

Socialist Worker

Give Fianna Fail & Greens a kicking!

THE REALITY of last month's budget has hit home for many workers.

Pay slips show that workers are losing nearly €70 a week. This means we're working one month a year for free to pay for the bankers speculating.

Some working families are losing over €400 a month. This means they can't pay their bills or mortgages and face losing their homes (see page 2).

It's a different story for politicians and the rich.

TDs 'earn' a basic salary of €100,191 a year. But they can also claim: a mobile phone allowance of €750 every 18 months; an annual constituency office allowance of €8,888; an unvouched constituency travel allowance up to €8,782 a year; an overnight allowance of €139 per night; and an unvouched miscellaneous expenses of €5,489 a year.

The bankers and developers who caused the crisis are getting more handouts from FF and the Greens.

The Department of Finance has said it will protect the 20 biggest developers from bankruptcy, all of them loyal FF supporters and financiers, through its NAMA scheme.

Who says corruption doesn't pay!

FF and the Greens have promised another budget of attacks and cutbacks in the Autumn, and again next year.

We need to send them a clear message in the Euro and local elections – get stuffed, we're not taking it anymore. Cowen must resign. We need a general election now!

But don't be fooled by FG. They are using populist rhetoric about the banks now but they are as committed as FF to cutting workers living standards to save profits.



Labour and Sinn Fein both voted for the bank bail out scheme too, and are up for coalition with either of FF or FG – putting the same gangsters back in power. They are no alternative.

The People Before Profit Alliance

is the only real national alternative on offer in the elections.

It has outlined an alternative budget to keep people in work and keep our public services going by making the rich pay more tax, not workers.

The rich gained most from the Celtic Tiger, they should pay more in the recession.

Read the alternative budget at www.People-Before-Profit.org
Capitalism as a system is failing,

we're facing the return of mass unemployment and poverty, now more than ever we need a socialist alternative.

That starts by voting for People Before Profit candidates on June 5th.

On June 5th Vote People Before Profit



'If they can bail out the banks, they can bail out tenants and home owners'

by DONAL MAC FHEARRAIGH

SARAH BOLGER from Clondalkin is facing repossession of her home. She spoke to *Socialist Worker*.

"Myself and my partner have been together for 15 years.

"We were living with my parents for years hoping house prices would steady off or fall so we could afford to get a place of our own."

"Eventually we decided to buy two years ago as the situation wasn't improving.

"We took out a mortgage of €380,000 – at what turned out to be the top of the market. Both our parents chipped in to help us afford it.

"We were both working. My wage as a carer paid the mortgage and we used his wage to live on."

"Last year I lost my job due to illness and he's now on a three day week so we can't afford to pay the mortgage. We're now €22,000 in arrears.

The electricity has been cut off and Social Welfare has refused to pay us enough to live on.

The house has lost a lot of its value so we can't



People Before Profit candidate Tina McVeigh joins protest over Dublin's St Michael's Estate

pic: Paula Geraghty

even sell it and clear our debts. We've been reduced to begging off our parents."

"The bank is now trying to repossess the house and kick us out – they sent us a letter saying we have ten days to pay all arrears.

"I'm living in fear of

someone coming and taking our house. I've worked all my life. It's only because of illness that I haven't been able to work in the last year."

"There are two houses boarded up on our street. This is a good neighbourhood with good people.

"A family with two kids across from us had their house repossessed a few weeks ago. Nobody knew about their problems, they just disappeared.

"We're not going to just disappear because of embarrassment.

"The banks knew the

houses were overvalued. We all need somewhere to live."

"We've tried negotiating with the bank but they won't budge.

"All the money that's been given to the banks, they should give people a chance."

Housing waiting lists worse than 1960s

By DONAL MAC FHEARRAIGH

AFTER TWENTY years of unprecedented growth, the social housing need is as bad now as it was 45 years ago.

Ireland's largest housing charity, Respond!, announced last week that the need for social housing is at 1960 levels, with numbers on waiting lists set to increase dramatically in the coming months.

John Hannigan, Respond! spokesperson said, "In 1964, social housing need in Ireland was 60,000 families.

We are now at a similar level and will surpass it in the coming months with unemployment set to increase by almost 300,000 by the end of 2010. During the boom years, it was clear that the Government focussed on the private housing market to the detriment of social housing. It seems unbelievable that Local Authority housing waiting lists grew by 30% to

56,000 families during this period. Throughout the Celtic Tiger, social housing barely accounted for 5% of all housing, compared with 30% of all housing during the recessionary 1980s."

"Respond! could double our output of housing for lower income families if funding was increased but the recent cut of almost €300 million in the social housing funding has devastated our budget."

A public housing building programme would help get people back to work and provide real hope for the community. It would not only help decrease housing waiting lists, but would also curtail rising unemployment in the construction sector and decrease the number of people seeking social welfare assistance. In addition, there would be increased tax revenues for the Government through income tax, value added tax, PRSI, PAYE, capital gains tax, corporation tax and stamp duty.

STOP THE REPOSSESSIONS

By DONAL MAC FHEARRAIGH

NOELINE BLACKWELL, Director General of the Free Legal Advice Centre (FLAC), says it is the most vulnerable that are likely to suffer during this recession.

"The apparent equality of the law turns out – yet again – to favour those who are better resourced and near the seats of power and influence. This is particularly evident in the area of housing."

There are almost 50 repossession cases being heard on a weekly basis in the High Court.

Decreasing social housing funding means there will be no hope for these families if Local Authorities cannot meet their housing needs.

People who were given excessive mortgages that far exceeded their income should be allowed to renegotiate their mortgage to a suitable level appropriate to their current income. Where the property was grossly overstated in order for the banks to lend on the mortgage, these people should

also be allowed to renegotiate to the property's true value.

A lot of people were victims of "reckless lending" on the part of our financial

institutions and it is unjust that banks have failed to pass the benefit of recent Government guarantees onto struggling Irish families.

Social housing needs up 250%

FIGURES JUST released from the Dept of Environment show the desperate housing crisis facing Ireland.

These figures vastly underestimate the problem as they are already out of date – coming from 2008.

The housing need is far greater today as people, many of whom were once allowed to access 100% mortgages, now have no hope of getting mortgages from banks.

