

Now more than ever!



LABOUR'S
Policy Proposals
Election '89

NOW MORE THAN EVER

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Now more than ever, Ireland needs a strong Labour voice. Now more than ever, Ireland needs a political Party with an unquenchable commitment to equality, to justice, and to solidarity within our community.

For the last two and a half years, the working people of Ireland have been under attack. The most vulnerable sectors of our community have been forced to bear the brunt of the financial cut-backs. The rich have got away scot free - indeed, in some cases they have visibly benefited from the new philosophy that has dominated our politics.

At the end of that period, we now have an election. And that election is based on a number of spurious and dangerous premises.

On the one hand, the Taoiseach is seeking a mandate for stable Government. He has thrown away a majority that sometimes exceeded a hundred in order to do so! The same Taoiseach has never been able to use his majority wisely or well - the first time he had one, he created enormous problems for the country. He used his last majority to make the poorest sectors of our community pay for those problems.

THE CHOICE BETWEEN ZIG AND ZAG

On the other hand, we have an alliance which is proposing to put a planned Thatcherite alternative in place instead of the ad hoc conservative politics of the past two and a half years. The "Agenda" of the Fine Gael and Progressive Democrat leadership will further divide our society. The result will be that only the poorest will carry the burden of adjustment. Promises of relief from the arbitrary cutbacks of the past can be taken with the same grain of salt as any Fianna Fail promise.

This new alliance will have no credibility as an alternative to Fianna Fail. Asking the people to choose between them, as the Party Leader has already said, will be like asking the people if they prefer to be governed by Zig or by Zag.

THE PRIORITY

Labour calls on every voter who is genuinely interested in addressing the deep-rooted social and economic problems of this country, no matter who they voted for in the past, to vote now for the only real alternative - the Labour Party. Now more than ever, a strong and united Labour Party voice must be heard throughout the country.

And more than that. There are a number of left wing Parties contesting this election - Labour, the Workers Party, the Democratic Socialist Party, and a number of Independents. This is a time when the Left must work together, to ensure that a democratic Left alternative can grow and develop.

Our first priority in this election is to ensure that there will be a strong Labour Party presence in the next Dail. After that, we want to see the strongest possible representation of the democratic Left.

So we will be urging our voters to vote Labour, and then to vote left generally, in order to frustrate the ambitions of all those who would seek to place this country in the thrall of Thatcherism for the foreseeable future.

A MESSAGE OF HOPE

This Manifesto is intended as a message of hope to all those who have begun to despair and who wish to see a true and just way forward. The Labour Party in the past few months has published detailed, carefully prepared policy statements on the economy - aimed at ensuring that the benefits of that growth will be fairly shared by all. This document draws on those policies.

In addition, the Manifesto will set out our position on some of the major issues that face the Irish people today. On next Monday, which is World Environment Day, we will be publishing a major statement of policy on the Environment. It will deal extensively with the need to protect and develop the environment that we hold in trust for future generations, and will propose radical new measures to do so. It will also deal with many of the social and economic policy issues covered by that heading - including housing, transport, the development of culture, and so on.

But what we want to demonstrate in this Manifesto is that there is a different and a better way to build a new Ireland. It will not rely on injustice and inequity to solve our problems. Labour believes above all that there is room in our country for every one of our people - and that the challenge facing us is to ensure that everyone participates in the struggle for economic progress - and the benefits that that progress can bring.

UNEMPLOYMENT AND EMIGRATION

The major betrayal of the last two and a half years has been the number of our people - especially our young people - who have been forced to leave this country, largely as a result of a Government policy that positively encouraged such emigration. This policy was connived at by all three of the parties - Fianna Fail, Fine Gael and the PDs.

Labour says that the first element of any policy to deal with unemployment must be a firm declaration that emigration is not, and never can be, a solution to the dole queues.

Labour has published in a detailed way its plans for ensuring economic growth in Ireland, increased wealth in the economy and the retention of that wealth here at home where it can be put to most use. The elements of that policy are set out in summary form below.

DEMOCRATIC ECONOMIC PLANNING

Labour believes that to tackle the jobs crisis and the elimination of poverty there must be a clear plan for economic and social development. Such a plan must not be a rigid, framework of quantitative targets - in fact planning as we perceive it should permit the utmost flexibility in responding to unforeseen events. We have had enough of the wrong sort of Fianna Fail "book-keeping".

