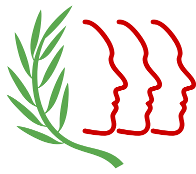


PEOPLE'S NEWS

News Digest of the People's Movement

No. 56 **21 September 2011**

European Stability Mechanism

Twenty-seven Oireachtas members call for referendum

The Government in the coming months will seek to push through the Oireachtas an amendment to one of the two Treaties on which the EU is based authorising the establishment of a permanent Euro-zone fund, the European Stability Mechanism (ESM), and the ratification of the Treaty that actually establishes the fund.

The Treaty which has already been signed but not yet ratified commits the Irish State to irrevocably and unconditionally contribute €11 billion in various forms of capital to the ESM when it is established in 2013 and possibly further sums after that at the behest of Eurozone Finance Ministers when contributions come up for regular review. This will have to be borrowed on the international market.

Weaker economies like Ireland would have to put up cash immediately to cover any short-fall of paid in capital that might arise while triple A rated economies like Germany and France would be put under less financial pressure by being able to fulfil their obligations by way of guarantees.

Assistance from the ESM will only be given on the basis of strict conditionality—these conditions being unspecified and potentially unlimited. If the Irish State were to receive loans or grants or favourable borrowing facilities from the ESM, these conditions could require the introduction of a balanced budget constitutional amendment or dropping the objection to the harmonization of corporate taxes at EU level.

The Treaty formally subordinates Ireland's interests to those of the stability of the euro area as a whole yet there has been an almost total media blackout on the implications and consequences of the ESM for the country.

The support of Fianna Fáil for the Government action has further contributed to the managed nature of the whole process.

The ESM is part of a package of measures that can only lead to fiscal union in the EU, beginning with stricter controls on budgets and public spending starting with the so-called Euro Plus Pact and soon moving on to a harmonising of taxes.

We believe that the legislation to enable the State to license its establishment and ratify the Treaty setting it up should be put to the Irish people in a constitutional referendum and we urge the Government to let the people decide on this matter of crucial importance for the future of our country.

Gerry Adams TD, Senator David Cullinane, Clare Daly TD, Dessie Ellis TD, Michael Colreavy TD, Seán Crowe TD, Pearse Doherty TD, Martin Ferris TD, Luke Ming Flanagan TD, Joe Higgins TD, Mary Lou McDonald TD, Finian McGrath TD, Mattie McGrath TD, Sandra McLellan TD, Pádraig Mac Lochlainn TD, Catherine Murphy TD, Paul Murphy MEP, Caoimhghin Ó Caoláin TD, Senator Trevor Ó Clochartaigh, Aengus Ó Snodaigh TD, Maureen O'Sullivan TD, Thomas Pringle TD, Senator Kathryn Reilly, Brian Stanley TD, Peadar Tóibín TD, Mick Wallace TD.

Government plans to publish ESM bill, EU-IMF bill and household charges bill before the end of the year

The Government plans to publish a number of bills during the current Dáil session, including a number arising from the EU-IMF programme.

The Department of Finance will publish five bills in the coming months. The Fiscal Responsibility Bill will provide a statutory basis for a range of fiscal policy and expenditure management reform, while another bill will enable Ireland to ratify the treaty establishing the European Stability Mechanism. The European Financial Stability Facility (Amendment) Bill and Euro Area Loan Facility (Amendment) Bill will enable Ireland to ratify agreed amendments to the EFSF framework agreement and the Greek loan facility agreement, and will be introduced as soon as this week.

Among the other important bills to be published are two from the Department of the Environment. The Local Government (Charges) Bill will impose an annual household charge on owners of residential properties, while the Water Services (Amendment) Bill will establish a system for inspecting and monitoring the performance of septic tanks and other on-site waste-water treatment systems.

Hang our heads in shame and pay the German bondholders?

The EU commissioner for energy, Günther Oettinger of Germany, in an interview with the German tabloid *Bild*, suggested that the flags of countries with excessive deficits should fly at half-mast in front of EU buildings.

In his comments he referred to "deficit sinners," who needed "unconventional" treatment to help them mend their ways—possibly through officials appointed by Brussels and imposed in recalcitrant capitals. "There has been the suggestion too of flying the flags of deficit sinners at half-mast in front of EU buildings. It would just be a symbol, but would still be a big deterrent." Would it? Really?

