deficit they could never take out a mortgage, buy a car or send their kids to college.

Life frequently demands that we borrow today to improve our futures and so these rules would not be appropriate even for an ordinary householder.

The second, more important point is that the whole idea of a household budget relies on a false analogy.

If an ordinary family decides to save they may well reduce their debts overtime.

If a national government decides to stop spending on the other hand, it has an extremely negative effect on the overall levels of economic activity.

Public spending is essential for national income and this in turn is extremely important for the levels of taxes that a government can collect.

Unlike an ordinary household, the government must spend in order to maintain a healthy level of national demand and so this treaty will ultimately be self-defeating as governments stop spending only to see their debts and deficits continue to grow.

**Q—Does this mean that the whole idea of stability and investor confidence would subsequently be lost?**

**A—**Absolutely. The real irony in this treaty is that imposing its conditions will lead to much greater levels of instability and investor anxiety.

Economic crises generally result in a collapse in private sector spending and investment.

As this occurs the idea that the public sector should



follow suit is utter madness.

Once governments begin to lose tax revenue they will be forced under these rules to slash spending.

This in turn will continue to deepen the crisis and undermine the very stability that the treaty sets out to deliver.

**Q—Ok we have now dealt with the stability argument. But increasingly it seems that the yes**

**side has moved away from the merits of the treaty towards the so-called blackmail clause. What would you say to those people who are concerned that by voting No, Ireland would be squeezed out of a second bailout should it be necessary?**

**A—**The key to undermining this argument is to remember who exactly is getting bailed out.

Over the last four years the European elites have

framed all of their policy decisions around the need to protect their financial architecture.

This is the primary consideration in every decision and with this in mind I believe there are at least five key sources of funding that would be available should the government ever need it.

The first of these is other sources of funds from Europe.

## Closing the gap between income and expenditure

By BRIAN O'BOYLE

IRELAND currently spends around €10 billion more than it collects annually in taxation.

This deficit, massive by European standards, has allowed the government to argue that we simply must vote yes in the fiscal referendum in order to safeguard access to outside funding.

This so-called blackmail clause has been a key part of the government's referendum strategy.

But the reality is that the gap between taxation and expenditure could easily be closed without ever looking to predatory lenders (such as the IMF and/or the ECB).

According to the Central Bank's Quarterly Report from July 2011, Ireland currently has net assets (all assets minus liabilities) of around €400 billion.

This includes both property and financial assets at current market prices and excludes all distortions caused by the

economic collapse.

For obvious reasons the state is reluctant to publish the concentration of this wealth.

But we know from various sources (European anti-poverty network, the Bank of Ireland Wealth Report (2006), the Credit Suisse Wealth Report (2009)) that around 20% of this wealth is held by the top 1% of Irish households, 30% is held by the top 2% of households, and 40% is held by the top 5%.

The concentration is even starker when property

is excluded, as 34% of Irish financial wealth is held by the top 1% of the population.

This means that each of the top 200,000 Irish people (5% of the population) holds on average around €800,000 in private wealth and property.

A tax of 5% on this wealth would amount to just €40,000 per person, but it would raise around €8 billion for the Irish exchequer.

This is a minuscule sacrifice to keep schools and hospitals running and we could claim

another €5 billion just by making the rich pay higher levels of income taxation.

According to the latest figures from the Irish Revenue Commissioners (2010), 110,000 Irish people earned more than €100,000 in 2009.

Together these high earners took €20 billion in income, whilst paying just €4.916 billion in taxation.

This is an effective tax rate of just under 25% and it means that each of these people paid only €45,000 tax on incomes of

€181,000.

If we were to increase the effective rate of taxation on these high earners to 50% these people would still have €90,000 disposable income at the same time as the state collected another €5 billion in taxation.

These two simple measures would close the gap immediately and together with a longer term strategy to develop investment we could put the Irish finances back on a more secure footing whilst increasing social justice and equality within the state.

