PEOPLE'S NEWS

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Macron calls for an EU army

The president of France has launched an attempt to centralise power in the euro zone—with his own party running the show.

Emmanuel Macron set out his borderless vision that would merge the finances, intelligence, law and order, border control and defence of countries that use the euro. He called for the introduction of EU identity cards, a shared defence budget, and an EU military intervention force.

The speech came only days after the president of the EU Commission, Jean-Claude Juncker, outlined his dream of a massive expansion of EU powers.

Macron said the EU needed its own military intervention force and strategic doctrine to make its voice heard amid heightened security risks, as well as a fully operational border police to limit illegal migration. "Only Europe can give us the means to act on the world stage as we tackle the great challenges of the day."

In a speech at the Sorbonne (University of Paris), Macron said that "what Europe is missing today is a common strategic culture." He said he wanted an EU intervention force to be operational by the beginning of the 2020s that would give the bloc "autonomous capacity for action," deeper exchanges between national armies, and the establishment of an EU intelligence academy.

"At the beginning of the next decade, Europe must have a joint intervention force, a common defence budget, and a joint doctrine for action," he said, suggesting a range of cross-border taxes to pay for it all and proposing a single, EU-wide tax on financial transactions.

Macron said he wanted to work more closely with Angela Merkel, who welcomed his speech as "very European." He also attacked Brexit as a "false notion of sovereignty." The ambitious Frenchman even suggested that "in a few years, if it so wishes, Britain could regain its place" inside his new, simplified EU.

"The Europe that we know is too weak, too slow, and too inefficient," he said. "But Europe alone can give us the ability to act in the world, faced with big contemporary challenges."

And he called for a powerful new office for setting the budget for countries that use the euro, and for the merging of their prosecutors and legal systems. Macron will also be pushing for greater harmonisation of EU tax policies—notably on corporate taxes, and taxing internet giants where they make money and not where they are registered.

His biggest challenge may be the German political calendar. The outgoing German government goes into caretaker status in a few weeks and is not going to be taking any major decisions on the future of the EU, and it may take months for Merkel to form a viable coalition.

The Free Democratic Party, a crucial potential partner for Merkel, is against a joint budget, because it says that would result in automatic, uncontrolled money transfers from Germany to struggling euro-zone countries. Merkel herself said on Monday that she wouldn't rule anything out, and that she is in touch with Macron about his plans. "What is important to me above all is that we could use more Europe," she told reporters in Berlin, "but that must lead to more clout for the European Union."

The Irish media concentrated on Macron's proposed taxation measures without a mention of his military proposals, labour market reforms, or EU identity cards, the exception being the *Irish Independent,* which published a report from the Press Association.

"More Europe, a social Europe" —the illusion of a generation

For years, the thinking of many people on the left in western Europe was dominated by an irrationally optimistic view of the social policy of the European Union. Trade unions and left parties told everyone that we were on our way to a "social Europe," which distributed available work fairly and offered security to all workers, to the unemployed, and to those who were unable to work, for whatever reason.

The establishment of the European Trade Union Confederation in 1973 was the result of an awareness that since the 1960s power had shifted towards the EU level, that firms were increasingly likely to be subsidiaries of big international concerns, and that the trade union movement needed to combine its forces in order to play a role at this supranational level.

The thinking of the ETUC is encapsulated in its slogan *"More Europe, a Social Europe."* Its main activity consists of talking to the institutions of the EU and with the European employers' organisation, UNICE, both in the EU's Economic and Social Committee and elsewhere. This corporatist model is based on a view of the common interest of labour and capital in place of a struggle between the classes, a model that has its roots in conservative Catholic state ideologies and the Italian fascism of Mussolini.

It is not only the trade union movement that is characterised by this kind of outlook. In many organisations there exists a confidence that the handing over of ever more national competence to the EU will of itself lead to better policies.

The trade union movement believed that the EU would bring about a social Europe; the environmental movement believed it would clean up Europe; and consumer organisations believed it would provide better protection to the consumer. Everyone put their faith in fine words written by the EU Commission or the EU Parliament, even if in practice they had little real significance.