Another tactic for pulling a debt-stricken country out of crisis could be replacing "the obviously ineffective administrators" there, he said. Because Greek officials have failed at collecting outstanding taxes and selling state-owned assets as planned, Oettinger alleged, experts from other EU countries should be sent in to do their jobs instead.

Oettinger later denied suggesting that the flags of "deficit sinners" should fly at half-mast and said he was merely referring to a notion he heard in the office of a German tabloid. Asked how it had come about that Oettinger made such remarks, his spokeswoman said, "It just came out."

But in a letter to the president of the Commission, José Manuel Barroso, 151 MEPs said that Oettinger's comments "imply the symbolic humiliation of European nations. Mr Oettinger should retract and recant his words, or resign from the European Commission."

EU Commission demands even further austerity

EU countries under market pressures must be prepared to swallow even stronger doses of austerity.

Most states have slashed tens of billions from their public spending plans already, but this may not be enough, according to an annual report from the EU Commission on the state of public finances in member-states.

■ http://ec.europa.eu/economy_finance/publications/european_economy/2011/pdf/ee-2011-3_en.pdf.

The head of the Commission's economy department, Marco Buti, wrote in a gloomy "editorial" that, "despite the fact that a return of GDP growth, a gradual withdrawal of the temporary support measures and the start of consolidation is starting to reduce deficits, debt is still expected to continue increasing for the next year or so in most cases.

"Once it has reached its peak, the issue is not over. It will not be sufficient to stem the increase; rather, additional consolidation measures will be required to reduce it from its new level ." He argues that Europe's ageing population will add still further pressures on public finances in the coming decades as a result of the higher costs of ageing and lower growth as a result of the smaller number of people of working age.

Despite multiple rounds of austerity already imposed, Greece for its part will see its debt burden climb to 166.1 per cent of GDP in 2012, up from 157.7 per cent this year, while our own may reach 104 per cent.

The document goes on to say that while governments can reduce debt levels through spending cuts or increasing taxes or a mixture of the two, they should embrace cuts in preference to tax increases, as "evidence from the past shows that cuts have greater success, in terms of the effect that they have on the overall public finances."

The future in the EU does indeed look gloomy.

Greek government introduces household tax

The Greek government has unveiled a fresh round of austerity measures, amounting to €2 billion, as pressure mounts on the country to deliver on its commitment to reduce its debt burden. The minister for finance, Evángelos Venizélos, described the moves, which will involve a new two-year household tax and holding back a month's pay from all elected officials, as a new "national effort."

"We know that these measures are unbearable," he said. "Our immediate priority is the full respect of the budget targets for 2011." The European Commission, naturally, welcomed the announcement.

German Constitutional Court rejects challenges against bail-outs

The German Constitutional Court has ruled against the claims that the euro-zone bail-outs are illegal. However, the court stressed that the verdict "should not be misinterpreted as a constitutional blank cheque for further aid packages."

The court also ruled that, in order to conform to the constitution, "the Federal Government is in principle obliged to always obtain prior approval by the [Bundestag] Budget Committee before giving guarantees." This means that the parliamentary budget committee will have to agree to any future bail-out packages or use of the EFSF, the euro zone's bail-out fund. This is a big change from the present situation, where the German government needs only to reach a non-binding agreement with the budget committee over any bail-outs.

Additionally, the ruling seems likely to impose further restrictions on Eurobonds or debt mutualisation in the euro zone. The press release states that "the Bundestag, as the legislature, is also prohibited from establishing permanent mechanisms . . . which result in an assumption of liability for other states' voluntary decisions, especially if they have consequences whose impact is difficult to calculate."

This seems to suggest that any move towards Eurobonds would be unconstitutional, even with agreement from the Bundestag, though the ruling also hints at greater German control over the fiscal policies of other states that could circumvent such legal restrictions.

■ A comprehensive overview of the ruling may be found at www.openeurope.org.uk/research/Karlsruhefactor.pdf.

Irish austerity measures could threaten human rights

The Council of Europe's commissioner for human rights, Thomas Hammarberg, says that budget cuts planned in Ireland "may be detrimental" to the protection of human rights.

