

## A VERY IRISH COUP?

The 2011 election to Dáil Éireann has resulted in a seismic shift in the Irish political landscape. For the first time since 1932 Fine Gael has become the largest political party (although their 36.1% is still below that achieved by the party in 1982).

The Labour Party have become the second largest party, for the first time ever (their 19.4% of the vote slightly exceeds that won by the party in 1992).

Sinn Féin have firmly established themselves as a significant force in the Dáil with 9.9% and 14 TDs, a share comparable to previous Labour performances.

The Green Party faced electoral extinction while the United Left Alliance and independents have carved out a substantial niche on the opposition benches.

However, the story of this election is undoubtedly the almost electoral obliteration of Fianna Fáil. This party which dominated Irish politics for 80 years was pushed into third place with a 17.4% of the vote (much worse than de Valera's anti treaty vote of 1922, during the civil war). The reason: "It's the economy stupid."

Fianna Fáil's electoral evisceration is mirrored only by that of the southern economy. Since 2006, unemployment has more than tripled from 4% to 13.7% in 2010, the national debt has nearly tripled from €36 billion in 2006 to €93 billion in 2010, average house prices have fallen by 35% since 2007, GNP has fallen by 14.2% since 2008 and we have gone from having a €5.2 billion budget surplus in 2006 to having a €23.3 billion annual budget deficit in 2009. The economy has turned a corner indeed.

With the revelation of the IMF and EU €85 billion bailout in November 2010 the very economic viability and sovereignty of the 26 county state have been called into question. Consequently, economic sovereignty is rapidly becoming the new national question, for without national sovereignty unity is meaningless.

The incoming government is standing on the precipice of an economic crisis unprecedented in recent Irish history. While the issues involved are many and complex, two crucial and salient issues stand out.

Firstly, the current budget deficit is dire, i.e. what we spend to run the country by far exceeds what we are taking in taxation. The debate on how to bridge this shortfall between those who want to cut spending, those who want to increase taxation and those who want to burn the bondholders is somewhat misleading for, if we are meaningfully to reduce the annual €17 billion deficit all, three remedies will

be needed. Given that it has taken three austerity budgets and unprecedented sacrifices across Irish society to reduce the deficit by €6 billion, one can only imagine that a further €17 billion in austerity measures could plummet the country into a deflationary death spiral which could seriously retard our economy for generations to come.

The second issue is the mind boggling size of our national debt which currently stands at about €100 billion. This debt is added to annually by our current budget deficit (€17 billion) and €5 billion in interest repayments. Even if we were somehow able to repeat the €5 billion budget surplus of the year 2000, it would take 20 years of such surpluses to pay off this debt.

This millstone of odious debt is akin to the reparations placed around the necks of the German people by the 1919 Treaty of Versailles or the land annuities imposed on Ireland by Britain by the 1921 Treaty. Opposition to and repudiation of these annuities largely contributed to the rise of Fianna Fáil as an electoral colossus. Clearly this debt is unrepayable. In effect the previous government has sold our sovereign birthright for a mess of pottage and ensnared future generations of our people into perpetual indentured servitude to the IMF and our EU partners.

If such a huge debt were to be forgiven or renegotiated, the price paid would be political. Constitutional amendments may be sought seeking the removal of our right to a referendum on future European treaties; we may be required to express our gratitude by joining a European Army or the NATO alliance. We may have to consent to the foreign plunder of Ireland's natural resources such as our gas, timber, electricity and possibly oil under the guise of neo-liberal privatisation.

Indeed many in Fine Gael have opposed Irish military neutrality and have been enthusiastic supporters of neo-liberal privatisation and 'ever closer union' with Europe in the past. While undoubtedly a pleasant individual, understandable concerns about Enda Kenny's leadership abilities and communication skills have been expressed by many even within his own parliamentary party and front bench. His resolve in resisting the siren calls of Angela Merkle acting as a pied piper of Hamelin luring away Ireland's children into mass emigration or dubious foreign military adventures is in doubt.

In due course, with Ireland's economic, political and military sovereignty at stake the people of this state may be forced into an 'agonizing reappraisal' of our role within the single European currency and indeed within the European Union

itself. When compared with Denmark or Norway Ireland's economic performance over the past ten years can be seen in a less flattering light.

On 27<sup>th</sup> October 2010, Fine Gael TD Michael Ring, when speaking on the current economic crisis, told the Dáil that, if the British Queen Elizabeth visited Ireland this year, the Taoiseach should hand her back the keys of the country and apologise for the mess we made of the place since independence. Whether or not these comments were made 'tongue in cheek' they represent a wider vein in public opinion represented by the letters to newspaper editors such as those by Limerick University's Noel Flannery, who seemed uneasy with Ireland's economic success since the 1990s and perversely self satisfied with our current economic predicament.

This obsequiousness and historical and economic ignorance should not be allowed to go unchallenged.

When we reflect on our past centuries of poverty, dispossession and economic subordination we all must pledge ourselves never to return to those 'good old days'. Other nations like post-war Germany have rebounded stronger from even worse economic and social catastrophes. In the past, the Irish people proved that they were prepared to fight for "neither King nor Kaiser, but Ireland!" Let us pray that this generation will show a similar resolve.

***Paul McGuill 13 June 2011***