



# PEOPLE'S NEWS

*News Digest of the People's Movement*

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## Why not join us to celebrate the 100th edition of *People's News*?

*We will be meeting upstairs in the Palace Bar, Fleet Street (just off Westmorland Street), Dublin, on Friday next, the 7th, at 6 p.m. for a pint or a coffee and chat, to renew old acquaintances and perhaps make some new ones. We'll have hard copies of no. 100, and some CDs of the complete run.*

*We hope to see you there!*

## Reding says euro zone will become a federal state

The vice-president of the EU Commission, Viviane Reding, has predicted that the euro zone will become a federal state. "In my personal view, the euro zone should become the United States of Europe. Like Winston Churchill, I believe that the UK will not be part of this, but it should remain a close ally with the federated euro zone, with which it would continue to share a common market, a common trade policy, and, hopefully, a common security agenda." (Churchill said in 1946 that "the structure of the United States of Europe, if well and truly built, will be such as to make the material strength of a single state less important.")



Reding pointed out that euro countries have made an "extraordinary" leap in integration because of the economic crisis. Pointing to the Commission's new power to scrutinise national budgets and the plan to create a banking

union, she said: "A few years ago no-one could have imagined member-states being prepared to cede this amount of sovereignty."

Recently Guy Verhofstadt, a former Belgian prime minister, and Daniel Cohn-Bendit, joint president of the Greens and Free European Alliance group in the EU Parliament, stated that there is no alternative to a federal EU. "All other options have been exhausted over the past three years and to no avail. The intergovernmental approach, where unanimity rules, has been utterly discredited by the financial crisis and [has] shown up the lacunae in current economic governance structures.

"There has been a slow and belated recognition that the EU needs to complete economic and monetary union by reinforcing the building blocks through the creation of a genuine banking and fiscal union, leading to full-blown economic and political union."

More significantly, Germany's minister of finance, Wolfgang Schäuble, reinforced Reding's position when he said last week that he was "open to the creation of a separate European parliament for countries using the euro," and that a separate parliament for the eighteen countries in the euro zone would allow the smaller group to integrate more closely.

Schäuble's comments challenge the very foundations of the European Union, where lawmaking for all twenty-eight states is by the bloc's current Parliament. "We need to enhance European integration in an intelligent way, and enshrine it by making changes to the treaties," he said, reiterating the need for far-reaching legal changes to underpin economic reforms to support the currency.

"I can imagine there being a euro-zone parliament," he told a gathering organised by the European People's Party, a group representing centre-right political parties, which meets in Dublin next week.

In making his case, Schäuble referred to a desire on the part of France and Germany that "the European Parliament should be involved more effectively in euro-zone decisions. It would be relatively easy to achieve this by creating a euro-zone parliament consisting of members of parliament from euro-zone countries."

And here is Angela Merkel's vision from May 2010: "We have a shared currency but no real economic or political union. This must change. If we were to achieve this, therein lies the opportunity of the crisis ... And beyond the economic, after the shared currency, we will perhaps dare to take further steps, for example for a European army."



It is good that Viviane Reding has spoken openly about her ambitions for the euro zone; so many other commissioners or officials will never admit that their goal is to form a federal European Union. It is fair to say that the citizens of Europe don't want this federal state that Viviane Reding aspires to; but she does reveal the ideology of Brussels, while Schäuble

gives a good indication of the thinking of the German government.

But the people of the member-states of the euro zone have never been asked what they want, nor do there seem to be any plans to ask them. That's why we need to defend our right to participate in referendums, so that people actually decide whether they want to give up all their sovereignty—such as on fiscal policies—to the unelected Commission in Brussels that Viviane Reding represents.

The calls for a federal euro zone are increasing by the week, with influential federalist think-tanks churning out position papers and, increasingly, influential politicians intervening in the softening-up process.

"The price of freedom is eternal vigilance" is a saying attributed to Thomas Paine, among others; while the Irish lawyer John Philpot Curran, who defended leading United Irishmen, pointed out that "It is the common fate of the indolent to see their rights become a prey to the active." We would do well to remember this.

### People's Movement protests Friday 7 March



The congress of the European People's Party is being held in Dublin to select their candidate for president of the European Council. More than two thousand participants from thirty-nine countries have been invited to participate, including the EPP's twelve heads of state and government—Angela Merkel (Germany), Mariano Rajoy (Spain), Traian Băsescu (Romania), Viktor Orbán (Hungary), Donald

Tusk (Poland), Fredrik Reinfeldt (Sweden), Laimdota Straujuma (Latvia), Antónis Samarás (Greece), Jyrki Katainen (Finland), Pedro Passos Coelho (Portugal), and Níkos Anastasiádes (Cyprus)—together with the presidents of the European Commission and the European Council, José Manuel Barroso and Herman van Rompuy, respectively.



