

Socialist Worker

WORKERS MUGGGED TO SAVE BANKERS

THIS GOVERNMENT'S emergency budget is attacking workers to fund a massive bail-out for the banks and the property speculators.

An average family with two children will be nearly €3,000 a year worse off because of this budget.

The low paid will bear the brunt. Workers on minimum wage will be forced to pay 2% of their gross pay in the income levy.

Next year the FF/Green Government wants to tax workers on the minimum wage!

Meanwhile tax exiles and their tax 'avoidance' (evasion) schemes have not been closed down (see pages 4 & 5 for details of these schemes).

Blair Horan CPSU general secretary said "It is grossly unfair to tax workers on the minimum wage and the lower paid, while capital gains remain at a low rate.

"The pension levy adjustment appears so minor as to be insignificant and the tax increases on top of this will hit lower paid public servants very hard.

"All real income gains of the last decade came from tax reduc-



Brian Lenihan: Budget for the rich

tions and these are now being reversed"

Richard Boyd Barrett, a spokesperson for the People Before Profit Alliance said, "The attacks on social welfare are equally outrageous.

"To halve social welfare for young people under 20 is staggering in its brutality.

"The plans to halve early childcare supplement, reduce rent allowance payments and means test child benefit, are all appalling.

"These are simply cruel attacks on the very poorest in our society".

Nowhere in the budget are the super-rich being squeezed as much as low paid workers.

Flat percentage levies on gross income hit the poorest disproportionately hard.

In fact by setting up a toxic bank – the National Asset Management Agency (NAMA) – bankers and speculators can offload their gambling debts onto workers.

Every man, woman and child in the country will take on €22,000 in Government debt to bail out the speculators under this 'ba-

NAMA' scheme.

The same bankers have the nerve to refuse to cap their income at €500,000!

Examples of what further cuts are coming can be seen from Dublin City Council's €30 million cutbacks.

DCC want to cut €3 million from the fire brigade service.

The housing budget, which includes maintenance and renovation of council housing is being cut by a total of over €7.6m.

This means longer housing waiting lists, more boarded up houses waiting for renovation and even longer waiting lists to upgrade houses for elderly and disabled residents.

Meanwhile developers owe the council more than €120m in unpaid levies.

Whether at local or national Government it's the developers and the bankers who should pay for the economic crisis – and they can afford it!

FF looked after the developers, the bankers and the rich during the boom – they want to do the same during the bust.

■ (Full budget analysis pages 4 & 5)

Drivers defend Dublin bus service

WORKERS IN Dublin Bus voted to reject the latest Labour Court recommendation that would have seen 120 buses cut from the service as well as their working conditions decimated.

Workers voted against the deal despite heavy intimidation from Dublin Bus management. Managers tried to stop union activists distributing information about the deal to fellow workers and in some garages even tried to man the ballot booths to intimidate workers.

The Labour Court recommendation did nothing to address the key issues facing drivers or the public.

On top of cutting 120 buses, the management's plan means drivers will have no idea what duties, breaks or finishing times they had. Drivers face an effective cut of €75 a week. Some drivers will face working a 13 hour day, others could see a cut of over €126 a week on their wages.

Not a single manager or senior supervisor will be asked to take a cut or contribute to the savings.

Instead drivers and the public will take the hit.

Disgracefully the Green Party in government is going along with these cutbacks while lecturing people on global warming.

The chief issues that convinced drivers to reject the proposals where the attack on the rights of new drivers who under the plan will be forced to work permanent lates every weekend for less pay and entitlements than they currently have.

Disgracefully the trade union of-

ficials did not try to fight the cuts to the bus service and have bent over backwards to accommodate management instead of representing their members.

If the company gets away with cuts of this scale at this stage of the recession we can expect more and more in the next year or two.

Instead of cutting bus services and wages they should

- Cut the number of managers
- Propose new routes for the 120 buses that could get people out of cars in areas with no bus service

Council residents protest lack of democracy and housing

FOR THE last few months, the people of St. Michael's Estate, O'Devaney Gardens, and Dominick Street have protested against the collapse of the Public Private Partnership and in particular the loss of their promised new homes and community facilities.

St. Michael's Estate residents joined other council tenants affected by the collapse of PPP regeneration schemes to protest at Dublin City Council last week.

The council wants to replace the resident committees with new committees that will have less power, less participation and less community representation.

John Bissett, protest organiser from St Michael's Estate, said, "What is happening is a blatant attack on participatory democracy.

Residents and locals want a say in the decisions that are being made about their homes and communities and the regeneration boards do this successfully." He continued, "There are no residents on the new task force and new plans and decisions were made with no input from residents.

It is Dublin City Council that needs to be dismantled; it has, after all, spent over €20.5 million on failed PPP regeneration projects and not a home has been built.

Dublin City Council have come back with their 'solution' for our communities.

However, the 'solution' means that we have to wait another ten years before we get any new houses.

Current plans for St. Michael's Estate do not guarantee that any money will be set aside by the 'Council.' Further questions need to be asked of Dublin City Council.

"Has Bernard McNamara paid the council the agreed sum of €1.5 million in return for being allowed to withdraw from projects with no further legal implications?

"Will the Government fund the development of St Michael's and other estates?"

St Michael's Regeneration Team are currently running 'A Register to Vote' campaign to ensure residents and locals get St Michael's Estate on the agenda for the local election.

Tina MacVeigh, People Before Profit candidate, said, "One in every six houses in Ireland is sitting empty while approximately 145,000 people continue to be on the housing waiting list. And job losses are increasing, especially in the construction sector.

"People Before Profit are therefore calling on the government to embark on a programme of house building, housing maintenance, and insulation.

