

Labour to Power

**BREAK THE COALITION
AND FIGHT FOR A MAJORITY
LABOUR GOVERNMENT**

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Party)

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Introduction

This pamphlet attempts to outline the new situation which faces the Labour and Trade Union Movement in the 26 counties. Irish society stands on the threshold of a new historical period. Internationally the post war economic boom has turned into recession and the period ahead is one of economic downswing. The accompanying recession in the 26 county economy and the future bleak prospects under capitalism takes place at the end of a 15 year period in which the state experienced a process of industrialisation which raised living standards and enormously strengthened the working class movement. The policies of the Fine Gael dominated Coalition and those of Fianna Fail seek to cut these living standards to raise profit rates in an attempt to solve the economic crisis. The safety valve of emigration being no longer present the prospect ahead is one of huge conflicts and clashes between the working class and Big Business over wages, conditions etc. The pamphlet argues that these inevitable struggles contain the political potential for a successful struggle for the election of a majority Labour Government. That the main obstacle to this path now is the Labour Party's participation in the Coalition, instead of standing independently on its own socialist policies and doing battle to explain these to the working people, having the objective of pushing Fianna Fail and Fine Gael together, thus exposing their similar nature and by so doing show Labour as the only alternative. The pamphlet also argues that it is within the trade unions and the Labour Party that the struggle for socialist policies will be decided in the coming period and that the place for all socialists is within the Party fighting for these policies, not looking on impotently from the sidelines.

The following pages make no mention of the situation in the North. It was not possible to deal with the different issues that exist there nor was it possible to deal with the problem of partition in a pamphlet of this size. The perspective sketched in this pamphlet outlines the most likely developments in the coming period. This is not to say that the possibility of a civil war in the North, spreading to the South and overspilling into Britain is totally ruled out, but only that it is the least likely perspective.

Some political groupings in the country now pose the nightmare of civil war as a way forward. If this objective of their's was to take place it would not lead, as some of these elements believe, to the unification of the country

and arising out of the conflict that would take place would magically arise the socialist revolution. It would instead lead to the horror of re-partition and an enormous increase in sectarianism amongst the working class North and South. It would also lead to the splitting of the trade union movement and the setting back of the Labour Movement and the outlined perspective contained in this pamphlet for a whole period.

One of the greatest contributions the working class in the South can make in relation to the problems faced by workers in the North is to take up the struggle for breaking the Coalition and for a majority Labour Government pledged to socialist policies to end the reign of poverty and unemployment which the 26 counties represents to the Northern, especially Protestant, working class. Also to end the influence of the Roman Catholic church in education, health and on legislation.

The Labour Movement in the South can also contribute to a solution to the problems in the North by taking up the call, through the unions especially, for the building of a mass Labour Party in the North to unite the workers both Protestant and Catholic. Also that this Labour Party should link with the Labour Party in the South for the building of an all-Ireland Party of Labour to fight for socialist policies. As the ICTU represents industrial unity so too the task is to build political unity through the workers organisations and give the lead in the struggle for a Socialist United Ireland

The sectarian killings, the murder and repression faced by workers in the North cannot be ended by the so-called security forces. The trade union movement through the building of a trade union defence force is the only force that can permanently end these sufferings. The Labour Movement in the South can contribute by taking up the call for the ICTU through its Northern Committee to organise a conference of all trade unionists in the North to lay the basis for such a force and for the withdrawal of the British Army.

Finally, this pamphlet attempts to outline a perspective for socialists and active sections of the Labour and Trade Union Movement, a perspective which points a way forward for the working class, arm in arm with their brothers and sisters in the North and in conjunction with the working class in Britain and internationally to carry to a successful conclusion the struggle for the socialist transformation of society.

26 County Economy in Crisis

The last year has witnessed a sharp downturn in the 26 county economy. In contrast to the industrial and economic growth of the 1960's when between 1961 and 1971 industrial output rose by 75% and real Gross National Product between 1960-70 rose by 39.5% the growth rate this year (1975) is, according to the Irish Banking Review, expected to fall by 3%. Output in manufacturing industry fell by 9.5% in the first three months of this year compared with the first three months of 1974. Industrial exports fell by 10% in the first six months and it is estimated by spokesmen for the Confederation of Irish Industry that 90% of industry is working by as much as 20% below capacity. Add to this the 484 firms which have gone into voluntary liquidation between March 1973 and July 1975 and the depth of the crisis in the economy becomes clear.

The financial indicators for the economy give an equally bleak picture. Last year the balance of payments deficit was over £300m. This year it is expected to be less than £100m. This, far from being a sign of a healthier economy, reflects the down turn in economic activity and the consequent sharp drop in imports. The net borrowing of the Government is 13% of the Gross Domestic Product. The 26 county economy has the distinction of having the highest national debt in proportion to GDP of any country in the world.

Inflation is an added scourge. Rising at an annual rate of over 20% it eats away at savings, pushes up prices and gives a further push to the falling living standards of the working class and middle layers of society which in turn leads to a further fall in demand and this in its turn adds yet again to the recession.

Investment fell last year by 3.4% and is expected to fall by at least 5% in 1975. Big Business faced with falling profit rates withhold investment, while at the same time they lay off workers, force through productivity deals and raise prices in an attempt to bring the returns on their investment up to former levels.

The 26 county economy, having been opened to foreign investment in the 1960's caught the tail-end of the post war economic boom which was experienced by all the main capitalist countries. As a result the economy became transformed, a process of industrialisation took place, living standards for practically all sections of society increased and Irish capitalism gazed with wide-eyed optimism into the future. The recession in the capitalist world and the accompanying stagnation in the 26 county economy has smashed these hopes.

UNEMPLOYMENT—HIGHEST SINCE 1942

The developing economic crisis is reflected most sharply in the unemployment figures. Over 105,000 are officially registered as out of work. Ten's of thousands more are unemployed who are not on the register and are therefore not included in these figures. Unemployment in manufacturing industry has fallen to the level which was obtained six years ago. Youth have been hit especially hard with juvenile unemployment increasing by 90% in the last 12 months. The anarchy of the present economic system is underlined by the fact that at a time

when, according to ANCO there is a scarcity of skilled workers 1,000 apprentices have been made redundant in the past year. Also an estimated 38,000 school leavers still have not found jobs. Unemployment has increased by up to 40% in the 1974/75 month period.

Capitalism stands condemned by these developments. At a time when poverty is the day-to-day experience of 24% of the population (official figures) when health, education and social services are being squeezed and cut back, when ten's of thousands are on the housing waiting list and ten's of thousands more are living in slum conditions, when living standards are falling the private enterprise system is incapable of utilising the resources that exist. What an indictment of the capitalist system that amid all this scarcity and want in society 10% of the working population are forced to remain idle and 90% of industry is working by as much as 20% below capacity.

Neither do the spokesmen and the theoreticians of the present system hold out much hope of any improvement. The Confederation of Irish Industry President JHD Ryan has stated that there will be no increase in manufacturing employment until 1977-78, claiming that manufacturing industry is at least 4½% overmanned at present and any increased demand would tend to take up this slack instead of creating new jobs. Liam Connellan, the Director General of the same organisation predicts 125,000 unemployed this winter with many out-of-work school-leavers not included in these figures. All capitalism offers the working class is increased poverty through unemployment and cuts in wages.

