



Wonder could we hold him to that!

ENDA Kenny has warned against any EU agreement on financial rules that could result in Ireland losing its voting rights. "I believe that would be catastrophic and it would have my out-right opposition."

■ *Irish Times*, 4 November 2010.

EU leaders back change in Lisbon Treaty

Lisbon III referendum possible in Ireland!

THE president of the European Council, Herman van Rompuy, said that EU leaders have agreed a pact to strengthen the euro, and he described the deal as "one of the most important decisions" taken in recent months.

He will now explore what treaty changes would be needed to enforce fiscal discipline, and the European Commission will help prepare the changes, before reporting back to the December summit.

A primary concern would be to avoid triggering a referendum in any member-state, particularly Ireland. The amendments would have to be limited, according to the summit statement, and an existing rule that EU countries cannot assume the debt of another member of the bloc must stay. It commits the EU to creating a permanent mechanism to replace the €440 billion emergency safety net for indebted euro-zone countries when it expires in mid-2013.

The permanent crisis mechanism will involve private investors, the International Monetary Fund, and strong conditions on which funds would be lent to countries in need.

"The European Council will revert to this matter at its December meeting with a view to taking the final decision both on the outline of a crisis mechanism and on a limited treaty amendment so that any change can be ratified at the latest by mid-2013," the summit statement said.

The agreement to work towards a "limited" revision of the Lisbon Treaty, less than eleven months after its enactment, raises the prospect of the Government having to decide whether to call another referendum; but Brian Cowen has said it was too early to say if the proposed changes to the treaty would require another referendum.

"When detailed proposals are brought forward we have to judge it against our own constitutional requirements. The important point is that we will now look at the discussions that will take place between now and December and, in terms of terms of treaty changes needed, once it doesn't involve a transfer of competencies from Ireland to the EU," a referendum may not be necessary.

The final decision to be made at the European Council meeting in December is "on a limited treaty amendment so that any change can be ratified at the latest by mid-2013." This would therefore replace the present stability fund.

Most member-states would clearly prefer a two-sentence surgical amendment, meeting the conditions of article 48 (6) of the Treaty on European Union (the "escalator clause") to dispense with a constitutional convention and ram through the amendments. None of the EU elite is anxious to relive the trauma of the Lisbon Treaty ratification process.



Merkel's demands for strong stability-pact measures are motivated by two concerns. The first is that German taxpayers will revolt unless the EU agrees new rules guaranteeing that they will not be hit in the pocket for every new Greek-style crisis. After all, they were promised a strong euro in return for surrendering a strong mark!

The second concern is the Federal Constitutional Court in Karlsruhe. Officials believe that only tough new stability-pact rules will swing a pending ruling in their favour. A negative ruling



could call into question the legality of emergency euro-zone rescue measures to date. Officials are quick to point out that there are legal limits they have to respect.

These limits arise from a reminder in last year's ruling allowing for the ratification of the Lisbon Treaty that adopting the new treaty did not set aside previous treaties, in particular the Maastricht Treaty, and the court's ratification ruling from 1993.

Last May some German economists brought a claim (still pending) that helping Greece and the euro rescue fund violated the "no bail-out" clause in article 125 of the treaty. However, the court refused to grant an immediate injunction on the matter, as the applicants requested, leaving Germany free to support the Greek and euro-zone rescue plans.

Article 122 of the same treaty, which allows EU financial assistance "to a member state in difficulties or seriously threatened with severe difficulties caused by natural disasters or exceptional occurrences beyond its control," was used to justify both initiatives. But the reality is that the initiatives balance on a knife edge between legality and illegality, and the Karlsruhe court could well rule both packages illegal. Germany therefore needs treaty change to protect such essential initiatives from its own turbulent constitutional court. Politics also plays a role here.

The Constitutional Court is not a typical court but one that acts in full knowledge of the political consequences of its decisions. If the court had ruled on the injunctions in May, it might well have ruled against help for Greece and the euro zone, calling the grounds for aid illegal. It let the injunctions lie but has yet to deliver its final word on the matter, in a judgement that could have profound implications for us all.