**First protest:** As the delegates arrive. Assemble at the front of the Custom House (Custom House Quay) and move off at 8:45 a.m. for the Dublin Convention Centre (North Wall Quay). Protest ends at 10 a.m.

**Second protest:** As the candidate for president of the European Council is announced. Assemble at Custom House and move off at 12:45. Protest ends at 2 p.m., following their press conference.

The themes of the protests are *“No to EU-imposed austerity”* and *“We don’t want EU military expansion.”*

### German Constitutional Court finds ECB’s programme “incompatible with primary EU law”

The German Constitutional Court considers the European Central Bank’s bond-buying programme of “outright monetary transactions” incompatible with EU law. OMT is a scheme of the ECB under which it makes purchases—outright transactions in secondary, sovereign bond markets, under certain conditions, of bonds issued by euro-zone member-states.

The German Constitutional Court, however, can rule only on matters of national law and

says that its ruling is “subject to the interpretation by the European Court of Justice.” It has therefore referred the case for a “preliminary ruling.” The ECJ is likely to approve OMT. Separately, the Constitutional Court will issue a judgement on the European Stability Mechanism and the fiscal treaty on 18 March.



The German Constitutional Court, for all practical purposes, considers the ECB’s bond-buying programme illegal. Referring the case to the ECJ is a way in which it can wash its hands of the final ruling.

One of the most important questions referred is whether the OMT scheme “violates the prohibition of monetary financing of the budget” (Treaty on the Functioning of the European Union, article 123). It seems the court believes it does, and that if it were so decided it would have to stop the German authorities from taking part. Essentially, the court has asked the ECJ to rule whether OMT is fundamentally compatible with the primary law of the EU. However, the court also stresses that the programme can be brought into line with the treaties.

“The subject of the questions referred for a preliminary ruling is in particular whether the OMT Decision is compatible with the primary law of the European Union. In the view of the Senate [Court], there are important reasons to assume that it exceeds the European Central Bank’s monetary policy mandate and thus infringes the powers of the Member States, and that it violates the prohibition of monetary financing of the budget. While the Senate is thus inclined to regard the OMT Decision as an *ultra vires* act [beyond its power], it also

considers it possible that if the decision were interpreted restrictively in the light of the treaties, conformity with primary law could be achieved.”

Given that the ECJ tends to rule in line with EU policy and with EU institutions, it seems highly doubtful that it would rule against OMT. If it were to support OMT without any changes, this would put the German court in a very difficult position: it would be stuck between believing that it falls outside the mandate of the German institutions as to their responsibilities to the EU and that it has no clear basis in terms of EU law.

So, when the issue returns to the German court it could rule the transactions incompatible with the German constitution and insist on a limited version of the programme. If the transactions were limited and placed under certain conditions, the statement said, it might not contravene the ban on the ECB funding governments. However, the suggested limits could exclude a country like Ireland.

The ECJ may fast-track its consideration of the case, as it did with the Pringle challenge to the ESM referred from the Irish courts, which took three months. The issue would then return to the German court.

Last November a member of the board of the ECB, Jörg Asmussen, asserted that Ireland was not eligible for OMT. “Ireland would need to apply for a new EFSF/ESM macro-economic adjustment programme or precautionary programme to be considered for OMT,” he said.

In September 2012 the president of the ECB, Mario Draghi, said that the ECB would do “whatever was necessary” to save the euro, including outright monetary transactions. In the meantime it is clear that the ECB still considers OMT practically operational. In its response to the referral it stated: “The ECB reiterates that the OMT programme falls within its mandate.”

It would seem that investors also expect the ECJ to do the “right thing,” as there was hardly a ripple in interest rates.

## CIA provided most of European Movement funds



CENTRAL  
INTELLIGENCE  
AGENCY

A forgotten set of declassified US government documents shows that its intelligence agencies ran a campaign in the 1950s and 60s to build momentum for a united Europe, and that US government agencies financed and directed the European federalist movement.

The documents also confirm suspicions voiced at the time that the United States was working aggressively behind the scenes to push Britain into a European state. One memorandum, dated 26 July 1950, gives instructions for a campaign to promote a fully fledged European parliament. It is signed by General William Donovan, head of the wartime Office of Strategic Services, precursor of the CIA.

The documents were found by Joshua Paul, a researcher at Georgetown University in Washington. They include files released by the US National Archives.

Washington’s main tool for shaping the European agenda was the American Committee for a United Europe, created in 1948. The chairman was Donovan—ostensibly at that time a private lawyer; the vice-chairman was Allen Dulles, director of the CIA in the 1950s. The board also included Walter Bedell Smith, the CIA’s first director, and a roster of ex-OSS figures and officials who moved in and out of the CIA.

