

Should We Enter A Coalition Pact? Conference Speech by Liz O'Donnell TD

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We know that next year will be an election year, it is therefore appropriate that we explore our electoral options at Conference.

Until now, the Party has generally followed the strategy of contesting each general election as an independent party being open to enter coalitions with compatible parties.

My view is that we should fight the election campaign with our own clearly defined policies, and brand, urging people to vote for us on the basis of what we have delivered. Our Goal should be- to maximize our representation in the Dáil and its ability to influence the shape of the next Government.

I think we can proud of the achievements of this Government over two terms, it has delivered stability, prosperity and unprecedented levels of investment in public services. So why change a winning formula.

This Government has delivered unprecedented prosperity.

- Ireland has one of the lowest unemployment rates in the European Union, We had 1.9m working in 2005 and we can be confident that there will be over 2m employed in 2006, employment, grew by 5% this year
- This year we will invest €50bn in public services up from €27bn in 2002
- Since 1996 the middle class in Ireland has grown by 25% while the poorest class has shrunk by almost 30%.
- In Ireland, average incomes surged by over 100% between 1995 and 2004

This Governments record is a record of strong achievement, achievements of which both parties can be proud. The partnership of the Progressive Democrats and Fianna Fail has been the most successful political partnership in the history of the state. We have delivered tax cuts and public spending increases; transforming Ireland from the sick man of Europe to Europe's shining light.

Why change a winning formula, over the next year it will be our job to blow our own trumpet, challenge head on the contrived negativity about our achievements. Consolidate and sell our brand of politics which has turned this in short we have to believe that it is in the public interest that we stick to our guns

As Des said at our 20th Anniversary numbers are very much secondary to effectiveness. What we have achieved as a party has been against the odds. Our beliefs were demonized when we dared to speak them, but on all counts we have been proved right.

And it's not just on the economy that we have made a difference. Our style of politics goes way beyond economics. We are not diluted by populism. We do not fear vested interests.

Our form of social justice is one that derives from the belief that a real job is the best poverty beater; that the instinct of Irish people is not of dependence but of independence and reliance. Nor has our prosperity made us selfish as a people, as some would suggest. This party has insisted that the fruits of our new found wealth are ploughed back into services for the vulnerable and the elderly. We are world leaders in our aid programme to poor countries.

We have created something which is neither Boston nor Berlin but combines the best of both, a safety net which below which no person can fall, but with no limits to what a person can seek to achieve.

By our nature we are reforming politicians. While others cling to the status quo for comfort, we embrace innovation and new ideas to tackle new challenges.

People know what we stand for and people accept that we are in politics for the right reasons, to serve the public interest. Even our worst critics respect our integrity.

So delegates, as before, our task is to grow our numbers strengthen our hand. Stand before the people as an independent party on the basis of our track record over 20 years.

The contrast with the Nordic Model espoused by Labour is profound.

- The economies of Sweden, Finland and Denmark have grown on average by 2%, a year since 1990. This is a long way behind Ireland, which has grown 6.6% a year.
- Between 1990 and 2004 Sweden did not create any new jobs in fact; the numbers in employment fell by 5%.
- Between 1995 and 2004 average incomes in Sweden rose by only 30% while in Ireland they rose by more than 100%

Labour it seems have ruled us out of the alternative coalition, I do not know if they speak for Fine Gael, but Fine Gael's silence would seem to suggest that they do.

If the choice is between the current Government and the return of the Rainbow, I believe the Irish people will vote for the return of a winning team. We all know there is no crock of gold at the end of that particular rainbow.

This country needs the Progressive Democrats lets work to make sure that the Irish people get the government they deserve, a Government with the Progressive Democrats at its heart. With your hard work I know we will return after the next election stronger than ever to deliver reform in health taxation and Justice.

Our tax system is now highly progressive and fair. Higher earners pay a higher proportion of income tax. The top 1% of income earners already contributes 20% of total income tax receipts while the top 4% of income earners contribute 40% This Government has ensured that no longer can high net worth individuals avoid paying all tax thru tax avoidance schemes, now they must pay a minimum of 20percent of their incomes.

The 'tax wedge' is the difference between labour costs to the employer and the net take-home pay of the employee, including any cash benefits from government welfare programmes. According to the OECD, for a single-earner married couple with two children on average earnings, Turkey, Sweden and Poland impose the biggest 'tax wedge', while Ireland, Iceland and the United States take the smallest slice in tax. The tax wedge ranged from 42.7% in Turkey, 42.4% in Sweden and 42.1% in Poland to 11.9% in the United States, 11% in Iceland and 8.1 % in Ireland. (We score so well because of our high child benefit rates which are untaxed).

Nor does high public sector spending necessarily result in excellent public services. Despite an increase of almost 70 percent in spending since 1979, Sweden's public health-care system is facing serious problems. The Swedish Association of Local Authorities and Regions reports that doctors see an average of four patients a day, down from nine in 1975. The number of hospital beds is down by 80 percent since 1975.

The economies of Sweden, Finland and Denmark have grown on average by 2%, 1.8% and 2.1% a year since 1990. This is significantly less than the OECD average of 2.6% and a long way behind Ireland, which has grown 6.6% a year.

Between 1990 and 2004 Sweden did not create any new jobs in fact; the numbers in employment fell from 4,483,700 to 4,255,400 - a decline of 5%. So when the trendy commentators in the national media and the left-wing parties here call for Ireland to move to a Nordic model, are they suggesting that we should follow this example? Which 5% of the workforce would they like to discard?

At the end of the day the people are sovereign it is their votes and the numbers which will decide the shape of the next Government not the theoretical preferences of any party.

My friends I believe we should fight the next election as an independent party but confident that the record of this current Government mandates its return to power.