People's Movement protest at IBEC bash

THE People's Movement held an early-morning protest at the IBEC CEO Conference in the Dublin

Convention Centre on Wednesday last (3 November). Protesters carried "YES for jobs" posters used by IBEC during the Lisbon Treaty referendum campaign. In a statement the Movement asked:

Where are the Lisbon jobs we were promised by IBEC on thousands of posters; where is the investment they promised would flow from acceptance of the Lisbon Treaty?

Instead of the promised jobs and investment, 60,200 more people have become unemployed since the Government and main opposition parties, enthusiastically supported by IBEC, bullied and bamboozled the country into a Yes vote.

The pro-Lisbon promise from Fianna Fáil, Fine Gael, Labour, the employers and the leadership of the trade union movement was jobs and economic recovery. Instead, economic output is in chronic decline, the labour force is contracting, and the tide of emigration is building up again.

These promises were nothing more than a political con job to engineer a Yes to Lisbon vote, and it is time that the employers in this country are called to account for the cavalier way in which they fraudulently manipulated the fears of ordinary citizens in order to achieve an acceptance of the Lisbon Treaty.

People's Movement at Danish conference

REPRESENTATIVES of the People's Movement attended the conference of the Danish People's Movement's (Folkebevægelsen mod EU) in Århus last week. The Irish economic situation was outlined to the conference in an address, and a People's Movement flag used during Lisbon II was presented to the movement. Productive meetings were also held with EU-critical organisations from the other Nordic states.

O'Sullivan secures top post in EU diplomatic service

The EU's foreign minister, Catherine Ashton, has appointed one of Ireland's most senior EU officials to a high-ranking post in the new diplomatic service.

David O'Sullivan, who heads the EU Directorate-General for Trade, will be the first chief operating officer of the external action service when the body comes into operation on 1 December. The paper says O'Sullivan will be

responsible for day-to-day operational management of the service, an organisation that will have diplomatic missions around the globe.

Between 2000 and 2005 O'Sullivan was the most senior civil servant in the EU executive, holding the post of secretary-general of the Commission. He was succeeded in that post by an Irishwoman, Catherine Day. Since then he has been director-general for trade. It was in this capacity that he first worked with Catherine Ashton, who was Commissioner for Trade before her appointment last year as EU High Representative for Foreign Affairs and Security Policy.

That's democracy for you!

THE president of the European Council, Herman van Rompuy, has presented his new book, called *Inside the World of Herman van Rompuy*. Commenting at the launch on his presidency, he is quoted saying: "I don't speak here as a politician but as a free man. I don't have any voters. And I also prefer readers to voters."

Van Rompuy has also warned on Belgian television that during the Greek crisis "we were standing right before the total collapse of the financial and economic system . . . It was a matter of survival, because the end of the euro zone would have also meant the end of the European Union." He added: "Now the crisis is over, but the problems aren't over."

■ [Metro \(Brussels\), 2 November 2010.](#)

Soden raises questions over the power of Brussels to direct Irish fiscal policy

IRELAND should consider leaving the EU if it prevents us from making our own decisions on the management of our economy, a leading member of the Government's newly established Central Bank Commission has said.

Michael Soden, former chief executive of Bank of Ireland, has broken ranks, issuing a refreshing challenge to the orthodoxy that Ireland could not survive without the European Union. "Just for a moment, let us question why our hands are tied at this time as a member of the EU. If we are in search of a solution and Europe finds it difficult to accommodate the needs of the Irish electorate, should we look elsewhere?"

Expanding on his argument, Soden added: "Our membership of Europe has to have balance in all aspects, particularly in relation to our culture, our sovereignty and the price we pay for economic and financial independence. Have we unwittingly surrendered these precious aspects of our society as the price of European Union membership?"

Britain and France lay the foundations for an EU army

BRITAIN and France laid the foundations for an EU-wide army this week when the two nuclear powers signed a treaty pledging closer military co-operation.

The agreement includes developing a new nuclear testing facility at the Atomic Weapons Establishments at Aldermaston (Berkshire) and Valduc (Dijon), co-ordinating the use of aircraft carriers, and a combined joint expeditionary force and training for 6,500 British and French troops to deploy on operations together.

