



# **BROKEN WORDS, BROKEN PROMISES**

*Cutbacks, election lies and empty promises*

**The truth about the Government's record on  
the first anniversary of their election to office**

**The Labour Party  
6<sup>th</sup> June 2003**

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## **BROKEN WORDS, BROKEN PROMISES**

### ***Cutbacks, election lies and broken promises***

This information is a guide to the Government cutbacks and broken promises that have occurred since the general election. It contains the following information:

- *Cutbacks and price increases since June 2002*
- *What they said about cuts and broken promises*
- *The election promises they have broken*
- *The cutbacks that lie ahead*

**Section One** is a day-by-day account of spending cutbacks and other relevant information from the election of the Government on 6<sup>th</sup> June 2002 to the present day.

**Section Two** is a list of quotations from Fianna Fail ministers, TDs and others about cutbacks, broken promises, the economic situation and related matters.

**Section Three** is an analysis of the election manifestos of the Government parties and the Programme for Government in the aftermath of the Book of Estimates and the Budget.

**Section Four** is a summary of the proposals in the report of “An Bord Snip”, the committee set up to propose further spending cuts.

**6<sup>th</sup> June 2003**

## **Section One**

**The cutbacks they have delivered**

## **Cutbacks and price increases since the general election**

*The following is a day-by-day account of the cutbacks initiated by the Government since it was elected to office on 6<sup>th</sup> June 2002. It also includes details of increased prices and charges since the general election.*

### **29<sup>th</sup> June 2002**

Cutback of EU32million in Overseas Development Aid (ODA) funding for countries in the developing world. This was later increased to a cut of EU40million (see 30/08/02).

### **5<sup>th</sup> July 2002**

Contract to purchase five medium-lift helicopters for the Air Corps scrapped by Minister for Defence Michael Smith, despite promises before the election - worth EU12.5 million, with knock on effects for FLS employees at Dublin Airport

### **12<sup>th</sup> July 2002**

Minister for Health, Michael Martin announces two increases in medical fees. The Drugs Payment Refund threshold goes up from EU53.33 to EU65.00 - i.e. the minimum amount that has to be paid for prescription drugs before the health board refund comes into effect is EU65 (see 03/12/02). Also the cost of a visit to an Accident & Emergency unit without a letter of referral from a GP goes up by 26% to EU40.\*

### **17<sup>th</sup> July 2002**

800 jobs in the health service are put on hold - 800 new jobs in management and administration in the health service not to be filled "as a corrective measure", a saving of EU10 million\*

### **17<sup>th</sup> July 2002**

Martin announces that from 1st August the accommodation charge for private patients in private or semi-private beds in public hospitals will increase by EU3 per overnight or day case to EU36.\*

\* Combined saving on these three health cutbacks totals EU23 million.

### **17<sup>th</sup> July 2002**

Minister Martin sanctions an 18% increase in VHI rates

### **18<sup>th</sup> July 2002**

Third level registration charges (i.e. the fees paid on registration for administrative costs) increase dramatically from EU396 to EU670 (a 70% increase). This cutback was hidden away in a statement from Minister Noel Dempsey announcing a 5% increase in income thresholds for third level maintenance grant. This amounts to a saving of EU16 million.

### **28<sup>th</sup> July 2002**

Reports that CIE are seeking increase in rail and bus fares of between 9% and 19%; an estimated saving on public transport spending of EU25 million.

### **29<sup>th</sup> July 2002**

The ESB increase first-time connection charges by EU200 (21%) to EU1,128 - the company has also sought a 15% increase in rates (subject to regulator's approval).

### **29<sup>th</sup> July 2002**

Minister Dempsey sets up review of the role of institutes of technology following his withdrawal of approval for two new courses in Sligo IT (affecting 750 students) - all part of cost-cutting measures and cover for more cutbacks.

### **13<sup>th</sup> August 2002**

Minister Mary Coughlan admits Department of Social and Family Affairs will be making cutbacks shortly as part of the effort to control public spending.

### **15<sup>th</sup> August 2002**

It is revealed that a Department of Health circular has instructed Health Boards to cease the back payment of the Domiciliary Care Allowance to the time of diagnosis (i.e. only to be paid now from when application is made, rather than paid back to the time of diagnosis of disability). The Domiciliary Care Allowance is a monthly means tested payment made to the carer of a child with a severe disability who lives at home. N.B. Minister reversed this decision within 24 hours amid uproar.

### **15<sup>th</sup> August 2002**

The Western Health Board announces it is to lay off 200 clerical and administrative staff by year end, even though the Department of Health only sought 85 job cuts. Reports suggest that up to 2,000 jobs will be cut in the health service by the end of the year as budget overruns in the health boards mount.

### **18<sup>th</sup> August 2002**

The Sunday Business Post reports that the Minister for Education, Noel Dempsey is considering the re-introduction of third level tuition fees.

### **22<sup>nd</sup> August 2002**

A circular from the Department of the Environment and Local Government to all local authorities requires them to get prior cost approval from the Department for all future housing developments “due to general budgetary constraints”.

### **29<sup>th</sup> August 2002**

Department of Health withdraws EU15 million of funding for the National Treatment Purchase Fund, which was set up to reduce hospital waiting lists, by acquiring treatment in private hospitals for public patients waiting for long periods. This Fund was a key plank of the National Health Strategy, and on 6<sup>th</sup> May 2002, days before the election, Michael Martin promised that FF would end waiting lists within two years (see manifesto promise in Section 3).

### **30<sup>th</sup> August 2002**

It is revealed that the cut in Overseas Development Aid (originally revealed to be EU32m, see 29/06/02) will in fact be over EU40 million following a further cut in the Department of Foreign Affairs budget. This cut puts the stated Government aim of spending 0.7% of GDP on ODA by 2007 in jeopardy. Bertie Ahern reiterated this aim at the Earth Summit in Johannesburg.

### **1<sup>st</sup> September 2002**

Reports that plans by the Department of Health to begin extending medical cards to over 200,000 people next year (2003) are unlikely to be met due to budgetary constraints despite such a commitment in the FF manifesto and the Programme for Government (see Section 3). Not a single additional medical card has been provided since the election.

### **2<sup>nd</sup> September 2002**

The Government’s ‘three wise men’ or ‘An Bord Snip’ begins its work (see Section 4). The three former senior civil servants are charged with evaluating Departmental spending to establish where cuts in spending might be made in 2003.

### **2<sup>nd</sup> September 2002**

It emerges that only 211 of the 709 extra hospital beds promised this year to ease waiting lists and A&E delays have been delivered. By the end of December 2002, only 570 of those 709 promised beds were delivered.