This level of need is unprecedented and reflects the total failure of the market to solve the social housing problem via Public Private Partnerships.

Increases in need for social housing:

- FERMOY +250%
- TRIM +164%
- ATHLONE +162%
- SOUTH DUBLIN +157%
- TULLAMORE +153%
- COBH +151%
- WEXFORD BOROUGH +146%
- WATERFORD CO Co +138%
- ATHY +137%
- NEWROSS +105%
- LIMERICK CITY +104%
- MEATH CO Co +103%
- ENNISCORTHY +101%

Tenants First launch an alternative housing programme



By TINA MACVEIGH, People Before Profit candidate

TENANTS FIRST has outlined proposals for a public housing strategy to meet the housing crisis.

The report describes current government spend and policy in housing as 'social welfare for the rich', including €391m on rent supplement, €169m on tax incentives, €450m on stamp duty loopholes, and

€400m unspent in local authority accommodation.

This policy has resulted in: 56,000 people and families on housing waiting lists, 60,000 depending on rent supplements, 5000 homeless, 14,000 living in mortgage arrears, 49,348 empty houses, and dispersed, devastated and abandoned communities.

Tenants First are calling for the establishment of a €3 billion fund to be used

for a ten-year programme regenerating existing, and developing new, communities.

A new Social Housing and Community Regeneration Board could be established to plan and manage the expenditure of this fund and should be backed up by legislation.

The board should include representatives of government, tenants and those marginalised and

excluded from housing.

This approach guarantees that a proportion of the state resources being handed over to the banking sectors will be directed back to social purposes.

More importantly, this approach will mean drastic reductions of the housing list, an end to insecure living conditions, the opportunity to meet the needs of the homeless, increased employment in the construction sector, and the opportunity to build and regenerate communities in a way that addresses human and social needs, not just bricks and mortar.

The fact that this kind of approach and thinking has been put forward by an organisation of local authority tenants goes to prove, once again, that it is the ordinary people of the country that have the answers.

It shows up our current government, once again, to be not only incompetent in their social planning, but also only interested in serving the interests of greedy developers and bankers.

Shell's cops try to push through pipeline

THE 300-METRE Solitaire, the largest pipe-laying vessel in the world, is due back in Co Mayo in the second week in June.

Last year it was forced to cancel its planned construction work due to bad weather and protests from local fishermen and Shell to Sea protesters.

The Gardai and Navy are planning a massive security operation. The Gardai have drafted in 200 officers, up from the permanent force of 50.

This represents a massive expenditure by the state to support Shell. Shell and other oil companies were given 'the deal of the century' by then FF finance ministers Ray Burke and

Bertie Ahern. The state has already spent between €10 million and €15 million to protect Shell's pipeline.

Disgracefully the Green Party now supports Shell as well.

Shell also has its own private militia in Mayo. These private thugs attacked Willy Corduff, one of the Rosspoint 5, during a protest a number of weeks ago.

The media is focusing on protestors to try to paint them as extremists instead of on these hired goons and the Gardai's heavy handed policing.

Protestors will be mobilising across Ireland to join the Shell to Sea protests in the coming months.



Over 2000 people have been killed in the war by the Sri Lankan Government against Tamil areas. Our picture shows a recent protest in Dublin.

People from the Tamil community in Ireland and their supporters have been holding a series of demonstrations to protest at this. Our picture show the most recent in May. Pic: Paula Geraghty

Racists use economic crisis

By SARA O'ROURKE

IN RECENT weeks Declan Ganley and Libertas finally revealed what many have suspected since their appearance in the Lisbon campaign: they will use racism to try to build their movement.

Rather than focus anger at the corrupt bankers and bosses of Europe, Libertas wants to blame migrant workers.

They want Ireland's borders closed to citizens of the 10 accession states to the EU. They want to attack workers welfare rights across Europe with a new 'Blue card' system that will exclude all 'non-national' workers from health and social welfare rights, even if they have been working and paying taxes for two years.

This will be a direct boost for bosses' profits because they will be able to stop funding even basic services.

Libertas are running candidates across Europe in the European elections. Those standing are a motley political crew, ranging from Liberals to secularists to, most worryingly, right-wing, ultra-religious, anti-abortion and anti-immigration candidates.

In Germany, Libertas launched a joint campaign with the AUF, a one year-old Christian environmental party. The campaign was launched in Frankfurt with a speech by Eva Herman, a German newsreader sacked two years ago for praising Nazi family policies.

Libertas candidates in Poland and Italy are members of far-right parties or have extremist backgrounds. In Poland, 40 of its 128 candidates are members of the far-right Liga Polskich Rodzin (LPR, League of Polish Families). Marian Giertych (LPR MEP) gave a speech in the European Parliament, praising the Spanish dictator, General Franco, and also praised Portuguese dictator, Salazar.

There are at least two other candidates known for their ultra-Catholic and anti-Semitic views on the Libertas list in Poland: Anna Sobocka, associated with the ultra-Catholic Radio Maryja, and Ryszard Bender, the Polish politician and historian who said that Auschwitz was "not a death camp, it was a labor camp".

In Italy, Libertas has formed an alliance with La Destra, a right-wing party led by Teodoro Buontempo. Teodoro Buontempo, 48, a self-proclaimed fascist was elected to Parliament in March on the ticket of the National Alliance, the successor to the party founded by followers of Benito Mussolini. Buontempo in the past been closely involved in attempts to link up with and encompass a sizeable umbrella grouping of Nazi skinheads known as the Movimento Politico (MP). The MP is linked to the international "Naziskin" cultural movement, Blood and Honour, and has been implicated in numerous terrorist attacks on immigrants, Jews and gypsies.

Institutional racism in Ireland

One of the consequences of the economic crisis everywhere is bitterness and anger mixed with fear. The anger has been evident right across Europe, with demonstrations in Greece, one-day strikes in France and the toppling of a government in Iceland. Fear is everywhere as more and more people lose their jobs, take pay-cuts and come under attack from their governments.

British economist Howard Davis recently said that "our politics for now, is being played out in an ideological vacuum".

The cancellation of the planned one day strike here on March 30th is one example of angry workers willing to fight, being left leaderless by Unions.

When discontent does not have a lead from the left there is always a danger that the vacuum will be filled by the right. Evidence of this is the 'British jobs for British workers' strikes, where slogans of 'Foreigners Out' were chanted by marching construction workers.

