PEOPLE'S NEWS

News Digest of the People's Movement

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A banking union coming down the tracks!

The German banking federation, BDB, has backed a proposal to give the European Central Bank broad supervisory powers, arguing that "the influence of national politics in supervision would be removed."

This follows a commitment by EU leaders in Brussels at the end of June to create a "banking union" and a call for the European Commission to present a proposal by next month.

"We should expect from the Commission a strong proposal, a strong proposal that would put the ECB in a position to carry out its duty with effectiveness, rigour [and] independence and without risk to its reputation," the president of the ECB, Mario Draghi, told the European Parliament last month. Big banks and lenders that have already received government aid could be the first institutions to move to the new supervisory regime, according to the EU policy documents.

The BDB also suggested that the ECB could take over the voting rights of its member-countries in organisations such as the EBA—the EU's banking watchdog—or the Basel Committee of bank supervisors, a move that would formalise a euro-zone bloc vote in these forums. "A legally independent unit should be created under the roof of the ECB and supervised politically by the EU level," the association said.

"If one calls for a strong Europe one has to be ready to transfer certain competences to the European level," said the president of the BDB, Andreas Schmitz, in a statement. "Without being willing to do that, the idea of a true banking union in Europe will remain incomplete."

We shouldn't forget that the ECB has consistently blocked Ireland from burning senior unsecured and unguaranteed bondholders in Anglo-Irish Bank and Irish Nationwide. So we should have concerns now about the evenness of any playing-field in a banking union supervised by the ECB.

Then there is the competitive pressure on the Irish financial services industry from Britain, which wants to opt out of any EU alliance that would spread the cost of failed banks across borders and centralise limits on capital requirements set by national regulators. Any banking union supervised from Frankfurt that sets rules on the 17 members of the euro area that are more far-reaching than those applied to the 27 EU member states, including Britain, could leave Ireland at a distinct disadvantage relative to London as a financial centre.

A banking union must also lead to questions about greater fiscal union throughout the euro area, which must put the Government on notice about a common consolidated corporate tax base.

And then there is the question of surrendering further powers to the EU, or to the euro zone only —not covered by current treaties—and whether this might necessitate another referendum!

Euro signs on the way out

A sign of the times?

The blue-and-yellow euro sign outside the ECB head office in Frankfurt may be on the way out. Made in 2001 as symbols of a unified currency, a similar sculpture was removed at Frankfurt Airport last week.

Meanwhile the iconic euro sculpture outside the offices of the ECB in Frankfurt could be auctioned off. The chairperson of the Frankfurter Kultur Komitee, Manfred Pohl, said that the sculpture could go to auction should the ECB and the city of Frankfurt no longer want it. He said the piece is worth some €1½ million in its present state.

Perhaps they'll donate the proceeds to a needy country?

But "the euro should not fail because of Greece"

The German Minister of Economics and Technology and leader of the Free Democratic [liberal] Party, Philipp Rösler, has ruled out debt mutualisation but also the reversal of European integration, arguing

that “the only sustainable path for the euro zone in the future is a solid and competitive union with clear rules. This means [that] on top of a diverging monetary community a true community of values with a common economic constitution should be added . . . with a clear commitment to a solid financial political framework and growth that is based on one’s own efforts.”

But the Austrian deputy chancellor and foreign minister, Michael Spindelegger, has called on the euro-zone countries to create an exit mechanism, which would allow for the failing member-states to be expelled from the currency bloc. “We need to create ways to be able to eject someone from the euro zone,” he said.

He said the legal mechanism would be for countries “that don’t meet their commitments,” noting that such a mechanism would bolster market confidence in the euro. “If we already had this . . . then we would already have drawn the consequences,” he said, in a clear reference to Greece.

However, Rösler also warned that Greece must decide whether it is willing to implement the necessary reforms. “If this appears not to be the case, then no further financial aid can help. The euro should not fail because of Greece.”

Rösler later told Reuters that “Mario Draghi has himself emphasised that [ECB] bond purchases can never replace structural reforms and budget discipline.“ He ominously added, “We take him at his word.”

The Greek prime minister, Antónis Samarás, met Angela Merkel in Berlin to put the case for more flexibility in the austerity programme demanded in return for the second €130 billion bail-out loan.

However, his visit coincided with news that the German finance ministry has established a working group to discuss how to deal with a potential Greek exit from the euro zone. The group meets regularly, reporting to the chancellor’s office, and is considering the “financial consequences” of an exit and how to prevent a “domino effect” on other states, a ministry official as said.