### **6<sup>th</sup> September 2002**

A rise in ESB charges to come into effect in January is announced, with domestic customers to pay 13.5% more (an increase in the average bi-monthly household bill of EU12). The increases come on top of an average 8.9% increase last year.

### **6<sup>th</sup> September 2002**

The Irish Independent reveals that 14,000 extra public sector workers were hired in the three months prior to the election in an attempt to “swing the election”.

### **13<sup>th</sup> September 2002**

A further cut of EU36 million in education is revealed, including cuts in School Retention Initiative (EU6m), Back to Education Initiative (EU3.8m), Second Level building works (EU2m), IT research and development (EU6.2m), teacher recruitment and training (EU6.7m). Noel Dempsey claimed these cuts will not affect disadvantaged pupils.

### **13<sup>th</sup> September 2002**

A cut of a further EU10 million is sought from the Department of Defence.

### **13<sup>th</sup> September 2002**

The Mid-Western Health Board confirms that 65 vacant posts will not be filled in an attempt to meet a EU1.9 million cut sought by the Minister for Health. Also, the South Eastern Health Board will not fill 60 new posts due to cutbacks.

### **14<sup>th</sup> September 2002**

A massive shortfall of EU6.8 billion in funding for major roads projects around the country is revealed in a confidential Government report.

### **15<sup>th</sup> September 2002**

Sunday Tribune reveals that McCreevy is considering the imposition of tax on child benefit and that the Government is considering a further clampdown on public sector recruitment.

### **17<sup>th</sup> September 2002**



The Consumer Price Index shows that inflation has reached 4.5%. The cost of goods and services have risen as follows from the beginning of 2002 to September 2002 - health up 10.1%, goods and services up 9.8%, education up 9.7%, restaurants and pubs up 7.5%, recreation up 6.4%.

### **21<sup>st</sup> September 2002**

The controversial student registration fee hike looks set to become a permanent feature of the third-level system for students and parents, according to a confidential Department of Education circular revealed in The Irish Times.

### **22<sup>nd</sup> September 2002**

Sunday Tribune publishes leaked Department of Finance memo which proposes a total of EU900 million in cutbacks in 2003. These include cuts of EU180m in Dept. of Environment, EU150m in Education, EU100m in Social Welfare, EU54m in ODA, and EU50m in the Department of Health budget. It emerges that this memo was *first produced in June and therefore is likely to have been in preparation during the election campaign*. It is likely to have been in preparation for several weeks prior to its production.

### **24<sup>th</sup> September 2002**

Minister McCreevy states that the spending situation may be even worse for 2003 than revealed in the Department of Finance memo (above).

### **24<sup>th</sup> September 2002**

Minister for Education, Noel Dempsey, in an interview with the Irish Times says that third level fees may return “for those who can afford it”.

### **25<sup>th</sup> September 2002**

Funding is withdrawn by the Department of Health for training courses for clinical psychologists in TCD and UCD, at a time when the Health Service Employers Agency estimate that 50 new psychologists are required to deal with waiting lists in the Eastern Regional Health Authority area alone.

### **25<sup>th</sup> September 2002**

The North Eastern Health Board defers the filling of 83 vacancies due to an EU11m overspend and health cutbacks.

### **27<sup>th</sup> September 2002**

Most of the training courses at the Garda College in Tullamore have been scrapped until 2003 as part of a series of budgetary cutbacks.

### **3<sup>rd</sup> October 2002**

A confidential FÁS report proposes a reduction of 10,000 places in the Community Employment scheme. The decrease in the numbers is already in breach of the Programme for Prosperity and Fairness which agreed to reduce CE by agreement over the course of the PPF, but not to go below 28,000. The Tanaiste has said that there will be 25,000 on CE by the end of 2002, meaning that 10,000 places will be cut by the end of 2002. The Book of Estimates for 2003 however allowed for a cut of 5,000 places in the scheme.

### **13<sup>th</sup> October 2002**

The Sunday Times reveals that, on top of the EU900m cuts envisaged in the leaked memo a few weeks previously (see 22/09/02), a further EU800 million of cuts are proposed in a memo to go to Cabinet in two weeks. This brings the total of proposed cuts to EU1.7 billion.

### **22<sup>nd</sup> October 2002**

Bord Gáis seeks a 26% increase in prices from the energy regulator.

### **24<sup>th</sup> October 2002**

Iarnród Éireann proposes cuts to rail freight services and line closures, but the Minister for Transport later secures a deferral of any decision on such cuts until the Strategic Rail Review on the future of the rail services is completed early in 2003. When the review was published in February 2003, it recommended that commercially viable rail freight transport should be maintained.

### **4<sup>th</sup> November 2002**

Exchequer figures bring further bad news. They indicate that the Exchequer could be EU1.2 billion in deficit by the end of the year. This means a EU1 billion turnaround from a EU594 million surplus at the end of September to a EU439 million deficit at the end of October.

### **7<sup>th</sup> November 2002**

Hospital waiting list statistics show that there has been a 7% reduction in waiting lists in the twelve months to June 2002 but that there are still high numbers of adults waiting more than twelve months and children waiting more than six months. The Minister has promised to make sure these two categories are eliminated by year-end (December 2002). He failed to do so. He also promised to completely abolish hospital waiting lists by 2004 (see Section 3).

### **8<sup>th</sup> November 2002**

Inflation continues to rise and was at 4.6% in October. Most notable in the changes was education (at 11.6%), and health (at 9.6%).

### **9<sup>th</sup> November 2002**

Grants to local authorities for recycling have been reduced. An expected EU20m or more allocation for this year was cut to EU15m.

### **12<sup>th</sup> November 2002**

Questions arise again over the proposed extension of the medical card scheme as set out in the Health Strategy and the Programme for Government. The Government already rowed back on a plan in November 2001 to extend the medical card scheme to 200,000 people. Such a plan would only cost EU150 million, less than half of what it cost to further reduce Corporation Tax in the Budget in December 2002.

### **12<sup>th</sup> November 2002**

New figures indicate that 490 jobs have been lost every week so far in 2002, with half of these in Dublin and the manufacturing industry hit hardest.

### **13<sup>th</sup> November 2002**

Minister Mary Coughlan announces that the Rent Allowance is to be capped for social welfare recipients living in private rented accommodation. This is a payment made through the Health Boards to assist tenants on social welfare in private rented accommodation to meet rent costs. The allowance had been increased as rents increased but rents can now go up with no corresponding increase in the Rent Allowance.

### **14<sup>th</sup> November 2002**

The Book of Estimates (Abridged) for 2003 is published. Total spending is to increase by 2% in 2003, but inflation is running at 4.6% (full details of broken promises dealt with separately in Section 3).