"We want to put an end to appalling living conditions, re-house people in suitable accommodation, and make houses energy efficient to bring down heating costs."

World in struggle



The financial crisis has had reverberations beyond the United States and Europe, with people taking to the streets in cities across the globe to protest rising wealth inequality and to call for workers rights. Perhaps the most significant action took place in the French Caribbean, on the island of Guadeloupe. Amid rising costs of living, trade unions in Guadeloupe led a forty-four-day general strike that closed down roads, schools, petrol stations and public transportation. The strikers claimed a victory last month with a plan to improve wages and living standards.

Waterford Crystal worker to run in local election

DONIE FELL, an ex-Waterford Crystal worker, is to contest the local election in June as a People Before Profit candidate.



Workers in Waterford Crystal reluctantly accepted the buyout offer from KPS, when the government refused to intervene and nationalise the company to save manufacturing jobs in the factory.

The issue of the workers' pensions is still outstanding. Unite trade union is calling on ICTU to take a court case to force the Government to guarantee workers pensions, instead of letting companies walk away from their commitments.

Donnie will be highlighting the treatment of Waterford Crystal workers as well as leading opposition to the budget cuts.

Carers protest



161 carers, representing 0.1% of Ireland's 161,000 family carers, protested at the Dail last week against any cuts to the carer's allowance. Enda Egan of the Carers Association said, "We are extremely worried that vital allowances like the carers allowance, particularly the half-rate allowance and the respite grant, will be targeted in the budget. Family carers are already saving the state €2.5 Billion annually."

When you factor in the hours they work, family carers earn as little as €1.30 an hour, compared with €13 an hour for professional carers provided by the HSE. Family carers are essentially providing this Government with care on the cheap. Pic Paula Geraghty

Teachers protest education cuts

TEACHERS VOTED by a huge majority to take industrial action (up to and including strike action of two days) against the budget cuts, the imposition of the pension levy, and the sustained cutbacks on children's education.

We did not vote to go back into talks.

And it is the case now that the Government have made further cuts, which will impact on education - and while the talks are on going!

The public sector embargo from next September will impact seriously on children with special needs who are due to start in mainstream schools.

Not only will they not have a Special Class to attend, but they will also be deprived of a Special Needs Assistant to help them.

We need to take strike action to win!

■ Former Finglas school teacher, Deputy Pat Carey, must have felt a little uncomfortable while holding his weekly clinic recently as a crowd of children chanted "We Want To Learn!" in the large window of his constituency office.

As part of the ongoing campaign against the education cuts, pupils, parents and teachers in the constituency of Dublin North West held a noisy protest outside his Finglas office demanding an end to "savag

Maura Harrington



Maura Harrington, jailed for leading a campaign of protests against Shell in Mayo, was released on 7th April. Maura vowed to continue to resist Shell and their backers in the FF/Green Government. Last Friday, fifty people attended a selsuin ceoil at Mountjoy prison to protest Maura's imprisonment. Pic Paula Geraghty

G20 Protests



Thousands of anti-capitalist and anti-war protesters converged on the City of London to demonstrate against the G20. They followed four "horsemen of the apocalypse" that set out from separate central London tube stations to meet outside the Bank of England in the financial district.

The horses symbolised the four evils of war, financial chaos, climate change, and homelessness. At least 5,000 people joined the anti-war demonstration to call for troops out of Iraq and Afghanistan, freedom for Palestine, and an end to nuclear weapons. The march was organised by the Stop the War Coalition, CND, the British Muslim Initiative and the Palestine Solidarity Campaign. Pic Paula Geraghty



education cuts". Organised by local branches of the Irish National Teachers

Organisation (INTO), it was supported by the local People Before Profit Alliance.

Visteon: a beacon in the fight to save jobs

By GORDON HEWITT

LAST WEEK, the bosses at the Visteon manufacturing plant in Belfast handed the factory over to administrators claiming that the business was no longer viable.

The workers were told their jobs were terminated at a meeting which lasted less than ten minutes, with no prior warning and no avenues left open to discuss the issue.

This occurred simultaneously at the three Visteon plants across the UK, Basildon, Enfield and Belfast.

Davy MacMurray, from Unite said, "the way these job cuts were announced was brutal. The administrator came in, held a meeting and told the workforce their employment was terminated."

"These people were going to be put out on the street tonight."

Occupation

The workers in Belfast refused to take the announcement lying down and immediately occupied the plant.

When the plant was transferred from Ford to Visteon in 2000, workers were told their entitlements would be a mirror of entitlements they had enjoyed when employed by Ford 'directly'.

But the redundancy package is in the hands of the administrators and has been capped at far less than that usually expected by Ford workers.

John Maguire, a shop steward at the factory said, "They have put the pension scheme into administration."

We are in for the long haul and are committed to get proper redundancy packages and pensions."

But during the week of the occupation it has become clear that the jobs at Visteon are skilled and valuable. There

is a high degree of flexibility with the engineering operation and so, while the initial demands were for proper redundancy packages, there is now a serious demand that the jobs be saved and the workers re-tooled to manufacture other products.

Enfield workers have suggested that they could produce environmentally-friendly materials.

One worker from the factory said, "I've been here thirty years and by and large I have always been happy working here. I don't see why I should accept being treated this way. Part of this occupation is a fight to be treated with dignity."

"Now I'm here like everyone else for as long as it takes

to get the redundancy we are entitled to and that's the Ford redundancy package."

"But I would rather keep the job; in fact, if you asked most people here, they would rather work than be laid off."

We could make any number of things at this plant, so there is no reason to lose these jobs."

