# PEOPLE'S NEWS

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## All-party report suggests "scrutiny reserve" for draft EU laws

THE Taoiseach and Government ministers should be compelled to know the views of the Dáil and Seanad on proposed new European legislation before agreeing to it, an all-party report has unanimously recommended. A "scrutiny reserve" mechanism is one of the twenty-eight recommendations of the report, which reviews the role of the Oireachtas in EU affairs.

An Oireachtas sub-committee concluded that such a move would ensure that all ministers were aware of the views and stance of the Oireachtas before any draft legislation was agreed. This would change the status quo by compelling ministers to be aware of the views of the Oireachtas on a particular European directive or piece of legislation and in turn prevent them being presented to TDs and Senators as a *fait accompli.*

Another one of the main recommendations of the report is that a decision should be made on which of the five hundred pieces of legislation each year are truly important in relation to the national interest. It recommended that for one week in May each year the Dáil and Seanad should set aside all other business to deal with EU-related topics.

If acted upon, this recommendation would increase accountability at the EU Council and add to public awareness of developments at the EU level, an awareness sadly lacking at the moment. However, a "Protocol on the Role of National Parliaments" attached to the Lisbon Treaty proposed that parliaments should be informed of proposals for EU laws at the same time as the Council of Ministers and the European Parliament. Most of this information is already freely available on the web, and no procedures were specified should a national parliament be unhappy with a proposal, other than to "send to the Presidents of the European Parliament, the Council and the Commission a reasoned opinion on whether a draft European legislative act complies with the principle of subsidiarity."

A "Protocol on Subsidiarity" states that national parliaments may send to the presidents of the European Parliament, the Council and the Commission a reasoned opinion on whether a draft legislative act complies with the principle of subsidiarity. If one-third of national parliaments complain within eight weeks of learning about it, the draft must be reviewed, and the Commission could decide to maintain, amend or withdraw its proposal, but it could not be forced to withdraw or change the proposal. So only in exceptional cases—if at all—would this measure bring about any changes.

It is also difficult to see how this provision can be reconciled with the requirement of the Treaty on European Union that member-states must respect in full the *acquis communautaire* or body of EU law, which now fills 120,000 pages.

## Oireachtas report urges greater EU scrutiny of budget deficits; admits inability to do it themselves!

AN Oireachtas committee has said that greater EU scrutiny of the Republic's scale of borrowing and the size of its budget deficits should be welcomed. A report compiled by the Joint Oireachtas Committee on European Affairs argues that the present European economic crisis made it very likely that the EU's Stability and Growth Pact would be reformed, and it suggests that a national fiscal council should be set up to provide independent forecasts for growth and government revenue.

The author of the report, Senator Paschal Donohoe of Fine Gael, said the impending reform of the pact would have massive implications for Ireland and its economy. "On the contrary, new rules restricting the limits on current borrowing requirement and structural deficit budgets can only have a positive impact on this country, as these matters have caused huge problems for us."

He said Greece was an example of the disastrous outcome of lax attitudes towards public finances and how it could spread to other countries, including Ireland. "While there are certainly failings in the upcoming changes to the pact, which must be addressed before they are finalised, Ireland should welcome its arrival," he said.

This is a bit rich coming from legislators who have overseen the greatest crisis in this country since independence. They are now happy to hand over control of our borrowing and, by implication, spending on urgent social requirements, such as the health service. With the diminution in the powers of the Oireachtas following the acceptance of the Lisbon Treaty, the People's Movement called for a reduction in the numbers of TDs and senators. If there ever was a case . . . !

## Ireland objects to EU-Israel data deal

IRISH officials have called for the scrapping of plans by the European Commission to declare Israeli data protection standards sufficient to allow the transfer of personal data. The Minister for Justice, Dermot Ahern, formally objected to the EU's recognition of Israel's data protection standards, forcing a full debate on the proposal at a committee hearing. A spokesperson for Ahern said the Government had the "gravest concern" that information supplied to Israel could be used in forging passports for use by intelligence agencies.

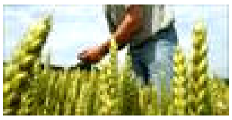
Without the formal declaration, the broad transfer of personal information, such as bank and telephone details, between the two sides is forbidden.