### **14<sup>th</sup> November 2002**

On the same day as the Estimates are published, it is announced that the threshold for the Drug Refund Scheme will rise again from EU65 to EU75 (see 03/12/02).

### **14<sup>th</sup> November 2002**

Again, as the Estimates are published, it emerges that the grant for first-time home buyers has been abolished. The grant was worth EU3,810 and was awarded to 10,000 individuals/couples every year. (See quote from McCreevy in Section 2).

### **17<sup>th</sup> November 2002**

The Sunday Tribune reveals that some hospitals are considering plans to restrict access by seriously-ill public patients to high-powered, but extremely expensive medication.

### **17<sup>th</sup> November 2002**

Media reports that child benefit increases in Budget 2003 will be 'very modest'. Minister Mary Coughlan tells the Irish Times that she is 'not sure' whether the three-year programme on child benefit increases (from 2000 to 2003) would be met. It was not. (see Section 3).

### **18<sup>th</sup> November 2002**

The Irish Examiner reveals that the promised traffic corps has been shelved.

### **25<sup>th</sup> November 2002**

Michael Martin confirms that from January 2003, the statutory in-patient accommodation charge in hospitals is going up from EU36 to EU40 a day. Larger hospitals will increase the cost of semi-private accommodation to EU332 a night from EU269.

### **26<sup>th</sup> November 2002**

The Annual Report of the Garda Síochána (2001) is published and reveals a continuing escalation of criminal behaviour. Murders up 33%, sexual offences up 81%, assaults up 83%, and drug offences up 33%.

### **27<sup>th</sup> November 2002**

It is revealed that the Health and Safety Authority is investigating unsuitable conditions in as many as 34 primary schools around the country.

### **27<sup>th</sup> November 2002**

The average price of a house in this country breaches the EU200,000 barrier for the first time ever. House prices are up 10% on average in one year. There are currently over 50,000 households on waiting lists at present.

### **30<sup>th</sup> November 2002**

Third level colleges will have to scrap new courses and impose a jobs freeze because of "draconian" cutbacks according to the Irish Independent.

### **2<sup>nd</sup> December 2002**

It is reported that the Government has ruled out any increase in capitation grants for schools because of a “freeze” in funding. This is despite evidence that several primary schools are struggling to meet their expenses because of inadequate funding.

### **3<sup>rd</sup> December 2002**

The Irish Times publishes a list of almost 400 primary school building projects which have been “frozen” by the Department of Education since the election. These schools were on the schools list published days before the election. They were then at the architectural planning stage and have not progressed any further.

### **3<sup>rd</sup> December 2002**

Minister Martin formally announces the second increase in the Drug Payments Scheme threshold in five months. The threshold goes up from EU65 to EU70 (see 14/11/02).

### **3<sup>rd</sup> December 2002**

Hospital waiting lists rise to 29,174 from 24,850 at the beginning of November. The Minister has once again changed the format in which the figures are published which confuses the situation. He has admitted that the stated objectives of (a) ensuring that no adult would be waiting longer than twelve months for treatment by year-end and (b) that no child would be waiting longer than six months are unachievable. This was the case.

### **4<sup>th</sup> December 2002**

Budget 2003 is published along with the report of “An Bord Snip”.

### **5<sup>th</sup> December 2002**

The Minister for the Environment publishes new legislation which curtails and amends the social housing scheme (which requires 20% of all housing developments to be set aside for local authority housing) to favour the private building industry.

### **6<sup>th</sup> December 2002**

Minister Cullen confirms that motor tax is to rise by 12% from January 1<sup>st</sup>. This increase was not included in the Budget as would be the norm.

### **9<sup>th</sup> December 2002**

Media reports that Michael Martin and Charlie McCreevy are at war over the lack of impact increased funding is having on the health service. McCreevy proposes to cut 5,000 health sector jobs and a return to the use of reportedly inferior blood products for the treatment of haemophiliacs.

### **9<sup>th</sup> December 2002**

As third level institutions are starved of funding and sink further into debt, Minister Dempsey continues to consider the re-introduction of fees, as well as a further increase in registration charges and a possible “graduation tax” which would involve graduates paying for their education when they graduate and get a job.

### **10<sup>th</sup> December 2002**

It emerges that Ministers are at loggerheads over the increase in motor tax and that Charlie McCreevy refused to include the announcement in the Budget, claiming that it was a matter for the Minister for the Environment and not the Minister for Finance.

### **10<sup>th</sup> December 2002**

The Minister for Social and Family Affairs effectively dismantles the Back to Work Allowance Scheme by announcing that the allowance is now only available to those who have been unemployed for five years or more. This follows a cut of 31% in employment support services in the Book of Estimates.

### **11<sup>th</sup> December 2002**

Minister Dermot Ahern approves a EU43 increase in the TV licence fee. It rises to a total of EU150.

### **11<sup>th</sup> December 2002**

The chronic nursing shortage continues to cripple hospitals as staff cannot be found to fill over 1,000 job vacancies, a new report reveals.

### **12<sup>th</sup> December 2002**

The Irish Times reports that a significant number of primary schools could lose special needs teachers under new rules to be imposed by the Department of Education.

### **14<sup>th</sup> December 2002**

Colleges warn that they may need to increase the registration charge (already increased by 70% to EU670 since the election) to EU1,400 if they are to maintain the existing level of services in the face of cutbacks in public spending. (See 12/01/03).

### **19<sup>th</sup> December 2002**

New figures from Permanent-TSB show that house prices rose by 12% in the year to the end of November 2002 and that the average price of a house is now EU203,500, the highest ever in the history of the State.

### **19<sup>th</sup> December 2002**

The Economic and Social Research Institute predicts that the inflation rate in 2003 will average 5.1% and that up to 20,000 jobs will be lost during the year. The Central Bank also revises downward its GNP growth predictions for 2003 from 4.25% to 3%.

### **30<sup>th</sup> December 2002**

It is revealed that due to spending cuts only one of the five major motorway projects under development will be built by the target date of 2006.

### **1<sup>st</sup> January 2003**

A whole series of increased charges come into force on New Years Day. TV licences go up from EU107 to EU150. The annual stamp duty on credit cards increases from EU19 to EU40. The cost of domestic electricity rises by 13.25%, adding an average of EU12 to the average ESB household bill. The VAT increase announced in the Budget comes into effect as the lower rate rises from 12.5% to 13.5%. Motor tax increases by 12%.

### **6<sup>th</sup> January 2003**

Discussions on the introduction of household water charges among senior Government Ministers is revealed. Charlie McCreevy has proposed a EU200 per week charge for water on all households.