The European Union sticks its nose into everything, with no guarantee that it improves things. In the case of social policy this is doubly the case.

Under existing power relations it would be illusory to expect that uniform rules governing unemployment benefits, a minimum wage, working hours, pensions or the situation of people unable through illness or disability to work would lead to a harmonisation on the standards set by the best member-states.

The trend in reality is not towards a "social Europe" but in entirely the opposite direction. The social and economic model of the Soviet Union and its allies is no longer around to offer the threat of competition; and many workers do not bother to participate in elections for the EU Parliament.

The European People's Party, a combination of Christian Democrats and conservatives, is now the biggest group in the EU Parliament and, together with other right-wing forces, forms a majority. This majority for the time being has accepted the existence of codes of conduct relating to employment. The EU produces whole series of documents repeating what are in reality self-evident rights, such as:

- equal pay for men and women,
- no racial discrimination in relation to employment,
- everyone to have some kind of pension, and
- trade unions to be legal and their role as a negotiating partner respected.

Such texts, however, go no further than what is generally acceptable.

In the meantime EU social policy is characterised by pressures for a more flexible labour market, one where it is easier to sack people, where workers have fewer rights, and where jobs are precarious, for example with contracts that give no guarantee about how many hours per week will be worked. The objective is a reduction in the cost of labour, a reduction in the number of work-places, a reduction in the number of people who have the right to unemployment benefits, and a reduction in the number of pensioners.

Only two groups of workers are in reality mobile: those at the bottom of the pile and those at the top. On one side are people who must content themselves with badly paid, unattractive jobs in poor working conditions. They are brought in in order to exert downward pressure on the wages of indigenous workers—a situation that creates conflicts.

On the other side are people with a high level of education and training, for example in computers, electronics, the chemical industry, and the fight against disease. This can lead to a "brain drain," in which the country that has given these people their education loses them to countries with stronger economies.

The EU has been moving in a neo-liberal direction for many years now. This means that free competition prevails, while national laws protecting work and the environment can be overruled by EU regulations.

The European superstate protects the freedom of the privileged. In the 1990s an almost unknown but powerful organisation played a major role: the European Round Table of Industrialists. This organisation forced the introduction of the "single currency," the euro, and has been active in the acquisition and education of allies in the new eastern European member-states.

In March 2000 a summit meeting of government leaders came together in Lisbon.

On the initiative of the former left-wing French government, made up of social democrats, greens, and communists, the idea was to discuss what steps could be taken towards meeting the trade unions' demand for a "social Europe."

The main conclusion of the Lisbon meeting was that the EU must become the world's most competitive economy through a withdrawal of elected authorities from the economy and social provision as well as the stimulating of economic growth by means of lowering taxes and cutting collective spending.

This struggle for competitiveness is also financed by cuts in public services and by continuing the selling off of remaining publicly owned enterprises. The postal service, telephone systems, energy and public transport must be sold off or tendered to private companies, in many instances to rapidly growing transnational concerns. An important aim of this privatisation project is to break the power of the trade unions and force down wages by making every job insecure.

A neo-liberal "social Europe" might mean more jobs but only within a framework of lower wages, employees working to exhaustion, lower taxes, and weakened protection of workers' rights and the environment.

Trying to make capital out of job threats at Bombardier

Four thousand jobs at the Belfast plant of the Canadian aircraft manufacturing company Bombardier are in jeopardy following a complaint by the company's American rival, Boeing.

In a recent preliminary ruling, the US Department of Commerce imposed a tariff of 220 per cent on Bombardier's new C series jets, for which the Belfast plant builds the wings, following a finding that Bombardier had received subsidies from the Canadian and British governments. The decision threatens to derail a major contract with Delta Airlines.

The US International Trade Commission will decide in February whether to uphold or reject the proposed tariff.