The spokesperson said: "The minister believes the EU committee has to take very serious account of the forgery of EU passports—including Irish ones—by Israel in recent months. Personal data provided innocently to Israeli officials by Irish citizens was used in forging passports. Other EU countries, particularly the UK, had similar experiences, and that is a matter of the gravest concern."

The Commission's initiative to recognise Israeli data protection standards would have gone ahead automatically if no member-state had raised an objection. But following the Irish objection, national officials will discuss the matter in a committee that deals with the protection of personal data. The Government's decision to intervene partially stems from a concern that the country's citizens would not support the approval of data transfers after the recent passport debacle.

The Government expelled an Israeli diplomat last month as as a result of the alleged illegal use of forged Irish passports in the killing of Mahmoud al-Mabhouh, a member of Hamas, in Dubai last January. The Dubai police have accused Israeli government operatives of being behind the incident and are carrying out an investigation.

## Commission to devolve decision on GM crops to member-states, but Ireland remains opposed



THE European Commission has decided to allow each member-state to make its own decision regarding the cultivation of genetically modified (GM) crops. As the Commissioner for Health and Consumer Affairs, John Dalli, put it, "we are basically giving much more flexibility to member states to restrict the cultivation of GMOs in their countries. Member states may use any grounds to do so, other than those covered by the health and environmental risk assessment of the EU risk authorisation process. Therefore, the proposal gives competence to member states to decide on cultivation."

So the common market, a founding principle of the European Union, is about to be broken! However, this step will require the approval of the European Parliament and a qualified majority of the European Council, representing the member-states.

Member-states are split between countries opposed to the cultivation of GM crops and those who want to promote their cultivation for economic reasons.

The EU authorisation system has been moribund for the past twelve years, with only two crops passed for cultivation. The Commission's approval of a modified potato developed by BASF was the first since 1998. Despite years of lobbying by Monsanto and other bio-tech companies, Ireland, Austria, Bulgaria, France, Greece, Hungary, Italy, Luxembourg and Poland remain opposed, while the Czech Republic, Germany, the Netherlands, Spain and Sweden are in favour. But, while empowering member-states to decide their own policy on the cultivation of GM crops, the EU system of authorising GM crops has not been changed.

The five largest global producers, in terms of the extent of land under cultivation, are the United States, Brazil, Argentina, India, and Canada, with the EU in fourteenth place.

The Irish Government, which does not allow GM crops to be grown, said it will scrutinise the proposal. "We will be examining these complex proposals very carefully in the light of our programme for Government commitment to a GM cultivation-free island."

Concerns about GMOs include the contamination of organic crops and the environment, the potential destruction of biodiversity and local agriculture, the excessive use of pesticides, and the unknown effects of GM food on public health, as well as how a small number of patent-holding companies would control the food chain. "This is a dangerous bargain: within the internal market GM seeds and products will circulate freely," said the German MEP Martin Häusling. "Contamination does not stop at borders."

■ www.theparliament.com/no_cache/latest news/news-article/newsarticle/eu-rule-on-gm-crops-branded-empty-deal

## New report says break-up of euro zone would boost growth

A new report from Capital Economics, a leading independent macro-economic consultancy, has predicted that the break-up of the euro zone would be beneficial for both weaker and stronger members, because it would bring about the necessary rebalancing of the region's economy.

The report says that since the beginning of the crisis Portugal, Greece, Spain, Ireland and Italy have been hit by higher costs and prices, undermining their ability to compete. The problem is that Germany refuses to expand its demand to help those countries to grow their way out of difficulty. "The euro zone, with Germany at its core, operates as a system with a strong deflationary bias—one in which the whole burden of adjustment falls on deficit countries obliged to take strong deflationary action. As long as the euro zone continues to play by these rules, there is no alternative to many years of economic pain."

Portugal, Italy, Ireland, Greece and Spain would be better off outside the euro area, as that would result in a fall in their currencies and would restore the competitiveness lost during their membership of the single currency.

A full abandonment of the euro would also help Germany, as a restored German mark would appreciate and make the government expand domestic demand to maintain jobs and growth, pushing up Germany's standard of living, according to the report. That in turn would further fuel imports from euro countries, helping to rebalance Europe's economy.