### **12<sup>th</sup> January 2003**

The Sunday Independent reports that third level registration may again be increased to EU1,200. Such an increase would raise EU31m but the money would not be spent on education, it is claimed.

### **22<sup>nd</sup> January 2003**

Minister Dempsey publishes the School Building Programme for 2003. Only 26 building starts at primary and secondary will begin in 2003. In order to fund a pilot programme for 20 selected schools to complete work on a devolved basis, the Minister takes EU20m from the third level building programme, which was already cut by 33% in the Book of Estimates (see Section 3).

### **23<sup>rd</sup> February 2003**

The Sunday Tribune reports that Government press officers ordered a bad news blackout in the weeks preceding the Nice Treaty referendum in order to prevent any damage bad news might do to the outcome of the vote.

### **24<sup>th</sup> February 2003**

The Commission for Energy Regulation sanctions a 9.1% increase in the price of gas. The increase means that the average two monthly domestic gas bill will increase by more than EU6, including VAT.

### **13<sup>th</sup> March 2003**

The Consumer Price Index (inflation rate) rises again to 5.1%, the largest monthly increase in inflation since December 1999. The most significant monthly price changes were increases in clothing and footwear (+12.5%), health (+0.8%), and routine household maintenance (+2.2%).

### **13<sup>th</sup> March 2003**

As budgetary constraints in hospitals reach crisis point, it is revealed that St Luke's Hospital in Dublin, which is the only specialist cancer hospital in the State, has had its budget cut by EU1million for 2003. Holles Street Maternity Hospital indicates that it will have to refuse to admit expectant mothers from outside Dublin because of budgetary cutbacks.

### **17<sup>th</sup> March 2003**

The Eastern Regional Health Authority warns that there is "no money in the coffers" for hospitals or health boards under its remit for 2003.

### **19<sup>th</sup> March 2003**

In response to a question from Deputy Eamon Gilmore at a meeting of the Oireachtas Committee on the Environment and Local Government, Minister of State Pat the Cope Gallagher admits that road improvement grants are being cut despite a 12% increase in motor taxation (see 06/12/02). Though EU65million will be raised by the Government in 2003 as a result of the motor tax increase, cuts amounting to EU70million have been imposed on local authorities for the repair and maintenance of local roads.

### **25<sup>th</sup> March 2003**

It is revealed that the Minister for Social and Family Affairs has made amendments to the Back to Education Allowance Scheme, which allows the unemployed, single parents or people with a disability pursue second or third level education. The allowance was payable for the duration of a course, including holiday periods but the Minister has now ceased payment of the allowance during the summer holidays. Furthermore, it is now only available to "applicants in respect of the



pursuit of undergraduate qualifications to primary degree level” - it is therefore no longer paid to postgraduates (see 27/05/03).

### **26<sup>th</sup> March 2003**

Amid a plethora of cuts in services in the major hospitals around the country, particularly in Dublin, the Mater Hospital announces that it is to shut 115 beds. The Mater has also reduced its patient admissions this year by 3,200. St Vincent’s Hospital is facing a shortfall of EU23million in 2003 and is cutting its planned activity by 20%. St James’s Hospital is facing a shortfall of EU20million this year. Collectively, the major hospitals in the Dublin area are facing a EU100million deficit by the end of the year 2003.

### **26<sup>th</sup> March 2003**

The Central Bank warns that prices in this country are now more than 12% above the Eurozone average. Inflation reached 5.1% in February.

### **31<sup>st</sup> March 2003**

The CSO reports that 12,300 jobs in the industrial sector were lost in 2002.

### **3<sup>rd</sup> April 2003**

The Minister for Justice publishes preliminary crime figures for 2002 which show that reported serious crime rose by 22% in 2002 with a 50% increase in assault and a 62% increase in sexual offences.

### **24<sup>th</sup> April 2003**

As job losses all over the country continue to mount, 200 employees are laid off at Unifi textiles in Letterkenny.

### **30<sup>th</sup> April 2003**

The staff and funding crises at residential care units for children across the country is typified in the Crannóg Nua unit in Portrane which is running at far below capacity because of funding shortages. The management of the centre indicate they are willing to take in more children but cutbacks are preventing them from doing so.

### **2<sup>nd</sup> May 2003**

Reports again that ‘significant’ numbers of beds are to close in the five Dublin teaching hospitals. The ERHA has stated that Dublin hospitals treated 15,000 more patients than they were funded for in 2002.

### **13<sup>th</sup> May 2003**

It is reported that home phone bills are set to rise from the beginning of June following a decision by Eircom to raise line rental charges by EU1.11 per month, an increase of 6.3%. The increase is the second in just three months and brings the standard home phone line rental charge to EU270 per year including VAT, up from EU253.

### **15<sup>th</sup> May 2003**

Three hospitals announce the temporary closure of a number of beds for the summer months because of budgetary constraints. Cork University Hospital is to shut down a 24-bed ward for a number of months. The James Connolly Memorial Hospital in Blanchardstown is closing 12 beds bringing to 32 the total number now unavailable to patients. And Tralee General Hospital is closing 30 beds for three months and cancelling elective surgery for certain periods.

### **18<sup>th</sup> May 2003**

In a feeble attempt to explain the deceitful election campaign, Fianna Fáil publish a document entitled “What Fianna Fáil Said About the Economy”, including a number of quotes from FF ministers about warnings about the deteriorating economic situation. What it does not explain however is why Fianna Fáil did not take any action to stem the massive increase in public spending and inflation before the election.

### **20<sup>th</sup> May 2003**

The Mater Hospital announces that it is to lay off 162 employees amid reports that the Government is to cut 1,600 jobs in health boards all over the country.

### **22<sup>nd</sup> May 2003**

The latest hospital waiting lists show that there were 29,017 people awaiting treatment at the end of December 2002, down just 157 in the three months between September and December 2002. The Minister has failed to end waiting lists for adults waiting longer than twelve months and children waiting longer than six months by the end of 2002. There are over 5,000 adults now waiting longer than twelve months and over 1,000 children waiting longer than six months. The Minister for Health has admitted that he will not be able to achieve the elimination of hospital waiting lists by the end of 2004 as promised by Fianna Fáil during the election campaign (see Section 3).

### **22<sup>nd</sup> May 2003**

A report from Fórfás / National Competitiveness Council finds that Ireland is the second most expensive country in the Eurozone for consumer prices. It is likely that it will be the most expensive country in the Eurozone in 2003. The NCC has called for strong measures from Government to curb inflation.

### **25<sup>th</sup> May 2003**

At a hastily convened press conference, the Minister for Education announces that he has abandoned the plan to reintroduce third level fees. He reveals a package for educational disadvantage programmes worth EU43million. He has cut EU36million to date however from education programmes (see 13/09/03).

