

# SOCIALIST VOICE

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## The rotten carcass of the Celtic Tiger

**UNEMPLOYMENT** figures for August show a dramatic increase, which has now reached a ten-year record, according to the Central Statistics Office. The decision by the Government to bring the annual budget forward by two months is a clear signal that the economy is in free fall, managed by a Government in panic, whose only answer to the growing crisis is to attack workers and their families and the services they use and depend on.

The number unemployed reached 235,000 in August, the highest since December 1998. In the last twelve months the figure rose by 73,800, or 6 per cent of the work force, an annual increase of 42 per cent, which is the highest recorded. 7,400 of the newly unemployed are males, which is a reflection of the growing crisis in the building industry. This has resulted in a shortfall in stamp duty of €480 million, a 45 per cent drop on last year, and a shortfall in capital gains tax of €436 million, 39 per cent below target. This fall in receipts means that the shortfall for this year will most probably exceed €5 billion.

In July the Government forecast a drop in tax revenue of €3 billion for the year, while there has also been a greater slowdown in consumer spending than expected. The exchequer returns show that tax revenue at the end of August was €2.8 billion lower than expected. The total tax revenue for the first eight months of the year, at €24.7 billion, was 9½ per cent lower than in the same period last year and 10 per cent below budget projections.

The exchequer deficit has trebled over the last year. All tax revenues were down for the first eight months. The biggest shortfall was in VAT receipts, which were €1.177 billion or 11½ per cent below target and 6 per cent down on last year—a reflection of a significant slowdown in consumer spending.

The Minister for Finance, Brian Lenihan, has now stated that the Government will breach the borrowing guideline of 3 per cent of gross national product under the EU “growth and stability pact.”

Not alone are the seriously underfunded health and educational services going to come under renewed attack but public services across the board will experience substantial cuts.

### The Government has squandered the wealth generated by working people over the last decade

According to a new index, the activity of 39 per cent of services firms declined in August, which is another record. A similar study on manufacturing industry shows that employment has declined in each of the last nine months as firms were hit by higher costs and a drying up in demand for their goods from domestic and export markets.

Data on official redundancies published by the Department of Enterprise, Trade and Employment in August shows that there were 7,148 redundancies in service industries so far this year and 6,588 redundancies in manufacturing and engineering.

Working families now face serious problems on many fronts, including rising fuel and energy costs and increasing interest rates on mortgages and credit card bills, with factory closures being announced almost daily.

People honestly followed the illusion of an unending upward economy and of unsustainable lifestyles peddled by the mass media and encouraged by a charlatan political establishment. Many people borrowed seven times their annual salary (including bonus and overtime payments) to get a home, which is now under severe threat. Our public services, which never recovered from the last onslaught in the 1980s, now face renewed attacks.

The Government has squandered the wealth generated by working people over the last decade. We saw little of the benefits from the sweat of our labour, and the gap between the rich and the poor is far greater now after a decade of the “Celtic Tiger.” Yet we have a labour movement that has swallowed the guff and false promises peddled by all governments and is sleep-walking into more of the same, overseeing another assault on its members’ livelihood and living standards.

The stench from the rotting carcass of the “Celtic Tiger” is now seeping into every home in the country, and working people will be paying for a long time for the clean-up.

“ Capitalism teaches the people the moral conceptions of cannibalism—the strong devouring the weak; its theory of the world of men and women is that of a glorified pig-trough where the biggest swine gets the most swill.—James Connolly, *The Harp*, January 1910. ”

# You weren't told you'd be paying EU tax!

**T**HE Lisbon Treaty contained a provision entitled “the Union’s resources,” under which the European Union could provide itself with the means necessary to attain its objectives and carry through its policies. It could also establish new categories of “own resources.”<sup>1</sup> Though these measures would require unanimity in the Council and would not enter into force until they were “approved by the Member States in accordance with their respective constitutional requirements,” it is clear that they would open the way for an EU-wide tax system that would make the EU budget wholly independent of its member-states.