The documents show that the American Committee for a United Europe financed the European Movement, the most important federalist organisation in the post-war years. In

1958, for example, it provided 54 per cent of the movement's funds.



The leaders of the European Movement—Joseph Retinger, the visionary Robert Schuman, and the former Belgian prime minister Paul-Henri Spaak—were all treated as hired hands by their American sponsors. The European Youth Campaign, an arm of the European Movement, was wholly funded and controlled by Washington. Its Belgian director, the industrialist René Boël, received monthly payments into a special account. When the head of the European Movement, the Polish-born Joseph Retinger, bridled at this degree of American control and tried to raise money in Europe, he was quickly reprimanded.

The American role was handled as a covert operation. The ACUE's funding came from the Ford and Rockefeller Foundations, as well as business groups with close ties to the US government. The head of the Ford Foundation, Paul Hoffman, a former OSS officer, doubled as head of ACUE in the late 1950s.

The State Department also played a role. A memo from the European section dated 11 June 1965 advises the vice-president of the European Economic Community, Robert Marjolin, to pursue monetary union by stealth. It recommends suppressing debate until the point at which the "adoption of such proposals would become virtually inescapable."

So now we know!

### **Lobbying by arms industry for EU drone policy pays dividends**

A new report, called *Eurodrones Inc.*, exposes the substantial political and economic support given to the drone industry by citizens of EU countries without their knowledge and with little public scrutiny or consultation.

The 40,000-word report explores how hundreds of millions of euros of taxpayers' money has been granted in R&D subsidies, and how drone policy is being driven almost

entirely by the armaments and security industry, which seeks to profit from it. Public and private interests have become so tightly intermingled that lobbyists have awarded prizes to numerous EU officials for their commitment to unmanned aircraft and the insertion of drones into civil air space. The report shows that:

- the EU's drone policy has evolved into a coherent plan to remove the regulatory and technical barriers that limit the flight of drones in civilian air space;
- a budget of €70 million for ensuring widespread civilian drone flight was inserted in new EU legislation as "a politically driven priority," despite the fact that there has been no democratic debate on the issue;
- at least €315 million in EU research funds has been awarded to drone projects, many of which are subsidising Europe's largest arms and security companies and are geared towards the development and enhancement of tools for border surveillance and law enforcement;
- at least a dozen officials have received awards for their personal commitment to the integration of drones in civil air space from the industry lobbying group UVS International;
- an Italian member of the EU Parliament, Vittorio Prodi, told meetings organised by the EU Commission about "the support of the European Parliament to the development of UAS [unmanned aerial systems] for civil use," even though the EU Parliament has adopted no formal position on this;
- the EU's own plans mirror a wider global aerospace "road map" drawn up in an entirely technocratic manner by the International Civil Aviation Organisation that aims to ensure regular civilian drone flight by 2028; and that

- the EU and the United States have signed a formal agreement that commits them to co-operating on the integration of drones in civil airspace and the harmonising of air traffic management systems.



The report also looks at the ways in which

- the European Defence Agency has put significant research funds into drone technology and is encouraging the development of military drones, in particular through a new medium-altitude long-endurance (“MALE”) drone project run by seven EU member-states;
- drones are seen as beneficial to the EU’s plans for immigration control and may become a central tool of both Frontex, the EU’s border agency (which has paid for demonstrations of Israeli drones described as the “ultimate solution for Over the Hill reconnaissance missions, Low Intensity Conflicts and Urban Warfare Operations”) and a crucial component of the EU Border Surveillance System (EUROSUR), which seeks to employ drones along with other sensors, radars and satellite imagery for the control of its borders; and
- the EU is deepening its relationship with the European Space Agency, which is pivotal to the development of the satellite and telecommunications infrastructure needed to fly drones beyond the “line of sight.”

The report finds that, although drones may bring a variety of innovations and benefits in different industries and markets, the EU’s support appears largely designed to benefit an armaments industry desperate to compete in

the growing global market for military drones and to diversify into civilian markets.

Because the EU (with the exception of the still fledgling European Defence Agency) has been prohibited from funding military R&D, the Commission has effectually been subsidising the arms industry to develop drones for “homeland security” purposes. The report warns that this is tacitly encouraging the further militarisation of the EU as well as the continued drive towards automation in warfare.

The report also calls for proper democratic control and public debate about the trend of both drone policy and technology.

The EU Commission stated in a working paper in September 2012 that the “process supporting the development of civil Remotely Piloted Aerial Systems applications needs to be transparent and involve the consultation of stakeholders, for example bodies like the European Group on Ethics, the LIBE Committee of the European Parliament or the European Agency for Fundamental Rights and Data Protection Supervisor.”

