

PEOPLE'S NEWS

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Seaweed and secrets

The price and terms of a deal in May 2014 for the taking over of the state-sponsored seaweed company Arramara Teoranta by the Canadian transnational corporation Acadian Seaplants are the subject of a ten-year confidentiality clause, which is still secret in April 2017.

Acadian Seaplants of Dartmouth, Nova Scotia, supplies seaweed-based products to the food, biochemical, agricultural and agricultural markets and cultivates seaweed for the Asian and global food markets. The Canadian government regarded the Irish acquisition as so important that its trade finance agency provided assistance to Acadian Seaplants in the form of a loan guarantee.

Welcomed at the time by Údarás na Gaeltachta, the sale continues to cause serious upset in an indigenous industry that is worth €30 million and has the potential to reach multiples of this figure and to outstrip salmon farming.



Ireland, which has more than five hundred types of seaweed, has a long history of using it as a food source and a fertiliser, especially on the west coast. In the eighteenth and early nineteenth centuries kelp was burnt in many areas to create ash for use in soap-making, dyeing, paper-making, glass-making, and bleaching linen. From 1820 the ash was also a source of iodine for medicinal and photographic use.

The demand for certain seaweeds cannot keep pace with the supply of wild material in some countries. An Bord Iascaigh Mhara has identified several species suitable for farming that could cash in on the global market for farmed seaweed, worth €6 billion in the health-food industry alone in 2014.

Arramara Teoranta was set up by the state in 1947. At first it concentrated on carrageen moss and purchased dried sea rods (*Laminaria hyperborea*) and kelp fronds (*Saccharina latissima*) for export. Arramara then became a leading supplier of *feamainn bhúí* (*Ascophyllum nodosum*), which contains the gelling agent used in numerous products, including ice cream, the head on beer, and textile printing.

In the 1960s Arramara built two factories in Cill Chiaráin, Co. Galway, and Dungloe, Co. Donegal, supplying the dried weed to Alginate Industries in Scotland, which had a 49 per cent share in the company (the Government holding 51 per cent). Employment grew through the 1970s to a seasonal record of 700.

The export of alginate to Scotland dried up in 2009 after synthetic alginate was developed, and the Scottish shareholder cut its involvement to 18 per cent. This was then bought by the state as part of an arrangement that

transferred responsibility for Arramara from the Department of the Gaeltacht to Údarás na Gaeltachta in 2006.

By 2012 Arramara had an average annual turnover of more than €2 million, but Údarás na Gaeltachta opted to seek a new “strategic partner” to take it to a further level. It hired the consultancy firm RSM Farrell Grant Sparks to assist in this. However, it appeared that the wheels had been set in motion several years earlier. On 4 November 2010 the chairperson of the Oireachtas Public Accounts Committee, Bernard Allen TD, asked why €30,000 was spent by Údarás na Gaeltachta on seven different trips by senior officials to look at seaweed projects in Halifax, Canada, between 2007 and 2008.



Acadian Seaplants later admitted that it was “first approached by Údarás na Gaeltachta in 2007” but that it was not until the middle of 2010 that it was formally invited by consultants, acting on behalf of the Údarás, to submit an expression of interest in acquiring the Irish concern.

The decision to sell Arramara Teoranta outright came as something of a shock to an industry that has a number of indigenous participants dependent on Arramara for raw material. On 8 July 2014 the managing director of Bio Atlantis, John O’Sullivan, told the Joint Committee on the Environment, Culture and the Gaeltacht that when he became aware of the sale his company made an offer of €5.7

million for Arramara, comprising €1.5 million initially and €4.2 million in the post-investment phase, and had been given a mere twelve days to prepare the bid.

He said he understood that two foreign companies—Acadian Seaplants and the French company Setalg—had been given more than a year to prepare their bids. No details had been released, and the lack of transparency was “frightening” in relation to the final sale, he said.

The ten-year confidentiality clause means that details can neither be confirmed nor denied, but so far they have not been disputed. The only figure in the public domain is a confirmation by Acadian that it is investing €2 million as part of the sale agreement, while Údarás na Gaeltachta says it has approved a capital grant towards this, “subject to conditions contained in the legal agreement.”

In another twist, a decision by Arramara to apply directly for harvesting licences on 20 per cent of the coastline between Co. Clare and north Mayo has created further waves. This is a departure from Arramara’s established practice of relying on individual harvesters, holding a mixture of “folio” or traditional rights under the Foreshore Act (1933).



