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The People's Movement campaigns against any measures that further develop the EU into a federal state and to defend and enhance popular sovereignty, democracy and social justice in Ireland.

You weren't told you'd be paying EU taxes!

The Lisbon Treaty contains a provision entitled "The Union's Resources," under which the European Union could provide itself with the means necessary to attain its objectives and carry through its policies. It could also establish new categories of "own resources." Though these measures require unanimity in the European Council and would not enter into force until they were "approved by the Member States in accordance with their respective constitutional requirements," it is clear that this provision would open the way for an EU-wide taxation system that would make the EU budget wholly independent of its member-states.

The main provision of article 269 of the Treaty Establishing the European Community, inserted through amendments by the Lisbon Treaty, reads: *"The Union shall provide itself with the means necessary to attain its objectives and carry through its policies. The Council, acting in accordance with a special legislative procedure, shall unanimously and after consulting the European Parliament adopt a decision laying down the provisions relating to the system of own resources of the Union. In this context it may establish new categories of own resources or abolish an existing category."*

This article was formulated in the convention that drew up the forerunner of Lisbon—the EU Constitution. The proceedings suggest that the rationale was that the Union would be "able to rely on autonomous resources in the form of a European tax or participation in national taxes, without this leading to any increase in the tax burden on citizens." Of course this would reduce the amount available for Government expenditure on capital projects, health care, and the numerous other areas with urgent requirements. That money would go instead to a body that a recent Commission report reveals lost €6½ million a day to fraud and irregularities, or a total of €1.4 billion in 2007.

"Own resources" are revenue that finances the European Union's budget and that is due to it as of right, within an annual ceiling fixed as a percentage of the Union's gross national product. "Own resources" at present fall into four categories: agricultural levies, duties from the common customs tariff, a percentage of the amount resulting from the application of a uniform rate of VAT, and an amount resulting from the application of a rate, to be fixed under the annual budgetary procedure, based on the sum of the gross national products.

Article 269 would allow the EU Council of Ministers to finance the attainment of the Union's wide objectives by means of "new categories of own resources." These could include virtually any kind of tax—income tax, sales tax, company tax, property tax, carbon tax—as long as it was unanimously agreed and was approved by the member-states in accordance with their respective constitutional requirements, which in Ireland's case would mean majority Dáil approval if the Lisbon Treaty was ratified. As the Government would hold a majority, this is virtually a certainty.

A recent plenary debate in the European Parliament concerned at "securing sufficient EU budget revenue to meet EU political priorities" recalled that the candidate taxes that were taken into consideration for this purpose during the exchanges with the national parliaments or in the Commission's reports on the reform of the "own resources" system included the following: VAT, excise duties on motor fuel for transport and other energy taxes, excise duties on tobacco and alcohol, and taxes on corporate profits. Other possible avenues suggested by the European Parliament included taxes on transport or telecommunications services, income tax, withholding tax on interest, eco-tax, and taxes on savings. So the Irish Government was aware of these proposals though it kept quiet during the last referendum campaign.

There would have been an obligation on the Council to agree such tax measures: "The Council *shall* adopt a decision . . ." Any such agreement would not have required a referendum in Ireland: agreement by the Taoiseach at the European Council and subsequent approval by the Dáil, where the Taoiseach would have a guaranteed majority, would have been sufficient to validate it in accordance with Ireland's Constitution if the Lisbon Treaty were adopted. The Lisbon Treaty would therefore give permission to any future Taoiseach and Government to agree to EU taxes of all kinds, without having to come back to the Irish people in a referendum.

Finally, it is important to note that the taxes under consideration in this instance are not the corporation taxes that received such extensive publicity during the referendum campaign but taxes that would have a profound effect on the already meagre public services in this country and that would ultimately be felt in workers' pockets—pockets that have already been thoroughly rifled by the present Government.

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