The support for the occupation has been fantastic, with people visiting the plant every day and messages of solidarity coming from all over Northern Ireland and beyond.

A family day on Sunday saw hundreds of people come along to support the workers. If this solidarity is built upon, then a real struggle to save these jobs can be waged.

BUILDING SOLIDARITY



With the recession now biting sharply into the workforce in Northern Ireland - last week saw over 1000 jobs go at three major workplaces, including Bombardier - we need to fight now to stop these and any future job losses.

The Visteon struggle is vital.

We must demand from both Gordon Brown and the Assembly that money going to bail out

banks be diverted to save jobs.

We also need the widest possible support group set up, backed by the Trades Councils here, but which is open to anyone who wants to help build solidarity.

Allstair Darling has just announced that the recession will be deeper, longer and much worse than predicted.

We need to stop the job losses now.



Photos: Donal, Donal, Mic, Fhearraigh

Sackings based on lies

VISTEON UK is a wholly owned subsidiary of US-based Visteon Corporation.

The administrators say that Visteon UK owes more than £400 million to Visteon Corp.

In other words, the company owes money to itself.

This company thinks nothing of giving its management massive salaries and bonuses.

Donald J Stebbins, president and chief operating officer of Visteon Corp,

received \$1.48 million in cash and bonuses last year.

The Ford Motor Company outsourced its work to Visteon in 2000.

Ford says the job cuts are not its problem.

It's hardly surprising that Ford isn't concerned. Alan Mulally, Ford's president and chief executive officer, took home an obscene \$13.6 million in salary and rewards last year.

Visteon's administrators, who have been brought in to oversee the company's

closure, are KPMG.

They are little better.

A spokesperson for KPMG said, "It is very simple. The company is insolvent. Ford and Visteon UK are completely separate companies. There is no legal basis for the claim."

KPMG is one of the biggest accountancy companies in the world.

It has been at the heart of privatisation and failed PFI schemes in our public services.

The day after it declared

its lack of concern for the loss of jobs, redundancy pay, or the pensions of Visteon workers, KPMG was hit with a billion dollar lawsuit over claims that its "grossly negligent" role in auditing of US sub-prime mortgages helped trigger the financial crisis.

KPMG is accused of covering up "catastrophic" problems at New Century - which was once the largest sub-prime mortgage company, but is now bankrupt.

CPSU vote to strike over pay cuts



THE CIVIL and Public Services' Union has voted to strike unless the pensions levy is scrapped.

The union, which represents more than 13,000 lower paid civil servants, also called on the Irish Congress of Trade Unions to organise a one-day strike by all 360,000 public service workers to stop the levy being imposed.

Speaking at the CPSU's annual conference in Galway,

General Secretary Blair Horan described the levy and upcoming pay cuts planned by the Government as a totally unjustified attack on lower paid workers.

He said low-paid civil servants, who had suffered from rising house prices and child care costs, would not pick up the bill for the mess which has been created since the 1990s.

He said that from 2000

onwards, the economy was driven from boom to bust by a housing-led boom that had no foundation.

This was a policy the CPSU had warned would destroy Ireland's economic success story but this warning had been ignored and now low paid workers are being asked to clean up the mess.

RTE NUJ says No Cuts

RTE workers say they'll oppose management attempts to impose pay cuts across the organisation.

While RTE "stars" like Pat Kenny take home salaries of up to 800,000 euro, management wants to cut the pay of ordinary workers by between 5% and 12%.

But members of the National Union of Journalists have passed a resolution expressing "vehement opposition" to the move.

GALWAY

Protest over Red Arrows invite

By DETTE MCLOUGHLIN

"LET'S DO IT Galway" has confirmed to the Galway Alliance Against War that the RAF's Red Arrows have been invited to perform over the city at the Volvo Ocean Race stopover.

In a press statement the local peace group has strongly criticised this decision and have called for it to be rescinded.

According to Niall Farrell of GAAW: "There is no justifiable reason why warplanes should be invited to this sporting event."

"When the Volvo Ocean Race was launched in Alicante there were no flyovers by warplanes, so why should the British air force be invited to Galway?"

"Ironically one of the event sponsors is Birdwatch Ireland. These warplanes are bad for the environment and will terrorise the entire bird population of Galway."

"There is talk of a poster ban for the period of the Ocean Race's stopover, but the organisers want to allow a recruiting sergeant for the British Armed Forces have full rein over our skies. This is scandalous."

"We do not want to rock the boat but if the Red Arrows' invitation is not rescinded we will rock it, with posters and protests!"

Save our seafront

DUN LAOGHAIRE Seafront is once again under threat. A specially convened council meeting on Wednesday 1st April discussed the new Dun Laoghaire County Development Plan.

At the meeting the County Manager, Owen Keegan, included a Special Local Objective to 're-develop' the Sandycove seafront.

The Manager's objective came despite the fact that the enhancement scheme was roundly rejected by the public following a series of street marches, public meetings, and hundreds of public submissions.

Richard Boyd Barrett of the People Before Profit Alliance said, "The un-elected County manager is trying to reinsert crazy plans to reconstruct the entire seafront, even though the public have decisively rejected such plans."

"Even worse, the majority

of elected councillors have now conspired with him. It makes a joke of democracy".

Cllr Gene Feighery, who put forward an opposing motion, said, "I cannot understand why some Councillors are determined to facilitate the Manager's plan as opposed to the will of those who elected them"

Bob Waddell of the Sandycove & Glashule Residents Association said, "I am disgusted that four years after huge protests, public demands, and over €200,000 spent on consultants, nothing has been done to restore our baths."

