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# Socialist Worker

# ANTI-SOCIAL CHARGE!

**Universal Social Charge: A Bankers Tax on PAYE Workers**

**Vote: People Before Profit/  
United Left Alliance No.1**

**PAY CHEQUES in January brought home the harsh reality of how we are being fleeced to pay for the banks.**

Most workers are at least €30 a week worse off. A staggering 132,000 of the lowest paid are now being squeezed by the Universal Social Charge 'bankers tax'. A further 84,000 people have been dragged into the 41 percent tax bracket. Canvassing in Clondalkin, People Before Profit candidate Cllr Gino Kenny said: "This savage attack on PAYE workers is being led by the Fianna Fáil party that claims that it is against 'high taxes'. "But the reality is that it is only against high taxes on the wealthy."

**IMF**

None of the mainstream parties will give any commitment to reverse the Universal Social Charge or the cuts to social welfare. They only compete with each other on sound bites to see who will get to implement a re-negotiated IMF plan.

Enda Kenny is shaping up to be the Taoiseach. But it is a prospect that should worry every worker. Fine Gael has become the main party of big business and now has at least €2.25 million in their election war chest. They have, for example, received donations from the private health insurance industry because in government FG would give them huge opportunities for profit. Fine Gael wants to cut social welfare by €18 a week. They want to privatise many of the state's assets. And they hope to cut 30,000 public sector jobs.

**Labour**

But Fine Gael can only get into power because Labour is going to back them. Last year, the 'Gilmore gale' swept through the country as Labour gave voice to the mood of protest outside the Dáil. Their opinion poll ratings soared and they were set to become the largest party.

But Labour blew it. They turned their backs on forming a coalition with parties such as Sinn Fein or even approaching the United Left Alliance. They joined with Fine Gael in facilitating the passage of the Finance Bill which imposes the dreadful Universal Social Charge. They refuse to give any commitments to reverse this charge. Gilmore has even acknowledged that they will support the introduction of water charges with meters.

**United Left Alliance**

While it is welcome that Sinn Fein is talking more left-wing today, they cannot be relied on. They voted for the bank guarantee scheme and do not rule out joining a future coalition with one of the right-wing parties. In the North, they are implementing a vicious package of cuts in alliance with the DUP. The only force in this election that will offer consistent opposition to charges and cuts for workers is the United Left Alliance.

**Inside:**



**Report of Egyptian Revolt on p3**

## Vote United Left Alliance No.1

**No More Emigration!**

**We need Jobs:** THE UNITED Left Alliance condemns the complete failure of the government and the private sector to preserve or create jobs. Their policies are deflationary and are making

the jobs crisis worse. We call for a real social development programme that could create hundreds of thousands of jobs building necessary infrastructure like public transport, green energy projects, broadband, childcare centres, schools, hospitals, health centres

and other community facilities. We oppose plans to sell off state companies. Instead these companies should be used as a vehicle for job creation. End the reliance on the private sector, use democratic public ownership of wealth and

natural resources and the banks to provide jobs by launching a state programme of industrial development and innovation to build the productive capacity of the economy. Take the Corrib Gas Field into public ownership. Reduce the working week

without loss of pay and create tens of thousands of jobs by sharing out the work. No to compulsory work-for-dole schemes or fake jobs. We demand real jobs and a reversal of all the cuts in social welfare and benefit payments.

# People Before Profit Alliance launches election campaign

*“There is a real thirst for an honest, real alternative to the political establishment. The United Left alliance is that alternative.*

*“We will continue to build the ULA after the elections. We will build an organisation that is fighting on the ground on behalf of working people. With a bloc in the Dáil and that approach of grassroots politics the ULA is going to be a real factor in Irish politics.”*  
 – Cllr Richard Boyd-Barrett, Dún Laoghaire

*“People are looking for a radical alternative. The bankers gambled and they have to pay. A wealth tax in Ireland would bring in €10 billion for investing in desperately needed jobs and services for our communities.”*  
 – Cllr Gino Kenny, Dublin Mid-West

All candidates pledge: **“TD’s and ministers are paid far too much. If elected as a TD I will only take the average industrial wage. The remainder will be donated to campaigns and organisations that put people and communities first.”**

## BAIL OUT THE PEOPLE NOT THE BANKERS

### Economic Crisis – Make the Bankers Pay:

Scrap the EU/IMF deal. Why should those most in need pay for the greed of bankers and bondholders?  
 ■ End the bail out of bankers and speculators.  
 ■ Take the financial system into democratic public ownership.

### Jobs, Jobs, Jobs:

Hundreds of thousands of workers and young people are on the dole or emigrating.  
 ■ Establish a public works programme to insulate houses, refurbish schools and hospitals, repair our water system and develop other vital infrastructure and amenities.  
 ■ Invest in public enterprise and strategic industry - sustainable power, generic medicine, IT, arts, tourism, agriculture and food and forestry.  
 ■ Provide support for small traders and introduce differential rates.

### Quality Healthcare For All:

■ Scrap the HSE bureaucracy.  
 ■ A one-tier National Health Service.  
 ■ End the hospital trolley scandal - open the currently vacant 1,660 beds.  
 ■ Full A&E services in all hospitals and no hospital closures.

### Invest in Education and Re-training:

■ Open up higher education through proper access courses.  
 ■ Scrap student fees and reverse grant cuts.  
 ■ Reduce class sizes and invest in proper infrastructure and support services.  
 ■ Abolish the cap on Classroom and Special Needs Assistants.  
 ■ Reverse cuts in library services.  
 ■ Scrap water charges for schools.

### Reverse the Cuts:

■ Restore the social welfare, child benefit and disability payments rates.  
 ■ Save our communities – restore community grants.  
 Housing is a Right: End the scandal of 300,000 empty dwellings while there are 45,000 families on the social housing list and many more facing repossession.

■ Bail-out mortgage holders in negative equity - No repossessions.  
 ■ End social housing waiting lists – open up vacant NAMA properties.

### Protect Pensioners:

■ Create an alternative State Retirement Fund insurance scheme to provide defined benefit pensions.

### Natural Resources:

■ Take all our natural resources, including Corrib Gas, back into public ownership. No sell-off of our resources or assets.

### Water Charges & Stealth Taxes:

Vital services must be paid for through progressive income taxation which would see the super-wealthy pay their share.  
 ■ No to Water charges & Home tax – abolish bin charges.