In a more guarded statement, the chairperson of the Euro Group, Jean-Claude Juncker, rejected the idea of Greece leaving the euro zone as “politically” impossible, though he stated that it would be “technically manageable.” However, it should be remembered that there is no mechanism for ejecting a member.

Meanwhile Angela Merkel’s budget expert, Klaus-Peter Willsch, said that “Germany, as the main creditor, must have a right to veto any [ECB] decision.”

And a member of the Bank of England’s Monetary Policy Committee, Adam Posen, has let the cat out of the bag, arguing that a break-up of the euro zone would be “very ill-advised,” and that Germany should “take a hit” by means of a debt restructuring, because “it was German government decisions and German banks who lent the money to all these countries so they could buy German exports.”

The Finnish foreign minister, Erkki Tuomioja, said of a possible Greek default: “We certainly do not hope this will happen, but without further support or changes to its programme it looks likely.” He said his government does not want the euro to break up but that officials have to be prepared “for any eventuality.”

Tuomioja spoke of a “consensus” over an estimate that the break-up would cost more than managing the crisis. But he also floated the idea that the common currency is not essential for the EU as such to survive. “The break-up of the euro does not mean the end of the European Union. It could make the EU function better,” he said.

Finland is the only euro country to have demanded collateral for its contribution to the

Greek and Spanish bail-outs. Its stance on all things financial put it on an even more hawkish line than Germany, well known for its reluctance to pump more cash into the euro-zone rescue mechanisms.

Reform of EU common fisheries policy floundering

The final stage of the 2012 reform of the common fisheries policy is approaching. The 2012 changes were supposed to usher in a new era and to succeed where the 1992 and 2002 ones had so obviously failed.

A green paper was published in 2009. The main proposals were "regionalising" the CFP, which was supposed to allow for the adaptation of EU policy to suit the particular conditions of regional seas, and the introduction of "transferable fishing concessions" throughout the EU's "common pond," which was intended to rationalise fishing fleets throughout the EU.

Regionalisation was supposed to represent a loosening of the over-centralised system that is the CFP, while TFCs would address "over-capacity" in the industry, along market principles. But things did not work out as intended.

Regionalisation was ruled out on the legal grounds that it would challenge the EU's exclusive competence over conservation policy and would contravene the treaties that recognise only EU institutions and member-states as legal partners in decision-making.

The Europe wide system of TFCs was dropped early in the consultation process, following its hostile reception by a majority of member-states fearing the loss of fishing opportunities through cross-border trade in fishing rights.

There is little enthusiasm in Europe for what is rightly regarded as the privatisation of common property resources, with uncertain, but very probably negative, consequences for small-scale fisheries that help to underpin the sustainability of coastal communities.

It is not too late for the Irish Government to waken up to the fact that it is quite clear that the CFP cannot be reformed and that the only basis on which the industry can be rebuilt and developed is for the Irish state to take back from Brussels the power to license fishing vessels to fish within Irish waters, to exclude specified vessels or the vessels of specified countries from fishing within Irish waters, to negotiate common policies with other countries for preserving fishing stocks, and to override any provisions of the CFP or the EU that are in conflict with Irish interests.

This does not preclude states working together to develop a long-term ecosystem-based strategy for managing regional fisheries, co-ordinating scientific and stakeholder advice, and agreeing specific actions to be undertaken to improve fisheries management within their regional seas.

The alternative is to go along with a CFP "reform" that is more concerned with preserving the status quo of EU institutions than with the need to ensure sustainability for important fishery resources and viability for Europe's fishing industries and coastal communities.

Punishing Iceland

The EU commissioner for maritime affairs and fisheries, María Damanáki, the minister for agriculture, food and the marine, Simon Coveney, and the Fianna Fáil MEP Pat the Cope Gallagher are the shock troops of a campaign to punish Iceland for alleged "unsustainable fishing practices," which are supposed to be threatening mackerel stocks in waters all around Iceland.

Iceland is a member of the European Economic Area and of the Schengen Agreement (common border area). The common fisheries policy is not included in the EEA, so Iceland can set its own policy. The fishing industry provides 40 per cent of Iceland's export earnings and 8 per cent of its employment.

