

## TRADE UNION RESPONSE

The Irish Congress of Trade Unions (I.C.T.U.) described the budget as 'middle of the road'. They welcome P.A.Y.E. tax relief, and see the shift in corporation tax in favour of jobs rather than capital as progressive. They welcome social welfare increases especially the higher increases for those on the lowest social welfare payments. They support the inclusion of farmers and the self employed in the P,R,S,I. system. They are however 'disappointed' at the low rate of 3%, they favoured the 6.6% recommended by the National Pensions Board. Also they believe that the level of corporation tax, company tax and capital taxes generally remains far too low. On the cuts overall they state "Congress regrets that the Government has not acceded to Congress demands for easing the more severe cuts in essential social services". They are 'disappointed' at the likely deflationary effects on employment of the Budget and the absence of any major job creation initiatives.

This seems an extraordinarily muted response to a budget which sanctions some of the severest cutbacks in public spending on essential services such as health and education ever seen in this country and which hardly mentions the crisis of unemployment. The budget did make certain concessions to the I.C.T.U.'s most immediate constituency - employees - through P.A.Y.E relief and through providing for the pay increases for public sector employees agreed in the Programme for National Recovery. On the other hand it

ignored just about all the wider demands of the Congress - it offered very little on broader tax reform and it confirmed the Governments abdication of any direct responsibility for job-creation.

The I.C.T.U state that "given the crisis of mass unemployment more radical measures were needed to create jobs. Job creation remains the top priority for the I.C.T.U. and it looks like we will have to fight hard to get the Government to implement the target of 60,000 jobs in manufacturing industry which were agreed in the Programme for National Recovery". At the moment the only strategy they have for 'fighting' is through negotiation around the Programme for National Recovery. On the evidence of this budget they have yet to show how these negotiations can make job creation a real priority of Government action.