"First we get plans for an eight-storey apartment block; then we get plans for a complete reconstruction of the foreshore with car parks, infill and breakwaters. Why on earth can't they just give the people what they asked for - a restored swimming baths?"

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.

Bush's "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 Blair 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.....



April Budget: An attack on PAYE workers

Budget



THE APRIL budget is the worst attack on PAYE workers ever. It will force most people to work between 3 and 4 weeks for free to help the government subsidise the banks.

No wonder that Danny McCoy of the employers' organisation, IBEC called on 'citizens to rally in support of the budget'.

The government projections is to raise €1.8 billion in taxes this year but 81 percent of that will come from PAYE workers. Only a mere €26 million will come from taxes on windfall

gains that could have been hit by Capital Gains or Capital Acquisition Tax. There are no cutbacks on interest relief for landlords or special tax breaks on the pensions of company directors. The 440 'high worth' tax fugitives who are worth an estimated €30 million each will not contribute a penny because the purpose of this budget is to hit income – not capital.

The main groups who will suffer are lower and middle PAYE workers.

A single worker on a gross wage of €30,000 a year will lose €900 a year or €17.30 a

week. A single worker on €40,000, who is just over the average industrial wage, will lose €1,200 or €23 a week.

Last October, this same worker lost €400 in another levy and so their total loss in levies is now €1,600

If they had the misfortune to be a worker in the public sector they were hit by an additional pension levy of €2,103 or €40 a week.

These figures refer only to the reduction in the gross wages and do not take into account the normal taxes that workers pay.

Yet despite these shocking attacks, there was no levy on wealth. Companies who benefit from one of the lowest corporation profit tax rates in Europe were not even asked for a 2 percent levy on profit. Only PAYE income was seriously hit.

AN ATTACK ON THE POOR

THE OVERALL aim of this government is to cut wages levels. To do this, it needs to reduce social welfare payments and cut the minimum wage. This budget started the attack on social welfare.

Before the budget was announced, Fianna Fail and the Greens sent out signals that they would not touch social welfare payments. But in fact, they reduced these payments by 2% through the simple device of abolishing the Christmas bonus.

They also attacked the young by halving their benefits. The aim is to force them to emigrate or work for slave wages.

Rent supplement is also being cut, forcing the poor to pay

more in top up rents to private landlords.

In a deliberate attempt to stir up racism, Mary Hanafin suggested that all 'non-nationals' will have to use a passport to collect social welfare. She claimed that her department had carried out research which indicated higher levels of fraud.

But this research was based with interviews with ten times more migrants than Irish unemployed- even though they only represent one fifth of the total. Despite this deliberate distortion, there was an equal level of dole 'fraud' for both categories.

AN ATTACK ON FAMILIES AND CHILDREN

THE BUDGET has abolished the Early Childcare Supplement of €996 per year. Like the medical cards for the over 70s, this was introduced both as an election manoeuvre by Fianna Fail and as an alternative to publicly funded crèches.

However, where more than one third of Irish parents rely on relatives for child care and where crèche costs are among the most expensive in Europe, the Early Childcare Supplement relieved huge financial stress.

The levy has been replaced by a free pre-school scheme for children over 3 years and 3 months. But no extra Montessori or pre-school teachers will be hired and this scheme relies on private childcare facilities. This will lead to an increase in costs for children below the age of three and so hurt parents even more.

In the absence of a comprehensive system of state run

childcare, this is a retrograde measure which adds further misery to parents.

THE BANKS ARE THE BIG WINNERS

THE REAL purpose of the budget is to siphon money off PAYE workers to help save the banks.

Irish workers have already subsidised the banks through a special insurance guarantee scheme; a €7 billion injection into AIB and Bank of Ireland; a nationalisation to save the rich in Anglo Irish Bank. But this budget brings the biggest bonanza of all.

The total bad debt of banks are now revealed to be €90 billion. These will be taken over by the state purchasing them at prices that are above what the banks would have gained by selling them to other speculators. The state will then hold bad debts which will never be repaid.

Conservative estimates put the cost of subsidising the banks at €20 billion. This is the total the government has pledged to raise in tax hikes and cuts over the next five years

In the immediate future, the takeover of this toxic debt will increase the interest on Irish state borrowing to about €1 billion extra a year.

WHAT WAS REALLY NEEDED

THE GOVERNMENT should have nationalised the banks and repudiated their debts. They could have allowed the existing companies to go bankrupt and introduced emergency legislation to take

over their physical and financial assets.

This would have given the state control over the huge land banks for which speculators took out loans.

The money saved in bailouts could have been used to start a public works programme, based on direct labour units organised by the government or local authorities.

Direct labour units would cut out the extra costs accrued by expensive Public Private Partnership Schemes or the cost overruns practised by private construction companies.

But this government has gone in the opposite direction.

The withdrawal of €5 billion from an economy through a series of budgets since October can only deepen a recession.

It is deliberately following Maggie Thatcher's strategy of allowing unemployment to rise – in order to push wages down.

This is the real game plan to save Irish capitalism.

WHAT YOU CAN DO

WE NEED urgent action to get thousands onto the streets to oppose this budget. The main obstacle is the way that the union leaders have collaborated with the government to sabotage and demoralise resistance. We need to change this by

- Starting local pickets on Fianna Fail and Green Party TDs
- Demanding that the union leaders immediately pull out of talks with this government and invoke their mandates to organise a national stoppage.
- Start the movement from below by holding workplace protests over the levy.