The present dispute concerns mackerel. Iceland has increased its annual quota for mackerel from 2,000 tonnes to 146,000 tonnes. It argues that this is sustainable, because climate change is resulting in more mackerel in its waters. The EU Commission disagrees and argues that Iceland's quota is 36 per cent higher than it should be to be sustainable. The Irish, French, Portuguese and Spanish are demanding sanctions. The Commission has threatened to block Icelandic ships from unloading mackerel at EU ports.

In 2007, just before Iceland's economy began to fall apart, it landed 37,000 tonnes of mackerel; last year it took 146,000 tonnes, earning about €170 million from exports.

Mackerel, once considered the poor man's fish, is rich in omega-3 fatty acids, and rising demand from Japan and Russia has pushed prices up to record levels. The north-east Atlantic mackerel fishery is worth about €1 billion annually.

The Icelandic government says it is responding to a change in the migration route for mackerel, which is taking them into Icelandic waters during the summer months to feed. The European Commission agrees that there have been changes to mackerel migration patterns in recent years, but two-year negotiations between the parties have so far failed to agree a compromise over the quota. The EU and

Iceland (together with the Faroe Islands and Norway) will meet in London in September to try to reach agreement.

Damanáki has warned that Iceland's decision to increase its mackerel quota risks having a negative impact on Iceland's negotiations to join the EU, while Coveney pronounced that "they are overfishing to an extent that will destroy mackerel stocks. Iceland and the Faroes saw an opportunity to make a financial killing, declared their own unilateral quota, and ignored all the rules."

Gallagher's contribution has been to steer sanctions against Iceland through the European Parliament. Next month the parliament will vote to create a new trade sanction instrument, which could be used to ban imports of Icelandic fish into the bloc. "The EU could be in a position to impose sanctions early next year if there is no movement from Iceland and the Faroes," says Gallagher. "Unsustainable fishing cannot be allowed."

Iceland responds that sanctions would breach international trade agreements. It says the increase reflects surging volumes of mackerel off its coast—possibly in response to rising sea temperatures, driving the fish towards cooler waters—and accuses the EU and Norway of trying to monopolise stocks.

"The EU and Norway are not the sole owners of the mackerel stock," said Iceland's chief negotiator, Tómas H. Heiðar, "and by taking almost all the recommended total allowable catch they disregard the legitimate rights of the other two coastal states, Iceland and the Faroe Islands, as well as Russia."

The dispute threatens to undermine already weak public support for EU membership in Iceland, with many people fearful of handing control of prized fish stocks to Brussels under the common fisheries policy.

And a survey carried out in July and August this year by Norway, the Faroes and Iceland confirms that the amount of mackerel within Icelandic jurisdiction has not decreased but that on the contrary the stock has remained plentiful. The survey found mackerel in waters all around Iceland, in varying densities. Juvenile fish (those in their first year of life) were found in two places off the south-west coast, showing that these mackerel spawned in Icelandic waters.

The abundance of mackerel in the survey area was estimated on the basis of standardised trawls at regular intervals. It was estimated that there were 5.1 million tons of mackerel in the survey area, of which 1.5 million tons, or 29 per cent, were within Iceland's exclusive economic zone. In a survey conducted by the same three parties in 2011 the total estimated biomass was found to be 2.7 million tons, while in 2010 the total estimate was 4.8 million tons.

The area surveyed in 2012 was 1.53 million square kilometres, compared with 1.06 million in 2011 and 1.75 million in 2010. The annual differences in the area covered are regarded as the main reason for different estimates in the three years.

So the investigations confirm an extensive northerly distribution of mackerel during summer. They also confirm that the oldest mackerel have the greatest migratory range in the eastern North Atlantic in summer, while the greatest concentrations were found further to the west and north in the survey area.

The greatest densities of calanoid copepods—the most important food for mackerel—were west of Iceland, where the mackerel were also in greatest concentrations. In other areas the density was relatively low, as it has been in recent years.

The surface temperature of the North Atlantic was in general above the long-term average. This applied in particular to the area south-west of Iceland, while the temperature in the south-west Norwegian Sea north of the Faroes was slightly lower than in recent years. Further analyses of the data collected during this joint survey will be undertaken in the coming months.

Iceland applied to join the EU in 2009. The Commissioner for Enlargement, Štefan Füle, hopes that negotiations will be completed in 2013—though the most difficult chapters, on agriculture, the environment, and fisheries, have not been negotiated yet. Opinion polls now suggest that a majority of the people would vote No to membership.