The Government has pushed through nearly €21 billion in spending cuts and tax increases, equivalent to more than 13 per cent of gross domestic product (GDP). But, Hammarberg said, "it is crucial to avoid this risk, in particular regarding vulnerable groups of people."

His comments come in a report following a recent fact-finding visit to Ireland. In the report he calls on the Irish authorities to "refrain from adopting budget cuts and staff reductions which would limit the capacity and effectiveness" of institutions designed to combat discrimination, racism, and xenophobia.

The Council of Europe, based in Strasbourg, represents both EU and non-EU states and, among other things, champions the rights of minority groups.

Euro rebellion heats up in Germany

For the first time ever, a clear majority (60 per cent) of Germans no longer see any benefits in being part of the euro zone, given all the risks, according to an opinion poll published on 16 September. In the age group 45–54 this jumps to 67 per cent. And 66 per cent reject aiding Greece and other heavily indebted countries.

Ominously for the chancellor, Angela Merkel, 82 per cent believe that the government's crisis management is bad, and 83 per cent complain that they're kept in the dark about the politics of the euro crisis.

Euro-federalists on the march!

The German chancellor, Angela Merkel, has suggested that there may need to be a change in EU treaties to ensure fiscal discipline in the euro zone. "There is no rule so far to force the countries to comply with the Stability and Growth Pact," she said. "Therefore, treaty changes must not be a taboo in order to achieve more commitment."

She was supported by the Italian minister for foreign affairs, Franco Frattini, who said: "Different countries have different views on European federalism, but Italy is ready to give up all the sovereignty necessary to create a genuine European central government. We must work seriously towards the formation of a genuine European economic government."

The chairperson of the Euro Group, Jean-Claude Juncker, joined the chorus, saying, "I wouldn't exclude a treaty change in the coming months. In Germany there's a growing awareness that treaty changes have to be envisaged."

He added that a change in the treaties could help the euro zone become more flexible and respond better to any future crisis.

Juncker is considering putting forward a proposal for a permanent head of the Euro Group, meaning that he would concentrate on his role as prime minister of Luxembourg. And the outgoing managing director of the European Central Bank, Jean-Claude Trichet, chipped in, telling participants at a Paris conference that the bloc required a European "federal government with a federal finance minister."

The reprobate warmongering Green, Joschka Fischer, capped it all, saying that "we need to hand over budget prerogatives to the EU . . . We need similar pension ages . . . We are going to have to draw all the threads together . . . [and] future integration steps need a political Europe.

The British chancellor of the exchequer, George Osborne, seems to agree. "I think it is on the cards that there may be a treaty change imposed in the next year or two," he said, to "further strengthen fiscal integration" in the euro zone.

It appears that a proposal will be tabled next month that would see negotiations over an EU treaty change launched as early as December.

Watch out! The Euro-federalists are on the march.

NAMA is a "laboratory" for the EU

The Fianna Fáil-Green coalition considered that NAMA "might prove to be a laboratory" for other EU states faced with banks on the brink of collapse, according to the latest diplomatic communications published by Wikileaks.

Ireland's permanent ambassador to the EU, Rory Montgomery, made the comment to the US ambassador to Ireland at a meeting in Brussels in September 2009, revealing that the EU "was watching closely" the establishment of NAMA.

In a meeting with American diplomats an executive of the Central Bank, Billy Clarke, said the guarantee had to be introduced because a "perfect storm" of external events related to the credit crisis had dried up traditional sources of financing for Irish banks. Another official, Gordon Barham, said that impaired assets were mostly confined to loans to commercial property developers. When pressed, Barham said the media had exaggerated the problem assets.

A comment from an American official at the end of the cable accused the Irish of "being a bit optimistic in their assessment of the level of impaired assets."

No wonder, then, that the general secretary of the ICTU, David Begg, recently warned the Taoiseach, Enda Kenny, that the EU-ECB-IMF troika is using Ireland as a "social laboratory" for testing its economic policies. He pinpointed the fact that "all the talk of reform" ignored the actions of the banks that had sparked the crisis in the first place. "It occurs to a lot of people that reform is for the little people: it is not for the powerful." He pointed out that the troika's "economic laboratory" was using Ireland to test its economic policies—policies that were not "evidence-based."

Iceland out of the woods!