### **27<sup>th</sup> May 2003**

The Minister for Social and Family Affairs announces a minor u-turn on the cutbacks in the Back to Education Allowance (see 25/03/03). The allowance will be restored over the summer months for people with disabilities and lone parents but not the long-term unemployed. Also, the allowance will be paid to postgraduates doing courses that lead to a Higher Diploma or a Graduate Diploma.

### **28<sup>th</sup> May 2003**

It is revealed that the Department of the Environment and Local Government has revised downwards its projections for local authority housing starts and completions for 2003. The projection for housing completions is down from 5,000 to 4,500 and the projections for housing starts is down from 7,000 to 5,000. The budget for local authority housing is cut in the Department's Estimates by 16%.

### **3<sup>rd</sup> June 2003**

The Government publishes a Progress Report on their first year in office.

### **4<sup>th</sup> June 2003**

The Exchequer figures for the first five months of 2003 bring more dismal news. Income tax receipts are 10% below the same period last year. They are some 6% down on the Government's projections for monthly tax returns. Thirteen of the fifteen Government Departments are behind schedule on their spending commitments.

### **Other miscellaneous Departmental cuts :**

Cut of EU30m in the budget of the Department of Communications, through a cut in the roll out of broadband technology, and other cutbacks. Investment in broadband was cut by 27% in the Book of Estimates.

A cutback of EU81m in the Department of the Environment budget, itemised in the Book of Estimates, with social housing cut by 5% and non-national roads cut by 27%.

Department of Enterprise, Trade and Employment has lowered IDA spending by EU12.5m and reduced Exchequer funding of FAS by EU12.5m. Book of Estimates further slashes employment supports and a cut of 5,000 in community employment places by the end of 2002 is revealed.

Housing Minister Noel Ahern orders an end to 'turnkey' housing schemes, whereby council buys an entire estate from a developer for social housing. This is likely to delay social housing schemes and decrease funding for housing.

Department of Defence cutbacks of EU28m achieved through lower spending on overseas allowances and other cuts of EU9.5m

The Students Summer Jobs Scheme has been abolished (January 2003)

The Minister for Education has withdrawn the payment of the physical education grant to disadvantaged schools for 2003. The grant for supporting the teaching of PE and sports in schools was introduced in October 2000.

There have been dramatic reductions in the provision of the home help service for the elderly and those living alone. The recommended hours of home help for many are being reduced because of budgetary cutbacks in the Health Boards.

The Department of Education is also “reviewing” the payment and level of the Grant Scheme for Minor Works (also known as the capitation grant) to all schools. This annual payment (currently EU3,809) is paid to schools for minor repairs and maintenance works along with the payment of EU12.70 per pupil. The review continues.

Local development partnerships around the country are also facing a reduction in funding for their projects and programmes for 2003.

There have been severe reductions and restrictions imposed on the Jobs Initiative Scheme and the social employment programme.

Disability service providers are being starved of adequate resources.

### **Other relevant economic information :**

The live register (unemployment) at the end of April 2003 stood at 170,940.

Almost 500 jobs have been lost every week so far this year, half of them in Dublin. The ESRI predicts that up to 20,000 jobs will be lost in 2003.

Inflation is running at just under 4.3% (April 2003).

Ireland was the second most expensive country in the Eurozone in 2002 and is likely to be the most expensive in 2003, according to a recent Fórfás report.

Hospital waiting lists stand at 29,017 as at 31<sup>st</sup> December 2002 which represents a minor decrease of 157 in the three months between September and December 2002.

Housing waiting lists are at approximately 50,000 households at the moment. The average cost of a house has gone above EU200,000 for the first time in the history of the State.

**Note:** Sources for all of this information includes newspapers, radio broadcasts, Ministerial statements, Oireachtas committees, Departmental statements and media interviews. Financial details and figures are based on media reports and economic analysis and statistics.

## **Section Two**

# **What they have said**

## **What they have said about cutbacks and price increases**

*In May 2003, Fianna Fáil published a fourteen page document called “What Fianna Fáil said about the Economy: July 2001 – March 2003” which was designed as a defence against the proposition that they had misled the electorate during the election campaign. It listed dozens of quotes from Fianna Fáil ministers and economic bulletins about the state of the economy. Here are some of the quotes they left out of that document:*

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### **Charlie McCreevy says there are going to be no cutbacks**

“I can confirm that there are no significant overruns projected and no cutbacks whatsoever are being planned secretly or otherwise”

*(From letter from Charlie McCreevy to Michael Noonan TD, Leader of Fine Gael, 13<sup>th</sup> May 2002 - McCreevy repeated this statement at a press conference on the same day, just four days before the general election)*

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### **Micheal Martin says there will be no cutbacks:**

*Cathal MacCoille* - "(Minister), you're being dishonest and covering up cuts that are on the way, maybe within a matter of weeks"

*Michael Martin* - "Absolute nonsense .... neither have we any secret plans for cutbacks".

*Liz McManus* - "Are there going to be cutbacks Minister?"

*Michael Martin* - "No, there are not going to be cutbacks"

*(Morning Ireland, RTE Radio – 13<sup>th</sup> May 2002, four days before the general election)*

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### **McCreevy tells Martin he will not fund Health Strategy**

"I understand that you are proceeding with the printing of the Health Strategy. You are well aware of my views in the matter, particularly in relation to the financing position. I wish to make it clear that initiatives contained in the Strategy involving expenditure implications for 2002 are included without my approval and carry no commitment on my part to the allocation of any particular sums to your Department in the Budget. This matter cannot be considered in isolation from the other priority competing demands which the Government currently face".

*(Letter from McCreevy to Michael Martin on 14<sup>th</sup> November 2001, just two weeks before the publication of the Health Strategy. Letter copied to Taoiseach and Tánaiste.)*

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### **Taoiseach/McCreevy deny election was won on lies and empty promises**

"Our campaign was based on the capacity of our economy to deliver the necessary resources. Because we were honest and because we were realistic, *we promised less, much less, than any of the other parties*. They criticised us for not giving in to interest groups and making the same rash promises that they did".

"Now the same parties who would have mortgaged our future, who would have undone all the progress our country has made, criticise Fianna Fáil for having misled the people. If the people were misled it was not by Fianna Fáil. We can stand proudly behind our record. We can stand firmly behind what we said".

*(Speaking at the Fianna Fail leader's dinner on 6<sup>th</sup> December 2002)*

"Did you really expect that each party was going to come out and say things are going to be absolutely desperate - don't vote for us. I mean, for God's sake."

