

Ireland: Disgraced property developer Mick Wallace and the United Left Alliance

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21 June 2012

For over a week, the Irish media has been reporting on the case of Mick Wallace, a former building developer and restaurant operator who now sits in parliament.

His firm M. and J. Wallace fiddled €1.4 million (US\$1.8 million) in tax by making a false and illegal VAT return on apartment sales. The total amount now due to the Irish tax revenue is €2.1 million.

On June 14 Wallace made a short statement to the Dail (parliament) saying he was sorry about the €1.4 million withheld in VAT. He offered to pay half his Dail salary yearly to reimburse the revenue, but did not specify if he would resign his seat.

Wallace knew he had little reason to fear the response to his statement in parliament, since criminal activities are the rule rather than the exception within Ireland's political establishment. Earlier this year, a long-running inquiry into political corruption, which saw the indictment of former Taoiseach (Prime Minister) Bertie Ahern, declared in its final report that "corruption affected every level of Irish political life."

The fact that Wallace has been allowed to walk away from his mountain of debt, shrug his shoulders, put on the poor mouth and look for pity, while drawing a full TDs (MP's) salary and expenses, has provoked widespread anger. One comment on a phone-in radio show summed up the attitude of many workers towards Wallace: "All material assets should be seized, the state should then grant him rent allowance and a standard social welfare payment to live on, marking him as no different to 300,000 other people in this state."

This anger is being driven by the austerity measures imposed by the Fine Gael-Labour coalition, which are pauperising wide layers of the population. Some €3.8 billion of cuts and tax hikes have been implemented this year and a similar figure is planned for 2013. The

likelihood of a second bailout from the European Union and International Monetary Fund will intensify the cycle of austerity and hardship.

Wallace is one of several smaller capitalists who made a killing during Ireland's economic boom prior to 2008 in construction. But as the credit crunch hit and the economy went deeper into crisis, he found himself in conflict with the banks. He was able to exploit this and was elected in Wexford to the Dail at the general election in February 2011.

Wallace's fate throws additional light on the grotesque opportunism of the United Left Alliance (ULA)—made up of the Socialist Workers Party and the Socialist Party.

On his election, Wallace joined the Technical Group in the Dail—an alliance of the ULA and several independent TDs. The ULA justified this manoeuvre by citing the additional speaking rights it secured in parliament, which are extended to organisations with more than nine TDs. It insisted that no political agreement was implied.

However, the ULA courted Wallace and boosted his supposed "left" credentials. Richard Boyd Barrett (SWP) and Clare Daly (SP) were photographed alongside Wallace on many occasions with beaming smiles, the most notable being when they lined up for discussions with the Troika of the European Union, International Monetary Fund and European Central Bank last January.

Daly is described as a close friend of Wallace, who has frequently been spotted dining and drinking with him in a number of plush venues.

This was in spite of continuous revelations regarding Wallace's shady business dealings. In October 2011 the Commercial Court ordered Wallace to repay more than €19 million he owed to ACC Bank. In December

2011 Wallace pleaded guilty to five charges of deducting pension contributions and failing to pay them into the Construction Workers Pension Scheme between January and May 2008.

Even when the scandal broke, ULA TDs did not condemn his actions as a capitalist and property developer, but only in so far as he had “made an error of judgment.” Daly insisted that Wallace was “still fit for office.” Boyd Barrett opportunistically declared that it was up to the people of Wexford to decide at the next election.

The SP’s Joe Higgins issued a statement on Wallace that was a collection of evasions.

The ULA were being targeted by the “right-wing media” in a “malicious and underhand drive to try and spread guilt by association to other Opposition deputies” in the Technical Group, he wrote. But he then essentially reiterated the ULA’s long-time presentation of Wallace as being “perceived” as “different to the political establishment having opposed the invasion of Iraq in 1993 and opposed the austerity measures against working class people to save the European financial markets system.”

“Since being elected Wallace took a strong stand in support of constituents in a number of instances,” he adds, and many “will be extremely disappointed with the current developments.”

Higgins notes Wallace’s support for various campaigns led by the ULA.

“Failure to demand resignation is being equated with condoning,” he writes. “It was dishonestly stated that had it been a Fianna Fail or Fine Gael deputy in the same situation as Wallace, we would be immediately demanding peremptory resignation. Not so.”

Higgins then declares, “Ten years ago I did call for the resignation of Liam Lawlor and a by-election in Dublin West. But that was after he had been in jail for the third time for not assisting a Tribunal looking into corruption and his constituents, who were also mine, were at the end of their patience over issues that had dragged on for years.”

Clearly it takes an awful lot to move Higgins to action, not just against Wallace but any of his fellow TDs!

The central issue is not that the ULA did not immediately call for resignation, or to deny that the campaign against Wallace has a right-wing impulse.

The ULA put itself in the position to be attacked by its political endorsement of Wallace and relations that went well beyond a technical arrangement in parliament.

The make-up of the technical group is itself highly revealing. Matty McGrath is a former Fianna Fáil member, the party which oversaw the speculative activities of the financial elite, bailed out the banks in 2008 and began the imposition of austerity measures in coalition with the Greens. Finian McGrath has been in parliament for close to a decade and gave his backing to the Fianna Fáil-Green Party government in several key votes. Catherine Murphy, whom the ULA and other group members agreed to appoint as chief whip, is a former Labour Party member and local councillor.

The response from the fake left to the Wallace scandal will not go unnoticed by workers and youth struggling to survive as they are made to bear the brunt of the recession and paying for the speculative orgy of the banks and property developers like Wallace.

It is confirmation that the ULA is an establishment organization, with no connection to the socialist perspective of overthrowing capitalism despite its occasional rhetorical flourishes.

Its politics are firmly based on a conservative layer in society that wants to preserve the capitalist system, even if they want a “fairer” version. Sucking up to the wealthier layers of the middle class and the trade union, Labour Party and Sinn Féin leaders, groups such as the ULA have made abundantly clear that they have much more in common with Mick Wallace and his ilk than they do with working class people.



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