

Socialist Voice

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Wiki Commons



'Monarchy would not have continued so many ages in the world had it not been for the abuses it protects. It is the master fraud, which shelters all others.'
Thomas Paine
Rights of Man (1791).

The right to change

THE RIGHT2WATER struggle, which began in the communities and has now developed into a powerful national force, has pushed the government back, and still retains the potential to defeat water charges and secure a constitutional amendment guaranteeing the public ownership of water. This demand must remain our primary focus, and it can be won, regardless of electoral outcomes.

Right2Water has helped rebuild the confidence of workers. It has shown that together we have the power to bring change in favour of our class. It can only be a positive development and in the long run will bear fruit for both community and industrial struggles. It has begun to break down barriers and the isolation of

struggles that are the shared responsibility of us all.

Working people and their trade unions need a victory, a victory that will embolden them to go further and demand a better life. The struggle for water is best placed at the present time to bring about that victory.

One of the central features of political life today is opportunism: activities engaged in for selfish party-political or sectional gain. This has bedevilled our struggles and has contributed to the demoralising and marginalising of workers, causing them to spurn political action over the decades, which has become a more acute problem in recent years.

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Socialist Voice
43 East Essex Street
Dublin D02 XH96
(01) 6708707

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While we fully support the value and the thrust of Right2Change, we feel it needs to go further. The challenges facing our people require a much more radical response in such areas as the debt, the EU, and the euro: an alternative economic, social and political strategy, a radical transformative strategy, centred on a mobilised, politically conscious and organised workers' movement; a radical strategy that must have at its core the organised labour movement.

Our view is that we need a twin-track strategy—not only an electoral strategy but, most importantly, one that continues to mobilise and politicise the working class, both in the community and in the unions.

It is essential to maintain the original campaign against the installation of water meters and the commodification and privatisation of water until we are victorious in defeating this or any other government's plans. The only way to be sure of this is to amend the Constitution of Ireland and have the people's ownership of water enshrined in it.

The three "pillars" of the movement—the communities, the unions, and the political groups—need to work more closely and make use of their strengths to be of maximum benefit to the movement. Each pillar should complement the others rather than being antagonistic to each other.

Solidarity, unity and discipline are needed if we are to build and develop a movement of resistance and change. All groups within each pillar should be open to criticism in a comradely fashion and should be critical of events and tactics that affect the movement as a whole. Individuals, groups, unions or parties that, for opportunist reasons, damage or undermine the movement should be held accountable.

The trade union pillar has done most of the financing up to now. A central fund needs to be set up to raise the essential funds for helping with the expense of co-ordinating a national progressive movement, not leaving it to just one pillar. Some will have greater ability to contribute than others, but all should contribute. All fund-raising and funds should remain public and accountable.

There is a great need for an expanded scheme of schools and workshops in the communities, which could cover such topics as politics, economics, trade union work, PR expertise etc. from a working-class

standpoint. All resources and expertise should be offered to help implement this fundamental aspect of the movement.

United action and mobilisations can be expensive and difficult to co-ordinate, so there should be a limit to the number of demonstrations staged each year, based on the level of development of the movement; and they should not be the main focus of the movement but should be used as a solidifying tactic.

No formal structures need be adopted, as with such an ad hoc group it would be premature and at this stage would do more harm than good. There may be grounds, however, for forming a more structural basis for the three pillar groups to meet and co-ordinate national plans. The contributions of all groups, unions and parties that agree to the policy document should be recorded and made accessible.

An equality of footing needs to be further established between the three pillars as the movement grows. The domination of one pillar over the others will inevitably lead to tension and division, whereas the integration of the three pillars can be beneficial to all.

We need the people of Ireland to endorse the movement. Without having the backing of the mainstream media, we have to create and be creative in how we distribute our message of equality, democracy and social justice to reach the widest range of people throughout the country.

The change we seek will be realised only by a mobilised and confident working people with a principled leadership, rooted in the popular struggle. Only in that way can we claim the legacy bequeathed to us by the heroes of our movement, such as James Connolly, Jim Larkin, Winifred Carney, and Rosie Hackett.

The CPI will continue to support the Right2Water and Right2Change initiative and to encourage others to do so. The Irish working class has waited too long to come into its own. We have always been forced to wait in line to take what is given as charity rather than demanding as a right what we, our children and our grandchildren need for a decent and dignified life.

We have all seen our people grow in enthusiasm and political understanding in the course of this great struggle. It shows what is possible when our movement has a clear understanding of itself and has its own goals and demands. Only such an understanding has the potential to bring real change; it is the only guarantor of real change.

Multi-headed dogs of the dead!

BIG BUSINESS

Nicola Lawlor

WE HAVE heard a lot about Cerberus in recent times in relation to NAMA and IBRC and the purchase of "distressed assets" and housing and commercial developments, particular to do with Project Eagle in the North of Ireland.

Cerberus describes itself as a private investment firm that has "excelled at distressed investing since our inception and have built a highly regarded reputation for our focus on deep value." It manages about \$25 billion in assets and yet employs only about 150 people. This is the type of "investor" the Irish government tries to court, protect, and promote.

One of the reasons that Cerberus is such a big player is its political weight. A former vice-president of the United States, Dan Quayle, is chairman of Cerberus Global Investments; he was vice-president with George Bush senior in the late 1980s and early 90s. And a former secretary of the US Treasury, John Snow, is the firm's chairman.

The Cerberus we knew before recent revelations was a figure in Greek myth, a multi-headed dog that guarded the underworld, Hades. Cerberus was a hellish creature, with several heads, sometimes depicted with a serpent's tails and sometimes with a venomous tongue. These clever private investors must have been trying to tell us something when they chose their name.

Cerberus has about ten companies in Ireland, which have bought more than €19 billion worth of loans in Europe, the bulk of which have been in Ireland, from Ulster Bank, IBRC, and NAMA. Only in October the chairman of NAMA, Frank Daly, announced that Cerberus was the preferred bidder for €6¼ billion worth of small non-performing loans known as Project Arrow.