The main provision of article 269, inserted through amendments by the Lisbon Treaty, reads: “The Union shall provide itself with the means necessary to attain its objectives and carry through its policies. The Council, acting in accordance with a special legislative procedure, shall unanimously and after consulting the European Parliament adopt a decision laying down the provisions relating to the system of own resources of the Union. In this context it may establish new categories of own resources or abolish an existing category. That decision would not enter into force until it is approved by the Member States in accordance with their respective constitutional requirements.”

This article was formulated in the convention<sup>2</sup> that drew up the forerunner to the Lisbon Treaty—the European Constitution. The proceedings suggest that the rationale was that the Union would be “able to rely on autonomous resources in the form of a European tax or participation in national taxes, without this leading to any increase in the tax burden on citizens.” Of course this would reduce the amount available for government expenditure on capital projects, health care, and the numerous other areas with urgent

requirements. That money would go instead to a body that, as revealed by a recent Commission report, lost €6.5 million a day to fraud and irregularities, or a total of €1.4 billion in 2007.

“Own resources” are revenues that finance the European Union’s budget and are due to it as of right, within an annual ceiling fixed as a percentage of the Union’s gross national product. “Own resources” at present fall into four categories: agricultural levies, duties in the common customs tariff, a percentage of the amount resulting from the application of a uniform rate of VAT, and an amount resulting from the application of a rate, to be fixed under the annual budgetary procedure on an assessment basis, representing the sum of the gross national products.

Article 269 would allow the EU Council of Ministers to finance the attainment of the new Union’s very wide objectives by means of “new categories of own resources.” These could include virtually any kind of tax—income tax, sales tax, company tax, property tax, carbon tax—as long as it was unanimously agreed and approved by the member-states in accordance with their various constitutional requirements, which in Ireland’s case would mean majority Dáil approval if the Lisbon Treaty were ratified.

A recent plenary debate in the European Parliament<sup>3</sup> concerned at “securing sufficient EU budget revenue to meet EU political priorities” recalled that the candidate taxes in whole or in part that were taken into consideration for this purpose during the exchanges

with the national parliaments or in the Commission’s reports on the reform of the “own resources” system included the following: VAT, excise duties on motor fuel for transport and other energy taxes, excise duties on tobacco and alcohol, and taxes on corporate profits. Other possible avenues suggested by the European Parliament included taxes on transport or telecommunications services, income tax, withholding tax on interest, eco-tax, and taxes on savings.

There would be an obligation on the Council to agree such tax measures (“The Council *shall* adopt a decision . . .”). Any such agreement would not require a referendum in Ireland: agreement by the Taoiseach at the European Council and subsequent approval by the Dáil, where the Taoiseach would have a guaranteed majority, would be sufficient to validate it in accordance with the Constitution of Ireland if the Lisbon Treaty were implemented.

The Lisbon Treaty would therefore give any future Taoiseach and Government permission to agree to EU taxes of all kinds without having to come back to the Irish people in a referendum—and the taxes under consideration are not just the corporation taxes that received such extensive publicity during the referendum campaign.

1. Treaty on the Functioning of the European Union, article 269.

2. Conv. 602/03.

3. [www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0098+0+DOC+XML+V0/EN](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0098+0+DOC+XML+V0/EN).

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# Demographic changes and wage rates spur migration flows

**E**UROPE'S population is ageing, and falling, with some regions in eastern Europe likely to become almost deserted in coming years. Meanwhile new studies show that the European Union still has wide disparity between men and women's pay as well as in levels of minimum wage.

The population of Europe will drop from 591 million to 542 million by 2050, while the proportion of those over the age of sixty-five will grow from 16 per cent to 28 per cent, according to a report by the Berlin Institute for Population and Development.

European women on average have 1.5 children, compared with 2.5 in Asia and Latin America and 5 in Africa; an average of 2.1 is needed to sustain long-term population figures.

But the average masks wide differences between European countries. Britain, Ireland, France and Scandinavia are in the range 1.8 to 2, while Germany, Spain, Italy and most of eastern Europe are below 1.4.