### Workers & Wages:

■ Restore the €8.65 minimum wage.  
 ■ Abolish the Pension Levy and Universal Social Charge.  
 ■ Reverse pay cuts on low and middle income workers.  
 ■ Lift the recruitment embargo in the public sector.

### Protect Our Environment:

■ Invest in Public Transport and sustainable renewable energy.  
 ■ Restore the 200, recently cut, Dublin Buses.  
 ■ Invest in school and shuttle bus services.

# Vote People Before Profit-United Left Alliance



Dublin Mid West



Dun Laoghaire



Dublin South Central



Wexford



Dublin South East



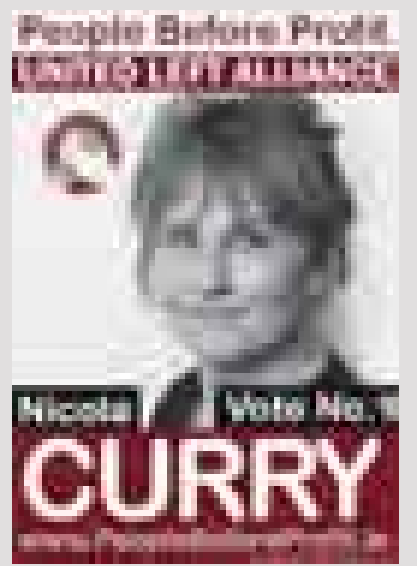
Dublin North Central



Cork North West



Dublin North West



Dublin South

## HOW IS THIS TO BE PAID FOR?

Low and middle income earners are bearing the brunt of this economic crisis – There is an alternative:  
 □ End the bailout of bondholders and banks – Create a viable public banking system.  
 □ Take the assets of NAMA developers into

public ownership. Use NAMA properties to house those in need of accommodation and cut the annual €500 million rental income bill.  
 □ Impose a 5% wealth levy on the super-wealthy who still have an estimated €122

billion in wealth and assets.  
 □ Increase taxes on the top 37,000 people who are paid an average of €300,000 a year.  
 □ End tax loopholes for the very wealthy which cost up to €8 billion in lost revenue.  
 □ Take the Corrib Gas

Field and our natural resources back into public ownership.  
 □ Introduce a salary cap of €100,000 for top civil servants, semi-state executives, judges. Abolish all junkets. Slash politicians pay, expenses and ministerial pensions.

□ No sell-off of state assets. Instead use them to stimulate the economy. For every €1 billion invested by the state 10,000 jobs are created and €60 million is saved on unemployment benefit. More info: [www.peoplebeforeprofit.ie](http://www.peoplebeforeprofit.ie)



# REVOLUTION IN EGYPT

**The break-up of the network of brutal secret police regimes in Eastern Europe spelt the end of the Soviet Empire. Could the break-up of the US network of corrupt Arab regimes in the Middle East mean the same for the American Empire? Marnie Holborow reports:**

THE UPRISING that has swept like a wave across Egypt has sent shudders through the police state of President, Hosni Mubarak and his brutal regime.

Years of pent up anger, just like in Tunisia, Yemen and Jordan, triggered by rising prices and unemployment, have burst onto the streets.

By the end of the first week, Cairo, Suez, the port of Alexandria and the industrial towns of the Nile Delta, Luxor and Aswan had all seen huge protest movements on the streets.

The 'Day of Anger' on the last Friday in January saw the largest demonstrations since the 1977 unrest over cuts in bread subsidies.

The sheer courage and determination of the protestors – unemployed workers, students, engineers, industrial workers, intellectuals, street traders, young people, football fans, old people and many others helping from the sidelines – has forced Mubarak to his knees.

One demonstrator said: "People want Hosni Mubarak to get out."

"We want to eat, we want life, we want to build a home," he says.

The chants at the protests are: 'peaceful', 'down with Mubarak', 'Revolution' and 'go, go'.

The repression has been vicious.



Hospital sources said police killed at least 13 people in Suez and five in Cairo in one day.

Protestors have been doused in tear gas, peppered with rubber bullets, hosed down by water canon, and beaten.

Yet with incredible courage they have every time held their ground.

The police, plain-clothes and in uniform, are being exposed by their victims as the thugs and torturers they are.

Mubarak has tried to brand the protestors as looters but the movement is focused on political targets.

Protestors set fire to the headquarters of the governing National Democratic Party (NDP) and attempted to occupy the state TV station and the foreign ministry.

### Tunisia

The spark was the Tunisian uprising. Unlike Tunisia, however, the student movement rather than the unions have been to the fore in organising the protests.

They have now called on Egyptians to start an indefinite general strike.

Egyptian society has seen strikes and a powerful anti war movement mobilised intermittently since 2001.

In 2004 hundreds of thousands protested against the occupations of Iraq and Palestine and to demand an end to Mubarak's regime.

From 2006 to 2008 the textile workers of Mahalla, in the north of the country, struck.

Their struggle, although it was ultimately isolated, showed the strength of a new working class in Egypt.

In the protest movement today the



Mahalla workers joined the protests in the Nile Delta region.

The uprising against Mubarak's regime in Egypt is hugely significant.

The regime is a staunch ally of the US who give \$1.3bn every year in military aid alone.

Hilary Clinton may gently chide the human rights record in Egypt now, but the Obama regime has specifically avoided raising the question of democracy with Mubarak.

FF leader Micheal Martin also had no qualms about signing a special agreement with Mubarak in 2008.

The mass movement in Egypt that is part of a new wave against the autocratic regimes in Tunisia, Yemen and Jordan puts revolution and people power on the agenda right across the Middle East.

The battle that the Egyptian people have started against their own regime could have huge effects – it could scupper the war plans of western governments, dismantle their control of the Middle East through Israel, and begin to provide hope for Palestinians.

It is a revolution that we all have an interest in seeing win.

## Clondalkin, Ballyfermot and Dún Laoghaire: United to Defend Bus Services



Cllr Gino Kenny and Cllr Brid Smith at Bus Protest

By LEAH SPEIGHT

PEOPLE BEFORE Profit councillors are running campaigns in their constituencies against cuts by Dublin Bus.

Cllr Gino Kenny has held a serious of very well-attended meetings in Rathcoole and Clondalkin.

Both Rathcoole and Newcastle are to lose a direct bus service to the city centre. Clondalkin will also have a reduced service and lose some bus routes.

More than 300 people attended the meetings, annoyed

but ready to campaign to restore their bus services.