Almost half these small loans are residential. It is not clear yet whether these are rental or owner-occupied homes; but we do know that Cerberus are and will be vicious in their treatment of residents if it means adding value to their acquisition. In the middle of a housing and homelessness crisis, to allow the world's largest property company, NAMA, to continue to sell homes is shocking.

Mick Wallace TD is right to call this a scandal, and right to point the finger directly at the Taoiseach, who is ultimately responsible for NAMA.

Vulture funds are private equity funds or securities funds that specialise in buying what are known as "distressed assets" cheaply when a market is depressed and sucking as much profits out of them as they can. Sometimes they sell them, sometimes they strip them, sometimes they withhold them from the market to allow inflation to provide them with their return; but rest assured that the decision they make will be based purely on maximising their return.

While Cerberus may be a hell dog, it also fits the bill of a vulture fund.



Monopoly capitalism and the Irish economy

CAPITALISM

Nicola Lawlor

INTRODUCTORY ORTHODOX economics is dominated by the concept of what is called “perfect competition.”

This is based on four assumptions. (1) The industry or sector has a large number of small firms that cannot affect the price of the goods if they increase or decrease production. (2) All firms produce the exact same product. (3) It is easy to enter or leave

the industry. (4) There is full knowledge of the prices and profits of all firms. The reality is different.

The modern economy is dominated by large firms—monopolies and near-monopolies; and they set the prices for their products.

All goods in a modern economy are different in the eyes of the consumer, because of advertising and promotion.

In nearly all industries nowadays there are barriers to entry, so it is difficult for new firms to enter.

In some instances it is difficult to

find out the price being charged: for example the tariffs of gas and electricity companies are so complicated that there are even comparison sites on the internet. The same applies to insurance and to mobile phones. And supermarkets change some of their prices by the day.

Most students study economics for one year and come away with the idea that the consumer has some say in the economy. We get consumers being urged to “shop around,” even though under a monopoly there is only one firm, and with oligopoly (a small number of firms dominating a sector) firms do not compete on price: they either collude (setting an agreed profit-maximising price) or follow the price set by the leading firm. Computers have made the setting of price to maximise profits easier. Firms (shareholders, through the profits they make) are the main beneficiaries of the economic system.

Students are taught that price is determined by supply and demand. But only demand exists while price is set by the monopolists and the firms in oligopoly to maximise profit. So supply is not relevant.

“Perfect competition” is *Alice in Wonderland* economics, used to hide the real structure of the economy. It is merely pro-capitalism ideology.

Mega-mergers and monopoly capitalism

Nicola Lawlor

A DEFINITION of a “mega-merger” is “the joining of two large corporations, typically involving billions of dollars in value.” The mega-merger creates one corporation that may maintain control over a large proportion of the market within its industry.

Mega-mergers occur through the acquisition, merger, consolidation or combination of two existing corporations. They differ from traditional mergers because of their scale.

Socialist Voice has on many occasions commented on mergers and the increased monopolisation within finance, pharmaceuticals and the technology sector and has in general drawn attention to the defining feature of monopoly within the system. Concentration, centralisation, stagnation and crisis all drive the ever-increasing monopolisation of production and also

the “wasted” capital investment, such as sales and advertising.

In October we saw two significant mega-mergers, the first being Dell and EMC and the second being AB Inbev (Budweiser) and SAB Miller (Miller).

The money amounts are staggering. Dell is to purchase EMC for €67 billion, making it the largest purchase or merger ever in the technology sector. Dell is the world’s third-largest computer manufacturer; EMC is a data storage and software giant, the biggest company in the external storage market, with a market share of about 30 per cent. Both are American transnational corporations. Together they employ about five thousand workers in Ireland. This merger will make the giant the biggest privately owned technology company in the world.

In the food and drinks industry, Budweiser and Miller are already the biggest brewers in the world, and so this will make them significantly bigger

than any rivals. The \$68 billion deal will create a company with an annual turnover of close to \$250 billion, which will profit from the sale of three out of every ten beers sold globally.

Both these deals make a mockery of the claims of “experts” and politicians about the “competitive” capitalist system and how competition provides quality products at reduced prices for customers. They shatter conventional economic models that rely on assumptions of competition and the free market.

The ever-increasing monopolisation of goods and services allows transnational companies to profit from cheap labour all over the world while determining their desired price. It also facilitates the waste of billions in pointless advertising and market research.

More of these deals will no doubt be on the way as profitable investment opportunities shrink and capital continues to concentrate in fewer and fewer corporations.





Vulture capitalism at work

Alan Hanlon

EARLIER THIS year, on 12 June 2015, Clery's department store was closed down and the locks changed, with the loss of 130 jobs and about 300 operators of franchises.

Clery's was an iconic store, known throughout the country, the main shop in the main street of the capital city. Its sudden closure came as a shock to the political establishment, who had been trumpeting a message about "recovery."

Natrium had bought Clery's at 2:30 a.m. on the 12th of June. It then sold the operating company, OCS Operations, to Jim Brydie, a British insolvency specialist, who then petitioned the High Court to appoint KPMG as liquidator to OCS Operations. The shop was closed by 6 p.m.

The workers at Clery's, some with up to forty years' service, helped create the store's reputation. But the likelihood of the workers getting anything from the liquidation is nil. In fact it is more than likely that the state will have to pick up the tab for the statutory redundancy.

The major attraction for the predators, however, was probably the

floor space and extracting profit. Gordon Brothers originally bought the store in 2012, when it had €20 million in bank debt. They got a write-down on the debt to €12 million. They then restructured the company into Propco (the property-owning company) and Opco (the operating company), controlled by an investment company. When Natrium bought the store Gordon Brothers are reckoned to have made a profit of about €6½ million before costs. By separating the Opco end of the store and selling this on, Natrium hoped to crystallise the losses in the entity while at the same time retaining the actual asset (the store itself and all that goes with it).

One franchise-holder, LS Catering Ltd, believes the whole process is flawed and has taken legal action against parties involved in the sale and liquidation. The company is seeking to have all assets brought back into the pot so that creditors will have a possibility of getting something. The workers who created the value get nothing.