The development of planning is central to the achievement of Labour's objectives of ending emigration and reversing the unemployment spiral. As important as the plan itself is the process of consultation with the social partners, of identifying constraints and opportunities and of agreeing the analysis. Under Labour, planning will be consultative, flexible and de-centralised. In the end, planning is about policy choices - and only a socialist government can ensure the full expression of socialist priorities.

We would propose to give national economic planning a statutory basis, with responsibility transferred from the Department of Finance to a special unit in the Department of the Taoiseach. Medium term plans would be drawn up outlining the major priorities and policies to be adopted.

REFOCUSING OF STATE GRANT AID

Labour will continue to use State grant aid and State agencies as important levers to induce employment creation in the private sector, but under very different terms and conditions. Active policies of interven-

tion to build strong native Irish companies have been lacking in the past. State investment resources must be placed selectively to facilitate structural change and to optimise its return, which has nothing to do with treating all applicants equally. The NDC and IDA must take risks to pick areas of growth and to back winners.

Labour proposes that the present role and function of the IDA should be reorganised. The IDA should be given a specific mandate to concentrate primarily on the promotion of Ireland as an investment location for manufacturing industry and internationally traded services from abroad. It would retain the necessary grant giving powers to that end. For native industry and trading services the relevant sections of the IDA should be merged with the National Development Corporation.

A NEW ROLE FOR PUBLIC ENTERPRISE

In the past, the public sector has been a major driving force in the job creation area, and Labour is committed to the view that public enterprise has a huge role to play in job creation for the future. We propose a new charter for public enterprise trading companies which would avoid a recurrence of the mistakes of the past. In addition, with regard to the public utilities, such as the ESB and Bord Gais, our objective is to ensure that they operate for the service and benefit of the ultimate consumer. Labour is opposed to the privatisation of State companies - Labour's policy is to enable State companies to grow, and not to sell them off to native or foreign individuals, companies or speculators.

It is a key feature of our policy that financial risks by the State be undertaken within a framework of clear objectives with high quality management adequately rewarded. Penalties of rationalisation or closure for failure should be accepted as the norm. *In this context we regard it as essential that the Exchequer Borrowing Requirement and the Public Sector Borrowing Requirement should be allowed to rise to facilitate investment, provided the estimated returns are in excess of the cost of funds.* This is a general principle to be applied with due regard to the degree of risk and time dimension - large scale projects can be expected to make losses in the earlier years.

THE NATIONAL DEVELOPMENT CORPORATION

Labour proposes to reorganise the NDC to extend its brief as a central focus of industrial policy.

In Labour's plan, an enlarged National Development Corporation would be given major roles in two strategic areas. First, it would become the key instrument for co-ordinating and implementing sectoral develop-

ment policies. Second, and complementing its co-ordinating role, the NDC would be encouraged to become a key player itself through making strategic investments in new industries.

The NDC that we propose will be organised to deal with sectors of industry. Each sectoral entity will be empowered to act as an investment and holding company. There will be a particular concentration on building large Irish companies in the traded sector. The NDC will have a strong regional orientation, and it will be empowered to invest abroad for strategic business reasons in joint ventures or otherwise.

EMPLOYEE INVESTMENT FUNDS

Labour proposes to establish a number of employee investment funds to invest only in firms or co-operatives in designated sectors of native manufacturing industry and traded services. These funds would be made up from the savings of employees in the public or private sectors. Encouragement to invest in the funds would be given in the form of a deduction from taxable income at 125% of the amount saved.

The Trade Union Movement would play the key promotional role in building up these funds and the savings generated would be used for the purchase of shares for the expansion of existing public or private companies, or in start-up enterprises.

Initially, about six funds, authorised to invest in specific sectors or combinations of sectors would be set up. They would be a supplementary source of capital inside the framework of policy as executed by the NDC. The NDC would have no powers to direct any designated funds to invest in any firm or sector but would bring investment options to the attention of fund managers on a continuing basis.

THE SOCIAL ECONOMY

Labour recognises that there is a pressing need to update protective legislation such as the Unfair Dismissals Act, the Equality Acts, the Redundancy Payments Acts and the Protection of Employment Act. This will be a priority for us. Another major priority would be the extension of such legislation to part-time workers who are among the most discriminated against in our community.

We are committed to the full integration of women into the economy, the ending of discrimination based on gender, and of the segregation of women in low paid industries and jobs. We are presently preparing a Private Members Bill to achieve these objectives - and among the measures that we advocate is the wider availability of child care facilities for working parents.

Labour supports the principle of a statutory minimum wage. In the short term we will press for a comprehensive analysis of the likely economic impact of a minimum wage and the establishment of a Low Pay Unit to be independently funded and to research and investigate low pay issues.

