

# What Has Happened to Ireland's Sovereignty?

By Maireid Sullivan  
GlobalArtsCollective.org



The campaign to redirect the M3 tolled motorway away from the Hill of Tara, in Ireland, marked the beginning of my understanding of land banking and speculative developers' 'boom-bust' business model. From the beginning of the Celtic Tiger era, the Irish Diaspora has witnessed speculation-driven economic corruption and political self-aggrandizement on levels beyond imagining.

Community concerns have been vindicated by The Mahon Tribunal report. After 15 years of hearings (1997 to 2012), The Tribunal of Inquiry Into Certain Planning Matters & Payments has uncovered corruption affecting 'every level of Irish political life'. The Tribunal brings to prominence the litany of corrupt practices and crooked dealings that characterized the relationship between 'certain developers and numerous prominent public representatives'.

## On the domestic front:

Scandals surrounding land rezoning in the greater Dublin area have resulted in shocking planning decisions. Joe Higgins TD for Dublin West explains: 'For some of us, who were Councillors at the time, it brings back memories of the exhausting and fractious meetings of Dublin County Council in the early 1990's when we tried to stand against the tide of corrupt rezoning. It was difficult and frustrating. At the Council HQ in O'Connell Street we spent interminable hours in a sparsely populated chamber arguing against motions to destroy green lungs and sensitive landscapes for the benefit of developers, only to be outvoted by a surge of the rest of the 72 Councillors piling in from nearby Conway's pub intoxicated with the drink, which landowners, developers and their bagmen had plied them with.'

## The Hill of Tara:

Hill of Tara was an ancient archaeological complex long before it became the seat of the High Kings of Ireland during a concerted effort to stop the incursions of the Vikings in the 9th century. Since 2006, those in the government who were entrusted with protecting Irish cultural heritage enacted new legislation to allow developers to destroy several interconnected sites surrounding Tara to make way for the M3 Tolled freeway through the Tara / Skryne valley.

## Corrib-Shell to Sea:

The Corrib gas project is preparing to exploit a natural gas deposit, which was discovered over the past 15 years off the northwest coast of Ireland. Royal Dutch Shell (Dutch/British oil company) owns 45%, Statoil (Norwegian state owned oil company) owns 36.5%, and Vermillion (Canadian oil company) owns 18.5%. The Shell to Sea campaign believes it is unsafe to develop the Corrib field as a sub-sea production facility with onshore processing.

Safety isn't the only concern. A member of the infamously corrupt Haughey government, Minister Ray Burke (later jailed for corruption), introduced changes to Irish resource laws in 1987, reducing the State's share in offshore oil and gas from 50% to zero and abolishing royalties. In 1992, Minister Bertie Ahern, who later resigned amid corruption and perjury charges, reduced the tax rate for the profits made from the sale of these resources from 50% to 25%.

Irish government figures conservatively estimate the value of these reserves at €600 billion, and the Irish people must buy it back at market rates. In addition, all exploration and development costs can be written off against tax.



Without these liabilities, Ireland could have avoided the EU-IMF bailout programme, and could have prevented the consequent severe austerity measures that are being imposed on the people of Ireland. Moreover, it all goes back to the extreme levels of corruption described by the Mahon Tribunal.

The IMF regularly breaks down national sovereignty, as revealed by John Perkins, author of *Confessions of an Economic Hit Man*: 'You have a resource that corporations covet. You arrange a huge loan to that country and strike a really good deal for multinational corporations and then in the end the country can't pay off its loan. You've got em! They're part of the empire! You can ask favours. You can ask them to vote for you in the next UN vote. Whatever!'

According to Paul Krugman, Professor of Economics at Princeton University '... the key point is that the two false diagnoses [excessive welfare states & excessive deficits] lead to policies that don't address the real problem. You can slash the welfare state all you want (and the right wants to slash it down to bathtub-drowning size), but this has very little to do with export competitiveness. You can pursue crippling fiscal austerity, but this improves the external balance only by driving down the economy and hence import demand, with maybe, maybe, a gradual "internal devaluation" caused by high unemployment.'

## **An alternative approach to raising government funds is available.**

Fine Gael's 2011 election manifesto advocated Site / Land Value Taxation, rather than taxing house values.

On 18 April 2012, economists of the Economic and Social Research Institute (ESRI) dismissed the idea of taxing the value of the site the home is built on, recommending instead that the government tax the combined value of sites and homes —without reference to collecting royalties on sales of natural resources, aka Resource Rent.

As long as developers, speculators, and bankers dominate economic theorem, there is slim hope that 'the people' can implement a simple one-step change to the taxation system whereby only the site value of land is taxed, and in lieu of all income and business taxes. Numerous highly qualified Irish economic commentators are currently debating this approach: Examples include: [feasta.org](http://feasta.org) | [irishconomy.ie](http://irishconomy.ie) | [smarntaxes.org](http://smarntaxes.org) | [daft.ie/](http://daft.ie/)

Michael Davitt (1846-1906), one of the most influential leaders of Ireland's independence movement also advocated land tax: 'I would abolish land monopoly by simply taxing all land, exclusive of improvements, up to its full value...In other words, I would recognize private property in the results

of labour, and not in land.' (Some Suggestions for the Final Settlement of the Land Question, by Michael Davitt, 1902)

'The Irish land struggle started out promisingly enough in the 1880s with a clear mandate for the three Fs of Fair rent, Fixity of tenure and Free sale of tenant improvements or tenant right. This provided an excellent structure with which to understand the dynamics of property in land. Michael Davitt of the Land League had a clear vision of what legislative and fiscal changes were needed for Irish peace and prosperity which he shared with Henry George, the American social and economic reformer.'

## **Emer Ó Siochrú (daft.ie)**

Irish economist Ronan Lyons' proposal was relatively straightforward: 'use the best information we have currently (1.3 million sales and lettings ads posted on daft.ie between 2006 and 2011), and the best methods available for establishing the components of house prices to implement the best known form of taxation (Site Value Tax) on an interim basis, in an area where Ireland desperately needs new revenues: residential property. And when better information becomes available – in particular, the Revenue Commissioners register of transactions – then that can be used for a full Site Value Tax.' ([ronanlyons.com](http://ronanlyons.com))

The Irish Republic Proclamation of 1916 was a promise of national freedom, sovereignty and economic justice for all Irish citizens, and is as relevant today as it was then: 'We declare the right of the people of Ireland to the ownership of Ireland, and to the unfettered control of Irish destinies, to be sovereign and indefeasible.' This right must not be undone: **Collecting Land / Site Value Tax, aka Resource Rent, etc. in lieu of taxing productivity can achieve economic justice for all and protect Ireland's sovereignty, once and for all.**

'We declare the right of the people of Ireland to the ownership of Ireland, and to the unfettered control of Irish destinies, to be sovereign and indefeasible.'