Another example of vulture capitalism at work is that of Waterford Glass. Its demise is blamed on Tony O'Reilly, the prince of Irish business. A biography of O'Reilly was written by Ivan Fallon when O'Reilly was heading towards the pinnacle of his career;

there was a television programme on RTE this year; and more recently another biography, by the journalist Matt Cooper, charts O'Reilly's rise and fall. Waterford Glass figures prominently in the "fall" bit.

According to the Great Men of History theory, O'Reilly and his brother-in-law Peter Goulandris put an estimated €400 million into Waterford Glass, and this broke him. If only life was so simple!

It should come as a relief to bourgeois journalists that in early May this year KPS sold Waterford Wedgwood Royal Doulton to Fiskars, one of Finland's oldest companies, for 410 million. KPS had bought it for 107.5 million in 2009 and also took a dividend for €50 million; profit: 350 million.

Where was our hero? What happened to the Midas touch? KPS Capital Partners basically buys failing industrial firms, turns them around, and sells them on. Its purpose is to make profit; it has no interest in employees.

KPS bought Waterford Glass from the liquidators in 2009. Shareholders, banks and bondholders had lost an estimated €1 billion (the losses can be used against future profits and so have a value). KPS restructured the business, and sold the Waterford site. At one time Waterford Glass was largely a wedding-gift brand; this has now been broadened into a gift at any time. By 2013 sales had grown to €394 million, and it was making €50 million a year.

Once Waterford Glass was put into liquidation this gave any vultures the opportunity to move in and extract value. The liquidated company no longer has liabilities, such as pension payments, and bank debt can be written down.

KPS recognised when they bought the company that they were getting a global brand. The accumulated surplus value of the workers in Waterford Glass, Wedgwood and Royal Doulton was incorporated in those brands. The vultures were able to buy that value at a knock-down price and eventually, by restructuring, turn the company to profit, sell it, and extract the value in the brand. The deferred pay that should have been in the pension fund was written off and socialised as a debt on the state after a protracted legal battle by the workers' union, Unite. Only now will those workers who are still alive get their pensions, while millions have been extracted by the vultures.



US unemployment: bogus and real

Bernard Murphy

THE US economy is the model of what neo-liberal pundits in Ireland and elsewhere believe a progressive modern economy should be.

Hence, the international corporate media circus has been trumpeting the glad tidings: the American end-of-summer unemployment figures are down to 5 per cent, from 6 per cent this time last year.

The message for all of us: neo-liberal capitalism creates jobs and so benefits the bulk of the population of the United States. By extension, it shows how our economy can ascend from the doldrums and our youth can have access again to the prospect of having decent jobs.

Forget about the calibre of this employment, and the fact that an inordinate number of those in employment subsist below the poverty line. Or that they may need to simultaneously hold two or three jobs just to survive. Just concentrate on that magical 5 per cent unemployment figure!

How real is it? A brief look at how wool is pulled over the eyes of the unwary shows us that the said employment figure is completely bogus—that the real figure is more than four times that. So how was the 5 per cent arrived at?

The US Bureau of Labour Statistics has six official unemployment criteria:

U1: The proportion of the active population that has been unemployed for fifteen weeks or more. Last August this stood at 2¼ per cent (down from 3 per cent in 2014).

U2: The proportion of the active population that has lost its employment or had finished its temporary employment in August 2015: 2.6 per cent (3.1 per cent in August 2014).

U3: The proportion of the active population without work that actively sought employment in the previous

four weeks. (This is the only official criterion normally used.) In August 2015 this figure stood at 5.1 per cent (6.1 per cent in August 2014).

U4: Add to U3 the “demoralised workers”—those who stopped searching for work in the previous twelve months because economic conditions make them believe that such a search would be futile. Last August this figure stood at 5½ per cent (6½ per cent in August 2014).

U5: Add to U4 those persons linked only marginally to the labour market who are neither working at present nor searching for work but claim they would like to work, are available for work, and have looked for work some time over the previous twelve months. Last August this figure stood at 6.2 per cent (7.4 per cent in August 2014).

U6: Add to U5 those workers in temporary employment who wish to be fully employed but cannot be because of the prevailing economic circumstances. Last August this figure stood at 10.3 per cent (12 per cent in August 2014).

All this data must be taken into account, therefore, rather than the U3 criterion alone, if we are to know what proportion of the American population is unemployed. Doing this we see that the unemployment figure in the United States is more than four times what is

proclaimed. How did this obvious fudge come to be?

The U6 criterion was modified in 1994 by the Clinton regime to put a more favourable spin on the unemployment data. Until that time it included not only “demoralised workers” who had stopped searching for work in the previous twelve months but also those who had looked for work at any time earlier than the previous year.

In his web page Shadow Government Statistics (www.shadowstats.com) the investigative economist John Williams calculates the U6 criterion as it is without this Clinton massage, which is to say much more realistically. Thus he demonstrates clearly that the real rate of unemployment in the United States in August 2015 was a whopping 23 per cent—nearly a quarter of the country’s work force.

In the graph we can see the evolution of American unemployment from 1995 to the present as reflected in the official U3 rate and in the U6 rate, both before and after the Clinton massage. So that bogus unemployment figures designed to hide the extent of the deepening unemployment crisis, as reflected in the Shadowstats graph, are worthless, being based on patently distorted data.



▲ Ohio workers remind Speaker Boehner to renew unemployment insurance
AFL CIO picture

The real structure of the Irish economy

Kieran Crilly analyses different branches of the Irish economy according to the dominance of one firm or a small number of firms.

Supermarkets This sector is dominated by five firms: Supervalu, Dunne's, Tesco, Aldi, and Lidl. They give the impression of competing on price by taking full-page advertisements citing low prices for a small range of products. With these enticements they encourage people to do a full shopping in their stores, leading to increased sales and profits.

Aldi and Lidl (two German companies) have expanded rapidly and have put pressure on the existing firms. Tesco has responded by opening smaller and more expensive "express" branches. Dunne's has reacted by introducing zero-hour contracts.