# AUSTERITY TREATY

**Professor McDonough** from the Economics Department at NUI Galway explains why **Vote No** is extremely important in the fight against austerity.



The European Stability Mechanism (ESM) has explicitly ruled out funding for states which fail to ratify the treaty, but this is not true of the European Financial Stability Fund.

The EFSF will be in operation until the middle of 2013, and if Ireland ever needed a second bailout there is no doubt in my mind that this fund would be more than willing to provide it.

A second option is the IMF. Ireland is currently a paid up member of the IMF and like the EU elites the IMF is extremely wary of allowing governments to default.

The third option is to close the gap between taxes and spending by going after wealth and higher incomes.

This would make a second bailout much less likely and despite what the government says, Ireland is still

one of the lowest tax economies in Western Europe (see box).

The fourth option would be to reduce the country's debt burden through negotiation.

This will eventually have to be done in any case, and so it is best to get on with it now.

Essentially this means reducing the government's liabilities.

Preferably by cancelling the banking debt that was illegitimately placed onto Irish tax payer's in the first place.

The final option would be to issue government bonds that would be acceptable by the Irish government in payment of taxes.

This would mean that in the event of a government default international investors could pass them on, as Irish citizens would be willing to pay more or less face value for bonds that could subsequently be used to pay state taxes.

This last option may seem technical, but taken together all of these options mean that there is no reason to vote out of fear.

The Irish state can easily get funding and this undercuts the entire argument about insurance policies etc.

**Q—Having dealt with the central arguments of the yes side, are there any reasons beyond the economics that could be put forward for opposing this treaty?**

**A—**Well the economic arguments are pretty important given that it will decide whether we can escape the crisis or not.

But leaving that aside, this treaty is also profoundly undemocratic in its implications.

By insisting that the treaty be written into national law, the EU elites are attempting to use the crisis as a way of tying the hands of governments into the long term future.

The entire thrust of the treaty is to make it extremely difficult for democratically elected representatives to reverse these decisions and this is obviously a regressive move for anyone who considers democracy to be important.

**Q—All in all you have given some excellent reasons for voting no, but finally Professor McDonough, what would you say to those people who suggest that the No side is anti-European?**

**A—**This argument simply doesn't hold any water given that right across Europe voters are now vigorously rejecting the austerity agenda.

Francois Hollande's election in the French Presidential Elections coming alongside the almost 70% of Greek voters who turned against the bailout parties (PASOK and New Democracy) has really galvanised the anti-austerity movement across the EU.

Irish voters now have a chance to add to this growing movement by voting down the government's austerity agenda.

Voting No is profoundly *pro* the European people at the same time as it is profoundly *anti* the European elites.

For all of these reasons it is extremely important that people **Vote No** on 31 May.

\* (Gross Domestic Product (GDP) is the total amount of economic activity that takes place in a given country in any one year.

If, for example, a country's GDP is €100 billion - it cannot have debts in excess of €60 billion. Likewise, it cannot spend more than €500 million in excess of what it collects in taxation and it cannot spend more than €3 billion in excess of taxation even in a national emergency).

## Countering the lies of the Yes Campaign

By BRIAN O'BOYLE

**Lie One: This treaty will bring Jobs and Recovery.**

This lie is reminiscent to those told after Lisbon One.

At that time we were told to trust the politicians in their assertions that austerity would deliver jobs and recovery.

Since then employment has deteriorated right across Europe (it now stands at

11%) and the entire Eurozone has plunged back into recession.

Austerity didn't work then and it will not work now.

**Lie Two: This treaty will bring stability to the public finances**

The fiscal treaty intentionally misdiagnoses the problems in the Eurozone by arguing (implicitly) that it was a collapse in public finances that caused the crisis.

In reality public finances can only be stable when people are working and paying their taxes.

This crisis was actually caused by a collapse in the free market model of banking and investment.