Based on twenty-four social and economic indicators, including age trends, job prospects, and levels of environmental pollution, the survey found that Scandinavia, Britain, the Netherlands, western Germany, Switzerland, Slovenia, Austria and France face the best future in the form of vibrant, economically successful societies.

Poland, Romania, Bulgaria, the Czech Republic, Slovakia, Hungary, southern Spain, southern Italy and eastern Germany have bleaker prospects, though regions around capital cities, such as Bratislava, Prague, and Budapest, defy the negative eastern European trend.

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## Women in the European Union still earn on average 15.9 per cent less than men

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The sustainability or "attractiveness" map of European regions translates into migration flows, which will see populations drop by 12 to 18 per cent by 2030 in the Baltic states, Ukraine, Belarus and large swathes of rural Bulgaria and Romania, as well as some parts of Poland and east Germany. "Remote areas no longer have any means to stem outward migration, they are simply drained empty," the study says.

The report provides a comparison of Irish and German demographic developments and should alert us to the possibility that we may end up sub-



venting German pensions through EU "own resources" should we allow the Lisbon Treaty to be foisted on us or, alternatively, through a modified EU Pensions Directive.

The widely differing levels of minimum wage available to workers in EU member-states shows another reason why some eastern European economies continue to suffer outward flows. While employees in France, Belgium, the Netherlands and Luxembourg can legally take home no less than €1,279 to €1,570 per month, a Bulgarian worker's bottom line is only €92 per month, while Polish or Czech employees can only count on €247 to €288, according to a survey by the European Foundation for the Improvement of Living and Working Conditions, based in Cabinteely, Co. Dublin. In Ireland the minimum wage at present provides €1,384 per month for a forty-hour week.

Average earnings are generally rising much faster in the east than in the west. Inflation-adjusted pay went up by 18.3 per cent in Latvia last year and by 4.4 per cent in Poland, while real income shrank by 1.1 per cent in France. The average increase throughout the European Union in 2007 was 8.3 per cent, while in Ireland, despite the baying by employers, it was 4.9 per cent—a mere 0.7 per cent ahead of Britain and 3.4 per cent below the EU average.

Meanwhile, the gender gap persists. Women in the European Union still earn on average 15.9 per cent less than

men. Slovenia, where women tend to earn 93.1 per cent of men's wages, is the most egalitarian EU state in this regard, with Ireland, surprisingly, at 91 per cent or fourth-best of the member-states and Italy, Spain, Poland and France also scoring high. Slovakia is the worst place to work for women, with only 73.1 per cent parity, while Germany also scores low, with 78 per cent.

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## Workers must not rely on the European Union to give them rights, as the ICTU and others would advocate

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So, the gap continues to exist; but despite the obvious contradiction, the ICTU and some unions urged us to support the Lisbon Treaty because measures taken by the European Union had closed the gap! If this was true, surely founder-members, such as Germany, would have achieved a situation of parity?

However, even the gender-conscious Netherlands maintains a full 20 per cent gap, leading one to the only conclusion: that workers must not rely on the European Union to give them rights, as the ICTU and others would advocate.

■ The full report can be seen at [www.eurofound.europa.eu/press/releases/2008/080821.htm](http://www.eurofound.europa.eu/press/releases/2008/080821.htm).

# Discrimination and the health service

**O**VER the years Ireland has introduced anti-discrimination legislation, and Irish people generally feel that they do not discriminate against other people or groups in society. Discrimination on racial grounds or against immigrants has been documented and publicised, and active schemes have been implemented to eliminate it, which is only what should be expected.

However, when it comes to discrimination on grounds of poverty, somehow it doesn't appear to most people that this is also discrimination against a section of society that is just as terrible and damaging and may be an issue of life or death, either in the short run or the long run.

Holders of medical cards are discriminated against by doctors, dentists and hospital administrators and by the apathy of a society that says, "I'll look after myself," and allows such discrimination to continue.