Yet none of these bodies has been involved in the lengthy process leading up to the present “road map,” or been formally consulted since. Their absence from policy debates means that many of the conversations the EU should be having about drones—such as what they should and should not be used for, and how to prevent further militarisation and the deployment of fully autonomous armed drones—have been all but ignored.



One of the joint authors of the report, Ben Hayes, comments: “It’s easy to see why people are so excited about drones: there are many positive things they could be used for. But there’s also a clear direction of travel in terms of developing

drones for high-tech warfare and mass population surveillance. The EU has a moral and legal obligation to support responsible innovation and ensure that fundamental rights and the rule of law guide all of its policies.”

His fellow-author Chris Jones comments: “The EU’s emerging drone policy has come about following years of successful lobbying by defence and security companies and their associates and policy has been largely driven by those same defence and security contractors that have the most to gain. Despite the clear implications for civil liberties of civilian drone use there has so far been no meaningful consultation with the public, civil society, or democratic institutions. A proper debate and discussion and an immediate shift towards transparent, open and accountable decision-making is vital.”

We won’t hold our breath!

### **Brussels laws rubber-stamped by Oireachtas**

Senator Mark Daly, in a recent speech to the Seanad, said that “an enormous amount of statutory instruments are laid before the house. In a given year there could be 594 statutory instruments, 164 EU directives and 129 EU regulations, versus 47 acts of the Oireachtas. This is where the problem is—that is, all those European Union directives and regulations and statutory instruments (mainly arising from EU regulations) that simply are signed in.

“I refer to the example from August 2013 when this house was recalled in respect of a statutory instrument that was the first legislative item in the history of the state pertaining to organ donation. It was signed into Irish law, the amendments having been made by the minister and the civil servants. Those amendments were not seen by the whip himself, the Government or the Health Committee, yet there it was. It was the first legislation in the history of the state on organ

donation, but no-one in this house or the Dáil or any committee saw it. Moreover, this happens nearly six hundred times per year, in contrast to acts of the Oireachtas, on which members spend huge amounts of time.

“In most years the majority of laws and statutory instruments that are put through the national parliaments of the EU member-states come from Brussels, although most citizens at national level are unaware of this. There are over 100,000 EU rules, international agreements and legal acts binding on or affecting citizens across the EU. It was calculated that in 2013 there were in force 8,937 EU regulations, 1,953 EU directives, 15,561 decisions, 2,948 other legal acts, 4,733 international agreements, 4,843 non-binding legal acts, which may however bind if agreed, 52,000 agreed EU international standards from CEN, CENELEC, ETSI, etc., and 11,961 verdicts from the EU Court of Justice.”

The EU treaties prevent voters at the national level, their parliaments and governments from abolishing or amending a single one of these legal measures. Any move entailing changes to the treaties requires the unanimous agreement of the governments of all twenty-eight, and any change to these other rules requires either unanimity or a qualified majority.

This is the practical problem facing those who contend that “another Europe is possible” by reforming the EU at the supranational level, in the hope of making it more democratic, while baulking at demanding the repatriation of powers back to the member-states.

### **Banking union will not end bail-outs or austerity**

In late 2013 the EU took a major step towards a “banking union.” In the preceding months a “single rule-book” for banks and an EU-wide system of supervision had been adopted. Finally, in December, a set of rules on a common regime for the “resolution” (winding up) of ailing banks was agreed, and the

European Council decided its version of rules on how to manage the question of dealing with the costs of resolution.



Moves towards a euro-zone banking union have made quick progress, with several elements already adopted, including a set of rules on banking and a “single rule-book” with

more comprehensive and harmonised rules in the EU than before, while the European Central Bank created the supervisor of the biggest banks in Europe (the “single supervisory mechanism”).

Also, a deposit guarantee scheme, which is to safeguard all deposits up to €100,000, has been agreed. While some of this, particularly the single supervisory mechanism, has stirred up concern among member-states, the most difficult debate was always expected to be the one that the Council has now agreed on: the creation of a single resolution mechanism for dissolving ailing banks.

Resolution (some would say “dissolution”) means intervention by regulators to wind down an ailing bank at an early stage and in an orderly manner, to safeguard financial stability and at minimal public cost. The resolution mechanism includes rules on which creditors should be compensated and which not, and it would set up a procedure for administering the former assets and liabilities of the bank.

All this incurs costs; and while both creditors and other banks will be made to pay up, the credibility of the resolution mechanism still rests on access to public funds. Funds are the thorny issue. No government wants to pay for the resolution of banks in other parts of Europe, and the German government in particular has not been keen to pool resources in any way. Indeed the only reason why the final piece of the banking union was adopted so quickly is that this issue was basically left aside.