Coincidentally, the Department of the Environment confirmed in 2014 that a review of seaweed-harvesting licensing was in train, in the context of amending the Foreshore Act. This review is still in progress within the new Department of Housing and Planning, for which Simon Coveney is responsible. Coveney was minister for the marine at the time of the Arramara takeover.

Rebecca Metzner of the Fisheries and Aquaculture Department of the Food and Agriculture Organization of the United Nations, Coastwatch Ireland and a local group, Cearta Feamainne Chonamara, have all expressed fears about the implications for coastal communities of the potential privatisation of access to the material.

Local people have described what is going on as a “resource grab” by Arramara and Acadian. The chief executive of Acadian, Jean-Paul Deveau, confirmed at the Oireachtas subcommittee hearing in July 2014 that he had met officials of the Departments of the Marine and the Environment as far back as 2007 in relation to “licensing, the regulatory framework, and the process by which one could apply for a licence.” The company has denied that the purchase was dependent on securing harvesting rights.

John O’Sullivan and a former chief executive of Arramara, Tony Barrett, who says he had tried to buy the company out in 2006, are critical of the fact that two former executives of the Údarás are now employed by the new owner.

Údarás na Gaeltachta has defended its handling of the issue and has said that a decision to sell outright, rather than engage with a partner that would invest in the company, was based on “legal advice” that a “put and call option,” which would give 100 per cent ownership to Acadian, was preferential. This would allow for 40 per cent to be clawed back by the Údarás if the new owner did not meet its commitments, it said.

The authority said there was no requirement to publicly advertise the sale or to seek Government approval, and that the sale was not contingent on price only, or on the harvesting rights that Acadian is seeking.

The inequality gap

The recently published *Forbes* “Rich List” shows that there are more than four hundred

billionaires in Europe. This serves as a reminder that inequality has grown substantially since the 1980s, and that the gap between top pay and average pay is becoming bigger and bigger.

While some individuals have unimaginable wealth, Europe has more than 30 million working poor. Many workers struggle to make ends meet, and others have seen no real pay increases for years.

The latest TTIP threat

Visiting London recently with a delegation from the US House of Representatives, the chamber’s speaker, Paul Ryan (Republican Party), announced that the US government had not buried trade talks with the EU.



Referring to the now-frozen Transatlantic Trade and Investment Partnership, Ryan stated that “the United States will continue to work closely with our EU friends, and chart a path forward on TTIP negotiations.”

Ryan’s speech was taken as showing a willingness in Congress to revive TTIP, an issue on which the White House has not yet taken a formal position.

The EEA option for Northern Ireland?

Relations between Britain and Ireland that touch on Northern Ireland should in principle be settled bilaterally; but if the Republic seeks to remain in the EU when the United Kingdom leaves, it is the EU acting collectively, on the basis of qualified majority voting under article 50 of the Treaty on European Union, that will decide the Irish state’s future relations with Britain and Northern Ireland, and not the

Government acting independently.

Under the EU's new voting rules following the Lisbon Treaty, Ireland will have 0.9 per cent of one vote in the taking of this decision. In this situation it is inconceivable that Irish interests will have priority, or be taken adequately into account, by the twenty-six other EU member-states. If the eventual EU-UK agreement does not suit the Republic, and if the Government has cast its vote against it, it will still have to abide by it if it remains an EU member.

On the other hand, the many problems that will arise for the Republic and Northern Ireland if the Republic should seek to remain in the EU when Britain and Northern Ireland leave would largely disappear if Brexit was to be accompanied by an Irish exit from the EU.



The Joint Oireachtas Committee on European Union Affairs recommended in its report on the implications of Brexit for Ireland "that the Irish and UK Governments negotiate bilaterally to have Northern Ireland recognised (in an EU context) as having a 'special position' in the UK, in view of the Good Friday Agreement. Recommends further that special arrangements be negotiated at EU level in that context, to maintain North-South relations and Northern Irish EU citizenship rights and protections attached to such rights."

Now a number of Northern academics have argued that Northern Ireland's "special position" should be as a member of the European Economic Area and the EU single market.