The *New York Times* reports that Iceland is no longer under an IMF programme. A report from the IMF pronounces that the "adjustment programme" was successful.

■ www.imf.org/external/pubs/ft/scr/2011/cr11263.pdf.

Iceland still has high unemployment and is a long way from a full recovery; but it's no longer in crisis. It has regained access to international capital markets, and has done all that with its society intact.

And it has done it with very heterodox policies: repudiation of debt, controls on capital, and depreciation of its currency. And it has worked. We would be much happier with an unemployment rate that Icelanders consider high!

"We were told that if we refused the international community's conditions we would become the Cuba of the north. But if we had accepted we would have become the Haïti of the north." No-one told them there was a third option: default.

"During the first Icesave elections we were told that if we rejected the deal to pay, all credit lines would stop, we'll be isolated from international society, the sky would fall, and there would be chaos in the streets. This came directly from the government ministers. When we rejected, nothing happened.

"Second time around, this time we had the best deal we could possibly get and it would spark an international feud, we would go to an international court and be forever indebted should we reject. The finance minister did interviews warning us.

"We rejected again. Nothing happened. And the last time I heard, we taxpayers don't have to pay anything close to what was said initially, maybe nothing at all!"

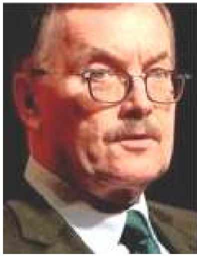
The IMF report says: "Over the medium term, moderate growth is projected, led by investment and consumption. However, uncertainty about the sources of growth continues to weigh on prospects. Iceland is endowed with abundant natural resources, but the use of these resources remains an issue of intense public discussion. There has been considerable interest in new investments in power-intensive sectors, but technical and financial obstacles remain a challenge."

So now, what's the difference between Iceland and Ireland? The answer might be that Iceland is not completely out of the woods but is getting there. Contrast Ireland, which is saddled with odious bank debt for at least the next generation.

Don't mind the ESRI!

Good riddance, Herr Stark!

The unwelcome intervention by Jurgen Stark, departing member of the Executive Board of the European Central Bank, in Ireland's budget debate,



calling on the Government to cut public-sector pay and social welfare, displayed an extra-ordinary arrogance on the part of an unelected German official. His intervention met with an un-characteristic rebuff from Éamon Gilmore that underlined the anger felt even in pandering Government circles. "Our agreement is with the institution," Gilmore told reporters. "It's not with individuals within it."

Since the beginning of the year Ireland's sponsors in Europe and the IMF have approved the release of loans totalling €30½ billion. Tens of billions more are to come. Stark warned that sentiment could suddenly turn against Ireland all over again. To guard against that, he said the Government should quicken its austerity drive and tackle no-go topics such as public and private-sector pay and welfare entitlements. In doing so may simply have been a stalking horse for the EU and IMF—an influential man about to hand in his notice.

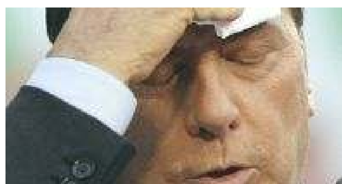
Nevertheless, this should be a timely warning for workers, welfare recipients, and their families, who must begin to resist the accelerating rounds of austerity that threaten to reverse the meagre gains of the last couple of decades and land us back in 70s-style poverty once again.

Don't try bunga-bunga with Standard and Poor's!

Italy is the latest country to have its sovereign debt rating cut, further deepening the debt crisis. The rating agency Standard and Poor's cut Italy's rating from A+ to A, describing the outlook for the country as "negative." The agency cited fears over Italy's ability to cut state spending and bring its finances in order.

Silvio Berlusconi immediately attacked S&P, describing the agency's actions as being "dictated more by newspaper stories than by reality." But could there be any link to Berlusconi's government having already taken action against the agency, with the Italian police raiding the offices of S&P last month?

Berlusconi's move last week to reduce Italy's deficit by €54 billion through a raft of austerity measures has done little to boost investor confidence and is increasingly unpopular with Italians, having triggered large street protests in Rome.



