



Gilmore pledges to tax the rich more

by **Padraic Halpin**

LABOUR Party leader Eamon Gilmore says he would keep the commitment to close the budget gap, tax the rich more and rely less on spending cuts if he became the nation's first Labour premier.

Eamon Gilmore, whose Labour party topped an opinion poll for the first time last month, said the next government will stick to cutting the budget gap to 3% of gross domestic product by the EU's deadline of 2014, from 14% in 2009.

"We're committed to achieving that target," said Mr Gilmore. "If there is a change of government, we will adhere to what has been agreed. Dealing prudently with the public finances is part of what the next government will have to do.

Gilmore, a former trade union official who organised marches for tax reform in the late 1970s, also says he would hike income tax for those earning over €100,000 to 48% from 41%, keep lower-paid workers out of the tax net and steer clear of introducing any residential property taxes.

Labour also opposes the Government's wish to split troubled nationalised lender Anglo Irish Bank into a "good" and "bad" bank, instead preferring to wind it down over time.

Anglo, which may eventually swallow €22 billion of state capital, says an orderly wind-down would cost almost double that, but Gilmore says its bondholders should be "negotiated with" to limit the cost to the state.

"Our ability as a state to borrow and the cost of borrowing would obviously be a factor and a consideration in the Anglo wind-down," Mr Gilmore said.