Bankers, commissioners, politicians and governments have depicted the banking union as a solution to all the ills of the banking industry. But it will not secure the banking industry against future crisis, it will not put an end to costly public bail-outs, and it will not make the accompanying austerity measures history.

At the root of the problem is the fact that the EU is not politically programmed to deal effectively with banks that are “too big to fail.” This leaves us with megabanks of a type that cannot simply be allowed to sink, and as a consequence a costly system is to be erected to serve as a safety net.

But to the big banks, the banking union is much more than the safety net of the resolution mechanism: it’s a guarantee that the single market for financial services is not only protected but deepened. It provides a higher level of harmonisation, making it difficult for member-states to impose tougher demands on their banks. To big banks, such a harmonised set of rules makes it easier for them to expand, as they offer predictability. Hence their support for the single supervisory mechanism, which entrusts supervision of the biggest banks to the ECB.

The single resolution mechanism seems tailored to the demands of the biggest banks. The “bail-in” tools exempt the most speculative instruments, “over-the-counter” derivatives; and one of the tools, the sale of assets, could even exacerbate problems for the future, as big banks go on a shopping spree when buying the assets of former competitors at a time when their price could be well below their real value, allowing them to grow even bigger.

The promise of the banking union was to end, or minimise, public bail-outs and let the financial industry pick up the bill for the resolution of banks. That will hardly be the case. While it seems certain that shareholders and creditors will take a hit of at least 8 per cent of a bank’s liabilities, that would still leave a lot to be covered. Some might find



reassurance in the fact that the financial industry will be made to pay a total of €55 billion to a “single resolution fund”; but such a sum will hardly do the trick. It seems inevitable that more public money will be handed over to save the banks.

The battle of the banking union was never really a political battle of equals fought in public. The issue is probably too complicated for most. Consequently, the lobbyists of the banks have had a relatively open field in the process. Under the banner of “strengthening the single market” they have seen the banking union as an opportunity to enhance their opportunities while keeping concessions to a minimum. Even with a banking union, banks can look forward to an era when they can continue as before on financial markets, and in the end have the authorities clear up their mess.

And any meagre benefits come at a high price. For what will be the political implications of a future in which governments pay a share of the bail-outs of the big banks of other member-states? The likely response will be to further strengthen the rules on economic and fiscal policies. In the political context of present-day Europe, it’s hard to imagine member-state governments offering generous support to other member-states’ financial sectors with no further ado. Money will be met with political conditionality, and as a consequence the banking union will no doubt be followed by demands for further central control of member-states’ budgets and economic policies.

The banking union is thus not a step away from the public nurturing of big banks, and it’s not a step away from the imposition of austerity that followed in the wake of the crisis.

In fact a banking union will consolidate the status quo and perpetuate the link between the irresponsible speculative behaviour of banks and the misery of the majority.

## EU Ombudsman condemns cover-up on legal status of Austerity Treaty

Maladministration on a grand scale! Who controls multi-billion funds that dwarf the EU’s annual budget by three or four times? Who ultimately controls the multi-trillion stranglehold that the Brussels institutions have on the budgets of national governments? Who controls the bank? Why are such mega-projects excluded from court action for fraud and crimes that the euro crises have already exposed throughout the euro zone?

If you thought some fiddling by MEPs was of concern, have a stiff coffee before reading on.



The EU Ombudsman, Emily O’Reilly, has condemned the European Council and its secretariat in the Council of Ministers for maladministration of a cover-up and a refusal to promptly provide legal information for public discussion on the Fiscal Compact Treaty controlling the EU’s multi-trillion economy. The documents, essential for a proper democratic debate and consultation, were requested two years ago, in January 2012; but, despite the Ombudsman’s ruling, the documents in question have still not been provided.

The Fiscal Compact has not been signed by two member-states: both Britain and the Czech Republic refused. Its relationship to the EU justice system is therefore questionable. So what is the status of the Fiscal Compact?

It takes up nearly half its many pages with a preamble full of tear-jerking appeals of its Europeanness: *Conscious* of this, *Desiring* that, *Recalling* this, that and the other of European goals and even institutions. The truth is that it is not a part of the European Union or the

European Community. It is a separate international treaty, fixed up by some politicians in a fix. They have used all the lawyers' skills and deceits to give a façade that it is part of the EU legal system, as best they can.

But they can't. There are two members missing, and only treaties inside the Community system embracing all members are EU legal treaties.

And what do we find in these treaties? We find an assurance that anyone involved in these multi-billion operations, when seen to be obviously guilty of malpractice, is offered total legal immunity from prosecution. Not only that: no document will be available for public scrutiny. No document can be controlled and judged by any court of law whatsoever.