BOSSES DEMAND CUTS

Through this same organisation—the CII—the employers repeat their demands for cuts in workers living standards. They detailed their "solution" to the economic crisis in a pre-budget subvention to R. Ryan, Minister for Finance, in the early summer. They demanded as a price for ending their cutback in investment, an increase in their profit rates. Not content with profit levels which gave the 100 companies who published accounts for the year ending June 1975 combined profits of £29.3 million, they demanded more. Their subvention called on the Government to base its budget on four main points. The first was a cut in living standards annually of 2 to 3%. The second was a cut in *current* public expenditure, that is, state spending on such items as health, education and social services. The third was that revenue from sales should be allowed to rise to take account of replacement of stocks, or in other words let prices rise even faster. The fourth was a call for an increase in public *capital* expenditure, that is, state spending that goes mainly to Big Business either through the building of factories for them or the subsidisation of the purchase of machinery. In plain language—make the working class pay. More recently even harsher demands have been made by this same body. They have demanded an indefinite wage freeze and they have also called for the level of re-equipment grants to be increased by 50%.

Government Policy - Big Business Dictates

The policies of the Fine Gael dominated Coalition Government to tackle the economic crisis can be seen to coincide with these demands of the employers. Cosgrave and his cabinet see the economic crisis as a crisis of profitability. Profit rates are falling, investment is falling because of this, the only "solution" as they can see it is to cut back on the share of production going to the working class in order to increase the share going in profits to the employers who will then, hopefully, invest and the economy will take off again. Even a casual examination of the policies of the Government illustrates that this is their general objective.

The June budget brought in food subsidies which for a period of 2 to 3 months temporarily halted price rises in some of the essential food items. These subsidies of course, came out of the workers' wage packet in the first place by means of the increase of up to 10% in taxation in the budget. The budget took out of one pocket of the workers and put into the other and called this a hand-out. A manoeuvre which the Government then used as a justification for forcing a revision of the terms of the National Wage Agreement. This, they have since achieved, using as well the threat of pay legislation against the trade unions. The final two phases have been revised down to a 1% rise in wages for every 1% rise in the cost of living index. This in real terms means a fall in living standards, given taxation of in some cases up to as much as a third and also the fact that the Consumer Price Index gives an unreal picture of the rise in costs for working class families. It is based not on the essentials which take up the bulk of workers wage packets but on the whole range of goods bought and sold in the economy. Neither does it take account of items such as mortgage rate increases nor the increase in the cost of credit.

The timid attempt at income tax reform made in the early life of the Government has been more than reversed. Income tax returns for the first 9 months of 1974 totalled £198 million. For the first 9 months of 1975 this figure had increased to £250 million. This increase has taken place when unemployment and short time working has increased and therefore there are less people paying tax. It shows on the one hand the affect of the June budget surcharge and also that tax brackets have not risen in line with inflation. Many of those who were removed from the tax net in the initial changes brought in by the Coalition are now back within it.

LIVING STANDARDS FALL

During the life of the Coalition the working class people of this country have suffered a fall in living standards. The restrictions of the NWA's have been strengthened by the latest revisions. Prices have continued to soar. Taxation has increased. The extent of the fall in living standards can be gauged by the fact that domestic sales fell by 8% in the first 6 months of 1975. This only provides the statistical evidence for what working class families experience every day. Diets have been adjusted to take account of the wage packet or the pay related benefits no longer buying as much as before.

Nights out become scarcer. Young couples in new houses, those "lucky" enough to get one, find themselves on the brink of being permanently broke. A family who bought a house on a mortgage five years ago finds that the cost in terms of repayments, ground rent rates etc. has gone up by as much as 100%.

At the same time as the purchase power of the wage packet has been decreased the social wage, that is State spending on education, health and social services has been cut. A real cut of 10% on spending on education has taken place. Health and social service spending in real terms also has in the more recent period of the life of the Government taken a turn downwards. The current public spending is to increase by an estimated 4% in 1975. When account is taken of inflation this is a drastic cutback. It is in fact the lowest increase in 7 years. These cuts in *current* public expenditure or social wages have taken place at a time when public *capital expenditure* is to increase by an estimated 27% over the same period. Also the top limit on individual grants by the Industrial Development Authority has been raised from £350,000 to £850,000, Grants above this level can still be obtained but Government appraisal is needed. These measures are exactly in line with the Confederation of Irish Industry's subvention to the Government.

Many supporters of the Coalition base their defence of its record on the increase in social welfare benefits that have taken place. Undoubtedly the early period of the Government witnessed some small increases in some social welfare benefits. Increases ranged from a "real" increase of 6.7% in the under 80 non-contributory old age pension to 25.9% increase in unemployment assistance to a recipient with 3 children. These increases took place from October 1971 to October 1974. A period covered by both a Fianna Fail Government and the Coalition Government. These increases are termed "real" increases in the sense that they are judged against the Cost of Living Index. As social welfare recipients, more so even than any other section of the working class, spend the greatest part of their income on essentials, which tend to rise faster than the Index as a whole, then the "real" increase is somewhat less than the official figures quoted above would show. Nevertheless some small increases have taken place in this area. These came in the main as the result of the sharp rise in growth in the economy in the early seventies and also from monies which came available upon our entry into the EEC.

The argument from the point of view of the Labour Movement that these measures were justification for entry into Coalition does not stand up. These minute concessions could have been forced out of whatever Government was in power, Fianna Fail or a Fine Gael/Fianna Fail alliance if the Labour Party had not taken the decision in 1970 to turn towards Coalition. If Labour had been fighting on clear socialist policies over the past years and lending support to the struggles of the working class for better wages, better housing, lower rents and mortgages, against rising prices and unemployment the ranks of the Party would have been filling with new active members, Labour's electoral support would have continued on with the rising trend of 1969.

Whatever type of conservative government ruled, it would have been forced to make concessions to the working class in an attempt to cut across the swing to Labour.

These increases in social welfare must not be taken as meaning that the lower paid have benefitted in line with the growth of the economy. During the period September 1971 to September 1974 a wage earner on two thirds the average industrial wage married with 2 children had a "real" increase of 5.7%, while a wage earner on the Statutory minimum wage fixed by Joint Labour Committees married with 2 children had a "real" increase of 6.9%. This happened over a period when the Gross National Product as a whole rose by 13½%. So in fact in relation to economic growth the lower paid fell further behind. Since these figures were compiled the situation of the lower paid has worsened further as for the first time the Labour Court has failed to add the national wage agreement increases to legal minimum wages. The first two increases of 8% and 5% are now overdue for many low paid workers. On top of this an estimated 100,000 workers have not yet got the full increases due to them under the last two wage agreements. Also a large section of these lower paid workers are women. While at the moment the Equal Pay legislation seems to be going ahead it is so full of loop-holes that most employers will be able to wriggle out of its clauses. This they can do by regrading work and anyway, in any of the trades which employ women only, the legislation will have no effect as there are no men doing the same job to whose level the women workers wages would be brought up.

NATURAL RESOURCES HANDED OVER

These developments have been taking place at the same time when the Fine Gael dominated Coalition has been handing over the country's mineral, oil and gas wealth to the multi-nationals. This wealth includes the largest lead and zinc mine in the world at Navan. The final signing of the state mining lease for at least part of this ore body in September between Tara Mines, the Department of Industry and Commerce and the Department of Finance allowed for a 25% state share in the company, a 4½% annual flat rate royalty, the normal 50% company tax and an approximate 10% of the ore body to the state. No clear statement has been forthcoming on the rate of extraction to be permitted. The Navan mine will employ no more than 800 workers when its at full production. This settlement means that the mineral wealth in the Navan mine which, because of the particular nature of the laws of the 26 county state belonged to the state has now been given to a private company. The revenue the state will get in taxation etc is a pittance compared with the estimated £2,000 million plus value of the minerals. Along with this, ore is to be processed and smelted outside the state, whereas if the mines were nationalised, this could provide the basis for a state smelter and the development of a state processing industry which could turn the metals into finished products, such as car parts, parts for consumer durables etc. In this way a whole new sector in the economy could be developed.