The report also says that "the threatened break-up of the euro zone, which many see as a potential disaster, would actually open the door to renewed economic growth, not just for weaker members of the zone but for Europe as a whole."

Meanwhile the Nobel Prize-winning economist Paul Krugman has predicted bad times ahead for the euro zone. "It wouldn't surprise me to see one or two countries leave the Euro," he said. "There is a plausible possibility that Greece becomes obligated to leave and this contagion provokes serious problems in the rest of the countries, especially Portugal, and possibly Spain and Ireland."

## German Finance Minister says meaningful reforms in euro zone require Treaty change

The German Minister of Finance, Wolfgang Schäuble, has attended an official meeting of the French Cabinet in Paris. In an interview he explained that "the Cabinet meeting will deal with the stance France will take within the task force on economic governance. I have been invited to participate in this debate because we are working on a common position.

"The question is how we can make the Stability and Growth Pact more effective within the framework of the existing Treaties. But it is clear that we must also come out with other proposals and accept some Treaty changes, if necessary.

"There is among our partners a bit of scepticism with regard to possible Treaty changes. Many people say it is a long-term process. However, if we consider that we cannot limit ourselves to imposing financial sanctions and that we must also take into account non-financial instruments—such as the temporary withdrawal of voting rights—in order to make member-states respect the pact, then Treaty changes are necessary."

When asked whether EU member-states share the same idea of what "economic government" is, Schäuble replied: "Substantially, yes. We have a single currency, and we need better harmonisation of economic policies if we still want to move forward in the making of the EU. A debate is now under way in order to figure out if this can be better achieved at the euro-zone level or among all twenty-seven member-states. The position of Germany has always been that it is better to act as twenty-seven as long as possible, without questioning the fact that the single currency gives the sixteen euro-zone countries some special responsibilities."

## EU gets rights similar to a state in the UN General Assembly: Lisbon strikes again!

THE European Union is to be given rights and powers similar to those of a fully fledged state in the General Assembly of the United Nations. The proposal, following the introduction of the Lisbon Treaty s an increase in foreign policy power, will mean that the EU's desk will be moved from the margins, where it sits with organisations such as NATO's parliamentary body, near to the centre of the General Assembly chamber.

The EU High Representative for Foreign Affairs and Security Policy, Catherine Ashton, will be given a special seat alongside a new EU ambassador with "the right to speak in a timely manner, the right of reply, the right to circulate documents, the right to make proposals and submit amendments, and the right to raise points of order." According to European diplomats, Britain blocked proposals by Germany and Ireland to give the EU representative the power to call a vote.

The plan to give the EU an increased role within the United Nations is expected to be proposed "in the coming weeks," but it faces opposition. Arab and African countries have expressed anger because their own regional organisations will not be given the same privileges.

## Iceland's growing mackerel catch emerges as a problem for EU membership application as public support diminishes

THE Icelandic government's application to join the European Union has run into trouble with the Commission over its fisheries policy after the Irish Government raised concerns about the country's increasing mackerel catch. The question threatens to complicate further a negotiation that is already difficult, thanks to Iceland's unresolved dispute with Britain and the Netherlands over a €3.8 billion liability for deposits lost in its banking collapse.

At a recent ministerial meeting in Luxembourg the Minister of State for Agriculture and Fisheries, Seán Connick, was supported by eight other member-states when he complained that Iceland was operating its mackerel fishery outside international management arrangements for the stock. The issue is sensitive for the Government, as mackerel is Ireland's most important fishery.

The Irish mackerel quota is less than half Iceland's planned catch this year, and the authorities in the Faroe Islands have responded to Iceland's increased fishing levels with plans for a big increase in their own catch. Connick argues that this constitutes a significant threat to mackerel stocks generally, with consequent dangers for Irish fishermen and fish-processors. "Clearly, Ireland will have a particular interest in the fisheries chapter, which is generally recognised as a key issue in the negotiations."

Meanwhile members of the European Parliament have urged the Belgian Presidency to make reducing Iceland's fishing quota a priority in EU accession negotiations.