When a doctor or consultant distinguishes between what can be offered to the holder of a medical card and someone who has the ability to pay, that is discrimination. Everyone knows from a relative or friend, or perhaps from their own experience, of instances when a choice was offered of having an appointment or an X-ray sooner if they wanted to go the private route.

To stop a general outcry against this, in the last few years we have had the transferring of medical-card patients and other public patients to private clinics and hospitals after a certain amount of time waiting on a public waiting-list.

But that is just the point: why should they have to wait an excessive

amount of time before being placed on another list?

And waiting-lists are deceptive measures of the time left waiting, as they are often closed for months before reopening for new applicants, who consequently do not appear on the published reports until they appear on a list.

The dispute between dentists and the Health Service Executive is a shocking example of discriminatory practices by the dental profession. Dentists have been in dispute with the Department of Health for years over the fees to be paid for doing work for holders of medical cards. They say they are not being paid enough: the Government—whose real aim is to privatise all medicine, in keeping with EU policy—offers a fee that is not adequate, according to the dentists, who in fact charge excessively, as is evidenced by the number of people going abroad for dental treatment.

This problem could be solved by having a public dental system with dentists in clinics paid by the state, enough to satisfy the whole population and not the pathetic skeleton clinic system now in operation.

When a spokesperson for the HSE was asked why they could not reach

agreement with the dentists they said they could not negotiate with a cartel, which they consider the Irish Dental Association to be, as this is forbidden by the Competition Act (2002). This act was introduced on the instructions of the European Union, which wants to do away with all public services.

So where does this leave the medical-card patient? A phone call to practically any dentist's surgery will get the response that they are not taking on any new medical-card holders at the moment; but this has been going on for so long that in effect they are hardly covering medical-card patients at all.

This is particularly so in urban areas, whereas in smaller towns and rural areas they need the mix of patients to fill their surgeries. But if there is pressure, it is no secret who is not taken on as a patient.

Even worse, what is offered to medical-card patients is by no means what a private patient is offered, and this is not merely with regard to cosmetic treatment. Very limited options are offered: extraction rather than root canal work; dentures instead of preserving teeth that would require bridging work, or just ignoring work that could be done to preserve the teeth; a cursory cleaning by the dentist rather than a thorough cleaning by the dental hygienist.

In one recent case an appointment was made for a general cleaning, as advised by a consultant in the Dublin Dental Hospital. The patient, on ringing their local dentist, was asked whether they wanted the dentist or the dental hygienist. Having a medical card, the patient thought it would be more appropriate to ask for the dental hygienist, as they imagined the dentist to be a very busy person. When they arrived for the appointment they were told it would cost €74, and that they should not have asked for the dental hygienist, as this is not covered by the medical card. On enquiring why one was covered and the other not, they were told that the hygienist option was more extensive and time-consuming than the general cleaning done by the dentist.



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This is not a trivial matter, as dental hygiene is vital to preventing tooth decay and may even prevent stomach and heart problems in the future.

Prescription drugs are another area of discrimination. Certain drugs offered to private patients are not available at all to medical-card patients, and may not be allowed to them even if a doctor prescribes them. These are drugs not covered by the drugs repayment scheme, or that were once allowed and have been removed. Drugs are being removed from this list at an alarming rate, according to information obtained from several pharmacists.

To a person who has money to spare, some of these may not appear to be significant, or even very expensive; but to a person living on an unemployment or disability pension and earning so little that they qualify for a medical card, such "small" sums might mean that food has to be cut, or other essential services, or even that the person does not buy the drug at all but may be ashamed to admit it, possibly leading to misdiagnosis and anxiety for

the patient.

And when they do get a prescription from some hospitals and consultants they can't just go to the pharmacist like everyone else: they have to take the prescription to their own GP and have the prescription copied onto a special form (a procedure that is a nuisance for the doctor as well as for the patient). This means coming from a hospital, often late in the evening, having to go to the GP's office, which is perhaps closed, dropping it in, and having to enquire the next day; they then have to come back again to collect the new prescription and bring it to the pharmacy. Such a person may be quite ill, and considerable time and probably walking is involved.