The mass meetings, supported by Cllr Gino Kenny, decided to hold a protest while Dublin Bus officials attend Clondalkin library for 'consultation' on 2 February.

At the meeting Cllr Gino Kenny said: "People power can win; a public service is our service."

"With enough opposition from the public to Dublin Bus they will have to back down."

In Ballyfermot Cllr Brid Smith has also publicly objected to proposals by Dublin

Bus.

Ballyfermot has already lost the 206 route that was fought for by Brid and many residents who relied on the service.

Dun Laoghaire was one of the first areas to be affected and has led a strong campaign with Cllr Richard Boyd Barrett.

Residents, many of them elderly, organized a protest where they surrounded two 46a buses preventing them following a new route.

Cllr Richard Boyd Barrett said: "The residents of Monkstown Farm are determined to keep up their fight to restore proper bus services to their area, and hope to link up with other community campaigns."

On 12 February residents will assemble at St Michael's Church, Dún Laoghaire for a demonstration.

The point of a public service should be to look after the needs of the community not to make a profit.

As it is, Dublin Bus has the lowest subsidy in Europe.

All PBPA councillors are united in defending public services against cuts and privatisation.

## Aer Lingus workers fight back



By LEAH SPEIGHT

IN AN outrageous move, management at Aer Lingus have suspended over 100 cabin crew staff.

The dispute began when staff refused to implement unworkable rosters.

Cabin crew had conceded an increase in hours but management have imposed roster changes without any agreement.

Staff could arrive at work to be told they don't start for 3 hours, and wouldn't be finished until 3 hours later than usual.

They could also be sent to work in another airport for up to a 26-day period.

Staff are told to go without

meal breaks for up to 11 hours at a stretch.

One Aer Lingus striker commented: "I came to work knowing that I was facing suspension. "I've two dependent children and a high mortgage.

"And this is after 22 years of taking such pride in my work, in my uniform, and total respect for the passengers.

"It's really upsetting that it's come to this."

Aer Lingus feigns poverty in order to slash wages and cut staff numbers but can afford to pay huge sums for Ryanair flights to break the backs of their workers.

Unions at the airport should keep up the pressure and get solidarity from all airport staff.

## PBP Opposes Harbour Company Sackings

By KARL GILL

**DUN LAOGHAIRE Harbour Company is set to lay-off five harbour employees, and impose a 40% pay cut on remaining harbour workers.**

It now looks like there is a very serious threat of the Harbour being privatised.

Harbour Company CEO Gerry Dunne has confirmed that moves by Stena to withdraw its HSS ferry would significantly reduce revenue to the harbour company.

However, Stena have also expressed an interest in acquiring the harbour if it goes up for sale.

Stena are clearly playing hard ball here, pressuring the Harbour Company into handing the Harbour over to them.

Cllr Richard Boyd Barrett put forward an emergency motion to discuss the redundancies but councillors from Fine Gael, Labour and Fianna Fail have refused to support it.

A number of councillors are also believed to have been in attendance at a board meeting where the redundancies were being discussed.

Cllr Boyd Barrett said: "It really is a scandal that the company has axed the jobs of five harbour employees, rather than come to some fair arrangement, while keeping the jobs.

These job losses are devastating for the families."

We will see a lot more attempts to sell off semi-state companies if Fine Gael gets into power.

A campaign of people power will be needed to fight the capitalist agenda.

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# Fine Gael & Labour: HEALTH FOR SALE?



By Dr PEADAR O'GRADY  
and KIERAN ALLEN

AT THE beginning of 2011 overcrowding in A&E and hikes in VHI and Aviva private Health Insurance highlighted the long-term problems of capacity and funding in the Irish health service.

Instead of the 3,000 beds promised by FF since 2001, the Irish Nurses and Midwives Organisation now estimates 1,700 more acute beds in public hospitals have been closed since 2008.

Fear of long waiting lists and unequal access to consultant specialists has pushed half the population to take out private Health Insurance.

Hospital Consultants doing private practice are already on a salary of €200,000 a year but get the same again in fees.

That is over €300 million a year wasted.

## Two-Tier System

However, Fine Gael's 2009 healthcare policy 'Faircare', backed by Labour, would ignore the beds crisis and encourage the private Health Insurance industry to increase their control over healthcare.

While FG's 'Universal Health Insurance' sounds appealing, its real agenda is greater corporate control of the health system.

Having health insurance and having access to good healthcare are far from being the same thing.

Ask any American. At the core of FG's approach is a system of mandatory health insurance.

Everyone without a medical card will be obliged to pay for health insurance.

This means transferring costs from progressive taxation (more expensive for the rich) to Insurance premiums (more expensive for

the poor).

Fine Gael argues that the health system currently fails because there is both a private and public system.

But their solution is to give the private system the upper hand and take over administering health on a for-profit basis.

## Market

It could hardly be any clearer.

Huge EU and US health insurance companies will enter the Irish market and shape the direction of health policy by controlling funding but also through lobbying and bribing politicians.

Their motives will be directed by profit rather than by a planned approach to public health.

Private capitalists investing in primary healthcare centres will expect high profits.

What remains of the public system will be driven by a policy known as 'Money Follows the Patient' (MFTP).

Under MFTP, health providers will be paid for how many patients they treat.

Patients will be a source of 'income' rather than a 'cost', just as they are in private hospitals today.

GPs will compete to win contracts to treat patients from the insurance companies.

The more they capture, the more money they earn.

In this new market utopia, health care purchasers and providers (buyers and sellers) are separated but both will be driven by market motives.

## Quality?

But this only begs the question: if patients are regarded as cash cows, what quality of treatment can they expect?

If more patients equals more money, is there not an incentive to process them

quickly?

Also, more people treated for diabetes, for example, might mean that diabetes is on the increase because preventive health approaches are not being funded.

What will happen to people with such long-term ('chronic') conditions?

Will GPs not also have an incentive to avoid taking on 'awkward' cases which require frequent long-term treatment but get low payments from the insurers?

And what of the claim that the wonders of market competition will drive health costs down?

Commenting on the Dutch system touted by Fine Gael, health analyst Sara Bourke points out that:

"While there were reduced costs due to competing private providers in the first two years, the costs (in Netherlands) have gone back up by 10% in 2007 and 2008".

Also the government has had to pay for about 500 extra staff to regulate the insurance industry which, unlike FGs proposal, are all not-for-profit organisations.