However, this treaty does nothing to restore credit, it does nothing to restore investment and it does nothing to restore European employment.

Without these policies the economy will remain in crisis

and the public finances will never recover.

**Lie Three - This treaty just establishes good housekeeping rules**

This is the most blatant lie of all as it asks the Irish people to accept upwards of €80 billion in private sector debt before budgeting accordingly to pay this off.

If the rules of the *Stability and Growth Pact* had been followed closely during the crisis, no government would

have been allowed to take on the private debts of their banks, as this would have pushed their debt to GDP ratio's above the allowed 60%.

At the start of the crisis Irish Debt to GDP was around 25% (€40 billion), today after the banking and investment collapse it is around €200 billion.

This is simply unsustainable and getting it back to 60% will impose upwards of €5 billion of cuts

every year for two decades.

The idea that this could be good budgeting is absolutely crazy. After all, you wouldn't accept your neighbour's mortgage debts only to be told that from now on you had to pay these off by cutting the services that you provide for your own children.

**Enough of their lies. Vote No and join the resistance against austerity across Europe.**

# Denis O' Brien moves into water metering business

By KIERAN ALLEN

FINE Gael's favourite businessman, Denis O' Brien, has moved into the water metering business. The move comes ahead of a new offensive by the government to meter as many houses as possible before charging for water.

O' Brien paid €45 million to take control of Siteserve, a company which has been described as an 'infrastructure and utilities support services' business.

But one of its divisions is in civil engineering and its activities are described as 'water networks rehabilitation / water meters'.

O' Brien's acquisition has already run into considerable controversy.

The company had reported debts of €144 million and one of its chief lenders was Anglo-Irish bank. This toxic bank, which has swallowed up over €29 billion from the taxes of Irish people, agreed to write off debt to facilitate the purchase by O' Brien.

It is believed that just over €100 million was written off.

Siteserve itself describes what happened,

'Anglo Irish or IBRC agreed to accept payment of an amount which is less than the full amount owed by the Group. Without this agreement from IBRC the proposed disposal would not be capable of implementation and it is likely that shareholders would not have realised any return on their investment'.

But this only begs the question: why should shareholders of an indebted



Do you want a mobile phone licence? Lowry and O'Brien

company 'get a return on their investment' when they owed millions to a state

owned bank? The total pay out to shareholders of

Siteserve amounts to approximately €5 million. But why was this money not gath-

ered in to help pay off Anglo's debt?

Other aspects of the deal are equally intriguing.

A rival French company, Altrad, has claimed that it was denied an opportunity to make an offer for Siteserve even though it was prepared to pay €60 million for the company.

One of its senior executives even attended a recent Siteserve shareholders meetings to inform the gathering that they had been kept in the dark about the deal.

*"Right the way through January and the middle of March we were told very clearly... the company was not for sale... and don't worry, if there was anything coming out I'll come and talk about it"* Mr Neilson, the Altrad executive said. They never heard back.

Siteserve's main line of business has been to rely on state contracts. One of its brand companies, Sierra, has already received considerable money from the ESB and Bord Gais.

O' Brien will now be hoping that profits can be made for his new acquisition from water metering.

Up to €1 billion of state money is due to be invested in private meters. This is money that could have been much better used to fix the leaking pipe system which loses up to 40% of treated water.

But metering helps to make way for privatisation – and more profits for the likes of O' Brien.

Which is why Fine Gael and its former chief fundraiser, and current environment Minister, Phil Hogan, likes it best.

## O' Brien's links with Fine Gael

By KIERAN ALLEN

BETWEEN March 1995 and June 1996 Denis O' Brien (or one of his companies) supported 14 Fine Gael fund raising events at which €22,140 was handed over to the party either personally or through a corporate vehicle.

