



# PEOPLE'S NEWS

*News Digest of the People's Movement*

www.people.ie | post@people.ie

No. 133

11 October 2015

## 2016 election could embarrass political class

The Proclamation of the Irish Republic in 1916 asserted *“the right of the people of Ireland to the ownership of Ireland and to the unfettered control of Irish destinies.”* These ideals are clearly incompatible with membership of the European Union, which now makes two-thirds of the laws for Ireland and Britain and the other EU member-states and which decides much of the 26-country state's economic and foreign policy. It ties the country into a 21st-century Act of Union.

The problem for Ireland's political class, particularly in a general election in 2016, will be how to present support for this union while at the same time claiming to adhere to the principles of 1916.

In Éamon de Valera's day Fianna Fáil stood for Irish independence and national reunification; but since it decided to surrender the sovereignty of the Irish state to “Europe” it moved into the same political space as Fine Gael. The result is that the two biggest parties in the state are now virtually indistinguishable as regards policy.

De Valera himself recognised the significance of EU integration. “I am the first and last president of an independent Irish republic,” he told his family in January 1973, on the eve of Ireland joining what was then the EEC.

In effect, the administration of the state is shared between two bourgeois parties which contend primarily over the spoils of office.

Normally, social democracy or Labour is the bearer of political alternatives in modern societies, but in Ireland the Labour Party—

despite most of the state's trade unions being affiliated to it—is a party about which Seán O'Casey aptly said at the time of its first coalition with Fine Gael (1948–1951), “Their posteriors are aching for the velvet seats of office,” a party whose traditional role is as the “mudguard of Fine Gael rather than the advance guard of the working class.” It has often been said that Labour struggles with its conscience, and Labour always wins.

The Labour Party's founder, James Connolly, held that Labour should be the foremost advocate of national democracy and independence in countries that had not obtained these; but Labour ceded this role to Sinn Féin in the 1918 general election. For decades it opposed these objectives as “narrow nationalism” and used a leftist rhetoric to disguise an utterly opportunist political practice.

Under trade union influence it opposed Irish membership of the EEC in the accession referendum in 1972, but the following year it jumped into a coalition with Fine Gael, the party to which Labour's anti-nationalism was ideologically most congenial.

This had the same predictable result as in several such coalitions before and since: the decimation of the Labour Party in the subsequent general election and a shot in the arm for the state's two biggest political parties.

By coalescing with Fine Gael as a minority partner, the Labour Party has periodically revived Fine Gael in government while enabling Fianna Fáil to revive in opposition.

Meanwhile Sinn Féin has moved from first opposing the EEC (later the EC and then EU) to believing that it could be turned into something different and now to what seems like

wholehearted support for the whole EU “project.” This stance ignores the fact that the central aim and thrust of the EU is to erode continually the national democracy and independence of its member-states and to provide an ideal arena for the profit-maximising activities of transnational corporations and in particular finance capital. It thus contradicts the core political values of democrats everywhere.

*The issue of Irish democracy and independence vis-à-vis the EU and the euro zone is now the biggest issue in Irish politics— as in every other EU country.*

On two occasions—in the referendum on the Nice Treaty in 2001 and the referendum on the Lisbon Treaty in 2008—the majority of the Republic’s voters rejected further EU integration, and were ignored by the state’s main parties.

Ireland’s polity is now crying out for a movement or party that will re-establish Irish democracy vis-à-vis the EU, and restore an Irish currency as essential for advancing the Irish people’s welfare.

Genuine Irish progressives should be explaining to the people how the state’s political class, as represented by its main parties, has made such a failure of the Irish state and caused such dereliction to the Irish people through its subservience to the EU.

A serious political effect of Irish membership of the euro zone is that, as Germany and France push for further integration to “save the euro,” the United Kingdom, including Northern Ireland, has no intention of adopting the euro and may well move towards a looser relationship with the EU as a whole, though David Cameron and his colleagues clearly have no intention of presiding over a British departure from the EU.

Notwithstanding this, if the Irish state goes along with moves towards a euro-zone banking union or fiscal union or euro-bonds or some such scheme, as would be the inclination of its

present policy-makers, while Northern Ireland stays in the United Kingdom, this will deepen further the political-economic border between North and South and strengthen partition further.

Why should Northern nationalists or unionists ever consider a united Ireland when this would mean exchanging rule from London for rule from Berlin or Frankfurt? Democrats on this island who aspire to an independent country should ask themselves this question in the period ahead.