There is informal evidence that Tesco charges higher prices in Ireland than they do in Britain, and that Aldi and Lidl charge higher prices than they do in Germany. They all try to maximise profits and so maximise share prices for their shareholders.

Banks Banking in Ireland is dominated by Allied Irish Bank, Bank of Ireland, Irish Permanent, Ulster Bank, and KBC.

Now, they do not compete on price for deposits or when they are lending. They try to confuse the public by

offering a large number of different rates of interest on deposits. They also reduce rates without informing the depositor. They put small advertisements in the daily papers. For mortgages, Irish banks charge about 4 per cent, while their European counterparts charge 2 per cent. This is because they want to build up their capital so that they can be sold back to the private sector. In the case of Bank of Ireland it is to increase profits and share price for its shareholders.

So if you pay 4 per cent you will get a mortgage. It's a "take it or leave it" proposition. The Central Bank does not regulate the interest rates in the interest of consumers.

Insurance companies Insurance (motor and home) is dominated by six companies: FBD, Axa, Aviva, Liberty, Royal Sun Alliance (123.ie), and AIG. They have raised their prices on average by 20 per cent in the past year, but there is no way that customers can tell whether the price increase is justified.

As these are mainly subsidiaries of foreign companies, they may be taking advantage of Irish customers so that they can send back more profits to

their parent companies. They are licensed by the Central Bank, but it does not regulate their prices. One would expect a regulation of prices with an oligopoly, where a small number of firms dominate, if the Central Bank were interested in consumers.

Mobile phones There is only a small number of mobile phone manufacturers in the world. Apple, Samsung and Nokia dominate the market. They update their models regularly so that their older models become obsolete. They advertise heavily. They charge high prices for their products to maximise their profits.

There are three mobile network providers in Ireland: Meteor, Vodafone, and 3. Each provides a range of payment methods, and it is very difficult for customers to work out which is the best option for them. By confusing customers they aim to get the largest number of customers and maximise profits. They minimise costs by having a small number of retail outlets and a small head office staff. Once the network of masts is installed, maintenance costs are minimal.

Alcohol The beer and cider sector is dominated by three companies: Diageo (Guinness), Bulmers, and Heineken. They set prices to maximise profits. They advertise heavily, and they sponsor sports and music events to attract young people into the drinking habit. They portray drink as a beneficial product, when all the medical evidence shows that in fact it is harmful.

The medical profession asked the government to introduce legislation that would ban drinks companies from sponsoring sports events. But the government of Fine Gael and the Labour Party put the profits of the drinks companies before the health of the population and decided not to introduce a ban.

The whiskey industry is dominated by two firms: Irish Distillers (Pernod Ricard) and Diageo. They are free from government regulation to set their prices to maximise profits.

Television satellite and cable companies Satellite sports television is dominated by three companies: Sky, BT Sport, and Setanta. These companies offer billions for the right to screen live English premiership matches. They charge high monthly rentals to recoup their costs, and they make large profits.

Rupert Murdoch, the owner of Sky, was able to buy Fox News in the

United States with the large profits he made in Britain and Ireland after Margaret Thatcher allowed him to set up Sky in the late 1980s.

The cable companies, UPC and now Eircom, are offering packages of phone, broadband and television; Sky is doing the same. You have to take all three services (a “bundle”) at a set price. The three companies are setting a similar price for the bundles. These offers are heavily advertised and are set at a low initial price to get new customers, who enable these firms to maximise profits.

Terrestrial stations RTE (including RTE1, RTE2, and TG4) is the state channel; its main rivals are TV3, BBC, UTV, and Channel 4. But it also has to compete with Sky.

The terrestrial channels are losing out to Sky, because they are buying up the rights to sports events which were available free. Sky has bought up the rights to some international soccer and rugby friendlies and GAA matches; if you haven't got Sky you have no access to the matches.

Profit is the driving force for Sky in all of this. They gain extra income from new subscribers and from the extra advertising generated by the matches. Rupert Murdoch only wants Sky to grow and expand his empire.

Radio National radio is dominated by RTE (Radio 1, Radio 2, Lyric, and Raidió na Gaeltachta). It is financed through the licence fee and advertising, and it competes for advertising with stations in the private sector. Getting funds from the licence fee imposes an obligation on the television and radio stations to provide high-quality programming.

The private sector is dominated by two groups: Communicorp (Newstalk, Today FM, Dublin 98, Spin 1038, Spin Southwest, and TXFM), in which Denis O'Brien is a major shareholder, and UTV Radio Solutions (Dublin FM 104, Dublin Q102, Cork 96 FM, Limerick Live 95 FM, LMFM, U105, WLRFM, and Galway Bay FM).

The private stations aim to maximise profits, which they do by having wall-to-wall pop music. They have no commitment to high-quality programming. Because they are owned by businessmen it is probable that they have a pro-business and pro-conservative (Fine Gael and Fianna Fáil) bias in their news and their economic and political coverage.

National newspapers Irish News and Media Group, with six titles, is the

largest media group in the country. It comprises the *Irish Independent*, *Herald*, *Irish Daily Mail*, *Irish Mail on Sunday*, *Sunday Independent*, *Sunday World*, and 50 per cent of the *Daily Star*.

The *Irish Times* (owned by a trust), the *Irish Examiner* (owned by the Crosby family of Cork) and the *Sunday Business Post* (owned by Key Capital and Paul Cooke, Irish businessmen) are the other Irish-owned papers. The *Irish Daily Mirror* and *Irish Sunday Mirror* are owned by the British company Trinity Mirror. The *Irish Sun*, *Irish Sun on Sunday* and *Sunday Times* are owned by Murdoch companies.

There are only six owners of newspapers in Ireland, despite the number of titles. Each of these companies tries to maximise its profits. They have a lot of power, as they set the agenda of politics here. The same comment applies to them as was applied to radio stations.

Cement and building materials

Cement Roadstone (CRH Holdings) is the largest company quoted on the Irish Stock Exchange, and the only Irish company to appear among the top 160 companies in Europe by income in 2012. It had a 100 per cent monopoly in the production of cement until recent years, when the Quinn factory was set up in Co. Fermanagh.