Last year the Moriarity tribunal, which was set up to investigate payments to politicians found that Mr O' Brien made or facilitated payments to Mr Lowry (a former FG minister) of a combined £447,000 (£572,000) and supported a loan for a further £420,000 (£503,000).

In return it found that

"It is beyond doubt that...Mr Lowry imparted substantive information to Mr O'Brien, of significant value and assistance to him in securing a Telecom's licence."

This would seem to be damning evidence and yet O' Brien's connections with Fine Gael continue to this day. Enda Kenny recently appeared with him at the New York Stock Exchange and has defended his participation in other forums.

Unperturbed by any criticism O' Brien has recently been attempting to gain control of the media.

The right wing columnist of the Irish Independent, Anne Harris, summed up the problem.

"Take a government with an obscene majority, allow a media mogul who has influence - O'Brien makes no secret of his desire for influence - with the dominant party and before long it may not be just an appearance of the dictatorial."

This is all the more worrying given the recent spat between Richard Bruton and Pat Rabbitte over the latter's attempts to fast track new laws on media mergers.

This has been blocked by Bruton, a loyal FG minister in what the Sunday Business Post has described as "the first sign of disagreement in the coalition over the sensitive issue of regulating the media".



Denis, Enda and other hangers-on ring in another day's gambling on the NYSE

## Anger as Joan Burton cuts Domiciliary Care Allowance

By SARA O'ROURKE

ONE of the nastiest stealth cuts made by the government is the cut to the Domiciliary Care Allowance (DCA).

Domiciliary Care Allowance is a monthly payment (€309.50) to the carer of a child with a disability so severe that the child requires care and attention and/or supervision substantially in excess of another child of the same age.

This care and attention must be provided to allow the child to deal with the activities of daily living.

The allowance used to be administered by the Department of Health and was moved into the Department of Social

Protection in 2009.

The move has meant a new review that has seen many of the most marginalised families either losing the allowance or being deemed ineligible.

Joan Burton in her statement to the Dail claimed that there was no cut to the DCA, but her numbers do not take into account the increased needs of families that are struggling to survive on social welfare payments or the dramatic increase in the numbers of children in a state that sees 10,000 more children entering primary school every year.

This is causing untold hardship and the number of people challenging the



decision not to give them the DCA has increased by over 150% in the last two years (from 800 in 2009 to over 2000 in 2011).

The figures also disgracefully show that there are still over 900 people waiting for their appeals to be heard in 2011.

One parent spoke to Socialist Worker about the needs of his 9 year old explaining that he needs help eating, dressing and can only be collected or delivered to school by either one of his parents. Regardless of this his DCA was cut off.

How can this child be deemed not to be in need of care and attention substantially in excess of another 9 year old?

How is it that Medical Assessors in the Department of Social Protection do not think he needs extra care when his GP is more than clear in his supporting letters and when the Department of Education have ensured he has a full time special needs assistant and 4.5 resource hours per week?

A campaign group of parents was recently formed called DCA Warriors.

Active on Facebook they recently held a protest at the Dail and will be organising and mobilizing on this issue.

The ULA and Technical group TDs had a motion before the Dail calling for a reversal of this cut on 8 and 9 May.

International

# Greece shaken by poll result

People in Greece have rejected austerity and the mainstream parties, writes Panos Garganas

THE results of the Greek general election have exploded in the face of the ruling class.

The parties that had supported the "technocratic" coalition government, headed by former banker Lucas Papademos, suffered a crushing defeat.

In 2009 these parties controlled 266 of the 300 seats in the Greek parliament. Now they are down to 149 seats between them.

## Bonus

And even this figure is misleading, as it includes 50 seats given as a "bonus" by the electoral system to the party with the largest share of the vote.

Pasok, the Labour-type party, won less than a third of its 2009 result with 13 percent. The conservative New Democracy (ND) is down from 33.5 percent to 19 percent.

The swing to the left was huge. The vote for left parties reached 2,115,000—over 33 percent of the total.