LATIN AMERICA WEEK '09
Tuesday 14TH – Wednesday 22ND of April

The Bittersweet Taste of Globalised Food
Local struggles and food sovereignty in Latin America and Ireland

INDIGENOUS MEXICAN WOMAN ACTIVE
in the 'No cars, No country' campaign
- Alianza Civilista Toluca

COLOMBIAN SUGAR CANE CUTTER
and trade unionist
- Union Campestre Cauca

Dublin Seminar - Saturday 18th of April
11.30 am - 4 pm - Location: Main on House, Ebanus St, D2

Galway Public Talk - Monday 20th of April
7 pm - Location: Galway Public Library, Angles St

Limerick Public Talks - Tuesday 21st of April
Talk 1 - 7 pm - Location: University of Limerick's Campus
Talk 2 - 7 pm - Location: Limerick City Library (The Gateway)

Cork Public Talk - Tuesday 21st of April
7 pm - Location: O'Connell's Hall, Barrack St

Organised by: **LASC** (Latin America Solidarity Campaign), **Irish Aid** (Department of Foreign Affairs), **UNITE** (Union of Food and Allied Workers), **TROICARE** (Working for a Just World), **DRAPHIC MINT**

The tax dodges of the rich



EVER HEARD of Nicholas Ferguson? If not, you may at least be familiar with his notorious boasting. Nick is the multi-millionaire boss of private equity firm, SVG Capital, and he made the headlines when he bragged about paying only 5% tax on his obscenely huge profits while his cleaning lady hands over 21% of her meager wages to the tax man.

Leona Helmsley would have been proud of Mr Ferguson. The hotelier, property speculator and one of America's richest women, famously opined that "taxes are for little people".

It seems she was right. Figures released by the Revenue Commissioners show that several of the highest earners in Ireland pay *no tax whatever*, while 1,060 with incomes above €100,000 a year pay less than 5% tax. And these weren't tax exiles - they live in Ireland.

Tax *not collected* on the earnings of Ireland's super-rich could amount to €3 billion a year, experts reckon.

Don't tax the rich! Cut social welfare benefits by 3% instead, says Danny McCoy, chief economist with IBEC, the Irish bosses organisation. IBEC, of course, has campaigned tirelessly for the creation of tax avoidance schemes and the preservation of tax loopholes to ensure their wealthy members pay

as little tax as possible. And they won't need to pay more tax if the poor can be clobbered instead! No fool, McCoy.

TAX DODGERS

TAXES WERE invented by kings to pay for their wars, but with the growth of the workers' movement under capitalism, taxes came to be used as a means of redistributing a portion of surplus wealth from rich to poor - not from a sense of fairness but to buy social peace and ensure workers were fit enough to work, reproduce, and generate profits.

A moderately redistributive tax regime may be in the long term interests of the ruling class as a whole, but that doesn't mean that *individually* they like paying taxes. Hence our tax system is riddled with exemptions, all for their benefit.

If you are a PAYE worker, of course, tax avoidance schemes are of little use, even if you could afford a tax lawyer to explain how to pull a fast one. To benefit fully from tax loopholes, you need to earn *profits*, not wages, and you need to own *capital*, not just your own labour power.

Take Capital Gains Tax, CGT. When the Fianna Fail-PD government halved CGT from 40% to 20%, they were fiercely criticised by the left and the likes of St

Vincent de Paul as well. Their reply was that the lower the tax on people who make their money selling property, shares, or businesses, the more tax would flow in, because rich people wouldn't try to avoid a 20% tax on their gains whereas they would try to avoid 40%.

GERRY'S LITTLE SCAM

MARY HARNEY nevertired of trotting out such sophistry in defence of low taxes on her filthy rich buddies. But just how threadbare such logic is was revealed last month when Harney's pal and one-time PD election candidate, Gerry McCaughey, along with his business partners, were found to have used a loophole in the tax laws to avoid paying a *single cent* of Capital Gains Tax on the profits they made by selling their building company, Century Homes.

Just before building materials company, Kingspan, acquired Century Homes, Gerry, his brother Gary, and a third shareholder, James McBride, transferred their shares in the company to their wives. The transfer of assets between spouses attracts *no* Irish tax.

Although all three husbands lived in Co Monaghan, their wives "lived" in the luxury resort of San Remo, Italy, and a few weeks after acquiring ownership of the shares, the wives sold them to Kingspan for €100m.

Thanks to a double taxation agreement between Ireland and Italy, the wives paid no Irish tax on the proceeds of the sale and as a result, the Irish exchequer lost almost €5m in revenue.

Tax consultants, KPMG advised McCaughey & Co not to blab too widely about the tax dodge as it is reserved for their richest clients only, like Shane Ryan, son of Ryanair founder, Tony Ryan, who pulled the exact same trick.

Shane's brand new wife, Lorraine, "emigrated" to Italy just before acquiring €18m worth of shares from her loving hubby. Lorraine then flogged the shares for €19m and paid a tiny amount of tax

in Italy on her modest capital gain. But Shane, who had made a fortune on the transaction, paid not a cent of tax to the Irish exchequer.

The Revenue Commissioners challenged the Ryans in court - and lost. But the loophole was left open by the government for the McCaugheys to exploit.

THE SPECULATORS SCAM

ANOTHER MASSIVE tax loophole was revealed recently in the Anglo Irish Bank scandal. By using a device called a Contract for Difference, or CFD, wealthy speculators can make a killing on shares without ever having to buy them - they gamble on the *difference* in share prices between one date and another. As a result the exchequer loses all the taxes and duties that normally apply when *actual* shares are traded. When he was Minister for Finance, Brian Cowen, proposed taxing CFDs, but then changed his mind when lobbied by tax accountants for Fianna Fail's wealthy cronies.