Meanwhile Killybegs has bitter experience of the common fisheries policy. Twenty years ago the town had a fleet of twenty trawlers, taking cod, haddock, and whiting, but declining stocks and dwindling EU quotas have cut this fleet down to two or three. Some of the town's fish-processing factories stand deserted near the harbour. Killybegs is now dependent on its 23-strong mackerel fleet, but it is already restricted under EU rules to fishing for only three months of the year.

Shame!

Redundant workers denied educational opportunities

The European Commission has proposed giving France €11.9 million from the European Globalisation Adjustment Fund to help two thousand Peugeot workers made redundant in 2009 and 2010 to find new employment.

Ireland has so far submitted seven applications for the joint financing measures in support of workers. Six of these applications have been approved by the EU, and the funds have been disbursed to the Irish authorities. Under the existing fund the EU may jointly finance half the approved EGF programmes, with the remaining financing being provided by the member-state. This funding rate decreased from 65 per cent from 1 January 2012.

By December 2011 three of these approved EGF schemes—Dell, Waterford Crystal, and SR Technics—had been completed. The programmes in question covered some 3,800 redundant workers, out of more than 4,600 made redundant, as potentially availing of jointly financed support.

The Dell scheme dealt with the provision of some 6,402 interventions to 2,606 eligible workers. Claimed expenditure amounted to €13.62 million, out of a possible €22.82 million (both EU and national funding). *More than €9 million was unused, 40 per cent of the total EU grant being returned.* Dell moved from Limerick to Poland.

The Waterford Crystal scheme dealt with the provision of some 1,931 interventions to 532 eligible workers. Claimed expenditure amounted to €3.09 million, out of a possible €3.96 million (both EU and national funding). *€0.9 million was unused, 22 per cent of the total EU grant being returned.*

The SR Technics scheme dealt with the provision of some 2,181 interventions to 756 eligible workers. Claimed expenditure amounted to €4.5 million, out of a possible €11.46 million (both EU and national funding). *Almost €7 million was unused, 61 per cent of the total EU grant being returned.* SR Technics and Easyjet have just celebrated the completion of the fiftieth heavy maintenance check out of Malta, where the former moved to—with appropriate EU grants—from Dublin.

The three schemes have now closed, and no more support can be given to those workers from the fund. A total of €18.2 million has been spent from a grant of €37.4 million. As a result, almost €17 million will have to be returned to the EU. This is because of gross maladministration by the minister and senior officials of the Department of Education at a time when government budgets were being severely cut.

The number of workers from these firms who have secured employment are: Dell, 20 per cent; SR Technics, 41 per cent; Waterford Crystal, 40 per cent. Obviously those still unemployed would have benefited from further training and education, but an incompetent, uncaring government took no action.

Let's hope the Peugeot workers do better.

■ Department of Education

Iceland and Ireland (again!)

This is a tale of two states. One of them has a population of approximately 320,000; the other is a fair bit bigger, with a population of 4.6 million.

In the years before 2008, both countries had been hosts to unsustainable property and consumer booms. And in both countries a lightly regulated financial sector ran out of control. Iceland's big three banks—Glitnir, Kaupþing, and Landsbanki—had lent out more than $200 billion, eleven times the country's GDP. Ireland's banks were holding assets of about seven times GDP on their books. Much of the money had been lent abroad.

When the financial crisis hit in the last months of 2008 the two countries reacted very differently. In Iceland a former prime minister, Davíð Oddsson, explained that the recently privatised banks had been "a little heedless," and the state wasn't going to bail them out. Domestic deposits were protected, but the government refused to take responsibility for the vast bulk of the losses.

In Ireland, on the other hand, the government transformed a banking crisis into a sovereign-debt crisis. Politicians decided that the banks were too big to fail, and they spared no expense in their efforts to save them.

People in Iceland recognised that something had gone badly wrong with the country's political system. They responded by drafting a new constitution, and in May this year they tried, and convicted, another former prime minister, Geir Haarde, for negligence. But in Ireland—so far at least—there has been no serious reckoning for the political and economic establishment. Fine Gael has replaced Fianna Fáil in government; the personnel have changed, but not the policies.

Last year the government had to borrow more than 10 per cent of the money it spent. The economy is now in recession. There is no way that it can balance its budget any time soon. Its acceptance of the Austerity Treaty marked another step away from the path chosen by Iceland, where the needs of the global financial sector have, to some extent at least, been subordinated to those of voters.