The EEA option has already been rejected by the British government for the United

Kingdom as a whole. Also, section 1 of the Northern Ireland Act, which gave the people of Northern Ireland the right to determine whether to remain part of the United Kingdom or become part of a united Ireland, does not provide for granting Northern Ireland such "special position" within the UK. The demand for a special position has also been rejected by the Northern Ireland Assembly.

Norway, Iceland and Liechtenstein are members of the European Economic Area.



There is a widespread sense in Norway that the EEA has increasingly extended the EU's reach in important areas of Norwegian regional policy, petroleum policy, management of natural resources, and alcohol policy. In recent years, Norwegian rights policies and measures to prevent social dumping have been challenged through the courts of the EEA and the European Free Trade Association.

What is the EU "single market"?

The single market is essentially a single regulatory zone. The Rome Treaty had removed tariff barriers to trade between the EU member-states and established a free-trade area and customs union among the original six member-states.

The Single European Act (1987) made non-tariff barriers to trade illegal under EU law and set up the so-called "single" or "internal" market throughout the free-trade area. Non-tariff barriers include state aid to public purchasing, different national standards for goods and services, differential health and safety measures at the national level, and

different veterinary standards, labour standards, and the like.

The EU regards all sorts of unrelated issues as “single market” issues, which it must decide under EU law—for example the length of working hours, emissions trading, work safety regulations, veterinary standards, driving tests, vitamin supplements, the size of lorries, and the dimensions of vegetables sold in supermarkets.

Many EU rules reduce the competitiveness of small countries and of small firms vis-à-vis big ones. They tend to benefit the big states and the more monopolised sections of transnational business, for these are better able to bear EU regulatory costs. Such regulation weighs heaviest on small and medium-sized businesses.

New EU members are required to adopt every single one of this vast superstructure of rules, set out in more than 100,000 pages of legal text. The only issue in EU accession negotiations is how many years the new member-state will be given in which to do this.

Ireland 32—a net contributor to EU

The Irish state is now a net contributor to the EU budget. In 2014 it became a net contributor for the first time, paying in €1.69 billion and receiving €1.52 billion.

This means that in future any EU funds that come to the Republic under the common agriculture policy, EU cohesion funds, Erasmus programmes and so on will be Irish taxpayers’ money recycled through Brussels.



In addition, the value of annual fish catches by foreign boats in Irish waters is several times the amount the Republic has received from the EU over the years.





There is a widespread perception that Northern Ireland is a net recipient of EU funds and a beneficiary of its largesse. Although there has been a historical basis for this view, it is now outdated and erroneous. However, the lie suits a pro-EU agenda and is therefore rarely if ever challenged.

EU funds find their way to Northern Ireland by way of the British government. They can be divided into two broad categories. Agriculture funding consists mainly of direct payments made to farmers (formerly known as single-farm payments) and the Rural Development Programme, whose funds are at the discretion of the minister of agriculture and rural development at Stormont. “Structural funds” include the various PEACE schemes, intended to bed down the “peace process,” and the Interreg programme, promoting “transnational and interregional co-operation.”

Questions in the Northern Ireland Assembly revealed that in the financial year 2014/15 agriculture funds from the EU amounted to approximately €360 million, while structural funds totalled €160 million, making a total of €520 million.

The United Kingdom’s gross contribution to the European Union during 2014 was €23 billion. In proportion to population, Northern Ireland’s share of that sum would have been roughly €600 million. So there was a shortfall of approximately €80 million between Northern Ireland’s contribution to the EU and the funds it receives.

How the Government could spend €13,000,000,000

-  **Build 20 new hospitals**
(new children's hospital is estimated to cost €650m)
-  **Build another extension to the Luas**
Estimated cost €368m
-  **Boost supply of social housing**
Government's €5.5bn Action Plan could be almost tripled
-  **Fast-track construction of €2.4 billion Metro North**
Not due to be completed until 2025
-  **Abolish property tax**
Apple's tax bill could cover it for the next 26 years
-  **Give us a break from the USC for three years**
it's set to bring in €4bn in 2016 alone, but with €13bn to play with, it could mean a couple of year's grace from the charge
-  **Encourage us to save**
The last SSIA scheme, which gave people a boost of 25% on their savings, was said to have cost about €2.4 billion.