This is what the relevant article of the European Stability Mechanism says about its staff and their paper trail:

“ARTICLE 35—Immunities of persons. **1.** In the interest of the ESM, the Chairperson of the Board of Governors, Governors, alternate Governors, Directors, alternate Directors, as well as the Managing Director and other staff members shall be immune from legal proceedings with respect to acts performed by them in their official capacity and shall enjoy inviolability in respect of their official papers and documents.”

This is a paradise for crooks and crooked practice; it is an invitation to mega-crisis.

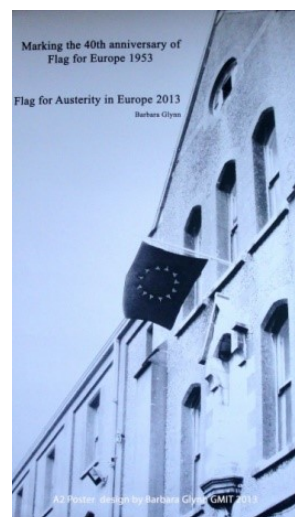
They may yet regret appointing Emily O'Reilly! The Ombudsman's judgement on the Fiscal Compact cover-up can be found [here](#).

## Flag for Austerity in Europe, 2013



Marking the fortieth anniversary of the “Flag for Europe” in 1953, *Flag for Austerity in Europe, 2013*, was designed and created by a third-year sculpture student, Barbara Glynn, at Galway-Mayo Institute of Technology during a final budget delivered to Ireland within the fiscal treaty. The stars of the EU flag have been replaced with thorns, for their ability to protect their own territory from any threat.

National financial collapse saw many families forced from their homes. Stringent austerity measures were handed down from the European Union to the Fine Gael government for implementation. Property tax and pension levies entered ordinary homes for both employed and unemployed citizens. Public-service workers suffered consistent pay cuts and tax increases, as did social welfare recipients. Junior doctors went on strike for a reduction in 24-hour work shifts. Banks and businesses closed. Thousands of young people fled the country, decimating rural Ireland. Suicides reached a record level.



*The Flag for Austerity was draped from the Centre for Creative Arts and Media at GMIT during the 2013 budget, marking the suffering of many Irish people, including students, during a remarkable time in Irish history.*

## An unusual insight into secret negotiations



In an unusual insight into negotiations on the Transatlantic Trade and Investment Partnership between the EU and the United States, the American side has proposed that EU regulators be required to publish the proposed texts of regulations and open them to public comment. It also wants regulators to be required to consider comments and to explain why they had adopted—or failed to adopt—outside suggestions when they complete the regulations. US officials argue that there is a growing emphasis on transparency in regulation, and that public consultations are increasingly important.

The proceedings are usually so secret that national legislatures cannot monitor them but are presented with the final agreement when it is signed.

Peter Chase, the representative in Brussels for the US Chamber of Commerce, said the concerns of American business over the present system were shared by many European companies. “Both European and American businesses want to provide meaningful analysis for proposed EU legislation and regulation,” he said, “but to do this we need to see and comment on the actual text that is being considered.”

The American push on behalf of business comes amid increasingly vocal opposition in Europe to the proposed deal, with much of the criticism based on the belief that the negotiations are being driven by a business agenda.

Alberto Alemanno, an expert on EU regulation at HEC Paris and New York University Law

School, said the American push for greater consultation would allow consumers’ organisations and other civil society groups a louder voice as well. But he said that it nonetheless risked giving ammunition to critics, many of whom would see it as a ploy for opening the door to more lobbying by American companies in Brussels.

Meanwhile the powerful American farm lobby is becoming disillusioned with the talks, alleging that Brussels is unwilling to consider any relaxation of curbs on American food imports on grounds of health concerns and warning that it would fight the deal in the US Congress if it is shut out.

In a visit to Washington last week the EU commissioner for trade, Karel de Gucht, reiterated his steadfast opposition to allowing any beef treated with hormones into the European market, and ruled out changes to the EU’s tough regime.

His statements were attacked by American farm organisations, which had hoped the trade talks launched last year would lead the EU to reconsider a series of bans, restrictions and slow approvals on American agricultural products that have been among the most fractious matters in transatlantic trade over the past two decades.

Agriculture was always expected to be a sticking-point in the talks to form a Transatlantic Trade and Investment Partnership, particularly as the goal is not just to reduce tariffs but also to reconcile the two different regulatory approaches.

The gap is especially wide on food safety, with the EU practising the “precautionary principle,” which has a much lower threshold for setting restrictions compared with the United States, with its more lenient “risk assessment” model.

The EU Commission is expected soon to authorise the use of a new insect-resistant genetically modified strain of maize called Pioneer 1507. But this follows more than a decade of debate and six separate scientific

studies. It also comes despite votes by 19 of the EU's 28 member-states to block approval, thanks to the EU's weighted-voting rules.