The pharmacist may inform the patient that they can have a seven-day emergency supply of their medicine on the strength of the original prescription, as if that solves the problem of all that calling, walking, and needless time spent.

This procedure has nothing to do with efficiency but has everything to do

with making a distinction between private and public patients.

In England recently the National Health Service removed a drug for the treatment of kidney cancer from the list of treatments available to public patients. The leading oncologists in the country wrote a public letter of protest at this disgraceful decision, but the reply was that the drug was too expensive, and that the administrators had to look at the cost of the health service as a whole, even though it meant certain death for these people.

This raises the ethical question of the cost to society of prolonging life, as well as enhancing the general health of a country's population. Who is entitled to what? Of course there are limits to expenditure on health in any country's budget. Health care is expensive—this is the mantra of all governments pursuing a policy of privatisation. But where non-profit medicine and equality of treatment are the policy, people will accept what is possible as genuine and fair to all.

As long as we have a two-tier system, the medical-card patient is in real danger, as they are at the bottom of the pile, and they may not be in a position to borrow or to sell anything to pay for treatment, as many people are now doing.

How we treat our medical-card patients is a true measure of equality as well as of the quality of our health system. When we look back to previous centuries, or at poorer countries today, and see the appalling conditions that the working class and peasants had to endure, or are enduring now, we say, "How shocking!—but that was then, or that is there." Well, here in our country today we allow medical-card patients to be discriminated against in a society that is increasingly individualistic and indifferent.

**It is time for everyone, especially trade unionists, to make their voice heard and to move faster and more decisively on this issue to save thousands of people from discrimination.**

[DUB]

## Trade unions

# Labour Court sides with union

**I**N a recent decision on a recognition case taken by the IBOA against Electronic Data Services, the Labour Court recommended that EDS recognise the union and begin a pay review for employees.

The IBOA brought up in the court the fact that some employees, while meeting all their criteria and being considered "valued contributors" in their performance review, had still not received any pay increases in the

previous eighteen months. At the time of writing, the IBOA was still awaiting a formal response from EDS.

This is a positive development, taking into consideration the recent Ryanair case in which an employee

committee with no independence or industrial leverage was recognised by the Labour Court as the representative staff body while the union was refused a recognition recommendation.

It is vital, however, that recognition

procedures be strengthened within a legislative framework and that companies cannot just walk away from Labour Court recommendations.

The general secretary of the IBOA, Larry Broderick, said of the decision: "We welcome the Labour Court's recommendation, which supports the development of a positive industrial relations environment in which the right of workers to trade union representation is fully recognised by employers."

EDS—the brainchild of the notorious right-winger Ross Perot—is a

product, supporter and beneficiary of the "outsourcing" era of corporate capitalism and neo-liberalism. With early connections to the state government of Texas, EDS has been closely tied to politics and has received many government and military contracts over the years. With the increasing privatisation of the state and its functionaries by friends of Perot, EDS has grown into a highly profitable corporation.

EDS is now involved in a multi-billion takeover by the anti-union company Hewlett-Packard. For employees this will mean "restructuring" and

"rationalising services"—buzzwords for possible cost-saving and redundancies. In this context the Labour Court recommendation must be welcomed as a breakthrough for EDS workers.

With the IBOA already recognised for some 250 employees on the Bank of Ireland contract in HP, this will surely strengthen all concerned in the future company of HP and EDS.

**Workers are beginning again to see the need to be organised and active in a union if they wish to secure decent terms and conditions.**

[GM]

## International

### White House targets Russia in gunboat diplomacy

**I**N the early hours of 7 August the Georgian army launched a massive invasion of South Ossetia, which had existed as a separate entity for seventeen years. In doing so it not only broke a ceasefire but pre-empted Ossetian-Georgian talks that were scheduled for later that day.

Within twenty-four hours the Georgians had killed more than two thousand people and ethnically cleansed many Ossetian villages. The Ossetian capital, Tskhinval, was bombed by artillery and then invaded. This whole episode was the biggest incident of bloodshed in Europe for many years but was grossly under-reported by the Western media.