*(McCreevy in an interview with The Irish Examiner on 11<sup>th</sup> February 2003)*



“In my view, they (the people) knew exactly what they were voting for.”

*(McCreevy on 24<sup>th</sup> September 2002)*

“The world and his mother and brother knew what the figures were. They did know what the figures were ..... we did not set out to deceive anybody”.

*(Bertie Ahern on Radio Kerry on 25<sup>th</sup> September 2002)*

“The record will show we did not deceive the electorate. Everybody knew the economy was slowing down for eighteen months before the election. Everybody knew it.”

*(McCreevy in an interview with the Irish Independent, 16<sup>th</sup> May 2003)*

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### **Fianna Fáil pledge to end hospital waiting lists**

We will ... “permanently end waiting lists in our hospitals within two years through a combination of bed capacity, primary care, secondary care, and targeted reform of initiatives” (*Fianna Fail manifesto 2002-2007*)

*(This pledge was made by Michael Martin at a press conference on 6<sup>th</sup> May 2002, just eleven days before the general election. It can be found in the FF manifesto on page 61 )*

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### **FF backbenchers express unease about cutbacks**

“We, as backbenchers, are not at the moment getting the flow of information needed to explain the background to the cutbacks” (*Sean Fleming TD*)

“We were only made aware of the cutbacks in recent days and we have not got details of where they will take place” (*Billy Kelleher TD*)

“Any suggestion that childrens allowances would be taxed would not get a lot of support from my constituents” (*Charlie O’Connor TD*)

*(Irish Independent, 17<sup>th</sup> September 2002)*

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### **Senator Martin Mansergh on the cutbacks**

“It would be wrong to do long term damage (to the economy) for short term political reasons”

*(Questions and Answers, RTE One, 23<sup>rd</sup> September 2002)*

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### **Responses to cuts in Overseas Development Aid**

“I had to lie across that budget (ODA). I had to sit on it like a hen to protect it from all invaders” *(Liz O’Donnell TD on 8<sup>th</sup> September, Irish Times)*

“The issue is reaching 0.7% by 2007. How we get to it doesn’t matter as long as we get there” *(Tom Kitt, Minister for ODA on 8<sup>th</sup> September, Irish Times)*

“The expected increase (in ODA) ... has not materialised. It is therefore incumbent on the Government to ensure that we take proper account of these humanitarian disasters and the Estimates must be adjusted accordingly”

*(Michael Woods, the new Chair of the Oireachtas Foreign Affairs Committee criticises the cuts in ODA announced in the Estimates – Irish Times 18<sup>th</sup> November)*

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### **Differing views on the Special Saving Incentives Scheme**

“It (SSIAs) can be reviewed as we go forward ...”

*(Seamus Brennan on the News at One 23<sup>rd</sup> September 2002)*

“It doesn’t matter”

*(Martin Cullen when pressed about the fact that the SSIAs are costing EU50m a year – Prime Time with Miriam O’Callaghan, 24<sup>th</sup> September 2002)*

“No other Fianna Fail minister has said that to me (that SSIAs should be reviewed). Every Fianna Fail minister at the time (they were introduced) thought it was the most brilliant idea ever conceived and [some of them] actually thought during the election that it increased the FF and PDs vote”

*(Charlie McCreevy on 24<sup>th</sup> September 2002)*

“Incentives for savings ... in medium term saving schemes is not recommended”.

*(Department of Finance advice to McCreevy in November 2000)*

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### **Situation may be worse than the leaked cutbacks memo**

“Going forward, it is quite likely that the budgetary position is going to be even more difficult than the budgetary position outlined in that memorandum” \*

*(Charlie McCreevy on 24<sup>th</sup> September 2002)*

*\* The memo, which was revealed on 22<sup>nd</sup> September 2002, showed that the Government was in the process of preparing EU900million in cutbacks during the general election campaign.*

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### **Support for and opposition to third-level fees**

Third level fees could return “for those who can afford it”.

*(Minister Noel Dempsey in an interview with The Irish Times, 24<sup>th</sup> September 2002)*

It is “not the case” that the Government is going to re-introduce fees.

*(Bertie Ahern speaking on 29<sup>th</sup> September 2002)*

“Given the option, I'd say we'd go for it (the re-introduction of fees)”.

*(A PD spokesman quoted in the Sunday Business Post on 29<sup>th</sup> September 2002)*

“We do not want to see university fees re-introduced.”

*(Mary Harney contradicting her spokesman on 29<sup>th</sup> September 2002)*

The Minister is “very much an ideologue, both where he is now in the Department of Education and in his previous department and while you have to admire that, at the same time you have to face the grim reality ... the point is, we have done it now (abolished fees); something as significant as the cost of sending children to third level education cannot be reversed ... (the introduction of fees) is not an issue on which he would get support from the PDs. We are quite satisfied they

won't return while we are part of government. I am confident our party will not be part of a government that would reintroduce fees."

*(Fiona O'Malley TD in the Irish Independent, 8<sup>th</sup> January 2003)*

"But if you look at the figures (on access), you see that over the years participation in third level has increased significantly among the lower middle classes".

*(Batt O'Keefe expressing his opposition to fees, Irish Independent, 14<sup>th</sup> May 2003)*

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### **John McGuinness TD on Government disarray**

"Stand up, look the public in the eye, tell them where we are and tell them what we are going to do about it, and stop relying on spin because we are all getting dizzy - over both the economy and the Nice referendum. That is the advice I am giving to the Government..... It is not good enough that Ministers use their time to fly kites and engage in spin on local issues."

*(Irish Times, 2<sup>nd</sup> October 2002)*

"Disconcerting signs are emerging that the influence of our smaller partner (the PDs) is beginning to nudge us off course. It is not simply that the Progressive Democrats are right wing, but that Fianna Fail is beginning to attract the same description ... PD thinking is slowly but subtly infecting Fianna Fáil's agenda and values... Fianna Fáil needs to ensure that if they (the PDs) leave, their genes go with them."

*(The Irish Independent, 2<sup>nd</sup> April 2003)*

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### **McCreevy and others on the abolition of the home-buyers grant**

The grant is likely to make "little or no difference" to people's expectations of buying a house."

*(At the Book of Estimates press conference on 14<sup>th</sup> November)*

"The decision will have to be reversed. My wife and I could not have bought our first house without the grant. Many others are the same. Builders are not going to reduce their prices by the amount of the grant"

*(Noel O'Flynn TD, Irish Times, 16<sup>th</sup> September)*

“If this decision is not nipped in the bud right now, it could become as controversial as John Bruton’s VAT on children’s shoes”

*(An unnamed FF backbencher – Sunday Independent, 17<sup>th</sup> November)*

“It is a bit of an anachronism. It would be wrong to ask to change it”.