Last week, following two days of meetings, Karel de Gucht said the negotiations had made good progress but now needed to step up a gear. "The EU-US trade and investment negotiations made steady progress in the last eight months. I believe this stocktaking has shown us that we now need to go the extra mile to really take the process forward."

### Keep them in the dark!

At a meeting between representatives of EU member-states last November, one item on the agenda was how to keep elected politicians out of the negotiations on the proposed Transatlantic Trade and Investment Partnership between the EU and the United States.

Among other things, access by members of the US Congress and members of the EU Parliament to documents that reveal the positions of the parties has been prohibited.



The EU Commission, which negotiates on behalf of the twenty-eight EU member-states, specifically told participants in the meeting that the US Congress had not been allowed access to

information on the EU position. The Congress also has limited access to documents that reveal the proposals of its own government, while the governments of EU member-states have very restricted access to the relevant documents.

According to information obtained by the Danish magazine *Notat*, EU governments are allowed access only to documents that reveal specific American proposals if they abide by one of the following procedures:

- documents are handed over with individual markings, so that leaks can be traced back to the individual recipient;
- representatives of EU member-state governments are allowed to read American documents only in a "reading room" from which the documents cannot be removed or copied.

However, members of EU national parliaments remain barred from information on the American proposals, just as the US Congress is barred from information about the EU proposals.



But the Danish minister for trade and European affairs, Nick Hækkerup, points out that he wants as much openness as possible about the negotiations. "Therefore I have made sure that the Committee of European Affairs in the Danish Parliament has been given access to the confidential negotiation directives that constitute the frame of the Commission's negotiations with the US. Additionally, the government has consistently informed the Committee of European Affairs in the Danish Parliament on the status of the preparation and introduction of the negotiations. My predecessor and I have both participated in consultations and answered numerous questions from the Parliament."

Not only politicians are kept at a distance from the negotiations. In an internal document on media strategy the EU Commission emphasises two central needs:

- the need, at an early stage of the negotiations, to define the terms of the debate by communicating positively about what the agreement is about, rather than being drawn reactively into

defensive communication about what the agreement is not about;

- the need to react quickly and actively by monitoring the public debate, producing targeted communications material and employing that material through all channels, including on-line and social media.

The media strategy was discussed on the initiative of the Commission at an extraordinary meeting in November at which officials of member-states participated.

One participant in the meeting, Martina Smedberg, press officer of the Swedish EU representation in Brussels, said: “Monitoring the public debate is not something that we should concern ourselves with. The document was handed out at the meeting; I don’t think anyone had read it in advance. It was not at the root of any decisions.”

The Danish participants refuse to comment on the record. Only the minister is meant to do so, and he was never informed about the meeting. Danish officials had already expressed their concerns about the public debate on ISDS—a controversial proposal to allow private companies to sue states for political decisions that impede investments.

The EU commissioner for trade, Karel de Gucht, has been active in talking down criticism of the TTIP. In a contribution to the *Guardian* (London) he criticises the journalist George Monbiot for his “extreme” and “exaggerated” statements that the protection of investors was a “toxic” part of the negotiations. According to de Gucht, there is nothing “chilling” about the Commission media strategy, as Monbiot has written; on the contrary, the media strategy should be considered a result of the wish to participate in an open debate.

And what about the debate in the Irish media? What about Éamon Gilmore expressing concerns? What about TDs even asking questions on the issue? Sadly, it seems we’ll be waiting!

However, we know that Richard Bruton has been busy. (See below.)

### Bruton follows the line!



Trade ministers from nine EU member-states, including Ireland (but not France or Germany), have argued in a letter to the *Financial Times* that it is “more important than ever” not to lose sight of the strategic importance of the Transatlantic Trade and Investment Partnership with the United States.

Among other issues, the letter points out that “tariffs that are still an obstacle to transatlantic trade must be eliminated. And addressing unnecessary regulatory barriers will generate a substantial part of the benefits that we expect from the agreement.

“The EU and the US should open up the transatlantic market, building on the standards we have set in the areas of environment, labour, security and health.

“It is primarily by safeguarding multilateralism that we can promote internationalisation globally.”

And amazingly, given the lengths the parties have gone to in order to keep the negotiations secret: “We will also strive to make the process as transparent and open as possible. Our outreach activities will therefore involve all sections of society: the business sector, trade unions, consumer and environmental organisations and other stakeholders.”

Signed by Richard Bruton, minister for jobs, enterprise and innovation, Ireland, and eight others.

## Secrets of transatlantic trade talks still secret



The EU commissioner for trade, Karel de Gucht, claims “there is nothing secret” about the continuing EU-US trade talks; but the notes of meetings by the Commission with business lobbyists released to Corporate Europe Observatory under the EU’s freedom of information law paint a different picture.

