

# The Irish Echo

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*Galway's Lawless goes to bat for immigrants*

— PROFILE, Page 11



*Irish actor Liam Cunningham hits his stride in new films*

— ARTS, Page 18



From left: Maddie Monticello, Emma Curran and Moria Kramp, students at the Trinity Academy of Irish Dance in Chicago IL. PHOTOS BY MASSIMO CRESCENZO

## Stepping out

By Ciara McGuigan  
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**MORE THAN 5,000 IRISH DANCERS** from across the world descended on Pennsylvania this week to take part in the 39th Oireachtas Rince na Cruinne (World Irish Dancing Championships).

This is the first time the prestigious championships have been held outside Britain and Ireland, and the first time the United States has played host to the event.

Taking place over an eight-day period at the Kimmel Center in Philadelphia, the World Championships began on Sunday, April 5, with competitions set to continue through Sunday, April 12. Dancers from as far off as Ireland, England and Australia are

See STEPPING OUT, Page 8

# Wham Bam!

*Toughest-ever Irish budget unveiled by Lenihan*

By Alana Fearon  
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The Irish government buried the Celtic Tiger era once and for all yesterday.

In what was being described as the toughest budget in the history of the Irish state, finance minister Brian Lenihan outlined a series of tax hikes and spending cuts to the Dáil that will affect virtually every corner of Irish society.

It was the government's second budget in six months and its provisions will come into force on May 1. Widely described as an "emergency" budget, it was prompted by the republic's fast contracting economy which has raised fears of out of control plummeting public finances and even more job losses.

And the fiscal pain might not be over yet as Lenihan pointed to other measures that might need to be implemented in the months ahead.

As budget day, a damp and dreary one, dawned, Taoiseach Brian Cowen's government faced the double challenge of dealing with a deepening recession while being forced to correct the biggest budget deficit in Europe.

Unemployment has already risen to almost 12 percent and government forecasts predict the budget deficit could reach four times the level that is legally allowed by the European Union.

For almost 20 years, economists have been praising the Irish republic as the economic model to follow, but the days of major foreign investments have ended and the purring of the Celtic Tiger has given way to an uneasy silence.

Lenihan admitted the emergency budget would not be easy on anyone, but vowed in advance that it would be fair. It certainly was wide ranging.

His budget doubled the current



Nothing else on. Martin O'Keefe watches coverage of Brian Lenihan's budget speech in Arnott's Department Store in Dublin. PHOTOCALL

income and health levies at the various income levels they apply to, did away with the end of year social welfare bonus and reduced mortgage interest relief. Overall, the hardest hitting revenue raising measures were aimed at those with the highest incomes.

Lenihan told the Dáil the Irish taxation system was too narrowly applied. He said that too many people did not pay tax at all and there were too many ways in which those who had wealth could shelter their income.

He announced deep cuts in public spending including the cutting of hundreds of millions of euro from roads and public transportation projects. A planned underground Metro rail for Dublin, will, however, proceed.

Ireland's overseas aid budget, which has already fallen by €155 million over the last 18 months, is to be cut by a further €80 million, reflecting the fall in the country's gross domestic product.

No cuts in the basic social welfare rates will be made now, but Lenihan indicated that they may not be immune in the future. Childcare allowances will be cut, and there will be means testing for child benefits. Lenihan also alluded to possible future carbon and property taxes.

Taxes on the "old reliables" of alcohol, tobacco, gas and diesel have been included in the budget but the increases are lower than some in government wanted because of fears that excessive rises would spur cross-border trade and smuggling.

The government also directed cuts at itself. Pensions for sitting TDs are now out, while the number of junior ministers is being cut from 20 to 15.

Mortgage interest relief for owner-occupiers will only apply for the first seven years of a mortgage under new rules while the level of tax that investors can claim on residential rental properties will now only apply to 75 percent of interest paid.

"What is wrong in our economy can be fixed if we take the right course of action now," Lenihan told the Dáil.

He pointed to six steps needed to restore the economy: stabilize public finances, restore the damaged banking system, boost exports, protect jobs and invest in retraining, support and stimulate economic confidence, and restore Ireland's reputation abroad.

Lenihan said the total tax and levies measures in the budget would raise €1.8 billion in 2009 and more than €3.6 billion in a full year.