Labour will explore with the Trade Unions the potential for redistributing paid employment through more flexible working time strategies. In this connection, proposals we have already published separately to curb the use of voluntary redundancy in profitable enterprises are an important weapon.

The development of Worker Co-Operatives must form part of the response to the present unemployment crisis. We will establish a Co-Operative Development Agency to act both as a source of finance and as a development organisation.

About half of those unemployed in Ireland have been without work for more than twelve months. Special measures are necessary to assist the long-term unemployed back into the active labour force. We see a major role in this area for increased expenditure on training and Public Works/Work Experience Programmes and for the Social Employment and related schemes. We also believe it essential to improve the rates of payment to workers involved in such schemes to make them worthwhile for the long-term unemployed.

The Trade Union Movement will have a crucial role to play in the development and implementation of policy in our assault on unemployment. Labour will enter discussions with the Trade Union Movement to prepare an appropriate initiative to extend the legal basis for worker participation beyond the present narrow limits. In addition, we will work closely with the European Trade Union Confederation and with the Socialist Parties in the EC to secure the implementation of the Fifth Directive and other participative measures in Community law.

TAXATION

GENERAL

The major reforms of taxation that Labour has already published will involve a significant widening of the tax base and the removal of a number of anomalies that favour wealth at present. All these reforms are spelled out in detail in "Labour's Agenda." The tax system that we have developed is "pro-people" and "pro-family".

Two big lies are commonly told about the Irish taxation system. The first lie is that we are a grossly over-taxed country, and that our tax system is the major impediment to employment growth. Reductions in taxation, according to this scenario, are not only possible and desirable, but can be accomplished without any fundamental reform. The second lie is that this is a poor country, and that any financing of tax cuts that may be necessary must come from further cutbacks in essential social spending.

The truth is that in the tax league table of the European Community, Ireland lies only 7th of the 12. As the example of Denmark (top of the tax league) shows, a high overall tax rate is not necessarily an impediment to economic growth and recovery.

Ours is not an over-taxed country, in relative terms - but it is a most unfairly taxed country. Almost £9 in every £10 of tax revenue is raised from taxes on income and goods and services, while less than 70 pence out of every £10 comes from taxes on property and wealth.

The tax amnesty which so far has yield £700 million gives the lie to the other commonly held notion that this is a country which has little or no wealth. The truth is that wealth in this country is carefully hidden and that too many people spend their time evading and avoiding paying their fair share.

The objective of Labour's tax policy is to ensure that the PAYE sector in particular is asked to pay no more than its fair share and that the wealthy are asked to pay no less than they should.

NEW RATE AND BAND STRUCTURE

Labour is proposing to introduce a new rate and band structure as follows:

	<i>-Taxable Income / Single (per annum)</i>	<i>Taxable Income / Married (per annum)</i>
25%	Up to £3,000	Up to £6,000
35%	£3,000 - £9,000	£6,000 - £18,000
45%	£9,000 - £20,000	£18,000 - £40,000
50%	Over £20,000	Over £40,000

TAX CREDITS

A tax credit involves a reduction in taxes of a given amount, while an allowance grants a reduction in taxable income. Tax credits are therefore far more beneficial to people on low incomes. Labour proposes two tax credits as follows:

- A personal tax credit of £1,500 (married), £750 (single).
- A PAYE tax credit of £400 - which is equivalent to converting the current PAYE allowance at 50%.

CHILD BENEFIT

The tax structure takes no account of tax payers who have dependent children. Families with dependent children, especially single income families, may find themselves being subject to high marginal tax rates at relatively low levels of income.

- In a major reform of the system in favour of families with dependent children Labour proposes a child benefit payment of £40 per month per child, payable directly to the mother.

(A detailed description of Labour's tax proposals is contained in "Labour's Agenda", adopted by this year's National Conference, and the proposals are presented here in summary form. At the time these proposals were being formulated, detailed information about costings were examined. Labour's tax package would be implemented on a "neutral cost" basis.)

HEALTH

The crisis in our health service is a crisis of resources. For two years the Labour Party has been warning that people would die if cut-backs continued at their current rate. These warnings have been ignored by Fianna Fail, Fine Gael and the Progressive Democrats, all of whom have acquiesced in the dismantling of our health services and in the creation of a two-tier service where income determines the level of health care available.

It is a major scandal that a country which is among the 25 richest countries in the world forces a child to wait two years for a tonsillectomy, an elderly person four years for a hip replacement operation, and a mentally handicapped adult to wait for ever for adequate and decent residential care.