The sell-out on the Tara mines is not an argument about ownership of the ore-body itself so much as it is an argument about whether or not the result is 800 men employed in the mine for an approximate period of 20 years under the present arrangement or on the basis of nationalisation, a state smelter and down stream state industries ten's of thousands of new jobs could be created.

The Tara deal as with the agreements and negotiations with the other mining, oil and gas companies

demonstrate the determination of the Fine Gael dominated Coalition to carry on with the policy of Fianna Fail and hand the country's natural resources over to private enterprise. The main political motivation behind the attitude of both these parties is based on the fear that all sections of Big Business and their political representatives have, of nationalising profitable sectors of the economy. When unprofitable sectors are run by the state it is because they are essential to the economy as a whole, and no capitalist will run them as there is not enough money to be made. The financial losses that are consequently incurred by the state run sector are used against socialist policies as a whole. How many times is it repeated that "nationalisation does not work, look at CIE, ESB etc.". Nationalisation of the mines would provide much needed wealth and jobs in the economy. It would show nationalisation as an alternative to be considered. This lesson would be learnt by the working class movement and would be quickly applied to other industries if they were closing down and throwing workers on the dole. The Cosgraves and the Lynchés understanding this, stand firm for private enterprise. There is also of course the pickings to be had for the Irish capitalists and their functionaries when the big multi-nationals invest in the economy. This is not the key factor. The political opposition dominates. The policy of the Fine Gael dominated Coalition has been totally in opposition to the policy of the Labour Party and the trade unions. Consistently both bodies call for nationalisation.

PROMISES OF REFORM

The early days of the Coalition were dominated by promises of reforms. Health, Social welfare, Education, Housing, the problems of the lower paid, the distribution of wealth, all these were to be dealt with by the Government. It is now clear that with the exception of the tiny increases in social welfare there has been no progress on any of these fronts. Overall the policies of the Coalition have been to increase profits at the expense of living standards, while putting forward the facade, initially, of striving for an equitable society in order to keep the Labour Party leadership quiet and acquiescent in Government. As one senior civil servant said recently, this is not a Coalition, rather it is a Government which implements Fine Gael policies which are agreed to by Labour.

The wealth tax of which so much was promised has turned out to be a propaganda stunt brought in to make it appear as if steps were actually being taken in the direction of the distribution of wealth. The wealth tax measures of the Coalition are to replace Estate Duties. The revenue expected from the new taxation is to be even less than was gained from the now defunct estate duties. As Richie Ryan explained on a recent tour of the USA. Its the "softest wealth tax in the world". The effective wealth tax rate is 0.8%.

Even in the field of liberal reforms on issues such as divorce and contraception the Government has failed. The barely credible spectacle of Cosgrave and Burke, two Cabinet ministers leading a handful of other Fine Gael TD's to vote with the opposition to defeat the Coalition's own contraceptive legislation illustrates the conservative catholic nature of the leadership of the Coalition. It is obviously this faction who dominate in the Cabinet as this issue has not been raised by any of the other members of the Government and no struggle has been waged to overturn the actions of Cosgrave and his closest cohorts. Neither has there been any attempt to use Labour's position in control of the Ministry for Health to use the resources of this ministry to make free contraception available throughout the country through

the outlets of this ministry.

Prison reform, prisoners rights, the repressive and punitive nature of the legal system—no advances have been made on this front either by the Coalition. A Government statement that prisoners have no rights, the suicides and attempted suicides continuing in the prisons and the holding of juveniles, who because of the poverty and frustration of their environment run foul of the law, in institutions which rather than attempt to rehabilitate them, increase their alienation from society and train them for a life of crime, all these factors point to the failure to implement any reforms in these fields.

The array of repressive legislation remains on the statute book. The Government has continued to use it rigorously and not only against republicans as the use of the Prohibition of Forcible Entry Act against the students protesting at the Department of Education demonstrated. Also they are at present putting yet another piece of repressive legislation through the Dail and Senate—the Criminal Law Jurisdiction Bill. Promises were made that the Prohibition of Forcible Entry Act would only be used against “subversives”. Yet it was used on the students. A “subversive” in the future will not only be a republican but will be shop stewards

and militant trade unionists fighting to maintain their living standards. The Government has already threatened legislation to force the revision of the NWA. A pay pause is being called for by Big Business and their political spokesmen. If the trade unions don't agree to this measure the Government has already shown its willingness to use the law to force compliance with its economic policies. Given this development any active trade unionist who would fight wage control would be classified as a subversive and as such would then be more than eligible in the eyes of either Fianna Fail or Fine Gael to be repressed with any available legislation. Fine Gael understand that they may need to carry out exactly such measures in the future. The lack of trust they have in the Labour Party leaders to go along with this to the bitter end is demonstrated by the existence of the security sub-committee made up of five Cabinet ministers all of whom are Fine Gael. The Labour Party's base in the trade unions makes them less than trust worthy for inclusion on this committee, which undoubtedly has available to it, reports on activists within the trade unions as well as socialist groupings in the country and even in the Labour Party itself.

Government Ministries

- Labour's Role

Fine Gael look upon the Coalition as a stepping stone back to an overall majority in the country. They hope that a future election would at best give them this majority or at worst leave them dependent only on a handful of Labour TD's whose support, hopefully, from their point of view, could if necessary be bought. Even going as far as splitting the Labour Party, as total support of the entire Parliamentary Labour Party, even the opposition which will grow in the ranks of the Party itself to wage freezes etc., will not be assured.

The Coalition came to power in the main due to a marginal swing from Fianna Fail. The cause of which was the terrible social conditions which still existed after a decade and a half of Fianna Fail rule. 7% unemployment, less houses built per head of the population than any other West European country and prices beginning to soar ahead. The “Statement of Intent” of the Coalition, which promised to solve all these social ills, tapped sufficiently the disenchantment with Fianna Fail to bring the Fine Gael dominated administration to power.

Fine Gael retained for itself all the key ministries. Cosgrave as head of the Government, Ryan in Finance, Cooney in Justice, Donegan in Defence, Fitzgerald in Foreign Affairs. In this way they kept control of Finances, the legal system and the forces of the state—the Gardai and the Army. Home and Foreign policy was in their hands. Burke, in Education was to be a bulwark against any of Labour's progressive ideas entering the field of education and was put there to prevent any possibility of the Government coming into serious conflict with the Catholic church. Fine Gael retained the power by dictating Government policies through these key ministries. Fine Gael by doing so were ensuring that Garret Fitzgerald's promises to the employers, made public in Hibernia March 30th 1973, that Labour's “doctrinaire views will have no part in the

National Coalition's policy” would be carried out to the letter. To Labour was given the responsibility for justifying and defending Fine Gael's conservative policies in the eyes and in the organisations of the working class.

HOT SEATS FOR LABOUR

Brendan Corish was made Minister for Health. In this position he has had to stand over the cuts in the hospitals, the failure to bring in a free health service as well as the failure to make contraception available. All these measures he has had to defend are contrary to Labour Party policy. They are determined by the attitudes and policy of Fine Gael with its subservience to the church and big monied interests. Fine Gael's policy was to let Brendan Corish try himself in relation to moving at least in the direction of free hospitalisation and when he came up against the expected opposition of the tops of the medical profession to make no serious attempt to back him.

Tully as Minister for Local Government is held to be responsible for the housing situation in the country. Dublin corporation has recently taken a decision to move against squatters in the city. The mortgage rate going up from 11¼% to 11½%, due, the building societies claim to the reduction of the Government subvention in the June budget. The rate on Local Authority loans was also given a raise in the June budget. While the Coalition marginally increased housing starts the position of working class people looking for houses has got worse over the past two years with prices soaring and interest rates going up. For working class families to buy their own home is becoming increasingly difficult and Local Authority housing nowhere near supplies the need. As in the case of Health it is a Labour TD who has the job of standing over the results of Fine Gael's policies in this sensitive area.