### **Germany will not baulk at treaty changes for “two-speed Europe”— Schäuble**



The German minister of finance, Wolfgang Schäuble, says that the EU needs a “European asylum law and European asylum policy—quickly!” Questioned on the hesitancy of member-states in giving up national sovereignty to battle European challenges, Schäuble comments: “This willingness is developed differently in various EU member-states ... That is why we need to pick up the idea of ‘two-speed Europe’ again. The Germans are prepared to give up national rights when it comes to asylum policy ... I also see this willingness in France—even for financial questions. Germany will not baulk at treaty changes in these matters.”

As Merkel has said, “never pass up an opportunity presented by a crisis!”

## New opinion poll shows falling support for EU membership as rival Brexit camps fall out

A new opinion poll by ICM has found that 45 per cent of voters favour Britain remaining in the EU, compared with 38 per cent who support the country's withdrawal. This compares with 61 per cent supporting continued membership and 27 per cent in favour of withdrawal back in June.

## SIPTU and TTIP



SIPTU is now calling for the TTIP talks to be suspended, pending a full review of this and more than twenty other concerns they have identified in a position paper adopted recently by the union's National Executive Council.

The union is not opposed in principle to the EU reaching trade agreements with third countries, but if its concerns about TTIP are not adequately addressed it says it would have no hesitation in actively campaigning against any proposed agreement.

## Pay up yer oul taxes!

Ireland's corporate tax regime has come under renewed scrutiny as EU finance ministers adopt a proposal obliging member-states to reveal information on tax rulings offered to companies.

The ministers, meeting in Luxembourg, have reached political agreement on the automatic exchange of tax rulings, a proposal

put forward by the EU Commission earlier this year in the wake of the Luxembourg Leaks scandal surrounding the president of the Commission, Jean-Claude Juncker. The proposal will oblige states to share details of their tax rulings—essentially letters of comfort offered to companies by the tax authorities—with other member-states, part of a broader move towards greater corporate tax transparency throughout the EU.

The timing is highly uncomfortable for the government, coming before the imminent announcement by the Commission of its investigation into the government's tax dealings with Apple Inc., especially with an election looming.

The Commission launched a formal investigation into two individual rulings offered by the Irish tax authorities to Apple in June 2014. It emerged earlier this year that the company pays in effect 2 per cent corporation tax.

The Commission had first proposed that tax rulings offered over the last ten years should be included in the proposal, but Ireland is one of a number of countries pushing the EU to reduce this time limit to five years.

Also at issue is whether the tax rulings will be made available publicly or exclusively to national authorities, with the latter option expected to be endorsed by ministers—so it still won't be transparent!

The level of information included will also be reduced, with much of the detail edited out, amid concerns from a number of countries—headed by Britain and Ireland—about commercial sensitivity.

The relaunching of the "common consolidated corporate tax base," which would harmonise the way tax bases are calculated throughout the EU, was announced in June. Larger member-states, such as Germany and France, are pushing for a clamping down on corporate tax avoidance at the EU level amid public concern in many member-states that large corporations are not paying their fair share of tax.

## Volkswagen and TTIP



Volkswagen's admission that it fitted half a million diesel cars with software that "tricked" regulators into under-recording the emission of nitrogen oxides — known to contribute to serious respiratory diseases—confirms the need for a fundamental rethink of the proposed Transatlantic Trade and Investment Partnership between the EU and the United States.

One of the main aims of TTIP is to set up a new transatlantic "Regulatory Co-operation Body" to examine all existing and planned EU and national regulations that have a "significant impact on trade or investment," and to issue recommendations. This new permanent body would be made up of EU and US regulators, but, crucially, "stakeholders" would also have a direct input, and would be able to bring forward their own proposals to the Co-operation Body.

While trade unions and civil society NGOs would in principle be involved, it is likely that only industry bodies would have the effective capacity to fully engage with this new process, and then only towards a deregulation agenda. If a large manufacturer, such as Volkswagen, now admits to having "broken the trust of our customers and public" by deliberately cheating on existing regulations, can we be sure that the regulatory body would not be used to try to "tear down from within" EU and member-states' laws aimed at protecting human health, upholding labour and social standards, and protecting consumers?

The car industry is one of those with most to gain from TTIP. In July, a study by the Peterson Institute for International Economics identified a potential increase of 20 per cent in automotive trade under TTIP, equating to a transatlantic gain in income of more than \$20 billion.

The Volkswagen scandal has dragged the

industry debate on emissions testing fully into the mainstream, and revealed discrepancies between European and US emissions control.