There is a significant barrier to entry when cement is produced in an island country. The shipping and delivery costs for cement are high, because its ratio of value to weight is low. A tonne of cement is cheap, but the cost of transporting it from England to Ireland is high. So cement prices were kept high, and large profits flowed in. Using these profits, CRH was able to expand abroad. The company is also dominant in the building materials sector.

Non-alcoholic carbonated drinks (fizzy drinks)

This sector is dominated by the Coca-Cola Group and the Pepsi-Cola Group and to a lesser extent by the Cantrell and Cochrane Group. In recent years Coca-Cola has introduced a smaller bottle (200 ml) instead of the previous larger bottle (330 ml); but hotels, pubs and restaurants are charging the same price as previously, which has the same effect as a whopping 65 per cent increase in price.

These companies are good at fighting their corner when it comes to governments “interfering” in their market. Obesity has become a growing problem, especially among young

people, and health experts have called for a sugar tax. Carbonated drinks contribute to obesity because they contain large amounts of sugar. Our pro-business government ignored the pleas of the medical profession and the health needs of our young people and dropped the idea of a sugar tax. The needs of business are more important than the health of the nation.

Motor vehicles In 2014 a total of 93,361 new cars were sold. Of these, 23,825 (26 per cent) were supplied by the Volkswagen Group, 9,658 (10½ per cent) were Toyota, 9,040 (10 per cent) were Ford, 7,410 (8 per cent) were Hyundai, 6,691 (7 per cent) were Nissan, and 6,156 (6½ per cent) were Opel. Between them these six companies supplied a total of 62,776 cars, or 68 per cent of all cars bought in Ireland. There is competition among the few, but the last thing they want to do is to compete on price.

It is interesting that the Central Statistics Office does not collect information on car prices.

Petrol and diesel Four companies—BP, Exxon Mobil, Chevron, and Royal Dutch Shell—dominate the petrol, diesel and heating-oil sectors. These were originally seven companies that merged to form three. From the late 1920s these companies shared production zones and transport costs and agreed sales prices. As a cartel, they colluded—and still collude—on price, and smaller operators follow suit.

No government would dare take on these companies, as they have overthrown governments and have pauperised countries, such as Nigeria.

Department stores (Dublin) Three department stores—Arnott's, Debenhams, and Marks and Spenser—serve mainly middle-income people, with Dunne's and Penney's mainly serving ordinary people while Brown Thomas caters for the bourgeoisie.

Summary There is nothing free about the “free market,” except that it is free from government regulation. But because nearly all branches of the economy, including those not listed above, are dominated by one or a small number of firms, the state should regulate these sectors much more in the interest of the majority of the population, who are being exploited by a relatively small number of firms.



Anti-fascist conference in Athens

Bill O'Brien

A CONFERENCE on the rise of fascism in Ukraine took place on 10 and 11 October in Athens. Representatives from many countries took part in this large event: Estonia, Germany, Greece, Ireland, Italy, Poland, Spain, and Sweden.

Also among the invited participants were the representatives of the Donetsk People's Republic and non-governmental movements and other organisations from Bulgaria, Russia, Serbia, and Turkey. The conference was called by the International Anti-Fascist Committee.

The foreign minister of the Donetsk People's Republic, Svetlana Kochetova, gave a detailed report to the conference, pointing out that they were not trying to break from Ukraine but trying to maintain their national integrity after the fascist coup that took place in Kiev.

She gave graphic details of the deaths and destruction taking place in the Donbass province. Since the beginning of the conflict 5,061 people have been killed, among them 72 children, and 306 more were wounded. Damage to infrastructure

has been enormous, with 4,472 houses destroyed as well as fifty health service buildings, schools, bus stations, and the airport.

Kochetova pointed out that misinformation given in the Western media is the biggest obstacle to truth. This conflict is portrayed as a clash between two rival powers: NATO and the EU on the one hand and Russia on the other. She accepted that they received support from Russia but pointed out that they are an independent people's republic. She informed us that volunteers from other European countries, including Italy and Spain, as well as countries to the east of them, are fighting alongside them as volunteers. There is an international brigade operating there at the moment.

Donbass has stopped fascism from spreading to the rest of Ukraine and to other countries in eastern Europe. It has allowed a breathing-space for proper analysis of what exactly is happening in this region. Kochetova pointed out that they are more aware about fascism than most Europeans, as the region took a lead in the struggle against fascism and suffered greatly during the Second World War.

Ireland was represented at the conference by four delegates, some of

whom are involved with solidarity work and others in collecting humanitarian aid that is sent to Donbass. All the Irish delegates gave detailed individual reports of their work, which was greatly appreciated by the conference.

It was agreed to set up committees in our respective countries to publicise the position of the anti-fascists in Donbass and the danger of fascism spreading to the rest of Europe. A demonstration will be held at the US Air Force base on the Greek island of Crete on the 9th of May next year, and it is hoped to have another one in Shannon and one in Germany. The emphasis of these demonstrations will be on anti-fascism and the danger that is imminent.

It was agreed that unity among anti-fascist forces was essential and that other ideological differences should be set aside in this struggle.

The People's Republic of Donetsk is a socialist republic, established by coalminers and lorry-drivers, with the help of other workers, and is very much under workers' control. These people are putting up a tremendous fight, a fight that may spread to other countries before long.

Solidarity must be absolute, and the need for a support group in Ireland is urgent.

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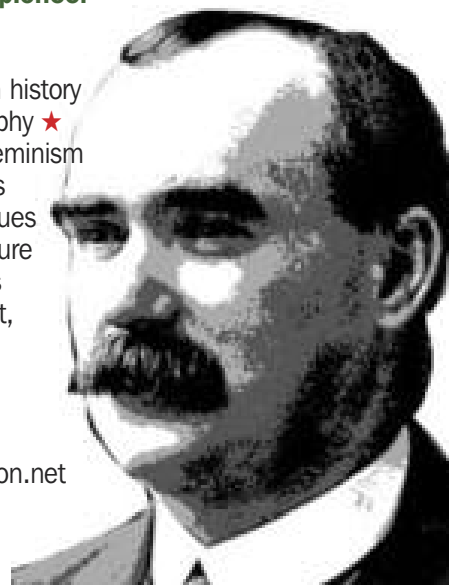
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A tale of two cities

The 85 richest individuals in the world have as much wealth as the poorest 3½ billion.