The Labour TD Justin Keating has had to bear the brunt of the criticism for the sell-out of the natural resources in his position as Minister for Industry and Commerce. It has been Fine Gael's grovelling before the power of Big Business along with their fear of the working class that has ensured that there has been no policy of nationalisation implemented. It is Labour Party policy and the policy repeatedly stated by the trade unions to nationalise this wealth. Yet Justin Keating has to defend Fine Gael policy and fight to have it accepted. In this way it is not Fine Gael who are seen to sell out the natural resources but the Labour Party. It is also Justin Keating who has to sign every price rise and to meet the deputations of housewives and defend these increases.

The life of the Coalition has seen some very significant strikes. In the most important of these the Minister for Labour was involved. This sensitive ministry was also given to a Labour TD—Michael O'Leary. As an ex-official of the ITGWU he was given the position, obviously in the hope that with his past experience and contacts he could more effectively get acceptance from the trade unions for what are essentially Fine Gael policies. In the International Meatpackers strike in the autumn of 1973 the Gardai used batons on the striking workers. In the spring of 1974 the Gardai and Army were used in attempts to break the Dublin Corporation craftsmen's strike. In the early summer of the same year the Army was used against the busmen's strike. The Gardai have also been used to harass the Unidare strike in Dublin and the Crown Controls strike in Galway while the Army and Gardai were used yet again to break the picket line in the tanker drivers' strike. The role of M. O'Leary in this particular dispute was perhaps his most blatant attempt at breaking a strike to date. He stated on a TV broadcast on April 25th 1975, "I will advise the

Government that if the strike continues.....they should.....take such powers as they think necessary". By this declaration he gave a free hand to the Fine Gael leaders who dominate the Coalition to break the strike using any means "they think necessary". Again the Labour ministry was to the fore in the threat by the Government to introduce legislation to force the trade unions to accept revision of the NWA. M. O'Leary stated after the revision was accepted, without the hint of an apology, "We are satisfied that special legislation will not be necessary". As in the other sensitive ministries it is a Labour TD who has the job of defending Fine Gael policy. In this case it means attacking the power of the trade union movement. This strategy of the Fine Gael dominated Coalition continues with the most recent threat to introduce legislation to curb wage increases to bank officials and also with the threat of wage legislation to hold down wages after the present agreement comes to an end.

The position of Minister of Post and Telegraphs is held by Labour TD Conor Cruise O'Brien. This is probably the least sensitive of the ministries that Labour holds in the Coalition. Yet in spite of this the attempt to rebroadcast BBC 1 direct has brought the Minister into conflict with the trade unions involved. Added to this is the willingness, even eagerness of the Minister to stand in for the Government in articulating their repressive "solution" to the Northern crisis. The fact that Conor Cruise O'Brien has made no obvious attempt to remove such obvious trappings of Catholic influence as the Angelus from the country's radio and TV network again demonstrates the domination of the Coalition by the most conservative faction in Fine Gael.

Coalition - Fine Gael Revived - Labour's Support Cut Across

The coming to power of the Coalition came at a critical period in the life of the Fine Gael Party. At the last general election they were the worst off financially of the three major parties, Big Business was increasingly giving its financial backing to Fianna Fail. Coalition has revived Fine Gael and given it a position of power from which once again to distribute the favours and the places and in this way to build up its structure throughout the country. It has also given them the opportunity to attempt to demonstrate to Big Business that they are as able as Fianna Fail to run the economy in the interests of profit.

Labour on the other hand, by deciding to offer itself for Coalition in 1970 lost many of the young activists who were joining the Party at that period and disillusioned many of the more politically conscious sections of the working class who were beginning to turn to Labour. In the 1969 election Labour, while losing seats increased its support by 30,000 votes. This came at the end of a decade of increased industrialisation which strengthened the working class movement generally. Part of this process of developing unity was the coming together of the trade union movement in the Irish Congress of Trade Unions in 1959 and also during the 1960's the increased affiliation of the unions to the Labour Party. The most important of these being the affiliation of the Workers'

Union of Ireland and the Irish Transport and General Workers Union in the mid-1960's. Labour stood on the threshold of a major advance. The 1970s so far have seen major struggles for better wages, against rising prices, rising rents and mortgage rates. The capitalist system is now showing itself to be in serious crisis. Labour could have tapped the political potential of these developments had it maintained its independent stance. Labour today would have stood at the head of a vital and powerful movement of the Party itself, the trade unions, the tenants and residents associations. Instead the struggles that have taken place have been given no political leadership and Labour's share of the vote has fallen in the Dublin area from 31% in 1969 to 20% in 1974. The fringe parties and groups that exist in the country are incapable of giving a lead. The result has been that in the most favourable period since the beginning of the state for explaining the inability of capitalism to solve the basic problems of society and linking this to the need for the nationalisation of the commanding heights of the economy under workers' control, the only party that could have done this with success—the Labour Party—has been, firstly as aspiring coalitionists, and more recently, as members of the Coalition, defending the system and arguing that there is nothing that can be done except moderate income demands and wait for the

much promised world upswing. The capitalists won't invest unless they get greater profits therefore wages have to be held down. This is what the leadership of the Labour Party has been arguing as part of the Government. The Party has also been put in a position of acting as a buffer between the working class and the political representatives of Big Business Fine Gael and Fianna Fail and their similar economic policies. They ask for patience and understanding from the working class. This of course was inevitable given the nature of Coalitions between conservative parties and socialist parties. One must give up its objectives and defend the policies which are based on the objectives and interests of the other. The conservative party by its very nature must seek to conserve and maintain the economic system based on the private ownership of the means of production distribution and exchange. The socialist partner, the Labour Party in this case, is forced to concede. This has been the case in the past as it is now with the present Coalition.

LABOURS LEADERS DEFEND FINE GAEL POLICIES AND CAPITALISM

The economic policies of the Fine Gael dominated Coalition are pushing the Labour Party into a head-on collision with the trade unions. Pay restraint and the threat of legislation to back it up can only lead to major strikes to maintain living standards. Pay restraint legislation means that the courts and the forces of "law and order" will be brought into force against trade unionists who will try and use their industrial power to maintain their standards. The Labour Party if it remains in Coalition will be used to justify these measures. This the Party cannot afford. It is based on the trade unions and financed by them either through the block affiliation or through the fact that the membership of the Party's branches are overwhelmingly trade unionist. As the Party of the working class in this country its role is not to support the measures demanded by Big Business but to support and to lead the struggles of the working class against pay restraint, unemployment and poverty conditions. As long as it remains in Coalition it will be forced to play the former role.

At this time of economic crisis in society when the very developments taking place every day show the failure of the present economic system Labour's ranks should be filling with active workers and youth to fight for a new

society. The very premise of Labour's policy that capitalism is incapable of solving the problems of society is being demonstrated to be correct. While resources lie idle, through unemployment and industry working below capacity, poverty increases. This is what Labour has always explained as inevitable under capitalism. Now events are bearing out this position. But where is the Party, is it basing itself on this situation and leading the struggle to explain the alternative form of society, a socialist system, a planned economy? Tragically it is not. The Party is in a Coalition where its leaders plead for understanding and patience and ask the workers to give capitalism another chance by tightening their belts.

The fortunes of the Party should be surging ahead as never before at this time when capitalist society in Ireland and internationally is crumbling. There should be no argument about whether the vote in the Cork Bye-election or the vote in the Galway Bye-election is the true indicator of the affect of Coalition on the Party's support. Labour should be going forward to the next election confident of winning an extra dozen seats at least and thus beginning the transformation of voting patterns in this country and winning support for a majority Labour Government pledged to socialist policies. Labour's programme holds the key to cutting away the mass base of Fianna Fail and Fine Gael and for providing this majority support for Labour.