Passenger jets take years to develop, and the costs run into the billions. When the first planes are finally ready for delivery, airline customers typically are not willing to pay what the plane cost to build, in part because they're taking a risk that it might suffer teething troubles.

Bombardier ran into all kinds of financial difficulties in developing and trying to sell the innovative C series, which led to a $1 billion bail-out by the government of Québec in 2015. Bombardier persisted; yet no sooner had Delta thrown it a lifeline by placing a firm order for a few dozen C series jets, Boeing fired off a complaint to the US government.

These massive financial risks are a major reason why the American Boeing corporation and the European Airbus SE control a virtual duopoly in large commercial aircraft, with all the competitive (i.e. anti-competitive) benefits that entails.

Boeing's fear, as its legal complaint makes clear, is that one day Bombardier might become a much stronger competitor. But Boeing's aircraft sales are eight times those of Bombardier's today.

Imposing tariffs is also potentially self-defeating for the United Stat6es. The C series are nominally Canadian aircraft, but the engines and other components are made on the other side of the border. So, rather than protecting American workers, Boeing might end up harming them. If Canada retaliates by refusing to buy military equipment from Boeing, that won't help American workers either.

Meanwhile the accusation that Bombardier is selling planes below cost seems to ignore the fact that Boeing has done the same.

The Bombardier situation is not a consequence of an EU or British trade agreement with the United States. Although both companies have a substantial British work force, Boeing is an American company, while Bombardier is a Canadian company. So anti-Brexiteers are wide of the mark when they call on the EU Commission to intervene in the dispute.

A particularly ludicrous intervention was made by the Irish Small and Medium Enterprises (ISME) Association, which called on the EU not to "let the British stew in their own juices" but instead to "aggressively oppose" Boeing's claim against Bombardier. It said the EU "must act to ensure that jobs across the European Union, whether they be in Ireland, the United Kingdom or any other European state are protected."

This intervention would be of interest to the millions of unemployed, particularly young unemployed, throughout the EU.

Jobs in the Northern Ireland aircraft industry have always been precarious. Fifty-one years ago, in January 1966, the BBC announced that four thousand jobs would be lost unless more orders were received within a few weeks. This prompted a successful struggle to maintain the aircraft industry in Belfast after the entire work force marched to Stormont.

But the Bombardier threat raises once again the question of Northern Ireland's social, economic and political vulnerabilities as part of a UK economy over which it has little or no control and in which it has always been in a peripheral position.

Sure it's all right: aren't we neutral!

The Government is to nominate the chief of staff of the Defence Forces, Vice-Admiral Mark Mellett, for appointment to the highest military position within the EU, despite its repeated bleating that we are neutral (notwithstanding the provisions of the Lisbon Treaty, which was fully supported by the establishment parties).

If appointed chairman of the EU Military Committee, on which he has been Ireland's representative for the past two years, Mellett would be giving military advice and recommendations directly to the EU's high representative for foreign affairs and security policy—essentially the EU's foreign minister—Federica Mogherini, and would oversee the EU Military Staff.

The position, which is for three years, will become vacant in November 2018, when the incumbent retires. The chairperson of the military committee is the EU's senior military adviser on "all military matters and represents the primary point of contact with the Operation Commanders of the EU's military operations," according to the Military Committee.

The decision to nominate Vice-Admiral Mellett was taken at Tuesday's Government meeting. (What about Finian McGrath?) Afterwards the minister of state for defence, Paul Keogh, said that "Ireland is one of the strongest contributors to Common Security and

Defence Policy operations," and that "the nomination of Vice-Admiral Mellett … reinforces that commitment and provides a positive and valuable profile for Ireland in the area of security and defence within the EU." According to one military source, "it would put Ireland at the heart of EU military matters, on which we have a strong record."

The move to nominate Vice-Admiral Mellett follows the Government's decision in July to have the Naval Service mission in the southern Mediterranean formally join the EU migrant search-and-rescue effort and, in a clear violation of our "neutrality," to engage in military action against smugglers on the Libyan coast.