IRISH TIMES GRAPHICS

EU-Canada trade deal will see immediate effects on Irish fish prices

Thomas Pringle, the Donegal independent TD, has warned that the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, which will come into effect formally from 1 May, when it passes through the Canadian parliament, "will have an immediate effect on prices of some fish stocks that Canada can export to the EU. This could have an immediate effect on the price of lobsters in Donegal among other fish stocks.



"From the minute the treaty is ratified by the Canadian parliament the tariff of 8 per cent on live lobster imports into the EU from Canada will drop to zero, making live exports of lobster

to the EU much more attractive. When we consider that the US exported over 8,000 tonnes over the last three years of live lobsters into the EU with a tariff of 8 per cent then making Canadian exports that much cheaper will see an increase in the trade. This could then have an impact on the price that Donegal fishermen can get for their lobster making it harder for them to make a living.

“The adoption of the treaty will also see the tariff on scallops dropping from 8 per cent to zero, these changes will impact most on small scale inshore fishermen if they see a corresponding price reduction on their catches. The government told us that this treaty would be great for Ireland and Irish business but I believe that it will not benefit too many people trying to make a living from fishing around our coast.

“The EU has only provisionally ratified CETA and each member state has to ratify the treaty individually for it to come into permanent effect. I believe that it is vital for all those in our fishing communities to lobby TDs to ensure that they do not vote to accept CETA.”

The danger of a real new partition

The United Kingdom leaving the EU and the Republic remaining in it would greatly strengthen partition, for the following three reasons:

1. It would add several new aspects to the existing border: customs posts, EU food and veterinary checks on milk and animals moving from North to South, possible passport controls, a growing divergence between harmonised EU law and justice provisions in the South and British ones in the North, among others.

2. If the South stays in the EU, Britain would be given a new strategic security interest in holding on to the North, something that does not exist today and that could induce it to discourage any future moves towards a united Ireland; for if the South remains while the

United Kingdom leaves, any future reunification would mean that the whole of Ireland would become part of an EU security-military bloc, under German hegemony. That could never be in Britain’s—or even England’s—security interests.



3. The South staying in the EU when the United Kingdom leaves would give Unionists a whole series of new and objectively valid reasons for opposing a united Ireland; for ending partition would mean that they would have to join the EU, which is hardly real freedom. They would have to adopt the dysfunctional EU currency, the euro, which may well be doomed anyway. They would have to take on the burden of helping to pay for the private bank debt that the Troika imposed on the South when it decided in 2010 that no Irish bank should be allowed to collapse.

And they would have to agree to be bound by all the new EU laws and regulations that will be passed between now and whenever partition might go. It is hard to see significant Unionist consent to reunification occurring in those circumstances; and partition can never be ended without that consent.

MEPs call for cost-benefit analysis before Oireachtas considers CETA

Two Irish members of the EU Parliament, Nessa Childers and Luke Ming Flanagan, are joining with Sinn Féin members to urge a lobby of TDs and senators to prevent the Oireachtas rubber-stamping the Comprehensive Economic and Trade Agreement between the EU and Canada.

They insist that there is a need for a full and transparent debate before any vote on the

agreement and are calling for a transparent and independent cost-benefit analysis of its full economic and social costs.

The Government should have no hesitation in commissioning such a study if it is so confident about the advantages of CETA.

In February the agreement was passed by a majority vote in the EU Parliament. Before it comes into full effect it must be passed by each individual member-state. However, what is called the conditional application of CETA begins at midnight on 31 April in Ireland—despite the Oireachtas not having approved, or even debated, the agreement. This means that many of its elements will take immediate effect.

CETA was the brainchild of the Barroso Commission and the right-wing Canadian government of Stephen Harper. There is no compelling reason to rubberstamp their legacy.

Even its strongest supporters forecast at

best negligible benefits to Ireland's GDP, while at worst many fear the loss of thousands of jobs throughout the EU. CETA will also bring about a drop in beef prices, while the risks to health and environmental safety standards in Europe are many, not to mention the introduction of a special investor court that will bypass national courts.

With CETA, another legal front has been opened for private operators to join in and wage battle on public regulation.

There are merits to co-ordinating the way we regulate markets so that we can trade and put our trust in each other's products. But the way to do this is not through secretive negotiations between trade negotiators, resulting in thousands of pages of obscure provisions that our parliaments can only say Yes or No to. Social rights, our health and the environment are not simply obstacles to trade, to be chipped away in bilateral co-operation schemes.