A new opinion poll by Capacent Gallup found that only a quarter of respondents want Iceland to join the European Union. Gallup's regular National Pulse Poll showed that 60 per cent of Social Democrat voters want membership, while 70 to 75 per cent of Independence Party, Progressive Party and Left-Green Movement voters are against. The question asked was: "Are you for or against Icelandic entry into the EU?" 60 per cent said they are against, 14 per cent had yet to decide, and 26 per cent were for.

## EU seeking to reset relations with Switzerland, but Swiss President insists on "respect of our sovereignty"

WITH new powers granted by the Lisbon Treaty, the European Union is seeking to reset its relations with Switzerland, at present governed by 120-odd agreements covering everything from wrist watches to border control.

The president of the European Council, Herman van Rompuy, said that the arrangement would have to be based on Switzerland accepting the "evolution" of EU law, in contrast to the present situation, where nothing is adopted automatically by the Swiss side. Some sixty working groups on specific issues covered by these agreements meet twice a year, separately and with little exchange among each other.

The President of Switzerland, Doris Leuthard, said that Switzerland also recognises the need to simplify the complex architecture of bilateral agreements. She stressed, however, that the new legal basis had to be "clean, but in respect of our sovereignty."

One offer made to the Swiss is a "European Economic Area Lite," a reference to the current agreement with Norway, also not a member of the European Union but which is fully integrated in the EU internal market and border-free Schengen area and which, unlike Switzerland, automatically adopts any change to the EU laws.

Yet in a country where irect democracy is so deeply rooted that almost every decision is taken by referendum, the idea of adopting such legal "automatism" is unacceptable. Swiss voters already rejected the country's accession to the European Economic Area in 1992, precisely out of a fear of losing sovereignty to Brussels, which is often criticised for its democratic deficit.

"Switzerland is against adopting EU laws automatically, using the argument that it is a sovereign country," Jean Russotto, a Swiss lawyer specialising in EU law and regulatory compliance, told *EU Observer.* "But the EU says that as long as we are part of the internal market, we have to play by the book."

Another taboo subject for the Swiss public is the jurisdiction of the European Court of Justice, which has the ultimate say if a country infringes EU law. If Switzerland adopted the legislation automatically, it could, in theory, be taken to the ECJ by the European Commission in cases of non-compliance. "This would be a problem," said Russotto. "The No vote in 1992 was strongly influenced by the perspective of 'foreign judges' having a say in the country. The situation has not changed very much since, although we've adopted a lot of EU *aquis* [legislation], but it was done by our own parliament, not automatically."

There's a lot to be said for democracy!

## Bundesbank criticises Ireland: "Poses a danger to the euro zone as a whole"

IRELAND'S economic policies pose a danger to the euro zone as a whole, and we should take measures to improve the economy ourselves rather than look to others to change, the German Central Bank has warned.

It criticised Ireland, Spain, Portugal and Greece for running "persistently high" current-account deficits over the past decade, which the Bundesbank says is a "source of danger" for the single-currency region. "These macro-economically erroneous trends" are "a source of danger for other member-countries and the currency region as a whole," the Bundesbank wrote in its monthly bulletin. Deficit countries damage the euro zone's stability, and "it is urgently necessary to correct maldevelopments and avoid a repetition in the future."

The Bundesbank blamed the current-account deficits in Ireland and elsewhere on increases in internal demand, "comparatively" strong inflation, and a "grave" erosion of competitiveness.

"The respective economies have no choice but to reduce domestic demand to a sustainable level," it said. "A decisive fiscal consolidation is of central importance in the light of dramatically deteriorating public budgets."

The comments came a day after Senator Dan Boyle of the Green Party questioned whether it was politically feasible to meet the European Central Bank's budget target of cutting the annual deficit to 3 per cent of gross domestic product by the end of 2014.

Germany, which runs a current-account surplus and relies heavily on exports to drive growth, has come under pressure from some other countries, including France, to boost domestic demand to help address the economic imbalances in the euro zone.

The Bundesbank dismissed the suggestion, saying it would only help countries that are already exporting successfully within the euro zone and would be little help to Ireland and other countries running a current-account deficit. Ireland's deficit would improve by only 1 percentage point if Germany increased imports by 10 per cent, the Bundesbank said.

The bank also said that euro-zone monetary policy was aimed at securing price stability for the currency bloc as a whole. "That means that it generally should not take consideration of the economic problems in individual states," it said.