The European Automobile Manufacturers' Association, the fourteen-member trade association that represents the European car industry, and in the United States the Alliance of Automobile Manufacturers, have put considerable efforts into promoting the benefits of harmonising emissions and safety regulations, enabling original equipment manufacturers to sell vehicles globally without needing to develop products for specific regional standards. If money can be saved on unnecessarily duplicated R&D expenditure, went the mantra, more can be invested in developing increasingly safe and increasingly efficient technologies for consumers.

The diesel emissions scandal has put a huge dent in that argument. The device used by Volkswagen—a minor European participant in the American car industry—to cheat emissions tests was spotted not in Europe by European regulators but in the United States by the Environmental Protection Agency.



*"Ja zu TTIP" (Yes to TTIP) is the slogan used by a European car industry consortium*

The ambitions of the car industry within TTIP were already being scrutinised. Could and would any future emissions and safety standards under TTIP really be built on the best of each region's requirements, and controlled by the most rigorous of test procedures?

With the debate on global emissions standards now taking a different course from the one intended, the industry could at least

look towards safety—except that the idea of harmonising safety regulations has also suffered a blow with the recent publication of a report, “Comparing Motor-Vehicle Crash Risk of EU and US Vehicles,” that shows considerable variations between the safety of American-built and European-built cars.

The emissions scandal and this safety report are sure to put a lengthy delay to any time when European and American politicians might formally approve the documents that say Yes to TTIP.



Sponsored by the Alliance of Automobile Manufacturers, the safety study was intended to show how closely cars produced in the EU under safety regulations adopted by the UN Economic Commission for Europe reflect the standards of American cars, built to the Federal Motor Vehicle Safety Standards. It found that the European cars perform better in frontal crashes and that American cars perform better in roll-overs, while the American ratio of pedestrian fatalities in dark versus light is estimated to be lower than in the EU.

Accusations that the study, which was published in mid-August, had been published on the quiet were rebuffed by the alliance in a statement on 25 September, two days after the report was picked up by mainstream media. Nonetheless, the safety story came to light in the midst of the Volkswagen emissions scandal, raising questions about the two central aspects of the car industry’s push for global harmonisation.

## The huge geopolitical and security implications of TTIP—a different view (and something to think about)

■ *This article is adapted from one originally published by the Cato Institute.*

Belatedly, some European leaders are trying to sell TTIP to a sceptical public. German industry is attempting to make up ground on the anti-TTIP camp by stressing not only the trade and economic benefits of such a partnership but also the claim that it would enable the United States and Europe to set new, comprehensive rules for a standards-based trading system.

The European and American officials involved in the TTIP negotiations generally do not discuss the geopolitical and security implications of TTIP, but in that context TTIP means three things.

Firstly, TTIP is for reinforcing the post-war liberal order created by the United States and Europe against current and prospective efforts by China, and perhaps others. By uniting to set the economic, financial and trading rules it can thwart the attempts and ambitions of China’s rulers to set those rules for the rest of the world. TTIP is for protecting Western standards and values.

Secondly, TTIP is for stemming the decline of Europe, whose influence, globally, is very weak.

Thirdly, TTIP is for restoring “trans-atlanticism” after years of waning interest in the project (or, more specifically, waning American interest in Europe), because that is what the West’s reassertion of dominance in setting the rules of global trade will require.

If the West cedes to China the responsibility for writing global trade rules, those rules would be less likely to promote the values and institutions promoted under existing rules, including democracy, accountability, and the rule of law.

China’s lack of respect for intellectual

property rights, its technology transfer requirements, its discrimination against foreign companies and imported goods for the benefit of domestic enterprises and products, and its propensity to engage in other activities that violate the letter or the spirit of the predominant rules of global trade, provide enough evidence that China should not be permitted to write the future rules of trade.

Europe is in very bad shape. The leaders of EU institutions carry little influence. Their inability to even deal with the present refugee crisis reveals how the member-states, not Brussels, wield the power. There is little sense of a real European identity or a real European strategic outlook.



Linked to the present crisis is the EU's lack of any long-term strategic policy towards the Middle East, let alone towards its eastern neighbours. It is Germany—not the EU—that has set the agenda over Russia, Ukraine, the refugee crisis, and Greece's catastrophic financial and economic mess. And it is Germany that has established close relations with China, giving it a special status by establishing a strategic partnership in order to strengthen political, economic and cultural ties.