At the moment the political class in much of Europe is trying to rescue the financial industry by shifting the costs of the banking collapse onto national balance sheets. The banks' losses can then be paid off through cuts in public spending and new forms of privatisation. Though it makes little sense in strictly economic terms it has one great advantage from the point of view of the politicians: it is what the bankers want.

In the scramble to balance budgets in the short term, states will sell or lease assets to private companies that will then charge fees for what were once public goods. The same people who made a fortune from the expansion of credit will make even more money from turning public property and nationalised utilities into corporate income streams.

This has nothing to do with patient investment in new and more productive industries; it hasn't even got the breathless élan of speculation: it is rent-seeking of the most blatant and pedestrian kind.

There's no easy way to deal with a burst credit bubble. Iceland also suffered a severe recession; it too has had to cut public expenditure. But there at least the country has had a serious debate about what happened—about what its politicians allowed to happen—before the banking collapse. The social order responsible has been held to account, and the country's economy appears to be recovering in a way that is restoring the living standards of the people who live there.

This was a tale of two countries. But the real comparison isn't between Iceland and Ireland: it's between Iceland and the European Union as a whole. At the moment most European governments are intent on policies that sacrifice the interests of the many to the preferences of the few.

It shouldn't surprise us. It is, after all, the same formula they applied before. If this is to change, the 500 million people within the European Union will have to learn some lessons from the 320,000 inhabitants of Iceland. If they don't, they will learn what the end of mass prosperity feels like instead.

In case you missed it!

The German minister of finance, Wolfgang Schäuble, says he will oppose any debt-relief plan for Ireland that "generates new uncertainty on the financial markets." He also recently said that "I am also someone who always says we have to take note of the smaller partners in Europe."

By 2014 Ireland's budget adjustment will be the second-largest (after Greece) of those to receive international financial support. Ireland's austerity

drive, which began in early 2008, will have reached—when measured in spending cuts and tax rises—an estimated 21 per cent of gross domestic product by 2015.

No comment!

People before parasites

[*Edited version of an article by Jeff Nielson*]

For approximately three years our governments, the banking cabal and the corporate media have assured us that they knew the appropriate approach for fixing the economies that they had previously crippled with their own mismanagement. We were told that the key was to stamp on the Little People with "austerity" in order to continue making full interest payments to the bond parasites—at any or all costs.

Following three years of this continuous, uninterrupted failure, Greece has already defaulted on 75 per cent of its debts, and its economy is totally destroyed. Britain, Spain and Italy are all plummeting downwards in suicide-spirals, where the more austerity these sadistic governments inflict upon their own people the worse their debt and deficit problems get. During last February alone, Britain's budget deficit almost doubled. Ireland and Portugal are nearly in the same position.

Now, in what may be the greatest economic *"mea culpa"* in history, we have the media admitting that this government-banking-propaganda-machine troika has been wrong all along. They have been forced to acknowledge that Iceland's approach to economic triage was the correct approach, right from the beginning.

What was Iceland's approach? To do the exact opposite of everything the bankers running our own economies told us to do. The bankers told us that we needed to bail out the Big Banks, at the taxpayers' expense; they were "too big to fail." Iceland gave the banksters nothing.

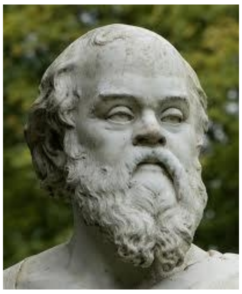
The bankers told us that no amount of suffering—for the Little People—was too great in order to make sure that the Bond Parasites got paid at 100 cents on the euro. Iceland told the Bond Parasites they would get what was left over, after the people had been taken care of by their own government.

The bankers told us that our governments could no longer afford the same education, health care and pension systems that our parents had taken for granted. Iceland told the bankers that what the country could no longer afford was continuing to be blood-sucked by the worst financial criminals in the history of our species.

Now, after more than three years of this absolute dichotomy in economic policy-making, a clear picture has emerged.

In typical fashion, the moment the corporate media are forced to admit that they have been serially misinforming us for the past several years the revisionists are immediately employed to rewrite history, as shown typically in the statement from *Bloomberg Businessweek* that Iceland's approach to its rescue had led to a "surprisingly" strong recovery, according to the head of the International Monetary Fund's mission to the country.

It is a matter of simple arithmetic, and the most elementary principles of economics, that the "Iceland approach" was the only strategy that could possibly succeed.



