PEOPLE'S MOVEMENT
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It's time to say No!

We can be certain that the overwhelming majority of the population will be worse off as a result of budget 2013. The policy of austerity has been a disaster for people on low and middle incomes. Yet some people have gained during this austerity period. The latest 'Survey on Income and Living Standards' reveals that the lowest 10% of our population suffered a fall of nearly 20% in their income while the richest 10% saw their income rise by 8%. Meanwhile, the government predicts that real wages will continue to fall for the next three years.

But that notwithstanding, between now and 2013 the Government has agreed to pay in the 'greater interest' of the European banking system and the euro €31 billion plus €17 billion interest on the now defunct Anglo-Irish and Irish Nationwide alone. This is at the insistence of the EU's European Central Bank. The cost to the state in terms of direct transfers to the banking sector is approximately €64.1 billion. This is equivalent to 40 per cent of GDP making the Irish bank bailout the costliest bank bailout in Europe since the Second World War if measured as a proportion of national GDP.

In addition, the European Stability Mechanism Treaty commits Ireland to 'irreversibly and unconditionally' contribute €11 billion in various forms of capital to the ESM Fund, a fund for which there is no guarantee that we could access if it was to prove necessary.

There is no sign that the country faces any other condition but further social and economic devastation in the coming years with a succession of severe government budgets of which budget 2013 is merely the latest.

Budget 2013 is planned to suck about €3.5 billion out of the already shaky economy, putting more jobs at risk and deepening stress, poverty and anxiety for many in our society.

It might be excusable if the money were to be used for productive social measures but €3.1 billion – that's €3,100 million – is to be blown on the Anglo promissory notes on March 31st next. That is the greater part of the take from the new taxes, charges and cuts introduced in the budget and it will be spent on a bank that no longer exists and that was bailed out under pressure from the EU/ECB to ensure that 'no bank should fail'.

The then government made a political choice to 'save the euro' and 'prevent contagion' and the present governing parties, before they came to power, assured us that they would not, unlike the previous administration, support Anglo bondholders . Who could forget Joan Burton, night after night telling of the big bonfire she would build for them or the self-assurance of Enda Kenny as he proclaimed 'not a penny for Anglo', a sentiment echoed by even Leo Varadkar!

Well, another austerity budget is upon us, as we head into Ireland's austerity presidency. No doubt this one, like budget 2012, was written in Brussels and Frankfurt and approved by the Bundestag before the Irish government had sight of it. They were just more careful this year and avoided leaks.

Of course, most of the Anglo bondholders have been paid off by now on the strength of the promissory note (a sort of government IOU). So effectively, on March 31st, we will be paying €3.1 billion to the Irish Central Bank – which we own – and it will then engage in a balance sheet exercise, effectively burning the money and, in a supreme if painful irony, burning the people of Ireland instead of the bondholders.

This must be halted because this burning of the Irish people will be an annual event carried out at the behest of a government we elected to stop it. The government doesn't have to pay this €3.1 billion – there is no way of legally compelling them to, should they choose not to do so.

It's time to say No!

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