The national debt has been audited

But we still pay the bond-holders

An idea borrowed from developing countries and recently used to good effect by the Ecuadorian government has now been applied to the Irish debt. Ireland has undergone its first "audit" of national debt—the results of which have been called "truly frightening." The report, *An Audit of Irish Debt,* was commissioned by Afri, the Debt and Development Coalition and the trade union Unite and carried out by a team from the University of Limerick.

■ www.debtireland.org/resources/publications/an-audit-of-irish-debt/

The report calculates a potential national debt of €371.1 billion. This figure includes a "conservative" estimate of the state's contingent liabilities: money for which the state is on the hook in the event of a fresh collapse in the banking system. The €371.1 billion breaks down into €91.8 billion in direct Government debt and €279.3 billion in bank debt backed by the state.

Dr Sheila Killian of the University of Limerick, who led the research, said the audit "seeks to quantify and explain Ireland's sovereign debt, both real and contingent, for which the Irish people have become responsible".

The report concludes that the "constructive ambiguity" of the European Central Bank's policy on bank bail-outs is "certainly not a concept consistent with transparency," and it addresses what Dr Killian describes as "quite intricate layers of anonymity" in relation to bond-holders. The long-standing anonymity of bond-holders "has some justification" in normal circumstances; however, in times when bond-holders have influence on policy it is "frankly weird," she said.

The €279.3 billion in bank debt includes €111 billion in guaranteed deposits and bonds under the Eligible Liabilities Guarantee Scheme, as well as €74 billion under the Deposit Guarantee Scheme. It also includes the €30.9 billion in promissory notes issued to Anglo-Irish Bank, Irish Nationwide, and the EBS, outstanding NAMA bonds with a nominal value of almost €29 billion, and a net increase of €34.6 billion in the national debt caused by emergency liquidity assistance provided by the Central Bank. The figures contain the caveat that a large part of the €91.8 billion raised by the Government was due to the banking crisis.

Explaining the genesis of the audit, Neasa Ní Chasaide of the Debt and Development Coalition said that audits were "a crucial citizens' tool" that

had been used in campaigns against unjust debts in developing countries. In November 2008 Ecuador became the first country to undertake an examination of the legitimacy and structure of its foreign debt. An independent debt audit commissioned by the government of Ecuador documented hundreds of allegations of irregularity, illegality and illegitimacy in contracts of debt to predatory international lenders.

The loans, according to the report, violated Ecuador's domestic laws, the regulations of the US Securities and Exchange Commission, and general principles of international law. Ecuador's use of legitimacy as a legal argument for defaulting set a major precedent; indeed, the formation of a debt auditing commission sets a precedent in identifying illegitimate debt.

Subsequently, in June 2009 Ecuador announced that it had reached an agreement with 91 per cent of creditors to buy back its debt for 35 cents in the dollar.

If only!

Call for EU military headquarters

Five of the biggest EU countries have tasked the EU high representative for foreign affairs and security policy, Catherine Ashton, with making plans for an EU military command centre, despite British objections (and Irish silence).

Foreign ministers of the group—France, Germany, Italy, Poland, and Spain—urged Ashton to "examine all institutional and legal options available to member states, including permanent structured co-operation, to develop critical CSDP [common security and defence policy] capabilities, notably a permanent planning and conduct capability."

They added: "We would appreciate [it] if you present conclusions of the work . . . with a view to achieving tangible results by the end of the year."

"Permanent structured co-operation" is an EU treaty option that allows nine or more member-states to press ahead on a project without the others, even though it would use the structures of the EU institutions. The initiative is a long-cherished one by Poland and France, which wants to go beyond EU battle groups—temporary teams from two or three EU countries ready to be sent to hot-spots at short notice—towards an EU army.

The United States has said in the past that it wants the EU to do more in managing world crises. But the group of five risk angering Britain, the EU's biggest military spender, which forcefully criticised the idea.

There is another way!

Cyprus, a member of the euro zone, is seeking external aid in propping up its finances. But, unlike the EU and IMF bail-out packages, its loan is to come from Russia, with "no strings attached."

The minister of finance, Aleksei Kudrin, confirmed that Russia is at an advanced stage in negotiating the rescue package with Cyprus. "Italy has not approached us," he said. "Euro-zone countries have not approached us in general . . . At the moment we are holding talks only with Cyprus. We have good progress [in the] talks. They will conclude within one month."