Only when Russia reacted to this situation on its border by intervening and expelling the Georgians from South Ossetia did the media in the West wake up from their silly season. In the weeks that followed, Irish newspapers, radio and television, with a few honourable exceptions, gave the distinct impression that the brief war had been started by Russia, and much of the coverage was coloured by a caricature view of Russians that would not have been out of place in *Punch*, if not the *Skibereen Eagle*.

President Mikheil Saakashvili of Georgia is not the paragon of democracy the Western media depicts. Since he came to office he has used state power to suppress any and every opposition to his rule. He has cultivated a nasty chauvinism, which has been directed against the two enclaves of Abkhazia and South Ossetia. This chauvinism increased in intensity over the last few months as demonstrations against his rule became an almost daily occurrence. Indeed the attack on South Ossetia did not have anything like universal approval in Georgia, and

there was much public opposition to it even at the time of the Russian incursions. Again, there was little to read or hear of this in the Western media.

None of this should be read as implying that Russia is acting out of any sense of internationalism in going to the assistance of the Ossetians. No doubt some of the current regime in Moscow harbour Tsarist-style dreams of hegemony over bordering countries. But the fact is that any Russian government has to look to its security when faced with the NATO campaign to encircle it with hostile states and nuclear missiles. For years now the United States has been training the Georgian army and overseeing its adaptation to NATO military dogma, organisation, and equipment. This, along with the new US bases in Poland and interference in the internal politics of Ukraine, is nothing short of provocation.

An interesting aspect of the conflict is that it has exposed a contradiction between the US State Department and



the White House. The former is less enthusiastic about supporting Saakashvili than President Bush, partly because of how a wider war might affect the US election, partly because it regards the Georgian leader as a bit of a mad president (a subject with which they have some familiarity)—one who launches military adventures without waiting for advice from the US State Department—but mainly because they are tied up in Iraq and beaten up in Afghanistan. The White House, on the other hand, is concentrating its mind on the fact that two major oil pipelines and a gas line flow through Georgia.

A similar breach has occurred within NATO. Some member-states have had second thoughts about taking Georgia into the organisation, because, according to NATO doctrine, an attack on one member-state is considered an attack on all of them, and war with Russia does not appeal to them.

On the other hand, many of the EU militarists see the crisis in the Caucasus as an opportunity to expand its



war-making infrastructure. Nicolas Sarkozy was fast out of the blocks, saying, "The crisis in Georgia has shown for the first time that Europe [sic] can, if she wants to, be on the front line." David Miliband called for "the widest possible coalition against Russian aggression."

And indeed the minister of state at the Department of Foreign Affairs, Peter Power, announced to the world that he was prepared to send Irish troops to defend Georgia. The ghost of John Redmond is alive and well!

The Western media on the whole continue to admonish Russia for interfering in the territorial integrity of Georgia. These same people cheered on

the violent breaking up of Yugoslavia. The *Irish Times* dogmatizes: "Recognising South Ossetia and Abkhazia as independent states . . . breaks fundamental norms of co-operation and negotiation." It would appear that it is all right to recognise the independence of Montenegro overnight, but Ossetians must wait, because their aspirations do not fit in with US-NATO plans for controlling the region. And the *Irish Times* had no qualms about the European Union installing the local mafia in power in Kosovo.

President Bush seems to be going out of his way to cause provocation. He sent US helicopters with marines to Tbilisi airport with "humanitarian aid."

What this aid consists of is a mystery—not food, because Georgians are among the best-fed people in the far east of Europe, and not medical staff, as Georgia has an abundance of doctors—a legacy from the Soviet Union. He then sent a fully armed naval vessel to the port of Batumi, "carrying aid for war victims." It so happens that Batumi is the terminal for the Baku-Supsa oil pipeline.

This kind of sabre-rattling aggravates the situation. A shooting war between the United States and Russia would be a world disaster. And throwing shapes can develop "accidentally" into a fatal fight.