Cowen also presided over another loophole used by his developer pals. When they wanted land to build houses on, instead of buying it, developers would pay the landowners a "licence fee" for permission to build on *their* land.

As ownership of the land wasn't transferred to the developers, they avoided paying hundreds of millions in stamp duty.

The government passed a law against this loophole, but Cowen didn't bother implementing it until the building boom was over.

Developers could also pay their own subsidiary companies *below cost* to build houses. The subsidiary made a *loss* while the developer made a bumper profit. Huge losses were written off against income tax at 41%, while mega profits were taxed as capital gains at just 20%.

The biggest loophole of all is the residency rule that says you have to live in Ireland for more than 183 days a year before you become liable for Irish taxes on all your income. Almost 6,000 people on Revenue's books have declared them-

selves "non resident for tax purposes". They include Ireland's richest businessmen: Denis O'Brien, Dermot Desmond, John Magnier, and JP McManus, to name but a few.

And it's not just loopholes that enable the very wealthy to shirk taxes. The government has gone out of its way to create *tax avoidance schemes* for its richest supporters.

For years, property speculators who bank-roll Fianna Fail benefitted from so-called Section 23 Tax Relief which meant they paid *no tax at all* on their rental income until they had recouped the cost of the properties in which they had invested.

The most recent tax avoidance scheme allows those with lots of spare cash to avoid paying tax on their income by investing their capital in the provision of hospice facilities.

It was Mary Harney who promoted a tax avoidance scheme for her wealthy backers who wanted to make even more money out of the sick by building private hospitals in the grounds of public hospitals. Harney's determination that investors in private health care will pay no tax on their profits has encouraged meat industry fraudster Larry Goodman to chance his arm in the health care "business", along with Ulick McElvaddy, the man who hailed crooked banker Sean Fitzpatrick as a "national hero".

And if you have been wondering why massive hotels have suddenly sprung up all over the country, well, they too are the product of another outrageous tax avoidance scheme introduced at the behest of barristers, stockbrokers and consultants who were looking for somewhere to invest their loot.

Like all these schemes, the investors will pay no tax on their income until they have earned back their initial capital outlay.

What all these schemes have in common is that they enable the very rich to get richer still at the expense of the little people who have no alternative but to pay their taxes in full.

It certainly beats working.



Nicholas Ferguson: 5% is all that I pay

Did greed cause the crisis?

By ALISTAIR FRASER

NO ONE can deny that greed has been at work in producing the current crisis facing capitalism.

In the US, greed motivated the Wall Street traders and the Chief Executive Officers of numerous corporations to award themselves those obscene bonuses we've been hearing about.

In Ireland, greed was behind the actions of Irish bankers such as Irish Nationwide's Michael Fingleton, who has made sure (to the tune of almost €28m) that he'll be OK in retirement.

And it was greed that led developers, executives, and their ilk to lobby Irish governments to cut taxes on the rich and dump Ireland's tax burden on workers.

As a result of the current crisis and the clear role played by ruthless, greedy people such as Fingleton, many commentators in the mainstream press in Ireland say that things wouldn't have turned out so bad if we'd had less greed.

It's as if the crisis was *caused* by greed.

And so, as part of attempts to "fix the economy", there are calls for systems to be put in place that will hold back the greedy, put the capitalists on a leash, and control them better.

Against this stance, it is crucial to state a key part of a socialist understanding of society: that capitalism is crisis-prone *regardless of individual capitalists' greed*.

The cause of chronic crisis under capitalism – the boom-bust cycle we hear spoken about as if it's a natural process like the ebb and flow of tides – is the system's very make-up.

First of all, capitalists compete with other capitalists to have better products.

But they also compete with each other over price and so they have a built-in need to drive down the cost of paying workers.

Extending the working day might do the trick, but only up to a point.

A common 'solution' is therefore to install new machinery. But it is workers – not machines – that produce the surplus that capitalists call profit.

More machines eventually means the profit rate will gradually fall. Then capitalists will look for savings. Machines might be scrapped.

But workers will also be shed when profits fall, as they inevitably do. And so unemployment will rise.

This brings in a second aspect.

Capitalism survives thanks only to workers. Capitalists exploit workers to create a surplus, which they accumulate and reinvest in more production.



Wherever capitalism continues to operate we will have inequality and we will have periodic crises and rising unemployment.

Workers under capitalism definitely need capitalists for jobs and capitalists need workers to produce their profits – these are what Marx called the "invisible threads" connecting the two classes.

But capitalists *also* need workers to *consume*.

If wages are not high enough, or of unemployment rises and workers *under-consume*, then capitalists will need to cut production and slash jobs if they are to remain capitalists and not go out of business.

Individual capitalists' greed is *part* of the story here: they want to remain capitalists and enjoy their larger incomes.

But workers getting dumped on the dole queue, like those at SR Technics or those at Waterford Crystal, will eventually happen under capitalism even if capitalists aren't so greedy. The system demands it.

So wherever capitalism continues to operate – whether it is put on a leash or allowed to run riot over people and places, as it has for too long – we will have inequality and we will have periodic crises and rising unemployment.

The history of capitalism shows that it lurches from one crisis to another.

The periods between crises can be long, but wherever capitalism survives, periodic bouts of crisis will exist.

Fixing the economy

There is no doubt that our current capitalist economy *would* be a little bit fairer if the greedy were just put on a leash.

This is the argument Obama has tried to make by restricting pay for bailed-out bankers in the US.

In Ireland, there are plenty of people calling for big pay cuts

for the bankers, the executives, top civil servants, and others such as RTE presenters.

And there is an obvious logic for supporting moves like this.