THE WORLD is grossly unequal, and is becoming more and more so.

Inequality is not an unfortunate by-product of the system, or the result of poor policy choices, or even individual greed: inequality is a direct result of the capitalist mode of production and is fundamental to the process of re-creation of capital, which sees great wealth created by working people but held as the private property of capitalists and speculators.

The Central Bank has recently acknowledged that households have suffered a significant loss of income and wealth but that this has not been spread evenly. Some have been hit harder than others—not news to any of us who have been living through this crisis daily for the last seven years. During the boom years too workers could see the growing inequality of those driving BMWs and going on skiing holidays and those hoping for the next building contract or seeing if they could afford to study in the evenings while working.

This is a continuing tale of two cities and two classes in Ireland, not a new story.

During the “Celtic Tiger” years we had, as one writer described it, a rising tide that failed to lift all boats. For example, the number of those at risk of poverty grew between 1994 and 2005 from 15½ to 18½ per cent, hitting almost 22 per cent of the population in 2001.

The Central Bank report shows a clear link between income and the type of assets owned. The highest income group is likely to own non-residential property and other types of financial assets, such as shares. And

the higher the income group the higher the value of all types of assets held.

Essentially, those with the highest income also hold most assets and the most valuable assets, making them not only the highest earners but also the wealthiest more generally.

For working people in the lowest four quantiles of income, the home accounts for about 75 per cent of their assets, but for the highest earners their home accounts for only about 30 per cent of their total assets.

The highest-income quantiles are also more likely to have significant debts (from other property investments) compared with the lowest quantile, putting to bed the myth that we all partied during the “Celtic Tiger” era.

The top 20 per cent of households in terms of wealth account for 50 per cent of gross income and more than 70 per cent of assets. The TASC report confirms this inequality when it shows that the top 10 per cent in income received 34 per cent of total income, up 27 per cent from the 1970s.

As we approach the hundredth anniversary of the Proclamation of the Irish Republic and the beginning of the Irish Revolution, Ireland is becoming an even more unequal society.

The TASC report is invaluable for the information it gives. It looks at inequality in a number of areas, including income, wealth, tax, and public services, and concludes that Ireland is not immune from the phenomenon of growing inequality. We have a highly unequal distribution of income from the market (e.g. wages, salaries, and profits), which is masked by social transfers and taxation. Net income inequality in Ireland is at about the average for EU countries, but gross market income inequality is the worst of all members of the OECD, which is hardly where we want to be.

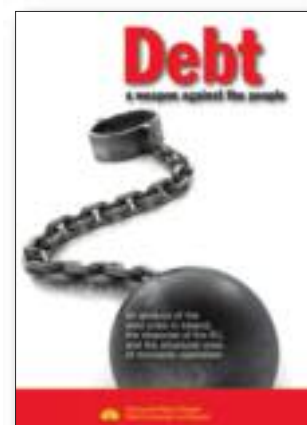
Finally, with regard to income, TASC identifies two-thirds of households surviving on less than €35,000 per year, while 200,000 households have more than €75,000.

Ireland is unequal. It was unequal during the boom, it was unequal during the crisis, and it is unequal during this so-called recovery. This is not merely a matter of bad policies or corruption: it is a direct result of a class system and a class state.

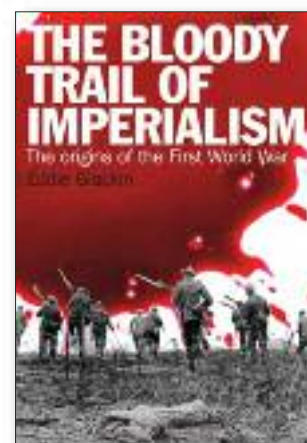
A change of government without a fundamental challenging of capitalism and the state will do little to redress this inequality.

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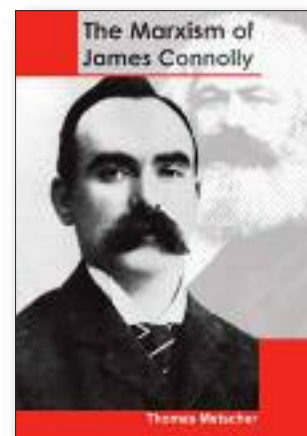
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Sources:

“The Financial Position of Irish Households” (Central Bank of Ireland), “Cherishing All Equally” (TASC).





Letter from Havana

Seán Joseph Clancy

As I write here on the 27th of October an overwhelming majority of 193 member-states of the United Nations, at their General Assembly in New York, for the twenty-fourth consecutive year categorically called for the lifting of the 55-year-old illegal US blockade of Cuba.

In the vote of 191 to 2 in support of the Cuban proposal, only the United States and Israel opposed the motion. There were no abstentions this year, revealing not only the insidious, bloody and vile nature of the diabolical US-Israel alliance generally but also the growing rejection of their joint and individual political and military aggressions and the rapidly diminishing capacity of the United States to forcibly dictate foreign policy or to intimidate even the most economically vulnerable, most dependent and smallest countries.

The vote is another diplomatic, political and moral victory for Cuba and another well-deserved bloody nose for the United States.

The irony of their nonsensical and sad rhetoric, chanted morbidly as an apologetic explanation of the twisted logic of their position, did not seem lost on even the weary diplomat charged with delivering it to the assembly. In what was

always a doomed idea, the United States had even suggested a willingness to abstain on condition that it would dictate the wording of the Cuban delegation's motion.

The American vote is wholly inconsistent with—and makes a mockery of—the stated position of President Obama and his “new” Cuba policy. It points to his personal and political dishonesty, a profound ethical deficit and a cowardly unwillingness to confront a Republican-controlled legislature, in part perhaps at the behest of his former secretary of state, Hilary Clinton, anxious to tread as smooth a path as possible to next year's presidential election.