Anyone who has stood in a dole queue or post-office queue in recent times may have heard the simmering of racist ideas.

Institutionalised racism is not as visible, but a new report from the ESRI exposes discrimination in recruitment. The key finding is that applicants with Irish names are over twice as likely to be invited to interview as candidates with identifiably non-Irish names with equivalent CVs. In an experiment using CVs from African, Asian and German applicants, the study revealed that there were significant rates of discrimination.

The study makes no conclusions about what is driving the discrimination, but the authors do suggest it is not out-and-out xenophobia. What this indicates is that discrimination here is in fact corresponding to trends in other countries, namely a rise in an institutionalised racism that is structured by the state and is not colour-coded.

As the economic crisis deepens, right wing politicians will use racism to try to divide opposition to their policies of bailing out their banker and developer friends.

We need an anti-racist movement to counter their lies and stop any racists organising in Ireland.

Love Music Hate Racism Ireland Club Party, Saturday 23 May 9:30pm, Shebeen Chic, South Great George's Street, Dublin 2

<http://www.myspace.com/1mhireland>

Elected Mayor. An end to crony planning?

By SINEAD KENNEDY

GREEN PARTY Minister John Gormely recently announced plans for Dublin to have a directly elected mayor next year as part of a series of plans to make the local government more accountable and democratic.

The mayor will have responsibility for decisions in transport, planning and waste management across the four Dublin local authorities. The system would also be replicated on a regional basis.

Currently, city councils and local authorities are operated by unelected and unaccountable city and county managers who run local councils as if they were their own private fiefdoms.

This has resulted in decades of corruption, secrecy, and back hand-dealing.

These managers have undemocratically imposed bin and water charges, despite huge local and national campaigns against them.

Builders and property developed could never have cornered the market they way they did without the help of corrupt local politicians and the Irish planning system functioning on the basis of sleazy back-handers and envelopes stuffed with banknotes.

The example of George Redmond, former Dublin Assistant City and County Manager who was convicted of numerous accounts of planning corruption and bribery is one of the most notable examples of corruption.

This all makes Gormley's suggestion that

Bertie Ahern would make a good mayor for Dublin all the more ridiculous!

Local authorities have systematically abandoned their responsibilities to build social and affordable housing. Indeed, the collapse of the property market, which has had such an effect on the Irish economy, was ultimately caused by the decline of social housing construction.

As local authorities failed to build new homes, the field was left clear to private developers, who controlled 94% of the market by 2000. They took advantage of their monopoly position to drive up the price of houses to crazy levels.

Dublin city council's strategy to pay huge sums of money to private developers such as Bernard McNamara through a public private partnership scheme has seen the residents of St Michael's Estate, O'Devaney Gardens, and Dominick Street abandoned. McNamara pulled out of the scheme when it emerged that he would not make quite as much money as he hoped.

A directly elected mayor is a certainly a step in the right decision but he or she needs to be more than a figurehead; they must be someone who is accountable and operates in the interests of people and communities.

City councils and local authorities make important decisions that have real effects on people's lives and so these decisions must be subjected to democratic control by local communities.

People Before Profit Election Launch



Ex Waterford Crystal worker and one of the Waterford Crystal occupation organisers, Donnie Fell, is running in the local elections for People Before Profit. He is pictured at the People Before Profit press launch of their June 5th campaigns Pic: Paula Geraghty

Conference to reclaim our unions

THE LEADERS of the Irish Congress of Trade Unions are in talks with the Fianna Fáil Government trying to reach agreement on a programme of cuts in living standards and social services.

This collaboration is totally against the

interests of ordinary union members. Trade unions should be leading the fight against the cuts.

A conference on June 20th will be an opportunity for trade union activists, unemployed people and others to discuss an alternative

strategy and to begin the fight-back.

The Conference is being organised by a group of trade union activists from a variety of trade unions in both the public and private sectors.

Contact reclaimtheunions@gmail.com for more info

Grass Roots Unite conference RECLAIM THE TRADE UNIONS Fight the Government Cuts

Conference Saturday June 20th 2-6pm Unite Hall, Middle Abbey Street, Dublin 1
Sessions on: Fighting pay cuts; Stopping cuts in services - health, education, social welfare; Action on unemployment and defending pensions; How we can make bankers and speculators pays for the crisis

'Robbing a bank is nothing owning one' - Ireland's ba

By RORY CONNOLLY

POOR PEOPLE are jailed every day in Ireland for failing to pay minor debts, but it seems there is no law against bankrupting the entire nation.

If there was, some of the richest and most powerful people in Irish society - the bankers - would be on their way to Mountjoy. But instead of going to jail, these blood-sucking parasites still want to lord it over the rest of us.

While the government digs deeper into the pockets of ordinary workers to save the banks from the €30 billion worth of bad debt they generated for themselves, the bankers who created the crisis continue to wallow in their ill-gotten wealth.

We are told that the economy couldn't function without them. Yet, for an institution apparently so vital to all our lives, banking in Ireland is entirely undemocratic.

A tiny clique of (mostly) men, wield enormous power. Just 20 executive directors run the country's six banks and only two or three are public names.



David Drumm

They certainly know how to look after themselves. The top earner in recent years was David Drumm of Anglo Irish Bank who pocketed €4.65m in 2007. Bank of Ireland's Brian Goggin wasn't far behind with €4m.



Brian Goggin

But when he retires, poor Mr Goggin will have to get by on a miserable pension of just €656,000 a year. However will he manage?

At the recent extraordinary general meeting of AIB, where elderly shareholders threw eggs at the senior executives whose reckless greed has destroyed their pensions, the bank's Chief Executive, Eugene Sheehy, smiled down on his attackers through a magnificent suntan that he didn't get doing the garden.



Eugene Sheehy

During his four years at the helm of



AIB, as he steered the bank to destruction, and with it the national economy, Sheehy pocketed over €5m in salary and bonuses, while millions more were poured into his personal pension plan. In 2007/2008 alone he was paid €3.25m.

He may have ruined the lives of countless old age pensioners, but he'll retire himself in the lap of luxury with €530,000 annually.