But while more pay equality is definitely needed, so long as capitalism survives in Ireland moves such as these do not mean that capitalism will avoid the next crisis.

And they don't mean that workers won't be fired the next time profits are squeezed.

Crisis is a necessary element of capitalist societies. As is unemployment. And few events are as violent as a capitalist crisis.

Attempts by workers to resist unemployment are often repressed by the state, as we saw in the British miners strike.

And capitalists often call for war in reaction to falling demand for production.

The best way to "fix the economy", then, is to turn it upside down and change its internal logic. We need to reboot society and install better software! This is what socialists call for.

Greed, capitalism, and human nature

But competing ideas about greed are part of current socialist debates for *another* reason.

Socialists argue that another world is possible.

The world doesn't have to be for sale.

We needn't have a world driven by profits or specific measures of 'efficiency' and 'cost-effectiveness'.

A socialist world – a world in which equality, fairness & justice reign, in which the people who work with resources have democratic control over how they are used – *is possible*.

However, lots of people claim that people are naturally too greedy for socialism to work.

They look at capitalism and see that it rewards greed; the growing gap between the rich and the rest of us suggests as much.

And living in capitalist societies can even make it seem as if greed is inevitable.

TV shows such as *Dragon's Den* or *The Apprentice* celebrate ruthless capitalists.

Government campaigns encourage school children to be greedy by becoming entrepreneurs.

Our culture tells us that 'success' = owning *your* own home and making sure *your* pension is secure.

But it's actually wrong to say that, as humans, we are naturally greedy.

We spend so much of our lives helping each other out and coming to the aid of others.

We cooperate with each other on the street, in workplaces, in our homes.

We might disagree with and sometimes argue with other people, but most of our lives are spent peacefully cooperating with others – and most of us want it to be this way.

Indeed, anthropologists increasingly demonstrate that humans have throughout their history found ways to avoid *competition, greed and conflict* by organising societies that encourage *cooperation, equality, and peace*.

Unfortunately, however, capitalist societies wouldn't survive without encouraging individual self-interests.

Capitalists might need us to cooperate in workplaces if production is to occur, but they don't encourage other forms of cooperation, such

as trade unions or other collective structures.

Instead, what capitalism needs is division among workers – along the lines of race or gender, say.

Or, as we see in Ireland at the moment, IBEC and commentators in the mainstream media have tried to divide public and private sector workers.

And many capitalists actually *thrive* by encouraging individual self-interest, rather than cooperation and collective action.

In Ireland, the property developers have pursued super-profits by building private homes, rather than social housing.

And the insurance racketeers have pushed high-risk private pension plans whilst at the same time jeering socialist calls for collective care for the elderly and equitable state pensions.

So a really important fact about so-called 'natural' aspects of human behaviour is that circumstances matter: greed *appears* as if it's natural in capitalist societies, but it needn't be in an *alternative* one.

Socialist arguments for a better world hinge on the reality that individual self-interests – which exist alongside (and do not naturally overrule) a more cooperative, generous, and caring part of our character – are not an insurmountable obstacle to socialism.

In place of being held back by claims about our supposed human nature, and rather than only putting the greedy on a leash but sticking with capitalism, now is the time for socialists to *call for and work towards* establishing a new and better society.

Return of the NI security state?

By BARBARA MULDOON

IN THE aftermath of the killing of three members of the security forces, the Northern Ireland state has thrown every effort into creating an idea that there are now only two sides in the North.

In an echo of the ultimatum that was issued to people in order to pressure them into supporting the US led "war on terror", people in the North are being told that they are either with the state or they are with the terrorists.

As was to be expected, every mainstream political party has lined up very clearly behind the state.

Sinn Fein has fallen over themselves to be seen to be backing the PSNI in their fight against anyone who would try to bring us back to "the bad old days".

The truth is that "the bad old days" were never that far away to begin with.

Prior to the killings in early March, Hugh Orde announced that the Special Reconnaissance Regiment (SRR) was to be brought into the North to weed out dissident republicans.

The SRR are a shadowy unit who are anonymous, unaccountable and highly sinister.

A few years ago two members of the unit were discovered sitting in a car outside a Police station in Basra City, armed to the teeth and dressed as Arabs.

At the time there had been rumours that some of the attacks



PSNI harrasing demonstrators

that were taking place in Iraq were being committed by "outside forces" intent on fuelling a sectarian war.

Following their arrest, the Iraqi Police were investigating just what the pair had been up to when British tanks rolled up to the Police station, demolished much of the compound and freed the two men.

Although the SRR as a unit are a

recent addition to the British army, they are far from new.

In fact they cut their teeth on the people of Northern Ireland.

An anonymous top level military source, speaking after the unit was set up in 2005 said they would use "methods developed on the mean streets of Ulster during the Troubles.

We got very good at doing this in Northern Ireland in the 1980s

and 1990s, and now we want to transfer this capability to the global war on terrorism".

The source was referring to the fact that the unit encompasses elements such as the Force Research Unit (FRU) who are known to have colluded extensively with loyalists in the killings of a huge number of innocent Catholics.

It is not just the SRR who should not be trusted.

The reality is that many of those who serve in the PSNI are the same officers who served in the old RUC and who were also responsible for colluding in the killings of numerous innocent Catholics, most notably Rosemary Nelson, the human rights lawyer.

Following the killings of the three in March, the Police rounded up and interned a number of prominent republicans.

Most of these had not aligned themselves with "armed struggle dissidents" but were nevertheless critical of the PSNI and critical of Sinn Fein's support of them.

Most of these were not charged.

Instead, use was made of the draconian 28 day detention now available to the Police.

Most of them have now been released.