The myth that Obama is essentially a good president paralysed by the limitations of executive power and a hostile Congress is exposed as much by the vote today as by his increased extra-judicial drone executions and higher Pentagon spending than that of his predecessor, George W. Bush.

The Cuban public health system, recognised internationally as exceptional and frequently cited by high-ranking WHO officials as an exemplary model of a health service, is one of the areas most adversely affected by the blockade. Access to modern drug treatments, equipment and technology, or the raw materials necessary for manufacturing generic alternatives, is prohibited, resulting in unnecessary suffering and deaths, often for reasons linked more to the protection of exorbitant profits than to any real ideological conflict. Innocent infants suffer the consequences.

The health system here suffers from the same lack of infrastructural investment and other social malaise that affect every area of Cuban life, but it remains free, universally accessible, and remarkably comprehensive and holistic. “Green” medicine, considered “alternative” elsewhere, is an integral and complementary component of many standard treatments.

There is a doctor here for every 170 citizens and a family clinic in every rural and urban district, where each speciality—urologist, paediatrician, psychiatrist, cardiologist, etc.—is routinely in attendance to ensure that universal access is no mere catchphrase.

Where I live, in Trinidad, a town of about 50,000 inhabitants, you could not walk five minutes from any starting-point or in any direction without encountering at least one such clinic. Doctors know their patients.

There are also two polyclinics—health centres that provide extensive emergency and outpatient services—and a hospital in town. There are dental

clinics, old people's day-care centres and homes, a children's hospital, a specialist inpatient unit providing pre-natal care to expectant mothers, a special school, and, among many other facilities, inpatient and outpatient psychiatric services. There is no such thing as a waiting-list.

If a therapeutic intervention or a particular pharmaceutical treatment is not available, the root cause is most probably related to the blockade—possibly because it cannot be imported directly or because some element of the supply chain (such as spare parts for transport, factory equipment, infrastructure, or raw material) is affected.

The availability of medicines can also sometimes—although less so recently—be interrupted by acts of petty corruption. Medicines out of stock in the local pharmacy can sometimes be found at inflated prices on the street.

One of the things I began to notice quite soon after I came to live here was the far superior medical, interpersonal and treatment experience within a health system uncorrupted by the culture of litigation, private health and medical malpractice insurance or by drug companies and other commercial interests, one in which professionals—specialist and general—are not exclusively from an elite social class or consider themselves to be eligible now to join that class on the strength of their qualification.

It is a system that also ensures that truly equal access to all levels of education—from creche to postgraduate and beyond—and career opportunity is an essential element in this regard.

The general experience of patients and the integrity of the doctor-patient relationship is more respectful, equal, dignified and honest as a result.

Ten of the eleven most recent cancer treatments available in the world cost more than \$90,000 per patient and, because of patents now protected internationally by abominable free-trade pacts, cannot be reproduced for between seven and eleven years. Access is an option for the rich and the very well insured. National governments can be sued for corporate losses and fined multi-million sums should they consider providing, or allowing any other entity within their borders to provide, affordable life-saving generic alternatives.

The equally effective—or in some cases even more effective—generic or parallel equivalents available in Cuba, despite prohibitions derived from the blockade, are all provided free of charge or at a nominal or symbolic charge.

Access is thus an option for all.

This is true of all treatments—including, for example, costly retroviral HIV/AIDS drugs—and for all diseases and conditions. More than eight hundred drugs are available through the pharmacy system.

Health care is a guaranteed right here, not a favour bestowed by the state or a consumer product dispensed with a McDonald's mentality, according to the patient's ability to pay. Drug election and prescription is on the grounds of need and best practice and not subject to sales-rep incentivised whims.

As a result, life expectancy for both men and women is now above seventy-seven years, and the infant mortality rate is lower than that of our neighbour to the north.

Perhaps even more scandalous and inhumane, and indicative of the true nature of the 1 per cent American ruling class, than the effects on the young, elderly and infirm of their blockade here in Cuba is the sad fact that so many effective and affordable Cuban treatments and medicines that could relieve suffering and prevent deaths are denied to deserving and needy American citizens by the obsolete and cruel policies of their own government.

One obvious example is the highly successful therapeutic treatment developed and manufactured here for the treatment of diabetic foot ulcers. Around the globe, tens of thousands of amputations have been prevented as a direct result of its administration, while only 90 miles across the Florida Strait it might as well not exist.

Imagine the accumulated suffering and hardship in this instance alone as a result of such politics.

There are tens of thousands of Cuban medical professionals serving in more than sixty countries around the world. Their solidarity, ability, courage and stoicism in the face of recent Ebola and cholera epidemics and natural disasters have been extensively lauded.

The ideological values on which the Cuban public health system is established, and their very tangible expression in services provided under complex and challenging conditions, represents—in addition to being one of the very real conquests of the Revolution—absolute proof that anything less than global, free, universally accessible and comprehensive health and education systems constitute organised blue-collar (or blue-scrub) crimes against humanity, warranting prosecution and sanction by all right-minded men and women of conscience.

UN echoes universal demand

CUBA BLOCKADE

WITH THE support of 191 of the 193 member-states of the United Nations, the General Assembly voted in a new resolution on the 27th of October for an end to the US blockade against Cuba.

The initiative—which appeals for an end to the economic, commercial and financial blockade on the grounds of respect for the principles of the UN Charter and international law and the sovereign equality of all states and non-interference in their internal affairs—was rejected only by the United States and Israel.

For the twenty-fourth year in a row the main deliberative forum of the United Nations called categorically for eliminating the blockade, which has caused economic damage to Cuba estimated at \$833,755 million (taking into account the depreciation of the US currency against the value of gold); but its full impact on the Cuban people is incalculable.

The motion reiterates the call to not enact or implement actions contrary to the Charter and international law and recalls concerns about the extraterritorial nature of the US blockade, which is manifested in the application of laws such as the so-called Cuban Liberty and Democratic Solidarity Act (1996), commonly known as the Helms-Burton Act.