Hitherto the Naval Service has participated in accordance with a bilateral agreement with Italy, for purely humanitarian purposes rather than as part of the EU effort. The operation has drawn severe criticism from groups such as Amnesty and Human Rights Watch, while others have withdrawn from working in the area.

In crisis management situations the task of the EU Military Committee is to *"draw up and present strategic military options. It evaluates the strategic military options developed by the EU military staff and forwards them to the EU's Political and Security Committee together with its evaluation and military advice. On the basis of the military option selected by the Council, it authorises an initial planning directive for the operation commander."*

The EU's External Action Service now has sixteen missions: in Bosnia and Kosovo, Ukraine, Georgia, Moldova, Libya and the Palestinian Territories, Somalia, Central African Republic, Niger, and Mali.

CETA could damage your health!

A new publication from the European Public Health Alliance exposes the considerable side effects for people and public policy-making following the provisional application of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada.

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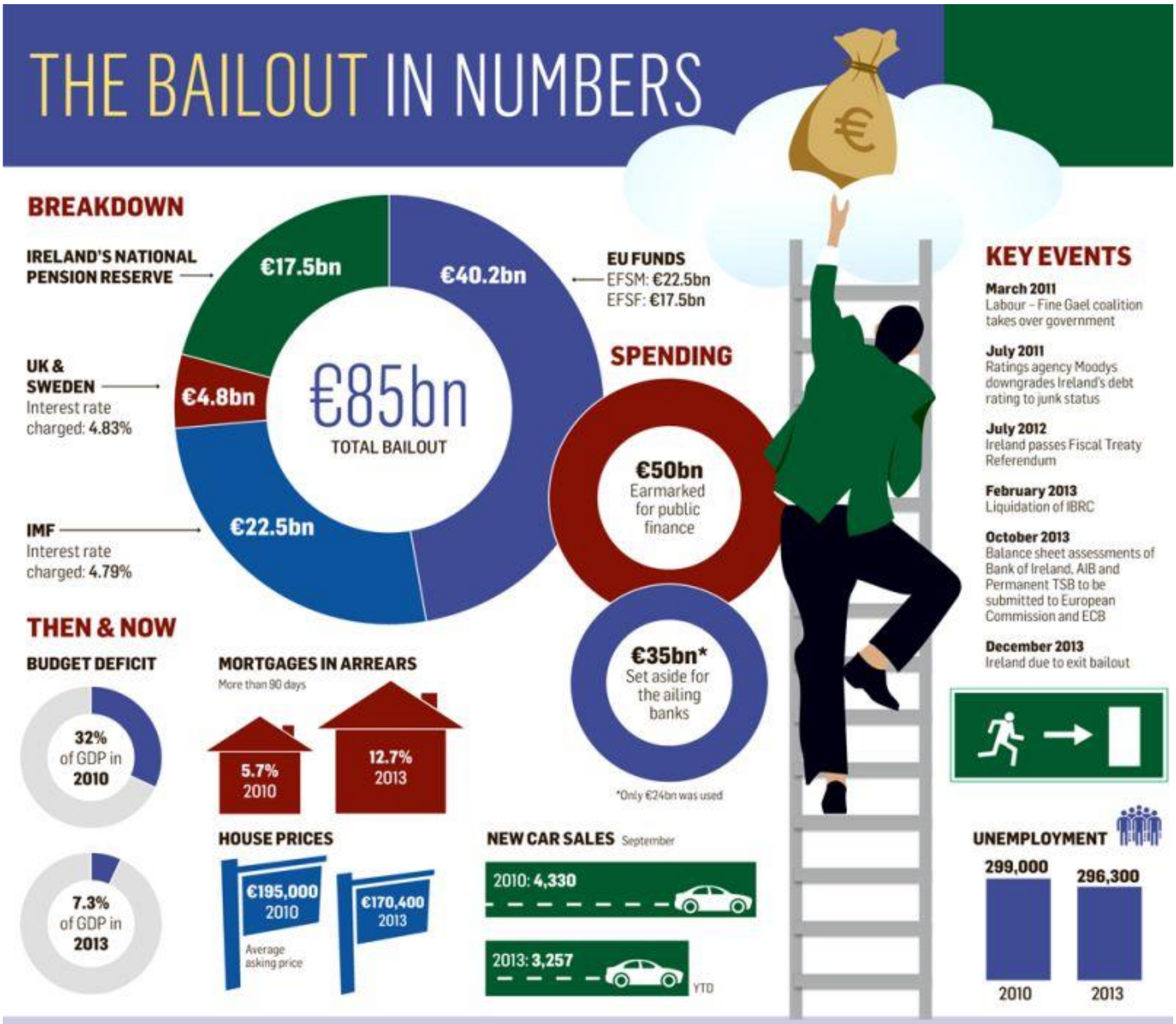