[CDF]

## Latin America: News in brief

### El Salvador

AS El Salvador gears up for a presidential election in March 2009, the left-wing candidate is favoured by opinion polls to take the presidency from the fascist ARENA party. ARENA has held the presidency since 1989, when the civil war ended. Elections in El Salvador have always been close, and next year's will be no different.

This month, Mauricio Funes, the candidate of the Farabundo Martí National Liberation Front (FMLN), vowed that they will tackle the corruption that has become rampant under ARENA, create jobs, and give preferential treatment to the poor. He has also pledged to restore relations with Cuba. The FMLN have also stated their intention of joining the trading bloc established by Venezuela and Cuba, as well as withdrawing Salvadoran troops from Iraq.

It is becoming clear that the Salvadoran people are not happy with the ARENA fascists' relentless implementation of privatisation and neo-liberal policies. ARENA are responsible for privatising the banks, electricity, the pension system, and telecom industry, but their recent attempt to privatise health has been hugely unpopular with the people.

As the elections approach, ARENA are stepping up their state terror. They already assassinated an FMLN mayor, Wilber Moses Funes, in January, and an anti-water-privatisation activist, Hector Antonio Ventura, in May. As ARENA's party song preaches, they want El Salvador to be a tomb "where the Reds will die."

The great fear for FMLN is that ARENA will increase this state terror and use electoral fraud to maintain their grip on power. Election observers

will be needed to make sure the oppressed people of El Salvador are not denied their chance to escape from the sphere of US imperialism and ARENA fascism.

### Peru



INDIGENOUS communities in Peru have declared themselves to be in a state of "permanent mobilisation." The protests have stemmed from the horrendous policies of the US lapdog and puppet president Alan García. García recently introduced thirty-eight decrees that were required under Peru's Free Trade Agreement with the United States. These will have a devastating effect in indigenous areas in Peru. They threaten indigenous land rights and are bringing about the privatisation of communal lands.

The demonstrations have so far shut down an oil pipeline belonging to the state-owned Petroperú in Loveta province, occupied the El Muyo hydroelectric station in Bagua province, and blocked highways. In southern Peru, protesters took over buildings belonging to Petroplus, a transnational mining company.

The García government is sending in extra police in what indigenous people claim is an attempt to crush political

dissent and opposition. The indigenous people and workers alike have lost all faith in García's pro-US free-market economics. The indigenous people—45 per cent of the population—are looking towards Bolivia and its first indigenous president, Evo Morales, for inspiration. While there are no elections until 2011, indigenous Peruvians are planning for a campaign to deliver social justice.

### Colombia

LUIS Mayusa Prada, a 46-year-old trade unionist, was assassinated in the town of Saravuna on the morning of 8 August. It is generally believed that this murder was carried out by the Colombian military. The Mayusa family have suffered frequently at the hands of Colombian state persecution.

### Guatemala



"WE don't want any more war, more death. We will contribute for the good of the country, because we all get hungry. We are all sick and needy; there is a lot of inequality. The great wealth that we have in Guatemala is the indigenous people." These are the words of a Mayan elder, Don Alejandro Cirilo Pérez Oxlaj, who this month was appointed Mayan Ambassador to Guatemala Indigenous people by President Álvaro Colóm. This is a very important appointment, as it comes at



a time of increasing conflict between Guatemala's indigenous Maya and the government and transnational corporations.

Pressure is mounting on Colóm from the country's 60 per cent Maya population to stop his support for the transnationals that are exploiting their land. Throughout Guatemala resistance is growing against the rape of indigenous areas. On 7 August the small farmers' organisation, CONIC, organised a march in Guatemala City to demand that financial assistance promised to 32,000 indigenous small farmers be paid. They were also calling for a halt to mining exploitation and land evictions.

In San Miguel Iztahuacan, fifty-nine mayors of indigenous villages have come together to oppose Mantana Exploring, a Canadian mining company operating in the area. The Guatemalan military have increased their presence in the area in support of the foreign company.