Dermot Gleeson, Sheehy's side-kick as AIB Chairman for the past six years, is a former Attorney General and a barrister who netted a cool million of taxpayers' money in fees when he acted for the crooked tax-dodging Goodman company at the Beef Tribunal in the 1990s.

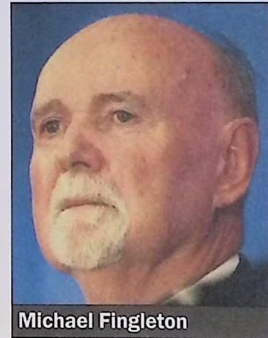


Dermot Gleeson

He also chaired the Review Body on Higher Remuneration, notorious for awarding obscenely large salaries to senior bosses in the public sector. At AIB, Gleeson pockets nearly half a million a year in fees.

Meanwhile, over at Irish Nationwide, departing boss, Michael "Fingers" Fingleton, old pal of tax dodging thief Charles Haughey, had to return his most recent €1m bonus amidst uproar from members who were incensed at how Fingleton turned a mutual building society into a one-man

operated bank that lent billions of Euro it didn't have to Fingleton's friends, the dodgy developers, who can't repay their loans.



Michael Fingleton

(But why should Fingers care when there are taxpayers to pick up the tab?)

In 2007, while Nationwide hurtled towards destruction, Fingers pocketed €2.3m, including a €1.4m bonus. And to cap it all, he has managed to keep his grossly overstuffed pension pot of €28m, €7m of which he can draw down as a tax free lump sum.



Danny Kitchen

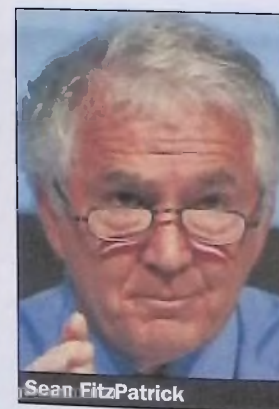
The astonishing greed of bankers was confirmed recently by Danny Kitchen.

Not to be confused with Kitchen Porter, Danny made the headlines when he declined Fingers Fingleton's job after the salary was capped at just under €400,000 a year.

You would have to sympathise with Fingleton's successor though, because it would be pretty hard to pay for the servants and six holidays a year on such lousy pay.

And Brian Lenihan thinks he deserves our praise for suggesting (ever so politely) that bankers might consider a salary cap of €500,000 a year.

But even the official Institutions Remuneration Oversight Committee has blown Lenihan away by proposing to up the cap to nearly €700,000. It's hardly worth getting out of bed for!



Sean FitzPatrick

Fingleton's old mate, Sean FitzPatrick, ran Anglo Irish Bank into the gutter by lending like a lunatic to doomed developers. But before the crash, Sean secretly borrowed nearly €90m for himself, a loan that Fingers helped him conceal.

For reasons we may never know, but assuredly nothing to do with the Fianna

Fail Mafia, Lenihan and Cowen agreed to nationalise Anglo, lumbering the rest of us with the massive debts of its Fianna Fail supporting clients.

Now it seems FitzPatrick, although completely disgraced, is laughing all the way to the bank.

Experts have calculated that his pension pot will be at least €15m - but it's more likely to be around €25m.

Seanie Fitz (as his old mate Bertie Ahern calls him) will be able to take €6m of this tax free, which is small compensation for not being able to appear in public for fear of a lynch mob.

Bankers, with their obscene salaries and gold plated pensions, were feted in the past for providing the life blood of the economy.

But while an economy might need credit to run smoothly, there is no logical reason for credit to be provided by private companies - which is what banks are - driven at all times by the need to maximise their own profits.

And maximise them they certainly did. Between 2005 and 2007, the three big banks, AIB, BoI and Anglo, sucked up over €14.5 bn in profits. Now the rest of us are being asked to foot the bill for their insatiable greed.

It doesn't have to be this way. A "good" state bank, as opposed to the "bad" one the government is intent on lumbering us with, could assume the role of credit provider.

Existing banks could be nationalised in a way that brought the assets they hold as security for bad loans - land banks, housing estates, apartment blocks and office buildings - into full public ownership, for public use.

But that's socialism, and Fianna Fail doesn't do socialism. Ditto Fine Gael and Labour.

We have to do it ourselves.

ng compared to ankers exposed

NAMA: A deal to bankrupt workers and save developers

By SEAN KELLY

THE GOVERNMENT has looked around for economic gurus to give advice on how to solve the crisis. They have rolled out Peter Bacon once again to sell the NAMA (the National Asset Management Agency) idea.

Bacon was a former executive chairman of Ballymore Properties, owned by property developer Sean Mulryan.

During the boom years, his Bacon report on the housing crisis was boosted as the solution to rampant house price bubble. Instead it did everything the developers wanted.

NAMA will buy all of the toxic loans from the struggling Irish banks, helping them pay off their debts to 'bondholders' – bigger global banks and investors who shipped in cash to fund the Irish property bubble and now want it back.

Bacon claimed NAMA would break up the 'crony capitalist connections that would stop the transfer of assets from powerful and often politically well-connected developers'. In reality it's designed to save the developers – who are all big financial backers of FF.

The Dept of Finance and NAMA have already agreed to protect the 20 biggest developers, and not force them into receivership. These developers and their bankers are the very people who caused the problem – they should be jailed.

Instead, its workers facing court cases and repossession of their homes: they get no bail-out. Their mortgages are now worth more than the value of their homes, so they can't even sell up and clear their debts.

NAMA will dump as much as €90bn worth of local and foreign 'property' that might never recover its 'value' on Irish workers – what a bargain! The whole deal depends on property values not falling more. But there's little sign of a slow down in the property crash. We're bailing out the banks and their top executives on the off-chance that the property market will recover.

NAMA also bails out another bunch of crooks and swindlers: the global and Irish bankers who pumped up the property, debt-inducing speculation bubble, which got us here in the first place.

Splits in the ruling class

In times of crisis, splits emerge in the ruling class. The current property crash and the question of what to do about the toxic loans crippling the banks is a case in point. In fact, it seems as if the economists are barking mad at each other!

For example, a group of twenty academic economists have come out against Bacon's plan and the government as a whole.

The group have called for the banks to be nationalized, sorted out, and then re-sold onto the private market.