Like in the US, the reality is that costs would double through billing, advertising, profits, legal and accounting fees and massive executive salaries and bonuses as well as the poor quality of care as a result of organising care on the basis of profit rather than medical need.

Far from improving the current healthcare system, therefore, FG policies would exacerbate its worst aspects.

Instead of insurance and markets, Universal Healthcare needs democratically elected Community Health Councils to ensure profiteering or political corruption do not get in the way of well-planned Health services.

earn the higher rate of tax you pay. Insurance is regressive (flat rate) and causes duplication waste and leads to unequal coverage. User fees are regressive and discourage the less wealthy from using necessary services.

## 3. Democratically Planned.

Services need to plan ahead based on knowledge of the local population and their health needs. Money should 'go ahead' not follow the patient. Democratic control by the local community and frontline workers is necessary to ensure healthcare (rather than profit or political careers) remains the priority.

## Principles of a national health service:

### 1. Universal and Comprehensive Healthcare.

The health service should be 'universal' covering everybody and 'comprehensive' covering all their health needs (including drug costs, psychotherapy, physio and other therapies and care for teeth, eyes and reproductive health). 'Universal' means little without 'comprehensive'.

### 2. Funded through Progressive Taxation and Free at the point of use.

'Progressive taxation' is a fairer and more efficient way of funding healthcare. It means the more you

# Ireland - the Ce Do Irish Workers benefit

By JIMMY SMITH

**"Ireland has transformed itself into an international structure that facilitates tax dodging" - Death & Taxes, Christian Aid report, 2008.**

UNITED LEFT Alliance (ULA) candidates are standing on a platform of providing jobs and services by raising taxes on the super-rich and corporations.

The initial argument our candidates will be putting is one of fairness: the unemployed, PAYE workers, disabled and students are all facing higher taxes and charges or cuts in benefits.

So why isn't the corporate sector?

An increase in the corporate tax rate of just 2.5% could bring in €1bn per year.

In addition, there is plenty of scope to abolish tax breaks and close loopholes which mean corporations pay even less than the headline rate of 12.5%.

The effective exemption of items such as royalties, profits and interest could be withdrawn.

The weak arguments put against increasing corporation tax are that it will cost jobs and reduce foreign direct investment (FDI).

'Multinational companies will move elsewhere'.

These arguments deserve some scrutiny.

## Jobs

The 12.5% corporate tax rate was first introduced in 2003.

Yet keeping that rate has done nothing to stop FDI falling or 450,000 workers losing their jobs.

Employers argue that this figure would be even worse if the tax rate was increased.

Of course they would say that and we have no way of testing their claim.

However we do know that even before the recession FDI had been falling.

The Commission for Taxation report shows that FDI in Ireland halved between 2000 and 2007, from nearly 140% to 70% (as a percentage of GDP).

Over a similar period, manufacturing jobs, the main supposed outcome of FDI, were also being lost.

The point here is that a corporation's decision to invest in a country is dependent on a range of factors – not just the taxation level.

Between 1990 and 2002, Germany had the biggest increase in FDI in the EU despite having the highest effective corporation tax rate.

60% of investors said the cut in the UK corporation tax rate (from 28% to 24%) did not change their opinion of London as a business location.

Other factors such as geographical location, regulation, workforce education levels and local wage rates all influence the decision on where to invest.

Besides, there are some forms of FDI that have very negative consequences.



For example, the objective of some mergers and acquisitions' is to asset strip and attack workers' pay and conditions.

Eircom, for example, has been sold five times in the last 10 years and has debts of over €3 billion.

## Race to the bottom

The Irish ruling class has pursued a deliberate policy of becoming a tax haven within the EU.

The lowest corporate tax rate within the old-EU, light-touch regulation, double-tax agreements and tax exemptions on items such as 'intellectual property' have all fed this process.

Continually reducing taxes and workers' conditions means a 'race to the bottom'.

This includes 'flexible' labour markets, lower wages and lax environmental protection laws. The Irish state has, largely successfully, under-cut other EU governments with these policies.

However, in this race there are always new entrants that seek to push standards even lower.

In the EU, Cyprus and Bulgaria have corporation tax rates of only 10%.

Once the wage levels increased in Ireland and government subsidies ran out Dell moved to Poland.

Pursuing the 'race to the bottom' does not lead to a sustainable economy.

## Ideology

WHAT REALLY lies behind the "sacred cow" of the 12.5% corporation tax rate is a free-market ideology.

Like a broken record all the mainstream parties (including Sinn Fein) continue to praise the 12.5% rate and see it as essential to attracting jobs and investment – despite the evidence provided above.

The government's Commission on Taxation report refers to: "... the guarantee that the 12.5% rate of corporation tax will remain" and there are just three pages devoted to it in the report.

However, a 2007 study into the supposed link between FDI and corporation tax rates wondered if: "the alleged relationship between corporate taxation and firm relocation could be the result of political propaganda by certain political lobbies, i.e. the stories of factories shutting down and moving out because of high tax burdens could be widely exaggerated."

"It is possible that these factories would have shut down anyway and that it had nothing to do with too high taxation".

An unquestioning ideological support for low corporate taxes plays an important role in hiding the real nature of foreign corporate activity.

Corporations use Ireland as a tax-evading staging post.



# Irish Tiger Tax Haven

## from tax-dodging corporations?



They pretend profits are made in Ireland and benefit from the low rates and exemptions before taking the money home to the companies base country, often the US ('repatriating the profits').

In 1995 €5.9 billion was repatriated, but by 2007 this had risen to nearly €30 billion.

### Tax Havens

IRELAND IS only one of a network of tax havens across the globe.

Tax havens are not just about low or no taxes; they also have little or no regulation or laws covering the activities of foreign corporations.

Christian Aid published a report into the use of tax havens in 2008 and estimated that 50% of world trade flows through them.

The report identifies two methods that corporations can use to fraudulently move money through tax havens to evade paying tax – transfer pricing and false invoicing.

Companies claim higher profits in the low-tax country and higher costs in the high-tax country.

"Yet even in this low-tax climate, companies like US software giant Adobe's two Irish subsidiaries had a combined turnover of US\$2.6bn (€1.66bn/£1.31bn) last year, yet paid just US\$5m (€3.19m/£2.53m) in Irish corporate tax, an effective rate of 0.5 per cent.