The largest-circulation Cypriot newspaper, *O Fileléftheros,* reported earlier that Russia will give Cyprus a €2½ billion loan at an interest rate of 4½ per cent. A €1 billion tranche is to be paid in December, and two other payments are to be made by March 2012. Quoted in the *Financial Times* on Wednesday, the Cypriot minister of finance, Kíkis Kazamías, said the money will be used to plug the country's budget deficit and to help refinance maturing debt, €1 billion of which is due for repayment in early 2012.

He said that the deal is "a friendly agreement, with no strings attached," in contrast to the onerous austerity and reform measures demanded by the EU and IMF from other euro-zone bail-out states.

Indebted states should be made "wards" of the Commission or give up the euro

The Dutch are coming!

The Dutch government has proposed that highly indebted states should be put into "guardianship," with spending decisions seized from their elected governments and placed under the direct control of an unelected European commissioner. If a state is unwilling to surrender its sovereignty in this way, then it would be forced to exit the euro.

"If a country repeatedly overspends in breach of EU stability pact rules, this commission overseer would be able to intervene directly in the running of the country, in a similar way to how a court intervenes in the running of a bankrupt firm put into receivership. We propose to take a great new step forward by forging effective rules to be strictly enforced by an especially appointed commissioner.

This is how we must safeguard the heath and viability of the euro zone and all its members for now and in the future."

The commissioner would be given a "ladder of intervention," under which the level of control of the state would be steadily ratcheted up and applied to this "ward" of the EU executive.

The first rung of the ladder would involve an outside auditor making adjustments to spending to bring down the level of the deficit. If this level of intervention is insufficient, binding measures would be imposed, or the commissioner could order a country to cut spending or to raise taxes.

The last rung of the ladder would see a country placed under "guardianship." The auditor would then draft a budget for the country before sending it to the national parliament for approval. Such states, described in the paper as "notorious sinners," would also lose their voting rights in the EU, and the delivery of European structural funds would be dependent on compliance with the orders of the commissioner.

Croatia finalises accession negotiations

Eight years after Croatia's initial application to join the European Union, member-states have agreed on the wording of the 350-page treaty spelling out the legal obligations and rights stemming from membership. Croatia will become the EU's twenty-eighth member on 1 July 2013, provided ratification is completed in all member-states by then.

Unlike Bulgaria and Romania, which joined the bloc in 2007 but were kept under a "safeguard clause" that could have delayed membership by one year, EU states "have full confidence in the Croatian authorities" in tackling corruption and organised crime and in upholding human rights, a source in the Polish EU presidency said.

But with general elections scheduled for 4 December, days before the official signing of the accession treaty, Croatian politics is already heating up, with the prime minister, Jadranka Kosor, in face-saving mode after her party's accountant was arrested for corruption. "This is an orchestrated campaign to minimise the [ruling party] HDZ's chances in the upcoming election," she said in a press conference. "They want to create the impression that we're all the same, that we're all dirty, that there are factions fighting amongst themselves in the HDZ."

Will they or won't they?

Seven EU members that joined the European Union between 2004 and 2007 are concerned about an obligation to adopt the euro under the terms of their accession and could stage referendums to change their accession treaties, AFP has reported, quoting diplomatic sources.

Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania said the euro zone they thought they were going to join, a monetary union, may very well end up being a very different union, entailing much closer fiscal, economic and political convergence.

The new EU members that joined during the period 2004–07 are all obliged to adopt the euro under the terms of their accession treaties. Of these, Slovenia, Malta, Cyprus, Slovakia and Estonia have already joined the euro zone. Countries from previous enlargement waves are not obliged to adopt the single currency.

"All seven countries agree to state that a change in the euro zone's legal status could change the conditions of their adhesion treaties," which "could force them to stage new referenda" on adopting the euro, said a diplomatic source close to the talks.

Before the euro-zone crisis several new members that have been close to fulfilling the Maastricht criteria for joining the euro zone, including Poland and Bulgaria, had set themselves ambitious plans to speedily join the common EU currency. More recently, several Polish officials have stated that the country has shelved its plans for early accession to the euro zone, until it becomes clear what future should be expected for the common EU currency.