In 1958 the United Democratic Left (EDA) polled 25 percent which unleashed a massive wave of struggle.

It took a military coup in 1967 to crush it. This time the movement is stronger and the outcome can be different.

This is not some "superficial" electoral radicalisation. It follows a series of struggles stretching back to 2008.

In December of that year there was a youth uprising in Athens after police shot dead a 15 year old school student.

In 2010 and 2011 we had 17 general strikes in Greece against attempts by the International Monetary Fund (IMF) and the European Union (EU) to impose austerity.

Activists at the heart of the electoral swing to the left are fighters experienced in strikes, occupations and strong demonstrations confronting police violence.

Both Pasok and ND now hope to blackmail voters for their support. They claimed that a left government will lead Greece into an economic wilderness.

Early opinion polls showed that the main beneficiary of the leftward swing was the most moderate—the Democratic Left.

## Hardened

Instead of softening, however, support for the left hardened.

In the end Syriza polled nearly 17 percent, the Communist Party (KKE) 8.5 percent, the Democratic Left 6.1 percent and Antarsya, the



Health workers in Athens last month striking against austerity

(Pic: Guy Smallman)

anti-capitalist left, 1.2 percent.

Antarsya did not make it into parliament but it trebled its vote from 25,000 in 2009 to 75,000.

The only dark spot in the results is the success of the neo-Nazi Golden Dawn party, which received almost 7 percent and 21 MPs.

Golden Dawn posed under the guise of opposition to austerity.

It also benefited from a viciously racist campaign by ND and Pasok, which targeted illegal immigrants.

So the left in Greece has to step up its anti-Nazi campaign while it escalates the fight against austerity.

Deep political crisis could lead to fresh elections

Meanwhile, it is very likely that the political crisis in Greece will lead to fresh elections next month.

New Democracy (ND) failed to form a government.

Then the radical left Syriza had a mandate which they declined.

This has seen them climb to 25% in the latest opinion polls as ordinary Greeks respond to a show of defiance against the ruling class.

ND and Pasok are trying to regain ground, saying that it is irresponsible to vote for a left government.

We have to continue to fight austerity with strikes and occupations—and not passably wait for the next election.

The prospect of stopping the vicious cuts, through ordinary people refusing to pay the debt, is now wide open.

## Back story

■ Greece is suffering the worst debt crisis in the eurozone

■ The mainstream political parties say there is no alternative to austerity

■ The radical left's vote has trebled

■ Crisis could mean fresh elections—and an alternative government

■ Workers have organised strikes and resistance against austerity

Panos Garganas is the editor Workers Solidarity, Socialist Worker's sister paper in Greece

## Hollande victory in France marks the start of an anti-austerity backlash

by JIM WOLFREYS

CROWDS gathered across France on 7 May to celebrate the presidential election defeat of Nicolas Sarkozy.

A lynchpin of the European austerity drive, Sarkozy's presidency had been increasingly characterised by racism and overtures to the extreme right.

François Hollande won close to 52 percent in the second round of voting (polling more than 1 million votes more than his rival).

He now becomes France's first Socialist Party president since François Mitterrand left office in 1995.

Hollande's victory is part of a growing backlash against austerity across Europe. But what is he promising?

"Austerity need not be Europe's fate," he told crowds on election night. Hollande's programme includes plans to renegotiate measures agreed by eurozone nations to deal with the sovereign debt crisis, placing more emphasis on economic growth.

During the campaign he argued that the rich would have to make sacrifices. He has pledged to increase taxes on banks and big corporations, and to raise the top rate of tax to 75



percent for those earning more than €1 million.

The retirement age will also revert back to 60 from 62, but only for those who have worked for 41 years.

## Timid

His proposals for job creation, meanwhile, are timid—60,000 education posts over five years and 150,000 jobs for young people. Unemployment stands at over 4 million.