"The company trades extensively within itself and, as it doesn't report a geographical breakdown, it is very difficult to see exactly where profits are made and what taxes are paid."

Lax Irish regulation means that, for example, a corporation can claim in their home country that they are paying tax in Ireland and claim in Ireland that they are paying tax somewhere else: the so-called 'double-Irish' tax evasion.

The report's conclusion is damning: "The loss of corporate taxes to the developing world is

currently running at US\$160bn a year (£80bn).

"That is more than one-and-a-half times the combined aid budgets of the whole rich world – US\$103 billion in 2007...if, the same proportion of tax revenues were spent on healthcare in these countries, then the lives of 350,000 children under the age of five would be saved every year".

Despite their harmless image the use of tax havens clearly isn't a victimless activity.

Finally, we should remember that corporation tax is not a cost

– it is a payment out of profits. In other words the company has to make profit first.

Corporation tax does not cause a company to make a loss.

What we are arguing over is how we split up the profits.

As socialists, we know that the source of profits under capitalism comes from labour, the work put in to turn raw materials into goods and services.

At times in Ireland, arguments about the benefits of properly taxing profits can receive a fearful response from elements of the workers' movement.

However, we can take inspiration from the recent protests by the *UK Uncut* group who shutdown the flagship London store of Vodafone for their tax avoidance activities.

Vodafone had been let off £6 billion by the UK treasury.

### The money is there.

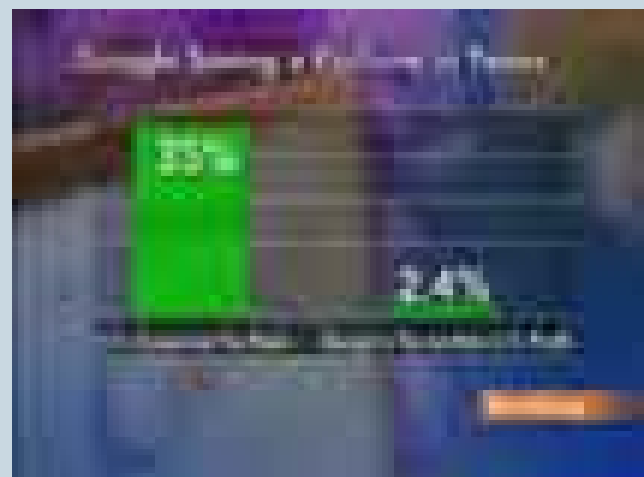
The question is: who will force the corporations to pay-up?

We need to stop the race to the bottom and properly tax corporations and tax-evading billionaires like Tony O'Reilly.

Pandering to the corruption of multinationals has caused chaos in banking and manufacturing and robbed public services of much needed funding.

Well-regulated taxation of corporate profits and billionaires is a demand whose time has come.

**Bloomberg reported in October 2010 that Google has reduced its tax by \$3.1bn over three years, using techniques known as the "Double Irish"**



## Elections: reforms and coalitions

By JIMMY SMITH

**SOCIALISTS LIKE James Connolly** have long believed that real, lasting change comes from workers struggles rather than just through elections or parliament.

In a capitalist society, real power lies in the corporate boardrooms and among senior civil servants that run the capitalist state defended by the courts and police.

This is why we look to the campaigns and strikes of working people as the basis to change society.

However, in the coming election, SWP members and supporters will be standing and campaigning for the United Left Alliance.

How can we understand this apparent contradiction?

The Russian revolutionary leader Lenin put it well:

Socialists "regard direct struggle of the masses ... as the highest form of the movement, and parliamentary activity without the direct action of the masses as the lowest form of the movement".

However, if Left candidates are elected it raises the confidence of all workers.

Moreover, elections and parliaments can be used as a platform from which to gather and encourage workers to take action.

### Abolish the Seanad?

Even before the election campaign started two issues dominated discussions – what political reforms are needed and should Labour be looking to form a left coalition government?

On the first, much of the discussion was on whether the senate should be reformed?

Of course, Socialists are in favour of abolishing the Seanad.

It is an elite body whose members are elected only by graduates and local councillors.

Some argue that we need checks and balances on the government and that this is the role a reformed Seanad should play.

Instead of this elite, we favour workers' councils and popular assemblies with democratically elected representatives, who are subject to instant recall.

Furthermore, ULA candidates have pledged to only take the average industrial wage if elected – a real political reform that is not supported by the mainstream parties.

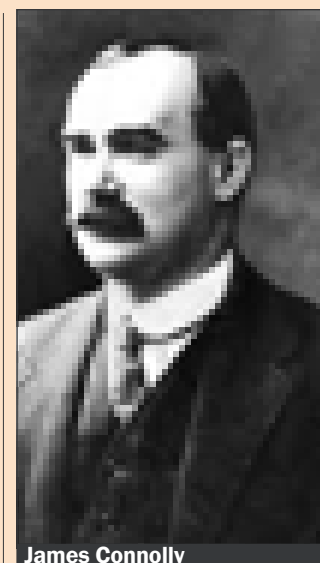
### A left coalition

The prospects of a right-wing Fine Gael-led coalition with Labour are widely presumed.

However, it is important to consider, not just the coalitions in parliament, but what they mean to the real world outside.

For example, Vincent Browne has called for a Labour-led coalition including Sinn Fein and Fianna Fail as an alternative to Labour being the junior partner in a coalition with Fine Gael.

Socialists would support Gilmore over Kenny or Martin



James Connolly

for Taoiseach but coalition with Fianna Fail or Fine Gael is equally unacceptable.

FF have followed a clear policy of accepting the neoliberal agenda – like Fine Gael, they are the party of the Irish capitalist class.

### Unite

More significantly Jimmy Kelly of the Unite union has called for Labour to form a Left government:

"The Left has never been stronger.

"Recent polls put the combined strength of the Labour Party and Sinn Fein at 40 percent ...

"With the support of other left parties and progressive independents, a Left government is now a distinct possibility."

There are two issues here. First, Sinn Fein is not a consistent party of the left.

Like Fianna Fail, they are a nationalist party who may say one thing to workers to get votes, but then do the bidding of the rich when in power.

We can see this in practice in Northern Ireland where Sinn Fein is in government and implementing the Tory-Lib Dem coalition's cuts.

Second, supporting Gilmore for Taoiseach is not the same as being in a coalition government.

Socialists in the ULA can exert a vital pressure on Labour from the left; pressure which comes in from active struggles in working-class communities.