The British Defence Secretary, Liam Fox, dismissed accusations that the treaty represented a shift towards creating an EU army. "This is not a push for an EU army, which we oppose. It has always been my view that defence must be a sovereign and therefore an intergovernmental issue," he said. The Prime Minister, David Cameron, stressed that Britain would still be able to deploy forces independently.

But the convener of the No2EU campaign, Brian Denny, labelled the plan a "new militarisation of Anglo-French relations . . . The deal is a continuation of the Anglo-French Saint-Malo agreement signed by Tony Blair in 1998 as part of the drive to militarise the European Union.

"The then Labour defence secretary—warmonger Lord George Robertson—said that co-operation between Britain and France under the Saint-Malo agreement would be illustrated in the illegal intervention in the former Yugoslavia."

Denny also warned that the new formation would lead to more imperialist warmongering in Africa. "This new militarisation of Anglo-French relations, supported by shadow defence secretary Jim Murphy, will lead to further military adventures, particularly in the two countries' former resource-rich colonies in Africa."

The Lisbon Treaty allows for what is called "permanent structured co-operation in

defence.” Member-states can get approval from the European Council to organise combat units capable of operating in missions lasting 120 days as an “opt-in” arrangement.

Meanwhile João Marques de Almeida, an adviser to the president of the European Commission, Jose Manuel Barroso, said last week that the best solution for the enhancement of EU-US relations would be for the European Union to join NATO.

Almeida, now EU ambassador to the United States, was one of the speakers in a seminar in Lisbon organised by the National Defence Institute of Portugal. Before being adviser to the president of the EU Commission he was president of the Portuguese Institution, a government think-tank for elaborating defence and strategic policies.

The “social clause” is likely to be watered down

THE EU Commissioner for the Internal Market, Michel Barnier, this week unveiled a first draft of the Single Market Act, a package of fifty separate proposals relating to the EU’s single market. The text includes plans to consolidate the corporate tax base throughout the EU. However, a clause that would have strengthened the right to strike over the right of freedom of movement was at the last minute deleted from the draft, though the proposal still makes a reference to the right to take collective action.

Barnier is quoted as admitting that there were “different feelings” within the Commission over how strong the “social clause” in the Single Market Act should be, but EU employers are still concerned about Barnier’s plans, fearing more stringent rules for posting workers abroad.

A series of proposals based on the act will be tabled, beginning next February, with a view to turning them into law by 2012.

Funding of EU agencies and committees to exceed €2 billion

OPEN Europe has revealed that the cost of funding EU agencies and committees has more than tripled since 2005, and the European Commission has proposed introducing an 8 per cent increase in the 2011 budget, as well as an increase in total spending. It is notable that the huge increase in the cost of EU agencies stands



in stark contrast to the deep cuts facing the public sector in member-states.

The analysis comes at a time of rising discord between member-states and EU institutions over spending, with the European Parliament last week calling for a 5.9 per cent increase in the EU’s 2011 budget.

Possibility of Dutch referendum on Lisbon III

FIVE years after the country rejected the EU’s proposed constitution, the far-right Dutch Freedom Party (PVV) of Geert Wilders announced that it is considering proposing just such a vote. The announcement came days after the opposition Socialist Party also called for a referendum. The SP was one of the leaders of the successful No campaign in 2005, which defeated the EU constitution in the Netherlands.

Louis Bontes, an MP of the anti-immigrant PVV, which is part of the governing coalition pact, said his faction in the parliament may push for a referendum if the penalties for countries in breach of new EU fiscal rules are not strict enough.

According to the deputy, the PVV is to propose a specific treaty change itself, not waiting for the president of the European Council, Herman van Rompuy, to come back to the Council in December with fresh proposals for changes, as he was tasked to do by EU heads of government and heads of state last Friday.

The party has yet to outline what changes it will suggest, but they could include specific provisions for tough penalties for EU member-states, going beyond what EU leaders had been willing to countenance.