Lest we forget: The financial cost of the bail-out

The cost of bailing out Irish banks following the financial crash in late 2008 is laid bare in the latest report from the Comptroller and Auditor-General, published on Friday.

The bill outstanding at the end of 2016 stood at €39.9 billion, with an annual cost of servicing the debt at €1 billion or more. Some €66.8 billion was used to recapitalise the banks following the crash, with another €14.8 billion in the cost of servicing the debt.

By the end of 2016 the state had recouped €25.1 million in income from the disposal of investments, income from the guarantee scheme, and other means.

Balance the two figures and you get a sum of €56.5 billion. The Comptroller and Auditor-General has estimated the residual value of our remaining investments in AIB (a 71 per cent shareholding), Bank of Ireland (14 per cent) and Permanent TSB (75 per cent) at €13.6 billion. Add to this the estimated €3 billion surplus from NAMA whenever it winds down, and the potential future value of our remaining investments comes to €16.6 billion.

Not surprisingly, the big offender was the Irish Bank Resolution Corporation (Anglo-Irish Bank and Irish Nationwide Building Society), at €35.8 billion.

At the end of last year taxpayers were €7.9

billion in the red on AIB, a position that will have improved by about €600 million, given the bank's successful initial public offering in June and the increase of 15 per cent in its share price since its flotation. Permanent TSB was €1 billion in the red at the end of last year, but its share price has since declined by 33 per cent.

The graphic from 2013 gives some idea of the scale of the debt; and though we are continually getting "good news," the long-term effects, coupled with the permanent austerity policy of the EU and ECB, ensures that Irish people will continue to suffer the effects of the crash for at least another generation.

Kevin Cardiff, secretary-general of the Department of Finance at the time of the bail-out, is very clear about how it occurred!

If your eyes haven't glazed over by now with all those figures, the Comptroller and Auditor-General estimates the annual recurring cost of servicing the bank bail-out debt at between €1 and €1.4 billion. "Servicing costs associated with the interventions will continue at some level until Ireland's debt level falls by around €40 billion," was the conclusion.

CETA regulatory co-operation and ISDS European speakers' tour

Stuart Trew from the Canadian Centre for Policy Alternatives and **Lora Verheecke**, a researcher and campaigner at the Corporate Europe Observatory in Brussels, will join Irish civil society groups, academics and political parties to discuss the details and implications of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada.

Stuart Trew's latest publication, on regulatory co-operation in the North American Free Trade Agreement and CETA, is *From NAFTA to CETA: Corporate Lobbying through the Back Door.* Stuart is editor of the *Monitor,* monthly journal of the Canadian Centre for Policy Alternatives. He also has extensive expertise on CETA and NAFTA negotiations.

Lora Verheecke is a researcher and campaigner for Corporate Europe Observatory, an EU lobbying watchdog in Brussels, and has completed extensive research on the so-called reformed investor-state dispute settlement (ISDS) mechanism of CETA.

Chairperson: Kevin Callinan, vice-president of the Irish Congress of Trade Unions.

■ See also the Irish Congress of Trade Union's briefing paper, No Deal: Why Unions Oppose TTIP and CETA.