But although the gang of twenty's specific ideas differ from the NAMA plan, their ideas for sorting out the crisis are still based on many of the same principles as Bacon's NAMA plan: it's all about sorting out capitalism and getting accumulation back on track.

Their plan won't address pay inequality



TV economics pundit George Lee dons a tasteful blue shirt

within the banks, overpaid executives, or the culture of greed that pervades the upper ranks of the financial sector. And nor will their plan for nationalizing the banks address the social ills that capitalist societies produce.

Their plan is only to get us back to where we were before this mess started: an inherently unequal society run by stooges of the capitalist class and their crony pals in Leinster House.

Fine Gael: no alternative

Fine Gael and George Lee's strategy isn't the right one either. The former RTE economics editor and current Fine Gael candidate in Dublin South thinks the solution is to move politics to the right, not the left.

Like other economists, and despite what his fans have said, Lee never fully grasped what was going on in Ireland. He never once laid out for his RTE viewers just how much the current crisis stems from capitalism's inherent contradictions.

Fine Gael are afraid that the banking

debts could sink the whole country, just like in Iceland. They are right to say international bondholders should take the hit, but will they follow through on this threat?

FG won't talk up the need for redistributing wealth in Ireland, never mind internationally. Instead they are in favour of massive wage cuts across the public sector.

Just like government guru Bacon, they're pinning their hopes on a US-led recovery as capitalists there start investing in response to Obama's stimulus package.

Despite their disagreements on how to handle the crisis, all these ruling class economists are right wing. They think the government can fix the economy by slashing spending and taxing workers. They're in favour of attacks on the health service, on public transport, or on education. They all want to bring back fees for all sorts of public services, such as universities.

Marx's solution

These divisions among the country's leading economists reflect the sense of paralysis among the ruling class. Capitalism has done things their theories didn't predict. Their ideas about tweaking the market, developing favourable economic environments, or about using the latest management ideas to up the rate of exploitation are struggling to solve the crisis.

Marx's analysis of capitalism explains the economic crisis better than any other ideas. Capitalism stops working and goes into crisis because there is no plan to co-ordinate all of societies resources. We saw this with the bankers reckless lending to developers.

Marx explained the solution is collective ownership of the means of production – the factories, workplaces and the banks – so production can be planned and co-ordinated. And alongside this, we need deeper democracy in workplaces and in society as a whole.

Where did all the money go?

By RORY CONNOLLY

IT MIGHT take a bit of digging to find it all, but recent research from the boss-friendly organisation, ICC

Information, reveals where a hell of a lot of it ended up.

Michael Gannon of ICC has revealed that "Irish companies have cash of more than €37.5 billion on their balance sheets."

Yes, not mere millions, but billions.

That's thirty seven and a half thousand million euro, a mind-blowing amount of cash - more than ten times what the government's latest tax increases will take from ordinary PAYE workers.

And they're not

taking it to fund a better health service or provide classrooms for the 40,000 kids still being taught in portacabins, but to bail out the rotten banks.

10,000 Irish companies, excluding all of those involved in the banking, financial and insurance sectors, are each sitting on over €250,000 in cash, according to ICC.

But the Flanna Fall-Green government doesn't believe in taxing wealth.

Maybe its time for revolution?

Is Pakistan facing a Taliban takeover?



A street in Kushlak, Pakistan, near Quetta. United States officials say Taliban leaders have been stirring violence in Afghanistan from havens in the Quetta area.

By JULIEN MERCILLE

OVER THE last three years, American drone attacks have killed 687 innocent Pakistani civilians and 14 al-Qaeda members.

The current Pakistani military offensive against the Taliban has forced a million people to leave their homes, an exodus believed to be the worst in the country's history.

According to the corporate media, this latest chapter in the "War on Terror," now expanded to Pakistan, is taking place because the Taliban insurgents threaten the Pakistani regime and could put their hands on its nuclear weapons.

But this makes little sense, for at least two reasons.

First, the Taliban have little popular support in Pakistan, where the opposition to Islamic fundamentalism is significant.

For instance, a recent Gallup poll revealed that 47% of Pakistanis believe the Taliban's presence in some areas of their country has a negative influence, whereas only 14% said it has a positive influence.

Moreover, analysts have noted that the Taliban, mostly located in the Pushtun areas of Pakistan, could not possibly overtake the whole country.

Indeed, 85% of the population is made up of Punjabis and Sindhis, who do not support Talibanism or Islamic radicalism and who mainly voted for political parties which are not fundamentalist in the February 2008 elections, such as the Pakistan People's Party and the Muslim League.

Second, the Taliban based in Pakistan amount to fewer than 10,000 fighters who have no air force, no armoured vehicles, and no tanks; they stand no chance against the Pakistani army's 550,000 troops.

Thus, Pakistan's nuclear weapons are well protected – but in any case, if Washington is so concerned about preventing nuclear catastrophes, it should work to eliminate nuclear weapons worldwide (starting with American nukes), not to protect them.

So what is behind the demonization of the Pakistani Taliban and the current military operations against them?

First, as the dominant global power, the US seeks to project an image of strength to the world and show that those who challenge its rule will suffer harsh consequences.

There is nothing new in this policy: American policy makers have long believed that failure to react decisively

to acts of defiance anywhere projects an image of weakness that can embolden others elsewhere.

That's why, from Washington's perspective, it is important to show resolve in the face of the Taliban insurgency.

Second, Afghanistan and Pakistan are at the centre of a great geopolitical game between the US and its industrial rivals, Russia and China.

Protecting friendly regimes in Afghanistan and Pakistan means a strategic foothold for the US right next to the Persian Gulf and Central Asia, which are rich in energy resources.

It would be a significant setback for US power if it were to be left out of the Eurasian landmass and Russia and China were able to co-opt the continent's resources to an even greater extent than what they have achieved so far.

Even though the bulk of energy resources at stake is not located in Afghanistan and Pakistan, those countries are strategically located right next to those energy reserves and this is what makes them important to American power.

For example, the US has been interested for some years in building the TAPI (Turkmenistan, Afghanistan, Pakistan, India) pipeline that would bring natural gas from Turkmenistan in Central Asia to India, via Afghanistan and Pakistan.

But there is a competing pipeline planned, the IPI (Iran, Pakistan, India) that could also bring gas to India, this time from Iran.

Washington opposes the IPI pipeline because it would integrate Iran regionally, whereas US policy seeks to isolate Tehran.