The essence of the problem is that two years ago we spent £7 out of every £100 of national wealth on health care. By the end of this year we will be spending £6 out of every £100 at most. The net effect is a reduction of £150 million in the community provision for health care, and the consequences have been devastating:

- 24 hospitals closed
- 5,000 health workers got rid of
- 4,000 badly needed beds gone
- The total collapse of services in ENT, orthodontics, speech therapy
- The elimination of almost all non-emergency transport services
- The introduction of penal charges on the poorest sections of the community.

The solutions that have been proposed by other parties are almost entirely bogus. The suggestion that the problem can be solved over night by removing the bulk of administration is particularly false. The sacking of 1,000 administrators, even assuming that they could be dispensed with, would only keep Saint James's Hospital in Dublin (for instance) running for two months.

The new idea that money can be allocated from the national lottery in order to deal with the emergency that has now been belatedly recognised by some other parties is simply unworkable and dishonest. It is not possible to hire medical staff, beds, equipment, wards, and so on for two years in order to deal with waiting lists and then dispense with all these facilities in the hope that the crisis will not immediately begin to re-emerge.

Our community recognises that it has an obligation to provide a health service which is available to all at the time of need. Labour pledges that its first priority shall be to restore health spending by the State to the level of 7.2% of GNP.

The Party is presently developing a detailed set of proposals for the establishment of a unified and comprehensive health service for Ireland. These proposals will involve decisions on how the service should be managed, on how it can be made as efficient as possible and on how value for money can be obtained from the service at all times.

But above all, our health service is a caring service. We regard the right of the people to decent health care of a high standard as an inalienable human right, and we will defend the health service we have with all the resources at our disposal.

EDUCATION

The best education that the community can provide is being denied to our children. But not to all our children. It remains the position in Ireland that those with wealth can aspire to full access to the highest levels of our education system.

Those without wealth have been condemned in the last two years to an education system where crowd control is often the principal function of many teachers. The infamous decision of the present Government to reverse years of progress by deciding to increase pupil/teacher ratios must be reversed and would be reversed under a Labour Government.

The great irony of that decision is that it was never really necessary. The adjustments taking place in our population mean that it is possible to approach the provision of high quality, child-centred education on a planned basis without incurring enormous additional expense.

MAKING GOVERNMENT ACCOUNTABLE

The issue of political favouritism, and of public accountability generally has raised its head with increasing frequency in the last two years. The Labour Party has taken a lead in high-lighting these issues and enforcing the processes of Government to be more accountable.

But it is not enough in a democracy to deal with isolated issues as they arise. If politics and politicians are to be taken seriously by the people, two things must happen. First, Dail Eireann must be seen to be a serious institution whose members are committed to its effective and efficient working; it must be vested with the powers and resources required to enable it properly to perform its constitutional role. Second, political parties must also conform to these standards of openness, integrity and accountability. Otherwise the Dail will be reduced to an insignificant and meaningless debating chamber, with the real power in the State exercised irresponsibly and in secrecy.

We intend to invite all parties to join us in introducing before the Dail a set of proposals designed to secure our objectives of openness, integrity and accountability in politics and in government. Such measures would include:

- A comprehensive Ethics in Government Act, to enforce standards of behaviour for government regarding conflict of interests, official gifts and impartiality;
- A Register of Financial Interests for all members of the Oireachtas, to ensure that the behaviour of every TD and Senator complies with similar standards;
- Legislation requiring full disclosure of financial contributions to the political parties;
- A Freedom of Information Act, which would strip the veil of secrecy from government and its actions;
- Funding at a realistic level for the Oireachtas, its committees and its support staff, including the provision of a parliamentary draughtsman to assist private members in presenting legislation;
- A radical reform of the Standing Orders of both houses of the Oireachtas to allow for real and effective accountability of Government to the Dail. Such reform would include the creation of a Dail Committee to oversee the business of each government Department, with full statutory rights to summon witnesses and examine papers, to consider in detail the legislative proposals of that Department and to vet the nominations made to every public office by that Minister.

CONCLUSION

Labour, more than most Parties, has published detailed policies dealing with a range of areas. We are offering people a very explicit choice in this Election. The choice to be made concerns the kind of society we want to have in this country. Fianna Fail, Fine Gael, and the Progressive Democrats have already made their choice. They are aiming at the development of a society in which individual greed takes precedence over the needs of the community as a whole.

The consequences of this approach can already be seen. The alternative is the development a strong left-wing voice, working for the creation of a society based on principles of justice and equality.

We offer that choice to the people.