Fianna Fail and Fine Gael have the same economic policies. Fianna Fail's statements on the economy have been on the one hand to give "total support" (Jack Lynch leader of Fianna Fail) to the Government's policies of cutting wages and more recently to urge the Government to cut back on its spending on social services, health and education etc.—the social wage. Lynch in the same statement when talking of how to slow down inflation called for "a new wage agreement which would not require large money increases". (October 5th 1975). Fianna Fail and Fine Gael as the representatives of Big Business offer the working class and middle layers of Irish society a future of poverty, despair and insecurity. Labour's programme based on the need to change society offers an alternative. It is to the struggle to explain this programme, this alternative, to the working class that the Labour Party must turn. This means bringing to an end the defence of Fine Gael's conservative policies in the Coalition and taking up in a bold manner the socialist programme of the Party and going on the offensive to drive Fianna Fail and Fine Gael together.

Labour's Programme

Labour's programme spelt out in the 1969 documents and endorsed at conference after conference since spells out how a solution to the major problems facing Irish society can be solved.

HOUSING

One of the greatest burdens on a working class family is the struggle to get a roof over their head. In Dublin alone 6,000 people are on the housing waiting list. In the country as a whole 35,000 houses are unfit for habitation, 24,000 are over-crowded, 19.3% have no toilet and 45% have no fixed bath or shower. (Last 4 figures out of the 1971 census).

The scarcity and bad quality of housing is only one aspect of the problem. If a young family buys a house, the cost can take up as much as half of the wage packet. The cost of housing has gone up by 20% in the last year.

Mortgage rates from building societies have gone up to 11½% and local authority rates have also been increased. The £40 million to be made available for house building by the Allied Irish Bank and the Bank of Ireland, an arrangement made in the summer by the Government will be at a rate of 12½% interest and will only provide 80% of the cost. Many workers face a future of working overtime and skimping on everything else just to pay for their mortgages. Others having paid for years find that with the increased rate, they now owe more than they did originally.

Local Authority housing also costs more and more as rents push up. That is of course if a Local Authority house can be got. Its the scarcity of these in the first place which has pushed so many families into the millstone of the, in some cases, two-generation mortgage.

The cost of Local Authority housing as well as private housing is caused by the stranglehold that private

enterprise has on the building industry. Firstly the banks, building societies and finance houses control the capital and are thus in a position to charge high interest rates. In Dublin corporation the biggest item in the last housing estimate was for loan charges—£10.1 million. The rents that are paid by the corporation tenants are going to swell the profits of the bankers and financiers. The Bank of Ireland and the Allied Irish Bank in the 6 months up to the end of September 1975 made a total profit of £14.25 million. For every £1 paid in rent to Dublin corporation £1.20 is paid by the Corporation in interest on loans to the banks. Through the 26 counties as a whole for housing, both private and public, in the period 1973/74, private banks and finance houses loaned £84.7 million. The national debt stands at £2,000 million and the cost of servicing this debt, interest charges etc. amounts to £234 million. This gives some idea of the control over the state that rests with the directors of the finance houses and also gives an idea of the cost.

Building land is another source of profit for the speculators. The cost of building land to Dublin corporation rose by 530% between 1963 and 1970. One acre cost £1,100 in 1960 and £7,000 in 1971.

The building industry itself is totally dominated by private firms who concentrate on "lump" labour, shoddy finished houses, no amenities and exorbitant profits and who sit on top of this heap of financiers, land speculators and building contractors who exploit the basic need to have a home.

Labour's programme takes account of these problems and answers them. It states, "Building land and major portions of the Building industry will be brought under public control". It also states, "it will be necessary to bring firms in the building material industry under the control of the Department of Housing and Construction". It is Labour policy to set up such a department. Also "A state Construction Company will be set up to engage in house building and environmental development" and Local Authorities will become the only purchasers of building land" and "at prices to be determined by the previous use of the land bought". In other words cut out the private speculators and profiteers.

On the financial aspects of housing, Labour's programme pledges to "bring all building societies under public control". This along with its stated policy to bring all "financial institutions.....under public control" provides the basis for the provision of low interest capital to the building industry.

The enormous suffering caused by the high cost of housing, the inability to get a house, instead having to live in slum accommodation or over-crowded conditions can all be traced back to the system of private ownership of building land, the building industry and the finance houses. An aggressive campaign to explain this and to pose Labour's programme as an alternative would quickly rally support for the Party as the implementation of this programme would lead to lower rents and mortgage rates, as well as building better and more houses. Such a campaign would also force Fianna Fail and Fine Gael to expose their similar nature as defenders of private enterprise which means high rents and mortgage rates, no amenities and a shortage of housing.

UNEMPLOYMENT AND REDUNDANCIES:

Unemployment has existed at a high level since the emergence of the 26 county state. Over 1 million people have been forced to emigrate since 1922 as no jobs existed for them. The present increase in unemployment and redundancies results from on the one hand, an attempt by Big Business to prop up their falling profit rates by cutting off sections of the work-force to lower the

wage bill and also from many employers shutting up altogether as they can make more by investing in speculative enterprise or by putting their money in the banks. The sackings which have resulted have taken place at a time when the profits of 100 companies who published accounts for the year ending June 1975 came to £29.3 million. These profits are not enough for them so workers must be thrown on the dole.

Labour's programme calls for state intervention as the basis for an economic plan. "A Department of Economic Planning will be established, with responsibility for devising and implementing a National Development Plan. It will be the premier department of State and all sections of present Departments, semi-state bodies and agencies associated with economic developments will be brought under its control. It will become the shareholder of all state companies and corporations". It goes on "The plan will be implemented by a National Planning Authority invested with the full power of the state.....".

Such an approach lays the basis for tackling the mounting unemployment problem. Every employer who seeks to sack workers their enterprise to be taken over and run by the State Planning Authority. Instead of handing out subsidies to keep them open, take them over, in other words nationalise them under workers' control. The large number out of work can be securely employed again only on such a basis—a planned economy using all the natural and human resources that exist.

Labour's programme positively struggled for, given the present economic crisis and the strength and power of the working class would quickly gain support and again drive Fianna Fail and Fine Gael into defence of a system which demands more unemployment and poverty. Public ownership or nationalisation under workers' control of the commanding heights of the economy to provide the basis for an economic plan, this held boldly aloft on Labour's banner would open up the present political allegiances that exist in the 26 counties and would quickly mobilise the mass of the working people for Labour.

RISING PRICES

These are also a reflection of the economic crisis of capitalism. The so-called price control of the Government has failed as price control in any capitalist economy must do. If Big Business are not allowed to raise prices to enable them to make, what they consider, sufficient profits they will close down. Increasingly what is bought in the shops is dominated by a few multi-national companies. Only a couple of beers for example, that are sold in the country are not owned by Guinness. Supermarket chains and food processing plants are rapidly following the same trend. Galen Weston, an American monopoly, owns at least four of the main retail outlets in the 26 counties.

Prices cannot be controlled if private enterprise is to reign supreme. Only by taking over the commanding sections of the economy including the food processing and large retail outlets and integrating them into the State economic plan can prices be controlled and regulated. Why should a handful of business men make fortunes out of the needs of people for food, clothing and household goods, which are necessities.