Hollande has been at pains to stress that he is not a danger to the markets. He has promised to balance

state finances by 2017. This will mean severe spending cuts, running to tens of billions of euros.

Hollande has been elected against a backdrop of growing political polarisation. On the right, Sarkozy's defeat leaves his UMP party in disarray ahead of the parliamentary elections in June.

Highly reliant on the personality of Sarkozy, the UMP now faces internal divisions over what attitude to adopt towards the fascist Front National, which won 6.4 million votes in the first round of the election.

During the campaign, the Socialists



conceded ground to Sarkozy's racist agenda. Hollande argued that in a crisis, "limiting economic migration is not just necessary, but essential". He also pledged to enforce the ban on women wearing the niqab and the burqa in public, to keep halal meat out of school canteens and to retain detention centres for "illegal" immigrants.

The ability of the radical left, which won over 12 percent of the first round vote, to provide an alternative to Hollande's "fair austerity" will be a key element in shaping the struggles to come.

## INTERNATIONAL NEWS ROUNDUP

### Crackdown by Egypt's military

THE military regime that rules Egypt has launched a brutal crackdown against protesters in the country.

Thugs attacked Islamist protesters last week while soldiers looked on. More than ten were killed.

Islamists, socialists and other revolutionaries have marched together to demand an end to the regime.

### Syrian elections are just a sham

SHAM elections were held in Syria on Monday 8 May. Polling stations opened as president Bashar al-Assad's forces continued their murderous assault on the uprising.

Opposition groups in Syria are boycotting the elections.

### Guantanamo trial set to start

THE military trial of five men accused of the 11 September 2001 attacks began this week.

The accused have been held and tortured at the US-run Guantanamo Bay prison camp. When he was elected Barack Obama promised to close the camp, but 167 prisoners remain.

### Dozen face jail for bank demo

ACTIVISTS at the University of California, Davis, are being threatened with jail for protesting against a bank.

The "Davis Dozen" also face \$1 million fines. They are being charged under conspiracy laws.

# Socialist Worker

*Let's show them that we won't lie down...*

# STRIKES CAN BEAT THE CUTS:

*NAME THE NEXT DATE!*



LAST Thursday 10 May saw over 400,000 public workers take strike action against the Con-Dem pension mugging.

Workers from Unite, NIPSA and PCS took part in the industrial action.

The Tories have made much of the "deal" they put on the table to unions.

However workers will still be forced to work longer, pay more and receive a smaller pension when they retire under proposals.

People are already seeing a reduction in their pay-packets through the increased pension contributions and this looks set to drastically rise over the next 3 years.

Recipients of housing benefit have already

seen a fall in their benefits, the Belfast City A+E has already shut - but over 90% of the cuts are still to be implemented.

Everything from welfare to schools and hospitals will be slashed if the politicians get their way.

That is why resistance and strikes are so important - most of the austerity is still to come.

The cuts are going to destroy the lives of millions and the only way to stop them is by using our strength by striking and taking to the streets.

The Westminster government is extremely weak with the Leveson inquiry exposing how

they worked hand in hand with the Murdoch Empire and the recent elections showing people's anger.

We also have a Stormont Assembly which faced with opposition and feet on the streets are forced to retreat over many issues such as water charges and student fees.

Just as elections in Greece and France have shown, austerity doesn't have to be the order of the day.

There is an alternative which says no to bank bailouts and makes the rich pay.

After a lot of stalling 10 May took place and saw hundreds of thousands of workers strike.

30 November was a wall of resistance with

millions striking against the government.

The 10 May strike was rebuilding the foundation, possibly leading towards bigger action in the months ahead.

Truth is, if we are to have a real impact and to stop the government attacks we need all Unions out striking together.

The Assembly is united in pushing through cuts, we have to be united in resistance if we are going to win.

Rather than sitting about waiting for unity the unions who struck on May 10 should set the date for next day of industrial action - the other unions Unison, Into and Unite should follow suit.