*(Jim Glennon TD – Irish Times, 16<sup>th</sup> September)*

“O’Cuiv was on Liveline boasting about how he protected his constituency (i.e. the Gaeltacht, from the abolition of the grant). What’s the difference between a young couple on the same income in the Gaeltacht and Dublin North? I would like an explanation.”

*(G.V. Wright TD – Sunday Times, 17<sup>th</sup> November)*

“There’s no question of going back on it”

*(Mary Hanafin TD, Question & Answers on 18<sup>th</sup> November)*

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### **Fianna Fail and PD TDs express concern over Estimates**

“I am not going to tolerate any Minister hijacking the public purse to look after their constituency at a time when everyone is being asked to accept the spending cuts.”

*(John McGuinness – Sunday Business Post, 17<sup>th</sup> September)*

“He cannot mess with the children of this country”

*(FF backbencher responds to threatened cuts in Child Benefit – Irish Times, 18<sup>th</sup> November)*

“Shocking”

*(Noel Grealish TD on the Book of Estimates, Irish Times, 20<sup>th</sup> November)*

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### **Noel Ahern TD on spinning the bad news**

“Perhaps we haven’t been spending enough of time spinning it (the bad news) properly”

*(Saturday View, RTE Radio One, 17<sup>th</sup> May 2003)*

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### **McCreevy letter to Martin on health spending**

“The latest expenditure reports indicating that spending continues to run well ahead of planned levels are ... a major disappointment. I cannot but express my dismay at the manner in which, and not for the first time, spending in the health area has performed as the year unfolded. I am asking you for your personal assurance that your Department will manage affairs during the remainder of 2002 as to deliver the outcome I seek”.

*(Letter from McCreevy to Martin, copied to the Taoiseach, dated 24<sup>th</sup> September 2002, released to the Sunday Independent under the Freedom of Information Act. From the Sunday Independent on 08/12/02.)*

“The apparent conflict between the two ministers is quite unseemly. While both men stress there is no personal animosity, the documents from their Departments tell a different story”

“Minister Martin should ... scrap the costly health boards and bring the hospitals under centralised planning and control. Here is an opportunity to establish his credentials for the future.”

*(Conor Lenihan TD, Evening Herald, 12<sup>th</sup> December 2002)*

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### **McCreevy response to Ruairi Quinn’s last Budget in 1997**

“Short term popularity bought at the expense of future backruptcy is not a worthy aim.”

“There is no strategy underpinning this budget. It is an attempt to revive the electoral fortunes of the Government by trying to purchase the votes of the electorate.”

“The Government has engaged in short-termism to an extreme degree. It has

thrown caution to the wind. It has *not provided for the rainy day*. It has looked only as far as the next election.”

**Michael McDowell response to Ruairi Quinn’s last Budget**

“We have seen what Labour has done with its pledges to control public spending. It has cynically ripped them up every year.”

*(Dail Eireann, 22<sup>nd</sup> January 1997 –Last Budget of the Rainbow Government)*

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## **Section Three**

# The promises they have broken

## The broken promises since the general election

*The election promises made by Fianna Fáil and the PDs and the Programme for Government in the wake of the Book of Estimates\* and the Budget and the cutbacks announced since the election. This analysis takes the actual promises from the Government parties' election manifestoes and the Programme for Government and shows how those promises have been broken since then.*

### Child Benefit

**Fianna Fail manifesto** - "We will complete our programme of multi-annual increases in Child Benefit (2000 - 2003) and ensure there is no going back to the days when it received only minor and occasional increases".



**Progressive Democrat** - “In Government, the Progressive Democrats will continue to increase Child Benefit, completing the three year programme in the budget later this year”.

**Programme for Government** - “We will complete our announced programme of multi-annual increases in Child Benefit”.

**Budget 2003** - The completion of the three year programme of increases in Child Benefit (due in 2003) is deferred by at least a year and only one quarter of the required increase to meet this target is delivered in the Budget.

### **Overseas Development Aid**

**Fianna Fail manifesto** - “Our overall aim will be to complete our major expansion of our development aid programme, achieving the UN target”.

**Programme for Government** - “We will complete our major expansion of our overseas development aid programme, achieving the UN target of 0.7% of GNP by 2007”.

**Book of Estimates** - Emergency Humanitarian Aid cut by 15%. Funding for UN programmes and international development funds cut by 6%. The ODA budget was cut by EU40million in June 2002.

### **Garda Síochána**

**Fianna Fail manifesto** - “Fianna Fail will expand the Gardai Síochána by a further 2,000”.

**Progressive Democrats manifesto** - “We will increase the strength of the Garda Síochána by 2,000 members.”

**Programme for Government** - “We will complete the current expansion of the Garda Síochána and increase recruitment so that the numbers will increase by 2,000.”

**Book of Estimates** - Not a single cent for extra Garda recruitment.

### **School buildings**

**Fianna Fail manifesto** - “We will build on the unprecedented investment which we have made in school buildings to ensure that every school attains modern standards within the next five years”.

**Progressive Democrats manifesto** - “We will ensure that every primary school in the country reaches and is maintained at an acceptable, explicit national standard within three years”.

**Programme for Government** - “We will ensure that every school building attains set modern standards”.

**Book of Estimates** - Funding for building, equipment and furnishing of schools cut as follows - Primary (-3%), Secondary (-2.5%), Third level (-33%). Hundreds of school building projects have been delayed indefinitely.

**School Building Programme** - Published in January 2003, it provided for only 26 new school starts in 2003 and froze hundreds of schools at the architectural planning stage of construction.

## **Medical cards**

**Fianna Fail manifesto** - “Fianna Fail will extend medical card eligibility to over 200,000 extra people, with a clear priority being given to families with children”.

**Programme for Government** - “We will extend medical card eligibility in line with the recommendations of the National Health Strategy” (see below).

**National Health Strategy** - “The number of people covered by the medical card scheme will be increased significantly”.

**Book of Estimates** - Not a single extra medical card.

## **Hospital waiting lists**

**Fianna Fail manifesto** - “Fianna Fail will permanently end waiting lists in our hospitals within two years through a combination of bed capacity, primary care, secondary care and targeted reform initiatives”.

**Progressive Democrats manifesto** - “Treating patients within three months (through the National Treatment Purchase Fund) will end waiting lists, as we know

them”.

**National Health Strategy** - “By the end of 2002, no adult will wait longer than twelve months and no child will wait longer than six months to commence treatment following referral from an out-patient department. By the end of 2003, no adult will wait longer than six months and no child will wait longer than three months to commence treatment following referral from an out-patient department.”