Of course, much is made of the fact that the Police are now accountable to the NI Policing Board.

Less is made of the fact that two of the members of the board are members of the deeply sectarian Orange Order and that other notable members include Ian Paisley Jnr, a man widely regarded as a sectarian bigot who has publicly stated that gay people are "abhorrent".

Even less is made of the fact that Hugh Orde didn't even bother to tell the Policing Board when he decided to deploy the SRR.

It is not just republicans who

fall foul of the PSNI.

On 17th March this year, the PSNI went into the Holylands area of South Belfast and confronted students celebrating St Patrick's Day.

The Police said they were forced to go into the area after drunken students rioted.

Videos posted on Youtube show the students sitting out in their gardens and in the street drinking and generally having a good time.

It can clearly be seen that events were entirely good natured until jeeps drafted in dozens of Police officers in riot gear.

Then, at the end of March, the Northern Ireland football team played Poland at Windsor Park in Belfast.

On the day of the game, there were violent clashes between the fans on both sides.

The Police heaped the entire blame onto the Polish supporters.

A number of Polish fans were arrested and appeared in court.

The Police did not arrest one single Northern Ireland fan.

Nor did they make one single arrest when later that night the homes of up to thirty Polish families were attacked in an area less than a mile from the football ground.

The northern state is not something that should be defended.

It is a deeply reactionary repressive entity that should be opposed by everyone.

Goodbody's report a whitewash for taxi regulator

By JIM WALDRON,
PRO Taxi Drivers for Change

TAXI DRIVERS for change met with Mr. Bernard Feeny author of the Goodbody report into taxi industry. It was pointed out to Mr Feeny that this report is out of date and flawed.

He sympathised with the plight of drivers, however he said he was restricted by the terms of reference given to him by the regulator, Kathleen Doyle, that prevented him from addressing the concerns that are prevalent in the industry today. He further agreed that the economic downturn of the last six months was not considered in the report, despite his company projecting a further drop in the economy.

It seems to me Goodbody's were never going to highlight the plight of taxi drivers. The industry will become the new dole. The people left in the industry, if they're not being subsidized by government grants, will have their morals and character tested as their earnings fall so drastically.

Temptation to overcharge, drive the longer route, or resist necessary repairs will all put the public at risk. Drivers who become desperate might resort to doing desperate things. I hope the Minister listens before our industry is left to people of low moral standing or people who treat it as pin money which will not help the professional industry TDFC would encourage.

Here is just one example of the report's content which Feeny says is positive: "Austria, Netherlands, and Japan have the same regulatory structure". However, the Japan Times and Dutch news

both reported in 2008 that competition/liberalisation has been a total failure.

Feeny suggests drivers downplay their earnings, but even if you take a mid-point between what drivers actually estimate and the figure he presents, drivers still earn less than the minimum wage.

The report also says: "The demand for taxis peaked on Friday and Saturday, accounting for 73% of all trips." This statement is indicative of the lack of business for full time drivers and suggests that the taxi business will develop into a part time job.

Taxi drivers for change hosted a conference with representatives from throughout the country to discuss the findings and make recommendations to Minister Dempsey for when he decides to talk to us.

We will continue to escalate our protests. Our intention is not to disrupt the public but to highlight our plight through an on-going campaign for fairness in our industry. We request a suspension of the issuing of licences to allow a root and branch review of the industry.

With regard to grants to new drivers, I am sure people throughout Ireland now being hit with the income levy would agree it is unfair to use taxpayers' money to create an unjust advantage over existing full time drivers.

Finally, Frank Fahy Chairman of the Transport Committee said that reading this report was like reading the Beano. I agree, except while comics cheer you up, this report puts the taxi industry into a state of depression



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DEFEND EVERY JOB!



Visteon workers occupying their factory to fight for their their rights

By **EAMONN MCCANN**

EVERY WORKER in the North should draw the same lesson: The only way to save jobs is to resist every job loss.

The media tell us nothing can be done about closures and cutbacks. But fighting your corner is never futile. Workers never got anything without fighting for it.

North, South and across the water, job losses are hitting like hammerblows. Many workers are left groggy,

not knowing what workplace will be whacked next. But struggles like the Visteon occupation lift the spirits up.

This is the main reason all trade unionists and activists should rally round the workers in the west Belfast plant.

Not just to give them support, but to spread the message of militancy: that it makes sense to take a stand.

In many workplaces and working class areas, the mood is a mixture of anger and fear. Feelings swing be-

tween a readiness to fight back and a tendency to keep the head down. Which of these feelings comes to the fore depends on the leadership that's given, on what examples there are to be followed.

Commenting on a thousand jobs going down the drain at Bombardier, Peter Robinson told the BBC that he and the Executive felt "helpless".

Meanwhile, Gerry Adams was pleading with Ford to accept it had a "duty of care" to the Visteon workers---as if a cut-throat capitalist company in the

US might show soft-hearted concern for workers in Belfast.

Whether it's Visteon, Bombardier, Wrights in Ballymena, FG Wilson in Newtownabbey, or Calcast in Derry, the only language from workers that gets through to bosses is the language of industrial militancy. Where there's no fight, there's nothing won.

Fighting leadership comes largely from below, from those who have no compunction about taking on the system. It isn't just a matter of winning decent redundancy terms---although

we have to fight all the way for that, too. It's about stopping the destruction of jobs.

The Visteon plant holds machinery worth millions, which could be used to make any number of products. The workers should push for replacement jobs.

They shouldn't allow a washer to leave the factory until they have a satisfactory deal.

Workers across Ireland and beyond should be organising support any way that they can.

Pic: Donal Mac Fhearraigh