Socialists can only do this by staying out of government posts while acting as tribunes of the workers' movement

Thus, socialists will support only those policies that progress the interests of workers including the poor and the unemployed.

Fury with pay and service cuts and frustration with the cowardice of the union leaders means many workers are looking to the elections to express their desire for change and this means a fantastic opportunity for socialists to make gains.

In the process, the election of Left TDs will be an important step in building the confidence of workers, students and the unemployed to organise a movement that can fight poverty, unemployment and emigration with investment in jobs and services.

And it is a confident workers' movement, not elections, that can really start to change the world.

# What's Wrong with Fine Gael?

By KIERAN ALLEN

THE COLLAPSE of Fianna Fail and Gilmore's decision to rule out a Labour-led left-wing coalition threatens us with the prospect of a Fine Gael led government.

But what exactly does Fine Gael stand for?

During the 2007 election, when Enda Kenny was called a 'blueshirt' he responded, "Thank you very much; I am proud of it!".

It was a jokey but telling indication of Fine Gael's long history of support for extreme rightwing politics.

Today the party is part of the European People's Party which includes Silvio Berlusconi, Angela Merkel and the ex-Franco group, the Popular Party in Spain.

In Kenny's words, they are in favour of, "a strong, free enterprise society".

## Corruption

FG distinguishes itself from FF by claiming to have a 'cleaner' record.

But this is only because it has occupied government office for a far shorter period than FF.

During the party's last period of government in the Rainbow coalition of 1994-1997, the party's €1.4 million debt was wiped out.

A key figure in its fundraising from corporate Ireland was Michael Lowry, who had received €375,000 from Ben Dunne.

Large companies such as Smurfit's helped to fund FG who had paid FF from offshore accounts.

Another key funder of Fine Gael was Denis O'Brien, who paid €10,000 to FG in 1995.

O'Brien was later rewarded with the licence to become Ireland's second mobile phone operator.

He also benefited from a deal with CIE whereby he ran fibre optic cables along its railways tracks for a very small fee.

As Fine Gael Minister for Transport, Energy and Communications, Lowry had a strong oversight role in these decisions.

Fine Gael local councillors have also been involved in promoting re-zonings which have benefited business interests.

The Criminal Assets Bureau, for example, contended that lands were rezoned by Dún Laoghaire-Rathdown County Council from agricultural to industrial after Frank Dunlop bribed and made corrupt payments to councillors for votes.

That vote increased the value of 17 acres from €8 million to €61 million.

After Michael Noonan became leader of Fine Gael in 2002, he attempted to deflect attention from this record by saying he opposed corporate donations.

This was reversed however, after Enda Kenny took over the



General Eoin O'Duffy with Blueshirt fascists in the 1930s

leadership and Noonan is now his finance spokesperson.

Today FG has become the favoured party of the Irish business elite.

Before the election even started FG already had €2.25 million in its election fund but they refuse to reveal their corporate sponsors.

It will collect far more than this before the actual campaign starts.

## Elites

Fine Gael tries to hide its right-wing 'blueshirt' politics behind a veil of populist rhetoric.

It uses a strategy of 'triangulation' to express discontent with the elite while avidly defending that elite.

Thus Fine Gael will express a sympathy for low-paid workers, for example, while preparing an all-out assault on public sector employees.

At the core of Fine Gael's approach is a policy of promoting more market competition.

Typically, it focuses on a number of examples of public sector inefficiency, such as in the health service, but suggests that 'marketisation' and privatisation will improve matters.

In Health FG's policy of mandatory private Health Insurance will drive up costs and reduce standards as proven by the experience in the US.

But this policy is driven by support for profit-making with claims for better care being an afterthought.

This is what the right-wing ideology of Harney and Fianna Fail was all about.

Public transport also provides a useful example of the Fine Gael approach.

Under the FG plan, there would be an Irish Transport Authority which invites tenders from state and private



Cowen, Kenny and Gilmore

companies for 'bundles of bus routes'.

To get this competitive system going, FG is proposing to give away state bus depots for free to private firms.

Cost competition will then mean cutting 'unprofitable' services.

Buses will stick to shorter journeys on main routes and will not enter housing estates to pick up pensioners or disabled people.

With one city or national bus service, you can have cross subsidies where well-populated routes subsidise those routes which take longer.

## Economic Crisis/ Bank Bailouts

FG almost exactly mirrors FF's approach to the economic crash.

They want to cut the budget deficit to 3% in 2014 and therefore demand €15 billion in public sector cuts.

The party voted for the Bank Guarantee scheme for the €445 billion that private banks borrowed.

Despite populist rhetoric its policy insists on paying back the bondholders.

Despite the vast sums injected into AIB by the Irish state, it wants to sell it off to a foreign bank as soon as possible.

Bank of Ireland, it suggests, should renegotiate their liabilities with bondholders on a 'voluntary basis'.

There is little difference between this approach and the disgraced FF-Green government.

## Tax the Poor

FG has also ruled out extra taxes on the rich as the principal way of closing this deficit.

This means that it seeks to raise revenues by attacking public sector workers and social welfare recipients.

It wants to cut 30,000 jobs – rather than the original target figure of 17,000 jobs in the Croke Park agreement.

This amounts to the loss of 10% of state jobs and makes a mockery of its 'job creation'

programme.

Fine Gael also wants cuts in low-paid public sector workers pay.

The party is particularly enthusiastic about targeting social welfare recipients.

FG plans a €6 a week cut in 2011, rising to €18 less by 2014 and to stop all rent supplements after six months.

It wants to run a 'national fraud helpline' for social welfare fraud but no whistleblowers' helpline for the corporate fraud of Irish business leaders.

The party also favours conscripting the unemployed into work.

Unemployed graduates, for example, will be put on 'internship programmes' to fill gaps in the public sector created by the destruction of 30,000 jobs.

Their reward will be 'a €3000 education voucher'.

If these graduates are lucky enough to find real jobs, they will also fall victim to the FG graduate tax.

Students will leave colleges

with debts of between €15,000 and €25,000 and will be saddled with this extra tax levy for the first decade of their working lives.

## Privatisation and Service Charges

The core of Fine Gael's 'job creation' policy is in reality a drive for increased privatisation; profits for business.

The party states that: 'We will look to sell ESB International, Bord Gais and ESB PowerGen & Supply, when market and other conditions are appropriate.'