However, the US backs the TAPI pipeline because it conforms to its foreign policy objectives: it bypasses Iran and reinforces its isolation internationally; it reduces the amount of Central Asian energy resources available to Russia and China, and by the same token, reduces European energy dependence on Russia.

But for plans like the TAPI pipeline to become possible, the US needs friendly regimes in Afghanistan and Pakistan, undisturbed by Taliban bands who could blow up pipelines.

In short, the expansion of American power in energy-rich Eurasia and the need to show the world that Washington will not tolerate challenges to its dominance – more than the pretext of a Taliban threat that could seize Pakistan's nukes – is what's behind the latest phase of the "War on Terror."

Could Ireland go bust?

Economists fears the bank bail out and the Government's NAMA plan could bankrupt the country, **Chris Bambery** asks: Can countries go bankrupt?



When big banks go belly-up, can States be far behind?

"THERE'S A rumour going around that states cannot go bankrupt," German Chancellor Angela Merkel said recently at a private bank event in Frankfurt. "This rumour is not true."

She is right. States can and sometimes do go bankrupt – and the fear of such an event is clearly haunting many heads of state around the world.

The Italian welfare minister said last December, "There is something worse than recession, and that's state bankruptcy: an improbable, but nevertheless possible, hypothesis."

The real question is not whether countries can go bankrupt but who pays the cost associated with a rescue?

When corporations or banks go bust, we know that the Chief Executives escape with their pensions and share options. Staff and workers lose their jobs and pensions and face extreme poverty and destitution.

But when states go bankrupt, this creates not only economic chaos but also ideological turmoil.

When Argentina defaulted on its debts in 2001, the economy collapsed and the government tried to freeze its citizens' bank accounts to keep them from converting the local currency into US dollars.

The rich had already salted their money away in dollar accounts in the US and neighbouring countries.

Overnight, the idea that, as citizens of a country, there was a common national interest flew out of the window. The capitalist class and their lackeys had saved their fortunes, leaving everyone else, including the middle classes, to suffer the fall out.

The freezing of bank accounts drove whole swathes of the population onto the streets. They forced a series of governments out until they got one which promised not to implement the austerity measures demanded by the International Monetary Fund (IMF).

In Iceland earlier this year, a dramatic economic collapse led to a virtual insurrection which drove out the centre right government.

Iceland's currency has collapsed. The banks' debts are ten times larger than the country's economy.

Iceland's population has lost most of their savings and face debts and mortgages that can't be paid off. Unemployment is mushrooming.

But financial help from the IMF or the European Union (EU) is conditional upon further free market measures which will destroy services and impoverish the population.

There are huge cracks begin-

ning to appear in the EU, the world's biggest economic bloc.

In eastern Europe, the economies of Estonia, Latvia and Lithuania seem set to contract by over 10 percent.

Hungary, Ukraine and Latvia have already needed IMF rescue programmes at the close of last year.

But it's not just eastern Europe that is in trouble. The financial press is concerned about the PIGS – meaning Portugal, Italy, Greece and Spain (Ireland has now been added to the list), where public debt threatens to increase beyond the size of their economies.

Greece's public debt currently stands at 95 percent of GDP, and is growing. The "solution" demanded by the European Central Bank is to effectively scrap the country's pension and social security systems. Plans are being drawn up in case these countries are forced to quit the Euro currency zone.

Greece's government wants the EU to offer financial help to avert this happening, but cash is in short supply and a German government may in turn refuse to meet the costs of rescuing weaker economies.

All of this puts the very future of the Euro at stake.

In Italy, governments have traditionally responded to economic crises by devaluing the currency to reduce costs of exports and increase the cost of imports. But this isn't an option so long as it's a member of the Euro zone.

Italian prime minister Silvio Berlusconi's key coalition partner is the racist Northern League which wants to quit the EU.

It wants a "national" solution to the crisis and devaluation could be part of that.

But any devaluation means quitting the Euro. This will result in those who have lent money to Italy's government either wanting their debts repaid immediately, or demanding massive interest repayments because Italy would be deemed a bad risk.

States, like individuals, are assessed for their credit-worthiness, and countries such as Latvia have effectively been declared "un-credit worthy".

This is not limited to so called developing countries. Moody's, a credit rating agency, recently said the top-grade ratings of Britain and the US were "being tested" by the global economic downturn.

Governments are increasingly worried that the recession will bring more social upheaval.

We have seen what that might look like with the rioting in Greece at the end of last year, or the strikes, protests, sit-ins, and plant occupations in Ireland in recent months.

We have also seen in Hungary and Italy how the same anger can be directed against migrants and others, such as the Roma gypsies.

States can and do go bankrupt. And it is working people who are made to pay the cost, if they are prepared to put up with it.

Nurses and health-care workers launch fightback

By JO TULLY, INO Executive member

THE IRISH Nurses Organization (INO) Annual Conference was held earlier this month in Killarney. It was the most militant INO Conference that I have ever attended.

The Conference was held in the wake of the HSE's announcement of a recruitment freeze on all staffing, including front line nursing staff, which threatens up to 6,000 nursing jobs over the next 20 months.

It entails the termination of all temporary contracts and a moratorium on the filling of available posts due to retirements, maternity leave, etc. It is now being enacted.

This attack on working conditions is accompanied by pay-cuts of, on average, 11% since the December budget (2% pay levy, 2% PRSI, 7% pension levy; on average 400 Euros a month has been taken out of our wages), not to mention child benefit cuts, the parking levy, and the lifting of mortgage tax relief.

This onslaught on working conditions and on pay is paralleled by very serious attacks on services. The attacks on Monaghan Hospital and the North East led the way and are now being followed by attacks on the Mid West, where only last month A&E services in Nenagh and Ennis were stripped, leaving the whole Mid West area dependant on an already hopelessly overcrowded service in Limerick. This leaves conditions so bad that nurses are now balloting for action there. While it has not been announced officially, 12 of the 52 acute hospitals are destined for closure, or near enough to closure, in the next 20 months.

This was the context in which an emergency motion calling, for the first time ever, for 'All Out Action' was unanimously passed. Speaker after speaker outlined the deteriorating conditions and stripping away of services in their own area. The extent of the closures is truly shocking, surprising even those of us who thought we were in the know. But so much is being carried out without national news coverage. Up and down the country, hospitals are closing beds, wards, theatres, and out-patients services.