AGRICULTURE

Labour's programme also spells out the measures necessary to deal with the problems of the drift from the land and the wiping out of the small farmer. The number of new entrants into farming has decreased from 3,500 in the early 1960's to 1,500 at present. The number of male

workers has decreased by half in the last 20 years and has been accelerating in the last 10. In the West of Ireland less than 20% of the farmers qualify for grants in the EEC farm modernisation scheme. As well as the determined intention of the EEC to move at least 35% of the farmers off the land, an intention reflected in this figure, the small farmer is weighed down with interest on loans he has to borrow to keep going, the enormous increase in the cost of fertilisers, grain, feeding stuffs, stock and machinery. Labour's programme which stands for the nationalisation of the commanding heights of the economy would provide the basis for cheap credit from the public controlled banks and cheap fertilisers, feeding stuffs and machinery from the public controlled monopolies which at present produce these items. Agriculture as part of an economic plan based on need and not profit would end the scandal and waste of the surpluses—the beef mountain, the butter mountain etc.

The drift from the land caused by the falling living standards on the small farms compared with the wages to be earned in industry as well as the seven-day drudgery could also be ended. Taking over the large estates and the large ranches, the acreage above which this measure would apply to be decided by the small farmers organisations and the trade unions and the running of these as agricultural collectives staffed by several families working together would demonstrate the superiority of the collective system over a period. At present 800,000 acres are held by non-farming land owners. On this basis the seven-day drudgery would be ended. A collective run by 10 families would mean at most weekend work for any one individual only one weekend in 10. Machinery on a more extensive scale could be utilised and recreational and cultural facilities on the basis of the collectives would end the loneliness and isolation of so much of rural life. Only in this way, by example, over a period of many years and on a totally voluntary basis would collectivisation of agriculture take place. Not forced down the throats of the small farmers but by example the concept and change over would be embraced by them. Labour's programme explained in this way and confidently fought for would quickly expose Fianna Fail and Fine Gael as the supporters of the ranchers and the big farmers only and win the support of the small farmers and the agricultural workers to Labour.

HEALTH

"The aim of the Labour Party is the provision of a free comprehensive health service incorporating a general medical, hospital and specialist service, dental, aural and ophthalmic services, free medicines to be provided on doctors' prescriptions". This is Labour's policy and provides the basis for dealing with the problems of the working masses in this field. Labour by taking up this programme and fighting on it would expose the

exploitation of the health services for profit. The country's health services are preyed on by the pharmaceutical industry which amasses huge profits at the expense of the sick. Consultants and the top echelons of the medical profession similarly grow fat at the expense of the health service. To bring in a free health service would of course mean more state expenditure in this area in the short term. How is this to be achieved when Irish capitalism, as already explained is cutting back on current public expenditure? The conclusion is obvious. Capitalism cannot afford a free health service, in fact the opposite is true as is shown in the cutback on the hospitals etc. The only way that such measures can be achieved is by taking over the pharmaceutical giants, the finance houses who profit by lending money to the state and by stamping out private practise in the service itself. In other words what practically everyone agrees is desirable—a free health service—is only possible given a break with capitalism and the implementation of Labour's programme.

EDUCATION •

A real cut of 10% in education spending is taking place this year. In secondary schools the pupil-teacher ratio has been raised from 15-1 to 20-1. In vocational schools it is 17-1 and attempts are being made to edge it upwards. 3,000 teachers' jobs have been lost as a result of this approach—these counter reforms. Approximately 46,000 national school pupils are in classes with more than 45 pupils. Along with this the domination of our educational system by the Catholic church and the consequent segregation creates a legacy of sectarianism and chauvinism in our youth. Labour's programme states that "Education at all levels will be free, otherwise there is no equality of opportunity". Labour campaigning on this policy would quickly expose the fact that capitalism, far from being able to afford free education is moving in the other direction. Free and secular education can only be brought about by the implementation of Labour's policy in relation to the economy as a whole. By taking over the banks, finance houses, major industries and natural resources the wealth of the country can be utilised and made available to provide among other things, free education.

Only a planned socialist economy based on the common ownership of, or as Labour's programme terms it, the public control of, the means of production, distribution and exchange can solve the basic problems which face Irish society. The means of implementing this programme is the question facing the Labour Movement, a question which must be answered and the answer acted upon without delay if poverty and unemployment at ever increasing levels is not to become the lot of the working class people in the 26 counties.

For a Majority Labour Government

The implementation of Labour's programme is totally ruled out in a Coalition either with Fine Gael as at present, or with Fianna Fail. The implementation of these policies can only be achieved on the basis of a struggle for a majority Labour Government pledged to socialist policies and the mobilisation of the working class in support of the struggle for the socialist transformation of society.

Some anti-coalition sections of the Labour Party itself

pose as an alternative, support for a minority Government of either Fianna Fail or Fine Gael. On this basis also implementation of socialist policies is totally ruled out. The economic crisis ensures that Big Business must attack living standards and ensures likewise that their political representatives must implement policies to see that this objective is effectively achieved. Fianna Fail and Fine Gael who compete to represent this class must do their bidding. In a time of economic upswing some

reforms and increases in standards can be gained by the working class. In a period of recession and slump such as at present this is not possible within the confines of the existing economic structures. The policies and political ideas of those who seek to tinker and adjust the system in such a period can be best described as reformism without reforms. Any support for a minority government of either Fianna Fail or of Fine Gael therefore could only result in Labour keeping them in power to cut wages and living standards.

In a political sense support for a minority Government of either of the two conservative parties would leave which ever one was not in Government free to pose as the opposition and the alternative in the eyes of the working class. The political log-jam of 26 county politics is the existence of two major parties, both of which are similar in economic and class terms, both being conservative. To break this log-jam it is necessary to expose these parties as being similar, to push them together and to demonstrate that Labour provides the only alternative and in this way to draw a new line through the political allegiances that exist. Support for a minority Government would only prolong the process of the last 50 years which has allowed these parties to pose as being different.

For the socialists and activists within the trade unions and the Labour Party the breaking of the Coalition is only the first step. It is necessary that the struggle to break the Coalition is seen as part of the process of pushing Fianna Fail and Fine Gael together, winning away the support of the working class, small farmers and many of the middle layers of society from these two parties and gaining support for a majority Labour Government.

When the task of struggling for a majority Labour Government is raised within the Labour Party and amongst Labour supporters in the trade unions there is invariably scepticism, or at best agreement on the general objective coupled with an attitude of putting the issue aside for the future. One point must be made especially on this attitude and that is that if Labour's programme is ever to be implemented then the combined support of Fianna Fail and Fine Gael must be reduced to an ineffectual minority within society. This fact must be faced up to.

It is only when an analysis of Irish history and Irish society as it is at present is confined to an appraisal of the surface of the political and economic situation in the 26 counties in isolation that the task of transforming the present political support patterns assumes a seemingly impossible character. Major transformations of political attitudes do not take place in a gradual manner, rather in a sharp or even explosive fashion on the basis of traumatic clashes and struggles within society. The 1918 election saw Sinn Fein spring from being a sect three years previously to become the major political party in the country. The events of the previous 2 years created the conditions for this change. The world situation and the internal factors within Irish society as a whole make inevitable tremendous clashes between the working class and the ruling class around the issue of wages, living conditions and standards. These clashes have within them the potential for transforming again and again the political attitudes of the working masses. In any case if Labour achieving a majority is to take place gradually, say for example at the rate Labour's parliamentary forces have grown since the foundation of the state, then at a rough calculation Labour will have enough seats for a majority Labour Government in approximately 1,000 years. 7 Labour TDs in 1922—19 in 1973. Such a gradualist approach can safely be ruled out. As an alternative it does not exist. Irish society today exists in a totally new historical situation. This applies to internal

factors and also to the international environment.