To prepare for the privatisation sell-off, FG favours the widespread increase in 'user fees' like electricity bills, bus fares, water charges, hospital charges and the bin tax.

This means that social obligations will play little role in semi-state activities and that they must be driven by purely 'free market' concerns.

As increased investment is driven only by commercial revenue, this will lead to higher charges and sealing off of companies from popular pressure.

A privatised electricity industry, for example, will significantly increase the number of disconnections even beyond current levels.

Despite the fact that capital investment in fixed assets in the Irish economy has fallen by over 70% in the past two years, FG wants to rely on private companies to create jobs.

What FG refers to as 'Supply side' economics is part of the vocabulary of US right wing politics.

This implies that if there is enough free market competition and 'incentives' for business, the profit motive will create jobs.

The state has no social obligation to create jobs and must step back to allow the market to work even if the markets need unemployment to actually go up to drive down wages and boost profits.

## Keep the Blueshirts Out

Looking to the markets to provide solutions led directly to the market madness of the worldwide economic crash in 2008.

The high costs and low standards of healthcare in the US are a testament to the failure of 'market' solutions.

FGs market ideology will only mean profits for big business in areas like transport, health and energy while costs go up and service standards go down.

Voters should reject the failed policies of FG and vote for the United Left Alliance. Any Labour candidate looking for a vote should be asked to give a commitment to reject coalition with FG too.

Propping up the Fine Gael blueshirts is to betray Working Class communities.

There is a United Left alternative.



# Sinn Fein Policies Cause Water Crisis

By SEAN MCVEIGH

THE CUT-OFF of water supplies to 40,000 homes in the North during the harsh winter weather is an indictment of Sinn Fein's policies of privatisation, and public sector cutbacks.

To add insult to injury, the responsible Sinn Fein minister, Conor Murphy, announced further budget cuts of 25% on water infrastructure.

500 jobs will also be lost from outsourcing work to the private sector.

NI Water Chief Executive Laurence MacKenzie was forced to resign over the failures, but the policies behind the crisis remain in place.

NI Water has increasingly become associated with sleaze, with four senior executives sacked because contracts were awarded without competitive tendering.

After MacKenzie's resignation, it emerged that he had a conviction for embezzling but on his departure he was given a £97,000 golden handshake.

## Water Charges

In 2007, in preparation for full privatisation, NI Water became a 'Government Owned Company'.

NI water aimed to become 'self-financing' through domestic water



Aecom's mercenary police on parade

charges by 2010.

While the threat of water charges continues, the Sinn Féin/DUP Executive knows actually introducing it would lead to mass non-payment.

Behind the failures and sleaze at NI Water is the embrace of neoliberal

policies by Sinn Féin, that is, profits for big business.

Under Private Finance Initiative contracts signed with consortium Dalriada Water Ltd worth £110 million, the private sector will soon deliver 50% of water supply in the North.

Dalriada Water includes California based multinational Aecom.

Aecom specialises in taking over denationalised public utilities and has gas, oil and water interests around the globe.

Aecom also provides mercenaries and

'technical assistance' to the US military in Afghanistan.

SF minister Murphy has also appointed a number of right-wing directors of NI Water, including Lawson McDonald, a director of Global Armour Ltd, which supplies body armour to the SAS and other British forces in Afghanistan.

Murphy also appointed Padraic White, former Managing Director of the South's Industrial Development Authority, one of the so-called architects of the Celtic Tiger and husband of Fianna Fail senator Mary White.

## SF: Party of Big Business

SF's record shows how quickly its leaders have become integrated into the world of multinational capital and imperialism.

While it may use radical language to get working class support, in government it behaves just like any other capitalist party.

But as SF and the other Executive parties attempt to make workers pay for the economic crisis, there is increasing resistance at the base of society and a growing mood for working class unity in the face of attacks on the public sector, students and the poor.

## FILM REVIEW:

# The King's Speech

Directed by Tom Hooper

Reviewed by Peadar O'Grady

THIS FILM has in the foreground the relationship between a man with a stammer and his speech therapist.

Of course, since the man in question is 'Bertie' soon to become George VI, king of England and titular head of 'the commonwealth', this is clearly no ordinary relationship.

The film distinguishes between the 'mechanical' difficulties of a stammer

and the emotional overlay which has helped maintain it.

In this it paints a picture of the cold and often brutal treatment of the disabled Bertie wearing painful callipers, being bullied by his brother (and future king Edward VII) and being forced to write with his right hand.

This is well and believably portrayed with allusions to Shakespeare's Richard III and some fine sympathetic acting from Colin Firth and Geoffrey Rush.

It is never explained

though, how the ability of the king to speak without a stammer while listening to music is not used to get rid of his stammer during his radio broadcasts.

While the snobbery of the royals and their pro-Nazi sentiment is at times well portrayed, the king is finally presented as 'a symbol of national resistance' to the Nazis.

This and the unfolding sense of nostalgia for the commonwealth, represented by the BBC world service, make for uneasy watching at times.

So is it PR for the

royals or a critique of their cold-hearted prejudice?

Should we rescue them from their own snobbery or consign them to the dustbin of history?

While the film leans more toward the former conclusions, there is nonetheless frequent insight into the right-wing, class-conscious prejudice of the medieval freak-show and front for imperialism that is the British royal family.

Oh and let's have more Speech and Language Therapists in our health service.



## BOOK REVIEW:

# Regeneration: Public good or private profit?

Author: John Bissett (€15, New Ireland Press)

Reviewed by Jimmy Smith

THE HOUSING market has failed.

Yet our politicians are continuing to pursue the same old failed policies.

In the past two years developers have been given the go-ahead for 40,000 more units to be built, while as many as 300,000 stand empty or are used as second homes.

But despite this, overcrowding and housing waiting lists have increased by 105%.

For example in Dun Laoghaire-Rathdown

there will be a shortfall of nearly 4,000 homes over five years.