Members and supporters of People Before Profit occupied the HSE headquarters in Dublin to stop the cuts to the national children's hospital in Crumlin, Dublin

The mood among nurses is such that nurses in Silgo General and in The Mercy Hospital in Cork have already balloted for 'All Out Action'. This was done in response to attempts by Management in the case of the Mercy in Cork to stop all premium pay (extra pay for night-duty, weekend etc) and in Silgo to the letting go of 19 temporary nurses. Balloting for action is also taking place in Limerick and in Bantry.

The point is that this type of action by nurses is new. Speaker after speaker at conference expressed their frustration and anger and felt that they had no alternative but to take the ultimate step.

While closures over the summer will continue to take place, it is possible that it will be September and the autumn before the extent of the cuts and closures will be clear.

It is crucial that nurses and health-care workers generally come together to build the fight back.

It is a scandal that the Irish Congress of Trade Unions has wasted the energy expressed in the amazing National demonstration on March 30th when 120,000 workers took to the streets of Dublin to fight against the budget and job cuts.

Rather than taking that energy forward, ICTU has sat back and allowed billions of Euros to be taken out of members' pockets to prop up the very institutions which have brought us to the edge of bankruptcy.

During the summer it is crucial that we build networks of workers on the ground. We cannot afford another sell out.

Contact Jo Tully at joatully@eircom.net

Conference to reclaim our unions

THE LEADERS of the Irish Congress of Trade Unions are in talks with the Fianna Fáil Government trying to reach agreement on a programme of cuts in living standards and social services. This collaboration is totally against the interests of ordinary union members. Trade unions should be leading the fight against the cuts.

A conference on June 20th will be an opportunity for trade union activists, unemployed people and others to discuss an alternative strategy and to begin the fight-back.

Grass Roots Unite Conference
RECLAIM THE TRADE UNIONS
Fight the Government Cuts
Conference Saturday June 20th 2-6pm
Unite Hall, Middle Abbey Street, Dublin 1

Sessions on: Fighting pay cuts; Stopping cuts in services - health, education, social welfare; Action on unemployment and defending pensions; How we can make bankers and speculators pay for the crisis

The Conference is being organised by a group of trade union activists from a variety of trade unions in both the public and private sectors.

Contact reclaimtheunions@gmail.com for more info

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Visteon victory shows the way to fight



Visteon workers head up the May Day march in Belfast

“OUR STRUGGLE has been worthwhile – like the Waterford Crystal workers, we have led the way for everybody else. We want to make other companies think twice about treating workers like this again.” Rick Pineda, occupying worker at Visteon.

Last week, after five weeks of occupation in the Belfast plant and 24-hour pickets outside the Basildon and Enfield plants, and with the possibility of the union bringing Ford workers out, Ford/Visteon bosses agreed a redundancy

deal.

The deal is vastly greater than that offered a few weeks ago and gives most workers a substantial settlement.

This is a victory.

In the general scheme of things, with thousands of workers being sacked with hardly any notice, with confidence low, with no serious union activity to stop the onslaught on jobs, redundancies and pensions – in this context, the Visteon result is a substantial victory.

With all trade unionists eyes on the

dispute, it has set a template for the months to come.

Finally a group of workers said “enough is enough” and stood up and fought. They argued that Ford/Visteon owed them for all their years of service: they owed them decent redundancy packages and, no matter how much Ford tried to wash its hands of the workers, no matter how much it was said that Ford had nothing to do with Visteon, in effect a subsidiary parts supplier to Ford, the workers maintained that it

was Ford who owed them the money.

They sought solidarity from other workers. The workers in Belfast addressed meetings in Scotland, Manchester, Derry, and Dublin. There were collections in workplaces and on the streets throughout Belfast. They demanded more from their union leadership.

They were in the papers, on the radio and TV almost daily. There was even a short burst of “illegal” secondary action by Busworkers in Belfast. All of this

action produced the victory.

The message from the victory at Visteon is clear: You *can* take on a major multinational that seems untouchable and you *can* bring them to heel. If you fight, you can win.

As one worker at Ford/Visteon has put it: “I hopefully our fight gives others an incentive to pursue things rather than walk away. I hope now that other people have the confidence to fight for their rights and companies are now put off treating workers in a similar way.”

The Assembly politicians and Ford/Visteon

By GORDON HEWITT

GERRY ADAMS said he would put his full weight behind the Ford/Visteon workers and his full backing for the campaign for everyone to be treated honourably.

Last week business in the Assembly was suspended so that Sinn Fein could lead a discussion on the Visteon occupation, and Gerry Adams was on TV later saying that the Assembly had good reason to believe that Ford/Visteon had behaved fraudulently. He led a public call for the Assembly to investigate Ford and Visteon’s practices with the aim of getting back any money given to these companies by Invest NI.

In the Assembly discussion, he said he was concerned that Ford/Visteon had done nothing to maintain the jobs at the factory. One would assume, then, that the weight of Sinn Fein is behind the workers’ demands for jobs.

Jeffrey Donaldson, Edwin Poots and others have said publicly that the Assembly must support the Visteon workers. Again, this suggests that the Visteon workers’ occupation has the backing of the DUP.

Other Assembly politicians have either visited the factory

or written publicly about their support for the workers and their families. So it is clear that the Assembly thinks it is Ford and Visteon that should be hauled over the coals and not the workers at Visteon.

But the big question is – with all this support – and with the knowledge that the key demand made by the Belfast occupation was that the factory should be kept open and the jobs maintained – *where is the money?*

If the factory is to be reopened and the jobs saved, and Gerry Adams has stated publicly that that should have been the aim of the occupation, money needs to be found.

There would need to be a proposal for re-tooling in order to start up again, possibly making different products or for new contracts for the existing products found and a proposal drafted up and the money allocated.

One possibility is that the Assembly bails out the factory i.e. the workers, not Ford or Visteon.

The Assembly has the money – Invest NI apparently has £45 million of cash reserves. It would take a fraction of this to keep the factory open. So why hasn’t some of this been allocated?

And why have none of them raised this?