The documents were heavily censored, but they show that de Gucht’s officials invited industry representatives to submit wish-lists for “regulatory barriers” they would like removed during the negotiations. Unfortunately, there is no way for the public to know how the EU has incorporated this in its negotiating position—or even what has been asked for and by whom—as all references have been removed.

Corporate Europe Observatory received forty-four documents in January concerning the Commission’s meetings with industry lobbyists as part of preparations for the talks on the Transatlantic Trade and Investment Partnership. Most of the documents are reports of meetings prepared by Commission officials.

The release of these documents might seem like an act of transparency on the part of the Commission, but that is not the case. The documents arrived almost ten months after the freedom-of-information request was tabled, and 39 of the 44 documents are heavily censored. The forty-four documents cover only a small fraction of more than a hundred meetings de Gucht’s officials had with industry lobbyists before the launch of the TTIP negotiations.

Were no notes taken during closed-door meetings with corporate lobbyists? These

included the US Chamber of Commerce, the German industry federation BDI, the chemical industry lobbying groups CEFIC and VCI, the pharmaceutical industry coalition EFPIA, Digital Europe, the Transatlantic Business Council, the arms industry lobby ASD, the British Bankers’ Association, and such corporations as Lilly, Citi, and BMW.

In the thirty-nine documents that were “partially released” the Directorate-General of Trade has removed large parts of the text (“non-releasable” or “not relevant”), painting out the parts it wants to keep from public scrutiny. In some cases, such as a meeting with lobbyists from Fertilizers Europe, every word has been removed from the documents.

Karel de Gucht, in a letter published in the *Guardian* (London) in December 2013, argued that “there is nothing secret about this EU trade deal” and that “our negotiations over the Transatlantic Trade and Investment Partnership are fully open to scrutiny.” This is blatantly untrue. Not only is the text of the EU’s negotiating position secret, the public is even denied access to sentences in reports of meetings that refer to the EU negotiating position. It must be remembered that these are minutes from meetings with industry lobbyists, who were clearly given privileged information about the EU’s negotiating position in the talks, unlike the public.

Sharing information about the EU’s negotiating position with industry while refusing access by civil society to the same information is unacceptable discrimination and further evidence of its anti-democratic bias.



In many cases, parts of the text are removed because they contain the views of industry

lobbying groups “on particular aspects of the EU/US trade negotiations,” and the “release of that information could have a negative impact on the position of the industry,” the Commission argues.

It is entirely unclear what is meant by “negative impact on the position of the industry,” and why the views of the lobby groups should be hidden from public scrutiny. One example is the minutes of a meeting in April 2013 with the US Chamber of Commerce, the wealthiest of all American corporate lobbies, with strong links to the Republican Party. It is legitimate to ask why the views of this American industry group presented in conversations with the Director-General of Trade cannot be released, and whose interests such non-disclosure benefits.

The Commission has also removed the names of all lobbyists from the forty-four documents, arguing that the “disclosure would undermine the protection of ... privacy and the integrity of the individual.” This is an absurd line of argument, as these are professional lobbyists, who are not acting in an individual capacity. There is clear public interest in transparency concerning who is lobbying, on whose behalf, and who is getting access to EU decision-makers.

While the texts have generally been too heavily censored to reveal much of substance, they do throw some light on the Commission’s close partnership with big-business lobbying groups in the TTIP talks. Despite being heavily censored, the documents show that removing differences in EU and US regulations is the central issue in the TTIP talks, with “regulatory barriers” coming up in a large majority of the meetings.

For example, in a meeting with the European Services Forum in February 2013 a lobbying group for global service industries, such as Deutsche Bank, IBM, and Vodafone, the Commission suggested various options for regulatory co-operation.

In another meeting, in February 2013, Business Europe (the most powerful business lobby in Brussels) stressed “its willingness to play an active role in the forthcoming negotiations, in particular on the regulatory front.” The Commission noted the importance of European industry “submitting detailed ‘Transatlantic’ proposals to tackle regulatory barriers.” Industry groups emphasised “how to include in the final deal not only regulatory convergence but also avoid regulatory divergence.”

“Regulatory co-operation” is one of the most worrying elements in the TTIP talks, with serious repercussions long after an agreement will have been completed. A leaked EU document from the winter of 2013 shows the Commission proposing an EU-US Regulatory Co-operation Council, a permanent structure to be created as part of the TTIP deal. Existing and future EU regulation will then have to go through a series of investigations, dialogues and negotiations in this Council. This would move decisions on regulations into a technocratic sphere, away from democratic scrutiny.

Also, there would be compulsory impact assessments for proposed regulation, which will be checked for their potential effect on trade—instead of, for example, whether they protect people’s health or are good for the environment. This would be an ideal scenario for big-business lobbies.