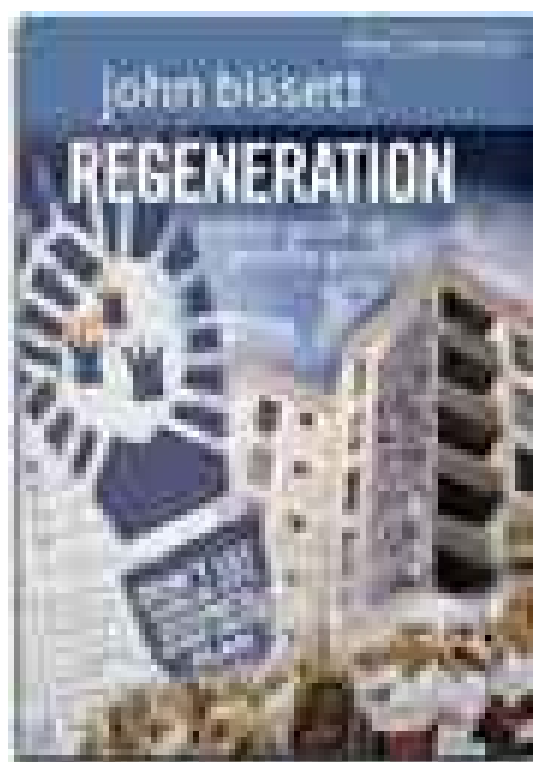
John Bissett's excellent book tells the story of one of those communities left behind by the Celtic Tiger.

The tenants' of St Michael's Estate in Dublin had been promised the regeneration of their estate in 1998.

The next 10 years saw three regeneration attempts by Dublin City Council collapse.

The first plan, developed with extensive tenant participation, was rejected by the Department of the Environment in 2003.

A second plan developed exclusively by council officials was



rejected unanimously by city councillors in 2004.

In 2005 a Public Private Partnership (PPP) was started.

Like the Titanic, the PPP plan was supposed to be unsinkable, yet on 19 May 2008 McNamara builders pulled out and the PPP collapsed.

Bissett identifies two key reasons why the PPP model failed.

Firstly, "the model left the entire regeneration of St. Michael's Estate dependent on...the housing market" and secondly, "two key objectives of PPP for the state were the absolute minimising of social housing and the preclusion of state investment".

The state withdrew from providing decent, affordable homes and the market failed to deliver instead.

Most accounts of regeneration take a top-down perspective.

Bissett's strength is that he tells the story from the tenants' viewpoint.

In doing so he has written an accessible account, part social history and part campaign manual, of the struggles of working-class people for a decent place to live.

He concludes "they have continued to fight tooth and nail for a democratic and egalitarian model of regeneration".

More info at: [www.stmichaelsestate.ie](http://www.stmichaelsestate.ie)

## Letters to the Editor

Ireland deserves better.

Comrades, Ireland has been sold by capitalists to their cronies who sit elsewhere and take decisions over cups of tea.

Ireland deserves better. Cutting down the minimum wage and increasing pension years will not help.

Consequently the poor will get poorer and the capitalists will still continue to dominate.

I can best describe the IMF bail-out as 'an economic coup d'etat'.

It is time for Socialists to rise with the people.

We Are The Voice of The Voiceless.

May you win a resounding victory to shame the capitalists who have shamelessly sold Ireland and the birthright of its people.

GEORGE SAGRAZA.  
Ghana

Sacrifice banks!

Sir, The current economic difficulties can be solved relatively easily without requiring the citizens of Ireland to foot the bill incurred by thieves and incompetents.

The banks must be sacrificed - who needs lame ducks?

Then, those who caused the economic problems must be arrested and charged with treason; and the assets of such persons confiscated.

Finally, a responsible government who will represent the people of Ireland must be established - not one run by bankers, greedy politicians and the church.

RICHARD COTTERILL  
UK  
(Former international financier)

Email letters of 100 words or less to: [editor@swp.ie](mailto:editor@swp.ie)

# Socialist Worker

## Stop Sinn Féin Cuts



Gerry Adams gets the message from David Cameron

SINN FÉIN continues to impose cuts in the North while putting itself forward as an anti-cuts party in the South.

The party's contradictory position underlines the necessity for uncompromising grass-roots opposition to cuts.

Workers North and South have good reason to question the electoral rhetoric of Sinn Féin as they manoeuvre for advantage at Stormont or Leinster House.

On January 13<sup>th</sup>, Sinn Féin's Stormont Education Minister Catriona Ruane presented her draft budget for the next three years.

"I have been faced with finding savings of over £300 million per annum by the end of the budget period," she said.

"This will not be easy and will involve hard choices."

'Hard choices' being the phrase used by any right-wing Minister, North or South, to signal that they are about to wield the axe.

With regard to direct spending on schools, Ruane went on:

"It is simply not realistic for it to be totally protected from the impact of the Whitehall cuts...This challenge cannot be shirked any longer..."

"There will be implications for jobs".

And therefore, of course, for the standard of education provided for pupils.

SF spokespersons insist that they have no option but to accept cuts in the North because these are imposed by Whitehall – the British Treasury.

This is just a variation on the excuse of every mainstream party in the South – that the cuts are imposed by the IMF/EU and that there's no option but to try to make the best of them.

On RTE Radio on January 30<sup>th</sup>, Gerry Adams boasted that the Northern budget had protected cold weather payments to the elderly and free prescription charges.

But cold weather payments come under the

Department of Social Development's Minister Alex Attwood of the SDLP and prescription charges under Health Minister Michael McGimpsey of the Ulster Unionists.

In the North SF doesn't have a good word to say about either Minister or their budget proposals.

The party is clearly banking on Southern voters knowing little about the detail of Northern politics – a strange approach from people who supposedly have Irish unity at the top of their agenda.

Meanwhile, the Irish Congress of Trades Unions is hosting a "people's congress" in Belfast on February 5<sup>th</sup>, as a follow-up to the brilliant anti-cuts march and rally last October.

The People Before Profit Alliance is making every effort to bring rank and file union and community activists to the congress to make sure that it is a platform for building mass resistance rather than a talking-shop for officials.

### United Left

Resistance to cuts and job losses demanded by Whitehall and imposed by Stormont will be at the heart of the PBPA election campaign leading up to 5 May.

Eamonn McCann, PBPA candidate in Foyle said: "We will use any positions we win to amplify the voices of those fighting back in unions and communities.

"We will put whatever credibility and clout, membership of the Assembly gives, at the service of grass-roots activity.

"At Stormont itself, we will provide the radical, vigorous opposition which has been entirely absent.

"At present, 105 of the 108 MLAs are from parties represented in the Executive.

"This is ludicrous.

"We will bring the voice and spirit of working-class anger into the Assembly, to shift the axis of Northern politics away from the community divide and toward the natural division of class."

**Inside: Sinn Féin's Water Crisis, page 7; Egyptian revolt, page 3**