Last April, Hungary indicated that it would seek an opt-out from the euro. More recently the Czech president, the Euro-critical Václav Klaus, said that the EU currency club was a "failure" and that his country should get a permanent opt-out from its obligation to adopt the euro.

No cancer drugs for Greek hospitals

The reality of austerity

The European Commission has said that its austerity measures are not to blame for a decision by the pharmaceutical giant Roche to halt delivery of cancer drugs to Greek public hospitals. In a fresh example of how the EU austerity measures are having an acute impact on citizens, the Swiss firm has halted shipments of cancer drugs and other medicines to a number of public hospitals in Greece after

years of unpaid debts. The company warned that Italy, Portugal and Spain might be next.

With Greek spending on health care accounting for 10 per cent of GDP, the EU, the IMF and European Central Bank have told the government to cut at least €310 million this year and an additional €1.43 billion in the period 2012–15. In February this year doctors and other health-care workers marched on the Greek parliament in protest over health cuts and scuffled with the police.

Meanwhile the European Commission is keen to wash its hands of the problem. "It's a commercial decision from a company," the Commission's spokesperson on health, Frederic Vincent, said. "We would have to see if the countries make any specific request if this problem is conferred to Spain, Italy, Portugal," he said.

It's a question of budget management by the Greek authorities. "Greece has money," he explained. "The financial assistance package decided one year ago covers the financial needs of the Greek state. Then how this is micro-managed is the full responsibility of the Greek authorities." He added that the case would be the same if the drugs dry up in Spain, Italy, and Portugal—and presumably Ireland

The state they're in!

The emerging economies of Brazil, Russia, India, China, and South Africa—the so-called BRICS countries—which hold huge international reserves, are planning to come to the EU's aid!

The Brazilian minister of finance, Guido Mantega, said that the BRICS states held a meeting on 22 September to discuss the co-ordination of an EU rescue plan. "We met in Washington to decide how to help the European Union to get out of this situation," he said. The countries are considering substantially boosting their holdings of euro-denominated bonds in their foreign exchange reserves.

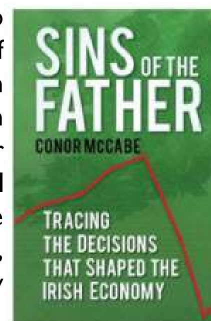
And a fascinating overview of the financial crisis

An American viewpoint

Fred Magdoff presented a view of the European financial crisis at the Desmond Greaves Summer School in Dublin.

■ www.irishleftreview.org/2011/09/11/fred-magdoff-desmond-greaves-summer-school-2011/

This podcast is from the web site of Conor McCabe, author of *Sins of the Father,* his book on the background to the Irish financial crisis. Conor will deliver the Raymond Crotty Memorial Lecture for 2011 in the Pearse Centre (27 Pearse Street), Dublin, at 2:30 p.m. on Saturday 15 October.



Ireland requests protocols

in line with second Lisbon Treaty referendum undertakings

■ http://register.consilium.europa.eu/pdf/en/11/st13/st13181.en11.pdf.

■ http://register.consilium.europa.eu/pdf/en/11/st13/st13179.en11.pdf.

It seems that the treaty changes will be implemented under Article 48(2) the self-amending clause.

The EU in crisis

An important conference

Prospects for regaining Ireland's sovereignty

Friday and Saturday 7 and 8 October, in the Pearse Centre (27 Pearse Street), Dublin.

Friday 7 October, 7:30 p.m.

Was "social Europe" a con?

Speakers: David Begg (general secretary, ICTU), Alex Gordon (general president, RMT Union). Chairperson: Séamas Ratigan (Campaign for a Social Europe).

Saturday 8 October, 11 a.m.

Should Ireland stay in the euro?

Speakers: Frank Keoghan (People's Movement), Joe Higgins TD. Chairperson: Pádraig Mannion (PANA).

Saturday 8 October, 2 p.m.

The EU's emerging superstate

Speakers: Roger Cole (PANA), Declan Power (security and defence journalist). Chairperson: Michael Youlton (Campaign for a Social Europe).

Saturday 8 October, 4:15 p.m.

The struggle to regain Ireland's sovereignty

Speakers: Alex White TD, Robert Ballagh (People's Movement), speaker from Sinn Féin. Chairperson: Mick O'Reilly (People's Movement).