Berlin has no doubts about China's increasing influence and its importance for the German economy. After France, the United States and Britain, China is Germany's most important trading partner, while Germany is China's biggest trading partner in Europe. For all that, Beijing has been deaf to Berlin's complaints about its lack of protection for intellectual property. This is where a TTIP

agreement could really apply pressure on China.

Europe is in bad shape for another reason. Most of the economies within the euro zone have had very sluggish growth. Moreover, for all the cajoling of Greece by Angela Merkel and her minister of finance, Wolfgang Schäuble, to introduce radical reforms in return for financial assistance and loans, Germany and France (and other EU countries) are highly reluctant to embrace reform themselves.

In short, it cannot be taken for granted that TTIP will be the catalyst for greater flexibility and less state interference in Europe's labour market or its education, pension or health systems. But it could—through the accrual of economic benefits over time—help halt Europe's decline. Obviously, that would be good, but not enough to increase Europe's influence. That outcome would first require Europe to think and act strategically.

Although some believe that the EU's commitment to soft power is a strategy in itself (and one that is enough to exert influence), that is just an illusion. Without the instruments of hard power to underpin its panoply of soft-power tools, Europe could be incapable of defending its eastern borders.

Moreover, as a recent Pew poll showed, the big European member-states of NATO would not be prepared to defend an ally if attacked by Russia. Interestingly, it was those polled in the United States and Canada who said they would have no hesitation about defending any member that was attacked—a noteworthy sentiment given the US pivot to Asia.

The United States sees China as a major threat to its position as the world's leading economic and military power. And because China is seen as directly challenging America's long-held supremacy, especially in setting trade rules, the United States needs like-minded allies: the Europeans. Support from Europeans is fundamental to creating this united Western front. TTIP is essential to that outcome. But it's

far from certain that European leaders can sell TTIP to the public, particularly to a German public, which is strongly anti-American in its sentiments.

Curiously, America's pivot to Asia has not yet persuaded European governments to act strategically over their security and defence needs or to understand why Europe needs a strong and credible security and defence policy. Even inside NATO headquarters in Brussels there is a reluctance to accept that the United States is losing interest in Europe and that its pivot to Asia will affect NATO. Instead there is this hope that TTIP will be a fillip to transatlanticism. "If anything, TTIP will have an immensely positive psychological effect for the transatlantic relationship," one senior NATO diplomat said.



Indeed the hope in NATO is that TTIP would bind the United States to Europe through a trade and economic relationship that would complement NATO. There is also a hope that TTIP would open up the American defence industry to the Europeans in a way that would create a transatlantic defence and security sector.

Yet the defence industry, so protected by the individual countries of Europe as much as by the United States, does not feature in the TTIP negotiating chapters. Those who want a more open defence market argue that the sector could eventually be opened up if TTIP were signed and sealed.

Another issue dogging European defence is the unwillingness of NATO's European allies to spend more at precisely the time when the

security of Europe is vulnerable to the crisis besetting its eastern and southern regions. Despite repeated pleas by the United States, NATO's European allies are even hard-pressed to spend 2 per cent on defence, which was a pledge they all made at the NATO summit held in Cardiff in 2014. There is, unfortunately, the case to be made that TTIP could actually give the Europeans even more of a reason to depend on the United States for their security, rather than the opposite.

The unwillingness of the Europeans to carry more of the defence and security burden stems from decades of reliance on the United States. That in turn has created a dependence culture, a kind of "comfort culture" that the Europeans seem too unwilling to break out of.

In addition, the twenty-eight members of NATO still do not share a common perception of threats, despite Russia's invasion of eastern Ukraine, the wars in Syria and Iraq, and the millions of refugees seeking safety in Europe as a result of those wars. And because they do not have a common perception of the threats, it is almost impossible to discuss the need or reason to spend more on defence or the need for hard power to protect Europe and to protect Europe's interests.

The Obama government knows why it wants TTIP. It needs a united front with the Europeans against China. It has seen how China has tried to divide the Europeans on trade issues. Without the steely determination of the EU Commission, Europe would be in a much weaker position to stave off efforts by China to influence the global rules on trade and commerce. The Commission, like its trade counterparts in Washington, knows exactly what is at stake if TTIP fails. It would mean a weaker West to deal with the rise of China. It would mean a weaker West's ability to engage China.

Those outcomes are not in the interests of the United States or Europe.

■ Read more at [Carnegie Europe](#).

## Is “another Europe” possible?

It’s hard to think of a single area of national life that is not affected nowadays by EU laws.