In June, farmers attempted to reclaim land they have been losing because of the expansion of biofuel production, which is leading to deforestation. They were shot at by military helicopters. On 1 July forty-three indigenous villagers were arrested by the army for protesting against Cementos Progreso, a large cement

company. Martial law has now been declared, the men are still being held, and their lawyers are being routinely harassed.

Indigenous leaders are calling for Colóm to engage in talks with the protesters and communities, rather than using military brutality. On receiving a reward in May from Colóm for his environmental work, Pérez Oxlej said: "As an elder of the Mayan people, I ask that you listen to the clamour of our people. We are not rich, but we have dignity. We have said many times we don't want mining, and we are tired of you not listening to us."

[JM]

## Books

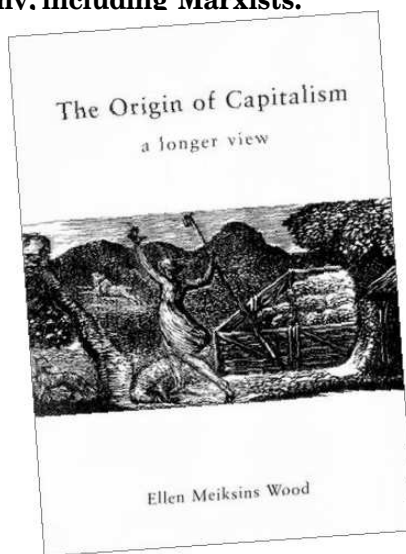
### The origins of capitalism

Ellen Meiksins Wood, *The Origin of Capitalism: A Longer View* (London: Verso, 2002; ISBN 978-1-85984-680-3, £40; paperback, 978-1-85984-392-5, £13)

**ALTHOUGH** this book has been in print for some time now, it is only recently that this reviewer has had the opportunity to read it. It is an important book that forcefully argues that the genesis, origins and, by implication, fundamental laws of capitalism have been considerably misunderstood by many, including Marxists.

The beginning of capitalism is located in agricultural production in southern England in the sixteenth and seventeenth centuries through a detailed analysis focusing on the variable rents for land following enclosure. Critically, these responded to market pressures, creating the composition of tenant-wage-labourer. Consequently, the sub-conditions of industrial capitalism were produced: propertyless wage labour, a considerable non-agricultural work force fed by domestic agricultural production, and a domestic market for consumer goods.

The productive faculties and vitality of capitalism as a consequence resulted in the displacement of pre-capitalist forms of activity. Even where indepen-



that this renders irrelevant the bourgeois revolution as the site of the origin of capitalism.

There are aspects of this thesis that contradict many Marxist and non-Marxist accounts, which the author argues are characterised principally by (a) an inevitableness and a presupposition that feudalism contained within it the seeds of capitalism without critical disjunctures save bourgeois revolutions and with only barriers to capitalism's emergence requiring explanation, and (b) the conflation of capitalism with markets, commerce, and exchange.

Despite the great merits of this book, it has one or two shortcomings. Crucially, because the argument is sweeping on such a substantial issue, to become more convincing it requires a greater use of evidence through making use of the work of other writers. There is little in the way of evidence to substantiate the micro-level social processes by which agrarian capitalism triumphed in England and blossomed into critical mass. Equally, the contemporary or historical implication of her thesis on capitalism is not discussed.

Nevertheless, in spite of these relatively minor weaknesses this is a strong book and will have much of interest for those with an interest in social theory and economic history.

[NC]

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dent means of production remained, they became reliant on the market and were overwhelmed by the organising principle of capitalism. In the explanation, the dynamics and processes of societies such as France, Spain, Ireland and Holland are adroitly woven into the text as comparators.

The author identifies the moment, processes and specificity of the creation of the new social system. She identifies what is particular to capitalism and what is common to other social systems, such as markets. She also locates capitalist transformation in the period preceding industrialisation, arguing that industrialisation was not possible without the establishment of agrarian capitalism. She further claims

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