The text also recalls the world's clear rejection of the sanctions imposed by the president of the United States, expressed in various forums and resolutions, including those adopted by the General Assembly since 1992.

The vote took place in a different atmosphere from that of previous years, following the resumption of diplomatic ties between Havana and Washington in July and the recognition by President Barack Obama of the need to remove the blockade. In this sense the initiative welcomes the restoration of ties between Cuba and the United States and the willingness expressed by Obama to work towards lifting the blockade, although it is still fully implemented.



For the people, not for corporate profits!

WATER

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Paul Doran

ALL ACROSS the globe, facilitated by the World Bank, country after country has had its water privatised. Many large corporations use the vast resources of the African continent to pillage water and then sell it off in their European subsidiaries, and make huge profits. Nestlé is one of these companies. There are many more.

This all has to do with the increase in private ownership of human resources that are essential to our everyday living. In Paris the water services were privatised, and the capitalist vultures made obscene amounts of profit, while services greatly depreciated because of massive under-investment. Then the Parisians took back their water services. Paris is not the only city that has renationalised its water. We are all aware how the struggle over the ownership of water can change governments in a revolutionary manner. Bolivia is a classic example, where the Cochabamba Water War in 2002, led by Eva Morales, was a public uprising against the privatisation of water services. Eventually Morales became president of the country, and he has since taken further initiatives in the renationalising of vital human resources.

Since 2007, 170 municipalities in Germany have brought vital human resources back into public hands. Globally, at least a hundred cities have done the same with privatised water services over the past fifteen years, including dozens of municipalities in France—once seen as a growing focus for the privatisation of water.

Some countries have used their laws to ensure that water is not privatised, the Netherlands being one example.

If we can mobilise the people we can ensure that our public water services are kept in public ownership by enshrining in the Constitution a clause that prohibits private ownership. The Right2Water campaign has taken the initiative in giving people throughout this failed state a glimmer of hope that our voices will be heard. As communists we must lead by our example and assist in this uprising and show the gombeen-men and women in Dáil Éireann that we will not be broken.



What happened in the Catalan elections?

Tomás Mac Siomóin

IN THE parliamentary election in Catalunya on 27 September the independista Junts (“Together”) won 62 of the 68 seats required to have an absolute majority. This is an uneasy coalition of **Convergencia (hardcore neo-liberals, beset by corruption scandals), headed by Artur Mas, and Left Republicans (Esquerre Republicana), headed by Oriol Junqueras, united in the struggle to liberate Catalunya from what they see as Madrid’s centralist rule.**

On entering into this coalition Esquerre Republicana gave precedence to its secessionist stance, leaving its socialist principles outside the door as it buttressed Convergencia’s programme of savage cuts in social expenditure.

To ensure an “independista” majority Junts will have to depend on the ten seats of the other overtly independista party, the CUP (Party of Popular Unity), a party of Marxist, anti-capitalist orientation. CUP stands for withdrawing from both the Spanish state and the EU and renouncing Catalunya’s national debt.

Negotiations between these three groups to form a secessionist Catalan government is continuing at the time of writing. They have just one month to arrive at an agreement.

CUP will come on board—but only with well-publicised stringent conditions. Apart from ending the austerity regime of Junts—the most severe in Spain—and the general retrogressive drift of its social policies, and securing crucial cabinet posts, it also demands the resignation of Artur Mas from the Catalan presidency. As Mas has just been indicted by the Supreme Court of Catalunya (a Spanish institution) for having organised an “illegal” referendum last year, his presidency may no longer be such an obstacle.

Also, unlike either of the Junts partners, CUP maintains that unilateral declarations of independence are the competence of the whole people, expressed through referendum, and

not solely of their parliamentary representatives. This conflicts with the stated position of Junts, which is that the recent election also constituted a de facto independence plebiscite and therefore empowers the regional Catalan parliament to declare the independence of Catalunya.

If Junts cannot agree to all the CUP’s demands it could still rule as a minority government, supported by CUP, depending on the willingness of the latter to act in this capacity. Another election at this point could be fatal to Junts, as this is the second time that Mas has proclaimed independence to a wearied and increasingly cynical electorate.

The group with the second-highest vote after Junts, with 25 seats, is the right-wing anti-secessionist Ciudadanos (Citizens), now organising all over Spain. Its performance in coming from a previous 9-seat position to 25, far ahead of the Partido Popular, the Spanish government party (reduced to 11 seats from a previous 19), is ringing alarm bells for the latter. With national elections looming in December, the threat of serious competition for the conservative vote from the yuppified pro-EU Ciudadanos, preaching transparency and the virtues of the free market, to the now weary, decrepit and irremediably corrupt PP, is increasingly evident.

The Podemos front, Catalunya Sí Que Es Pot (“Catalunya really can”), paid for that formation’s perceived fuzziness on economic issues, the result of its intention to extend its

appeal beyond the traditional working-class constituency, as well as its anti-independence stance. In spite of the active involvement of Podemos’s big guns in the campaign, and its hope of replacing the Catalan Socialist Party, the latter came in with 16 seats, 4 down from a previous 20 but well ahead of Catalunya Sí Que Es Pot, which, on its first time out, limped in with 11 seats. This is seen as a severe blow to Podemos, which still has high hopes of being in Spain’s new government after next December’s national elections.

The present PP Spanish government, taking refuge in the country’s constitution, will refuse to negotiate the issue of independence with whatever Catalan government emerges from present talks. The latter, most probably, will likewise await the result of the forthcoming national elections before wanting to enter into such negotiations. The possibility exists that a new left government in Madrid will be disposed to try to solve the Catalan question for once and for all in the context of restructuring Spain as a federal state, in place of the present highly centralised regime.

However, the joker in the pack could well be the growing doctrinaire neo-liberal Ciudadanos, a party very capable of helping a stricken PP get back into government—or, equally, of supporting the equally neo-liberal “socialist” party (PSOE), on condition that no deal be done with the Catalan secessionists.

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