In recent years most legislation of the twenty-eight national parliaments in the EU consists of the transposing of EU laws into national laws or statutory instruments. This is done usually without debate, for EU law has primacy and, having already been decided, cannot be altered. And most citizens at the national level are unaware of this.

There are more than 100,000 EU rules, international agreements and legal acts binding on or affecting citizens throughout the EU. 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 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 being unwilling to call for the repatriation of powers to the member-states.

Logically there are only three possible ways to get rid of these restraints on our sovereignty, so far as the EU is concerned:

- *for the EU to lift the restraints, or some of them, which requires the twenty-eight member-state governments to agree unanimously to do this in a new treaty, which would in turn require ratification in twenty-eight national parliaments or by way of referendums;*
- *for a state to leave the EU, to repeal what is in effect a 21st-century Act of Union which the EU treaties represent, and to resume whatever political independence it had before it joined the EU; and*
- *for a state to work with other state and political forces in the EU for its general*

*destruction over time, confident that the EU’s inherent contradictions and fundamental lack of democracy will inevitably bring about a crisis in which all or most of its member-states will break away from it and re-establish their national independence, democracy, and sovereignty.*

This third way requires democratic forces throughout the EU to co-operate for this end in a collective effort to re-establish national independence and democracy; but elements of all three courses may interact and be combined in practical politics and may shift in relative importance over time, depending on how the EU and democratic reactions against it develop.

## Northern Ireland and the proposed EU referendum

Voters in Northern Ireland will have the opportunity to vote in the forthcoming referendum on the United Kingdom’s membership of the EU. None of the devolved local administrations in Belfast, Edinburgh or Cardiff have had any input into the British government’s talks with Brussels.

It is almost certain that David Cameron will urge a Yes vote on continuing membership of the EU; but the referendum opens up a new political terrain for common or parallel campaigning by people in Northern Ireland, irrespective of their religious or political persuasion.

Part of the dynamic of the EU treaties has been to provide a framework for Europe’s old imperial powers to assert themselves collectively on the world stage in the post-war period, when they could no longer do that individually. Inside the EU the peoples of former imperial countries, such as Britain, France, Germany, Italy, the Netherlands, Belgium, Spain, and Portugal, which in the past ruled vast colonial territories, are discovering the drawbacks of losing their national democracy and having their laws made mostly by people they do not elect and who they cannot

control.

There was a further factor in relation to Britain. While the United States, looking for a “bridge to Europe,” pushed it into applying to join what was then the EEC in the early 1960s, British governments had their own interest in preventing Europe being dominated by Franco-Germany. They hoped either to prise France and Germany apart or else to be co-opted by them into a triumvirate of equals that would run the developing EU.

Both aims proved illusory. This is the root of much English Euro-scepticism.

But a British departure from the EU would run completely opposite to American transatlantic policy, and the US government will use all means at its disposal to prevent this happening.

The starting point of any discussion about Northern Ireland and the EU is the fact that it remains the most impoverished part of the United Kingdom, with a legacy of violence and civil unrest unparalleled in the United Kingdom. Northern Ireland political representatives have campaigned, quite properly, to obtain as much EU money as possible for cross-border projects and to encourage North-South co-operation in every EU context. However, this should not lead them to have any illusions about what can be done in and through the EU.

So when Irish politicians speak approvingly of the EU “eroding borders” it is appropriate to remind them that there was no border in Ireland between 1801 and 1921, when it was part of the United Kingdom but had no

independence. Uniting Ireland or encouraging a united Ireland through a “united Europe,” namely the EU, would have many similarities to that nineteenth-century Irish unity inside the United Kingdom.

Northern Ireland is in a union within a union: it is integrated in the UK “Union” and in the EU “Union.” It thus doubly lacks political independence and control over its economy.

Anyone who looks objectively at the facts will recognise that the central aim and thrust of the EU is against national democracy and independence, by gradually turning the smaller member-states in particular into provinces or regions of a supranational state under the political hegemony of Europe’s former imperial powers, in particular Germany and France.

Supranationalism is where nation-states surrender their authority to a superior entity, which rules them and has legal primacy over them, at least in the policy areas surrendered. It is the opposite of internationalism, which refers to relations of co-operation between the nations and nation-states that constitute the international community, with each controlling and deciding its own domestic and external affairs.

Supranationalism implies a hierarchy, with the supranational level on top. Internationalism implies legal and political equality between the parties. It is opposed to all forms of chauvinism and xenophobia.

A Northern Ireland campaign for a No vote in the forthcoming referendum would appeal to the best elements of Northern society.