INTERNATIONAL BACKGROUND—POLITICAL AND ECONOMIC CRISIS

World capitalism as a whole faces a future of stagnation and slump. The post-war economic boom which led to the greatest increase in production in world history has come to an end. The serious spokesmen of Big Business internationally point to a perspective of recession and slump interrupted only by small and increasingly infrequent upswings. The decay of world capitalism is cruelly underlined by the predicted death of an estimated 1,000 million people due to starvation in Central and South America, Africa and South East Asia in the present decade. The much waited for economic upswing will melt away like snow off a hedge. Spokesmen for the Chase Manhattan Bank forecast that growth of the main industrial nations will be achieved until 1977 "then to be followed by a slow down in the USA leading to a new world recession in 1978/79". According to Chancellor Schmidt of West Germany the EEC faces a fall of 3% in growth rate and a 4% unemployment rate this year. This is the pessimistic outlook of world capitalism. This has been caused by the inherent contradictions within capitalism itself: the inevitability of the rate of profit falling and the tendency towards over production. Last year the growth in world trade fell by half. Over the last decade the rate of profit throughout the capitalist world has also been halved. World capitalism faces a shrinking market, a falling rate of profit and rising inflation. Their confidence is shaken by these developments and this is reflected in the slowing up of investment in the productive sections of the capitalist world economy.

They seek to solve their problems by cutting the living standards of the working masses both by cutting wages and by increasing unemployment. These measures, hopefully from their point of view, will cut the share of production going to the working people and increase the share going towards profits and this in turn will lead to increased investment and to a new period of economic expansion. The contradiction of the system itself is exposed in these objectives, as a cut in living standards leads to a fall in demand and this in its turn leads to a fall in production and this adds yet again to the tendency to recession and slump.

The other key factor in the situation facing world capitalism is the power of the working class. The post war upswing increased this power and strength internationally. Whole new layers were drawn into capitalist methods of production, the ranks of the workers' organisations were swollen and no major defeats were suffered. This boom also led to increases in living standards for large sections of the working class in the advanced industrial countries. The present attempts to reverse this trend are being met with fierce resistance. The May-June events of 1968 in France indicated the explosive period opening up in the advanced countries. The power of the working class has been demonstrated over and over again. In Portugal, in Greece and in Spain dictatorships have been shattered by this power. In the USA the first stirrings of the mighty American working class can be seen with New York threatened by a General Strike. The lightning speed with which ideas and consciousness can change in this period was shown by the 60% vote for socialist change registered in the Portuguese elections only one year after the overthrowing of the military police state. In Britain the power of the working class smashed the Tories' Industrial Relations Act, smashed Heath's policies of attempting to let unprofitable industries collapse and creating mass unemployment and eventually, spearheaded by the miners, brought

down the Tory Government. The historical period in which capitalism finds itself was indicated in terms of the balance of class forces, when a tiny peasant nation in South East Asia defeated the USA, one of the greatest military powers the world has ever seen. Capitalism's weakness is rooted in its inability to raise living standards, its having only increased poverty and repression to offer and also the existence of a powerful force—the working class—prepared to struggle for an alternative society. This is the international background against which Irish society must be viewed.

26 COUNTIES—SOCIALY AND ECONOMICALLY CHANGED

Socially and economically the 26 counties has experienced enormous changes in the last 15 years. The 26 counties is now an industrial country. The proportion of the working population now involved in agriculture is now 22%. It was 52% in 1926. The proportion of Gross Domestic Product has fallen from 26% from agriculture in 1958 to 18% in 1972 while the proportion of the Gross Domestic Product from industry rose over the same period from 29% to 34%. 33% of the workforce are now involved in industrial production. This, along with the approximately 40% in the service sector of the economy, makes the working class the overwhelming majority of society. At the same time trade union membership is over 50% of the working population, one of the highest in the capitalist world. Organisationally the working class has been greatly strengthened. The 1960's saw more man-days lost in strikes than in any other West European country except Italy. While this has tailed off over the first years of the 1970's, mainly because of the National Wage Agreements, recently some very important strikes have taken place, all of which demonstrate the potential power of the working class. The Corporation craftsmen's strike, the busmen's strike, the tanker drivers' strike and more recently the Crown Controls strike in Galway, which is now in its sixth month, and, on a smaller scale but indicative of the new period which now exists, is the strike at Thom's Directories in Dublin, where 7 women workers sacked for starting a union in their office have been holding out for three months.

The process of industrialisation which followed on the movement towards free trade started in 1958, also raised the living standards of the great majority of the population. This applied especially to the skilled and industrial workers, a whole new layer of which has developed and put down roots in the 26 counties. Most of the workers have families, they have houses either on mortgages or rented, they have hire purchase commitments, they have built a life for themselves based on the upswing of the economy over the past 15 years and also on the expectation that the upswing would continue. The financial commitments they have taken on are likewise based on such expectations.

In terms of organisation and also of morale the working class have never been stronger. They, then, are the greatest power in Irish society, capable of stopping and starting the life of the nation at will. Increasing lessons have been learned over the past years. The events in Portugal, Greece, Spain, and Britain in the immediate period will add to this understanding of their own power. The UWC strike of last year, even though it was organised on a reactionary basis—Protestant supremacy—also demonstrated the power that can be commanded by bringing production to a halt.

IRISH CAPITALISM FACES FUTURE OF CRISIS

The power of the working class and their high expectations are inevitably bringing them into collision

with Irish capitalism in the crisis that it now faces. Big Business can no longer afford to give the same living standards as in the past. Neither can the present economic system provide jobs and decent living conditions for the new generation of workers as they come of age. Their spokesmen look with apprehension into the future. Dr. K. Kennedy of the Economic and Social Research Institute recently stated, "Ireland will face serious social unrest in a decade with 200,000 unemployed if there is no increase in the rate of new industrial jobs being created annually. Over the next 10 years 300,000 new jobs would be needed to cope with our extremely high rate of natural population growth. Because the highest number of new jobs we have created in any year so far was 10,000, 200,000 people would be expected to be unemployed by the end of the decade". The population will be up to 3.75 million in a decade. Last year there was a net loss of 4,000 jobs in the economy as a whole. This year the Industrial Development Authority have had to revise downwards by as much as 4,000 the number of jobs they expect to create.

Even if the objective of cutting consumption at home to boost the share of the national product going in exports could be achieved this would provide no way out given the economic situation on a world scale and particularly in Britain. On a world scale according to the Confederation of British Industry the chances of the growth in trade rising by even 5% in the current year are "not very favourable". In our main market, Britain, which took 56.4% of our exports last year, real disposable income fell by 3% between the first and second quarters of this year. In other words, a shrinking market in absolute terms in the economy's main export outlet and in relative terms on a world scale.

EMIGRATION NO LONGER AN ESCAPE VALVE:

This developing crisis will be totally different from the other periods of stagnation and recession which marked the first 3½ decades of the life of the state. During those periods emigration provided an escape valve for the social explosions which would otherwise inevitably have occurred. With up to 1½ million unemployed in Britain; up to 4% on average expected in the EEC and over 8% in the USA, the working masses will have no choice but to stay and to fight. This fight will be spearheaded by the previously mentioned new layer of skilled and industrial workers.

Irish society now exists in an entirely new period both internationally and internally. Contradictory processes have ripened and are boiling up beneath the surface. These factors make traumatic and powerful clashes, strikes, occupations, area and nation-wide strikes inevitable in the coming period. This is the background against which political perspectives must be placed. Irish society today must not be studied through glasses tinged with the coloration of the objective factors of decades past but looked at clearly in the light of the new period which now exists.

LABOUR MOVEMENT—BOLD LEADERSHIP ESSENTIAL

Irish capitalism is not blind to these developments. They anticipate and prepare for them. Unfortunately the same cannot be said of the leadership of the trade union movement as a whole nor of the pro-coalitionist leadership of the Labour Party. The latter are blind to these developments, dazzled by their present position in Government and the desire to stop the class struggle at this particular point to enable them to maintain their status. The same reason cannot be given for the unwillingness of many of those within the Labour Party

who oppose Coalition to recognize these developments and prepare for them.