The Assembly has just drafted a Financial Assistance Act and this has been put into place so that the Assembly can allocate funds if it deems that there are emergency measures that need to be taken to alleviate difficulties caused by the recession. Why haven’t these powers been used?

And the Assembly has a new advisory body on the economy which has Trade Union representatives on it.

So it would appear that the Assembly has the money and the power to bail out the Visteon factory.

Why hasn’t this happened?

We know that the Assembly politicians are committed to free market policies. The privatisation of the water service, the attempt to sell off public buildings, all the Private Finance Initiative contracts prove this. We need to take them on, just as much as big companies like Ford/Visteon. It is time to demand action from the Assembly.

The Visteon workers know their factory can be kept open but there needs to be a campaign which doesn’t let the Assembly hide behind words of support, while doing nothing to save these jobs.

SWINE FLU:

The really dangerous swines wear suits

THE HEADLINES have been apocalyptic – a new outbreak of swine flu is in danger of engulfing the world.

There are indeed reasons for concern. Normal seasonal type-A influenzas kill as many one million people a year globally. Even a modest increase in virulence, especially if combined with high incidence, could cause huge problems across the world.

The most lethal flu outbreak to date was in 1918-19. It killed more than 2 percent of humanity (40 to 50 million people) in a single winter.

The development of a swine flu that can be passed between humans was predictable. Influenza constantly changes and mutates to create new strains. Already there have been several incidents of flu strains jumping species and unleashing a virulent pandemic.

Both the 1957 and 1968 flu pandemics are believed to have originated from the mixing of bird and human viruses inside pigs.

Concentrated poverty is one of the most important issues in understanding what happens in a flu outbreak. Poverty affects how it is spread and who it hits.

Twenty million or more of the deaths in the 1918-19 flu outbreak were in the poorest parts of India.

The toll of HIV/AIDS in the Global South and the two million children annually killed by malaria should be a warning that capitalism is

willing to let poor people die, even of curable diseases.

The World Health Organisation, backed by Western leaders, has argued that pandemics can be contained by the rapid responses of medical bureaucracies. The idea is that the strain is identified and then dealt with by local populations getting enough anti-viral drugs.

Vaccination

Rather than working together to produce a vaccination for each new flu strain, which is unprofitable for the pharmaceutical companies because many new flu strains don’t reach pandemic level, governments tend to rely on generic anti-virals such as Tamiflu.

But a moderate flu epidemic outstrips the vaccine prepared for it, even in the richest countries. The British government says it only has enough anti-virals for half the population.

Repeated assaults on public sector health care as part of the neoliberal agenda have made it harder to deal with the problem.

A key factor behind new diseases such as the swine flu threat is the growing concentration of animal production without appropriate regulation or biological safeguards.

Food production is driven by a handful of giant global corporations. This results in large numbers of livestock crammed together to maximise profits.

In Britain two thirds of poultry production already takes place in flocks of over 100,000 birds.

In the US today, 65 million pigs are concentrated in just 65,000 facilities, compared to 53 million pigs on more than one million farms in 1965.

In such huge units, animals are more prone to disease, which can rapidly spread and evolve into more deadly forms.

In order to boost growth and guard against illnesses, the corporations pump animals full of antibiotics, including ones used to treat human diseases.

Cuts in the regulation and monitoring of the meat industry also create huge dangers.

Corporate domination of food, healthcare and pharmaceuticals all contribute to the threat of a flu pandemic – and so do the acts of governments that allow these corporations to dominate world politics.

US socialist, Mike Davis, whose 2006 book *The Monster at Our Door* warned of the threat of a global bird flu pandemic, says: “Perhaps it is not surprising that Mexico lacks both capacity and political will to monitor livestock diseases, but the situation is hardly better north of the border, where surveillance is a failed patchwork of state jurisdictions, and corporate livestock producers treat health regulations with the same contempt with which they deal with workers and animals.”

Socialist Worker

REPEAL THE ANTI TRADE UNION LAWS

DONT LET THE BOSSES MOVE JOBS

Tell the Assembly to Safeguard Workers' Rights!

By BARBARA MULDOON

EVERYBODY NOW knows that Ford/Visteon deliberately ran down the Visteon plants in England and Northern Ireland, knowing that they could simply go into administration, leaving over 600 workers stranded without jobs, without a proper redundancy package, and with the wholesale theft of tens of millions of pounds of their pension funds.

In short they knew they could get away with it.

And they would have gotten away with it if it hadn't been for the heroic workers and the magnificent occupations and protests that forced them to pay up in terms of a redundancy package and have won at least a threat of an investigation into the stolen pensions.

What they relied on is the fact that the UK has some of the most business-friendly company and insolvency laws in the whole of Europe.

Since 2002, any company in Europe is entitled to file for bankruptcy in the country where they have their headquarters.

It is no surprise that, since 2002, a large number of companies, particularly from Germany have moved their headquarters to the UK to take advantage of these business-friendly insolvency laws.



Supporters rally in solidarity with Visteon workers

Workers' safeguards – such as the protection of their pensions – are much stronger in countries such as Germany.

So this might help to explain why, in the first three months of 2009, there were almost 65,000 job losses in the UK.

In the same period Germany saw the loss of 17,000 jobs. The UK has only ¼ of the population of Germany and yet it is suffering 4 times the rate of job losses.

The German economy is not that different to the UK's in terms of the recession.

But what is different is the fact that companies in Germany can't just cynically use the recession to wind up their business and move it elsewhere to where wages and conditions are lesser with no obligations to their current employees.

Local opposition is crucial

Local politicians have been vocal in their condemnation of Ford/Visteon. This is to be welcomed.

What they have been less vocal about is the role they have played in allowing this to happen and the fact that they are doing nothing to stop it happening again.

Most people believe that company law and employment law is controlled from Westminster. For England, Scotland and Wales this is true. But it isn't the case in Northern Ireland. The Assembly has control over every area of employment law, except the minimum wage. They also have control over almost every area of company law.

Many people here call on New Labour to revoke the Tory anti union laws and to put restrictions on companies and their ability to treat their workers the same way as Ford/Visteon did.

The truth is that nobody needs New Labour to do anything. The Assembly could do it in the morning, if they chose to. But they don't choose to: they like the laws just as they are.

So the next time an Assembly Member comes calling with sympathy over job losses tell them that we don't want sympathy. We want it stopped!