**Hospital Waiting Lists** - On 31<sup>st</sup> December 2002, the total number of people on waiting lists was 29,017, down just 157 in the three months between September and December 2002. The number of adults waiting longer than twelve months for treatment is 5,209 and total number of children waiting longer than six months is 1,081. The targets for these categories for the end of 2002 have therefore not been met.

## **Hospital beds**

**Fianna Fail manifesto** - “Fianna Fail will expand public hospital beds in line with a programme to increase total capacity by 3,000 during the period of the [Health] Strategy” (2001-2011).

**National Health Strategy** - “An extra 3,000 beds will be provided over period the to 2011, of which 650 will be in place by the end of 2002”.

**Programme for Government** - “We will expand public hospital beds in line with a programme to increase total capacity by 3,000 during the period of the [Health] Strategy” (2001-2011).

**Book of Estimates** - Makes no reference to bed capacity but funding for the building, equipping and furnishing of hospitals and other health facilities is increased by just 1%.

**Bed closures** - Almost 300 hospital beds have been closed in the Eastern Regional Health Authority. In many other hospitals, temporary bed closures have been announced. Of the 709 additional hospital beds which were to be delivered by the end of 2002, just 270 were provided. This has been eroded by the closure of almost 300 beds since then.

## **Roads**

**Fianna Fail manifesto** - “We will continue with the very significant programme of investment in non-national roads which are so essential to the fabric of rural

Ireland”.

**Progressive Democrats manifesto** - “(We) will make additional capital resources available from the National Transformation Fund for regional and county roads”.

**Programme for Government** - “We will continue with the programme of investment in non-national roads up to 2005 and we will follow this with a further significant improvement programme”.

**Book of Estimates** - Exchequer grants for non-national roads cut by 4%.

## Housing

**Fianna Fail manifesto** - “We will commit to a further expansion of the various social housing programmes so that we reach a target of meeting the needs of 15,000 households per annum”.

**Progressive Democrat manifesto** - “The substantially increased resources provided for this year (2002) for the full range of social housing programmes will contribute significantly to meeting the increased demand for social housing”.

**Programme for Government** - “We will commit to a further expansion of the various social housing programmes”.

**Book of Estimates** - Local authority and social housing funding cut by 3% and housing aid for the elderly cut by 3%. The projections for local authority housing starts and completions have been revised downward by the Department for 2003.

## Crime

**Fianna Fáil manifesto (2002)** - “If re-elected, Fianna Fáil in Government will commit even further resources to tackle crime”.

**Fianna Fáil manifesto (1997)** - “Fianna Fáil in Government will operate a strategy of zero tolerance, an approach that has produced results elsewhere”.

**Programme for Government** - “We stand for a society where all people can feel safe in their communities, business and homes”.

**Crime statistics** - Crime statistics for 2002, published on 3<sup>rd</sup> April 2003 show that serious crime rose by 22% in one year. Assaults were up by 50% and there was a

62% increase in sexual offences. Drug offences were up 23%, larcenies up 27% and fraud 22%

### **First-time home buyers grant**

**Fianna Fail manifesto (1997)** - “We will improve the first-time buyer grant to £5,000 where the house is being bought in the joint names of a couple”.

**Book of Estimates** - The first-time home buyers grant is abolished.

### **Community employment and FÁS**

**Fianna Fail manifesto** - “We will carry out a fundamental review of training and employment supports to ensure that they focus on the needs of the most marginalised and disadvantaged groups”.

**Progressive Democrat manifesto** - “We will provide FÁS with the resources to satisfy the demands of a rapidly changing workplace and to equip people with special needs with the skills needed to avail of the employment opportunities on offer.”

**Programme for Government** - “We support the positive role of the Community Employment Scheme to meet the needs of both the long term unemployed and communities”.

**Book of Estimates** - Community employment places to be cut by 5,000 by the end of the year, far below the number of 28,000 as agreed in the PPF. FÁS employment programme funding cut by 10%. FÁS training and integration supports cut by 38%. Social Welfare Employment support services cut by 14%. Back to Work scheme cut by 31%.



## Section Four

# The cutbacks that lie ahead

### **PROPOSALS FROM “ AN BORD SNIP”**

*The proposals for further savings and spending cuts  
from the Independent Estimates Review Committee\**

- Reduce numbers in the Defence Forces
- Review pupil-teacher ratios
- Reduce compensatory allowances for farmers

- Further increase third level registration fees
- Review the universality of child benefit
- Transport - phasing of capital programmes over a longer period
- Introduction of water charges
- Reduction in the allocation for childcare initiatives
- Reduction in the allocation for housing
- Further increase in the drugs refund threshold

*\* This three-member committee, also known as “the Three Wise Men” was established by the Government after the general election to “assess what options are available to achieve the expenditure targets approved by the Government for the 2003 pre-Budget Estimates process and report thereon to the Minister for Finance by 30<sup>th</sup> September 2002”.*

*This report was published on Budget day. The three members are Dermot Quigley, former Chairman of the Revenue Commissioners, Kevin Bonner, a former Secretary General of the Department of Enterprise and Employment, and Maurice O’Connell, former Governor of the Central Bank. It must be stressed that these are all proposals for spending cuts and savings.*

*All these cuts would amount to a reduction of EU900 million in the “existing level of services” (ELS).*

**Note:** Many of the cutbacks in this document were announced in the immediate aftermath of the Dáil going into recess for the summer of 2002. Will some of the above be announced when the Dáil goes into recess this summer?

## **Conclusion**

This document puts pay to the spin from Government that the people were not conned by them at the General Election in May 2002.

The Government parties themselves have invited a critique of their election manifestoes such as this one by the Labour Party.



Any assessment of the facts contained in this document proves beyond doubt that Fianna Fáil and the Progressive Democrats deceived the electorate at election time and have been breaking their promises ever since.

The fact that the National Health Strategy was published on 26<sup>th</sup> November 2001 after an explicit warning from Charlie McCreevy to the Taoiseach, the Tánaiste and the Minister for Health that he would not fund the Strategy, is a case in point.

The debate about the extent of the Government's deceit and the extent of the savage cutbacks instigated since the election has raged in recent weeks and months, often in the absence of the actual facts. This document sets out the facts in detail.

Labour will continue to pursue the Government to live up to it's election promises, to reverse the cutbacks it has implemented and to undo the damage that they have done to the economy and our most vulnerable citizens since they came to power a year ago today.

As Labour Party Leader Pat Rabbitte at Labour's National Conference in May "if you didn't know it then, you know it now; the Government bought the last election with your own money".

Labour has proven that this is the case. No amount of Government spin will alter this.

ENDS