At a time when what is called for is boldness and audacity to tap the social tensions that exist and turn them into a movement capable of completely overturning the present political and economic situation, some socialists within the Labour Party continue to point to support for a minority Government as a way forward.

The sharpening of the class struggle is inevitable. Economic crises polarise and lay bare the skeleton of society. The developing crisis in the 26 counties will inevitably push both Fianna Fail and Fine Gael to the right. This will be dictated by the needs of their pay-masters—Big Business. A Fine Gael dominated coalition, a Fine Gael Government, a Fianna Fail Government or any type of parliamentary alliance dominated by either of these two parties will move inevitably in the direction of freezing wages, letting prices soar and cutting back on social expenditure. This will be met by massive opposition from the trade union movement, opposition which will be reflected in the ranks of the Labour Party financed and made up overwhelmingly as it is by trade unionists. This conflict, this polarisation will make the presence of Labour in a Coalition with Fine Gael or for that matter with Fianna Fail impossible. The Coalition will be pulled apart from the bottom up. Whatever way this sundering of the Coalition is reflected the factor that will render its continued existence impossible will be the power of the trade unions and their opposition to the economic policies being pursued. Responsibility for the fact that the working class will be forced to go through further attacks on their living standards before they turn in the direction of looking for a socialist alternative lies completely at the door of the Labour leaders, who have entered the Coalition and acted as propagandists for capitalism instead of standing independently over the past years and mobilising the working class people for the struggle to change society.

The trade union leaders likewise far from seeking to utilise and develop the power of the working class movement shrink from it for the negotiation table and the closed discussion. The recent threat by Cosgrave to bring in legislation to force the revision of the NWA was a case in point. The trade union leaders met the Government next morning at a run, to get the matter sorted out. When a man waves a stick and threatens force, what would be thought of the man who had been threatened if he rushed to negotiate, when he had at his hand a weapon many times more powerful than the raised stick. This was the case with the trade union leaders. Instead of rushing to negotiate with the Cosgrave administration they should have turned to the working class movement using all the resources of the ICTU and organised a programme of industrial action up to and including if necessary a one day strike. They should have given the Government two hours to withdraw the threat of legislation or they would bring the nation to a halt. This would have brought down the raised stick of Cosgrave and put to an end his threats but most importantly it would have demonstrated to the working class that it is the decisive power in the state.

The increased struggles of the working class will be reflected in the first instance mainly in the trade union movement. Struggles will increase to bring more democracy into the unions and to make them more responsive to the need of the membership. As the power of the union is needed more and more by the members, branch meetings will be better attended, more militant action will be demanded and the union leadership will be forced to reflect this trend. As the struggle develops and as parliament is used to legislate against strikes and the courts are used against striking workers the need for

political representation more responsive to the needs of the working class will become increasingly obvious. This will be reflected in a developing move towards the Labour Party by trade unionists and active workers.

COALITION BREAKS—TREND OF 1960's TAKEN UP AGAIN

The increase in industrialisation of the 1960's was reflected politically in a move towards the Labour Party. The two major unions, among others, affiliated to the Party, the Party got its highest number of votes ever in 1969 and new layers of youth and the most political workers were crowding into its ranks. The decision to go for Coalition cut across this process temporarily. The Party ranks were decimated and support dwindled. Yet even at present in spite of the obvious failure of the Coalition to deal with the crisis, a renewed movement of the unions can be seen within the Party. The recently set up Labour Party/Trade Union Group of representatives of the affiliated unions has been formed to meet the Parliamentary Labour Party on a regular basis to put forward the views of the trade union movement. Also the unions are seeking 6 positions to be reserved for them on the Administrative Council of the Party. In spite of the failure of the Coalition from the point of view of the working class, in spite of the lack of fight of the Labour Party leaders on the side of the unions the developing economic crisis sees, not a movement by the trade union movement away from the Party but the opposite, a movement to get more control and say on the Party's policies. This is an indication of the developments that will take place on a larger scale in the future. On the breaking of the Coalition, the Party will be driven to the left under the pressure of the trade unions and the working class as a whole. Given the inevitable movement of Fianna Fail and Fine Gael to the right and the lack of any mass based alternative very quickly the process that was taking place in the 1960's will be restarted, and at an increased pace. The working class, first the most active trade unionists, socialists and youth and later the broader masses of the working people will turn towards the Labour Party. This process, dictated by the objective factors must be the basis for any socialist analysis of the period that lies ahead. It is within the trade unions and the Labour Party that the struggle for leadership and socialist policies will take place. The place for socialists is to be in the trade unions and the Labour Party fighting for these policies, not standing on the sidelines bemoaning the fact that the ideal situation does not exist.

DAIL—LABOUR MUST TAKE INDEPENDENT ACTION

While the objective factors make a long term future for Labour in Coalition impossible the task for socialists is the fight for the breaking of the Coalition. Every day lost arm in arm with Fine Gael is a day lost that could be used to push Fianna Fail and Fine Gael together and win support for a majority Labour Government.

This break can best be achieved by Labour presenting a Labour Party sponsored Bill in the Dail calling for the nationalisation of the mineral, oil and gas wealth, the banks, finance houses and building societies. This to be campaigned for on a nation wide basis as part of the struggle for the nationalisation under workers' control of the commanding heights of the economy as a whole. When Fianna Fail and Fine Gael refuse to support this, they would be put in a position of canvassing for support to give away our mineral, gas and oil wealth and for leaving the nations finances in the hands of profiteers and bankers.

This would provide a springboard from which to

launch a struggle for Labour's socialist policies. Arm in arm with the trade unions, the tenants and residents associations, Labour's branches, constituency and regional councils would be brought into action, in the leadership of bold and vital campaigns for socialist change. These campaigns to be spearheaded by the Labour Parliamentary Party regularly putting bills in the Dail calling for the implementation of socialist policies, using the Dail to explain the socialist alternative at all times. This would result in Fianna Fail and Fine Gael having to vote together on every issue. Labour would begin to eat into their support and the movement would inexorably be towards a coming together of these two parties. The class that they both represent would demand it, if not as an actual organisational fusion then as a working parliamentary alliance to block Labour. This would have the same affect, it would expose them as having no differences and would show Labour to be the only alternative. The log-jam would be broken and the stream cleared for a flood of support for Labour.

The mobilisation of the working class, the need to develop and lead the workers' movement to act and move politically as a class, conscious of its own power and its own particular interests, will on the one hand be made increasingly possible by the objective factors that exist, and on the other by the struggle of socialists to raise the need to break the Coalition and for a battle for the election of a majority Labour Government pledged to socialist policies. Why should workers who at present support Fianna Fail or Fine Gael change their allegiance if all Labour can offer is support for a minority Government of one of the other parties? Labour must

offer the prospect of power and a totally different political programme if it is to cut away the base of the two conservative parties. As Connolly explained, the Labour movement is unique, in that it is strongest when it stands alone. This is as true today as it was when Connolly wrote it.

Only in this way, by standing alone, will it be possible to win the youth as well as the working class to Labour. The temporary movements of sections of the youth to the different shades of republicanism which took place in the early 1970's have dried up. The various sects are stagnant on the sidelines. Again on the breaking of the Coalition the youth will begin to turn towards the Labour Party. The present, as yet small, beginnings of the building of a Youth section in the Party is both an anticipation and a reflection of this development.

Enormously favourable times lie ahead for the working class movement both internationally and in the 26 counties. In order that not one of these opportunities is missed, in order that the full potential of the situation is realised, the Labour Party must break from the Coalition and take its place side by side with the trade unions and mobilise the working class and all the vital sections of Irish society in support of its programme for the socialist transformation of society. This is the task that is posed in the coming period. The Labour and Trade Union Movement must rise to its full stature in order to carry through this task, which history has laid on its shoulders.

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