If the party’s proposals are not accepted they will then consider pushing for a referendum on the matter. “Then we will ask the citizens whether they are prepared to impose an obligation for countries like Greece and Spain in return for financial help,” Bontes said, according to Dutch press reports.

The Socialist Party, claiming that the dud EU charter had favoured the interests of businesses over citizens, has already endorsed the idea that another referendum should be called. On Friday last (5 November) Harry van Bommel MP, the

party's spokesperson for EU affairs and deputy chairperson of the parliament's standing committee on the same subject, and who spoke at the People's Movement final press conference prior to Lisbon II, said that if a treaty change is approved by the European Council the Socialist Party will call for a referendum.

"We are very happy to have the support of the PVV in our push for a referendum and that they are willing to look into the issue as well," he said, but he was keen to stress that his party's opposition to the treaty change was for different reasons from that of the PVV. "They are more concerned that we not pay out to poorer countries, whereas we are more worried that the proposed changes limit a nation's policy space in the social arena."

He said that with the two parties backing the idea, the passage of a referendum proposal in parliament hinged on the support of the largest opposition group, the Labour Party, which sits in opposition with the further left SP, both of which have yet to pronounce on the issue.

Rehn comes to Dublin

Please join our protest if you can

ON Tuesday next (9 November) Olli Rehn, European Commissioner for Economic and Monetary Affairs, will visit Dublin to brief Irish elite groups on why the rest of us must suffer huge cuts in services, increased taxes and other impositions in order to save the banks and the German bond-holders.

Brussels is calling the shots on the forthcoming budget—a fact that an increasing number of journalists is prepared to admit—and Rehn is the standard-bearer.

Our slogans should centre around such issues as "Hands off our budget," "Restructure the debt," "Growth and Stability Pact target: 2020," "No more bank bail-outs," and "A single systemic bank—A state bank." These are all issues that Brussels and the European Central Bank can directly influence, and is influencing—despite its feeble denials.

We plan a demonstration outside the offices of the Institute of European Affairs, 8 North Great George's Street, Dublin, on Tuesday next,



9 November, beginning at 2 p.m. Rehn will be speaking there at 2:45 on the subject of "Economic governance in the European Union."

We realise that the time of the demonstration is awkward for many people, and so we would like to have a good idea of the potential attendance before we finally commit ourselves to going ahead. Please indicate by return of e-mail to post@people.ie whether you will be available.

The decision will then be made at midday on Monday, on the basis of returns, and you will be personally notified.

And finally . . .

FOREIGN bank exposure to Ireland's economy is \$844 billion, or five times the value of Ireland's GDP or economic output. Of that, German and UK banks are Ireland's biggest creditors, with €206 billion and €224 billion of exposure, respectively.

THE 5.9 per cent increase proposed to the EU 2011 budget by MEPs includes an increase of 4.4 per cent in administration costs, which includes a 90 per cent increase in the European Parliament's entertainment fund to almost £2 million.

THE Master of the High Court, Edmund Honohan, has accused the Dáil of failing to assert Irish legislation over new laws from Brussels and of delegating much of the work load involved in scrutinising EU law to civil servants. More than 70 per cent of our laws now come from Brussels.

THE French MEP Alain Lamassoure, who chairs the European Parliament's Budget Committee, argued recently that European defence "is, par excellence, the domain in which pooling national resources would allow for substantial savings."

■ [Le Monde \(Paris\), 18 October 2010.](#)

THE president of the European Commission, José Manuel Barroso, said last week: "It is worth looking back at the negative referenda which derailed the ratification process of the European Constitution. This told us something. It told us that European citizens were worried, about their jobs, their pensions, their education, their quality of life and their environment. And they looked to the EU for answers." Really?

■ [EU Observer, 28 October 2010.](#)

NEW research conducted by the House of Commons Library has shown that the UK Parliament adopted last year 3,050 new laws related in some way to the EU, equal to 53 per cent of the total passed.

IN the Irish edition of the *Sunday Times* of 5

November the columnist Matt Cooper argued: “The European Commission and European Central Bank (ECB) are already acting as joint receivers, calling the shots on running the country’s finances.”

■ [Sunday Times, 5 November 2010.](#)