When Plutarch wrote two thousand years ago that "an imbalance between rich and poor is the oldest and most fatal ailment of all republics" he was not advocating socialism. Plutarch was simply expressing the first principle of economics—something on which all the modern capitalist economists who followed in his footsteps have based their own theories. When modern economists produce their own jargon, such as the "marginal propensity to consume," it is squarely based on the wisdom of Plutarch: that an economy will always be healthier with its wealth in the hands of the poor and the middle class instead of being hoarded by rich misers and gamblers.

So when the revisionists attempt to convince us that Iceland's strong economic recovery was a "surprise," this could only be true if none of our governments, none of the bankers and none of the media's "experts" understood the most elementary principles of arithmetic and economics. Is this the message the media want to convey?

One of the reasons for Iceland being able to escape the choke-hold of the Western banking cabal is that its economy and its people still retained enough residual prosperity to tough it out—as the banking cabal tried to strangle Iceland's economy as retribution for rejecting their debt slavery.

Austerity has been nothing less than a deliberate campaign to destroy these European economies so that the slaves would be too economically weak to be able to sever their own choke-holds. Mission accomplished!

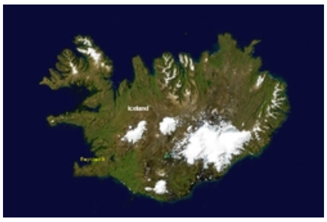
One can only assume that neither the corporate media nor their banker masters would have allowed this clear acknowledgement that Iceland was right and we were wrong to appear within its own pages, unless it felt secure in the knowledge that all the remaining debt slaves had been crippled beyond their capacity to ever escape this economic oppression.

Indeed, for evidence of this we need only look to Greece, the only EU member-state where there had been "rumblings" (i.e. riots) aimed at toppling the government that served the banking cabal. After two elections, the combination of fear and propaganda bullied the long-suffering Greek people into choosing another treacherous government—which had expressly pledged itself to reinforcing the bonds of economic slavery.

Here, the purpose of this *Bloomberg* propaganda was not to praise Iceland's government when both the bankers and corporate media despise Iceland with all their considerable malice. Rather, the goal of this disinformation was to manufacture a new Big Lie.

Instead of the truth—that from day 1 Iceland's approach was the only possible strategy that could have succeeded, while our own governments chose a strategy intended to fail—we get the Big Lie. Our governments were acting honestly and honourably, and Iceland's success and our failure was yet another "surprise," which no-one could have predicted.

We saw precisely the same revisionism following the crash of 2008 itself, when the mainstream media trotted out all their experts to tell us they had been "surprised" by this economic event, while many respected commentators had been predicting precisely such a cataclysm, in ever more assertive terms, for several years.



The real message here is that when an economic strategy of People before Parasites succeeds, there is nothing the least bit "surprising" about this, and promoting the health of parasites is only good for the parasites themselves.

Big majority favour EU referendum

The People's Pledge campaign, which argues for a referendum on the EU in Britain, announced last week the result of two referendums it held in the Greater Manchester constituencies of Cheadle and Hazel Grove. The two constituencies, with Liberal Democrat seats that would be Conservative targets in a swing election year, had a combined turn-out of 29,276 people out of 83,266 ballot papers issued—a turn-out of 35 per cent.

In the Cheadle constituency 13,606 (87 per cent) voted in favour of having a referendum; only 2,068 (13 per cent) voted against. In the Hazel Grove constituency 12,043 (88 per cent) voted in favour; 1,559 ($11\frac{1}{2}$ per cent) voted against.

The campaign was quick to point out after the result was announced that the number of those in favour—more than 12,000 in each case—was greater than the majority obtained by either of the two MPs. It is also worth noting that the number in support—nearly 90 per cent—is similar to the 90 per cent who voted in favour in a referendum held earlier this year in Thurrock.

The two constituencies surveyed are suburban commuter towns on the outskirts of Manchester, both of which traditionally elected Conservatives before the Liberal Democrats were elected in 1997, whereas Thurrock is a more working-class Labour-Tory marginal constituency, yet all three constituencies voted overwhelmingly in favour of a referendum on the EU.

Mark Seddon, national spokesperson for the People's Pledge and former editor of the Labour Party newspaper *Tribune,* commented about the figures:

> Given that Britain's relationship with the EU is not currently centre stage, it is remarkable that over a third of voters in Hazel Grove and Cheadle have chosen to participate in this independent referendum. The turn-out in the two Manchester constituencies is higher than the turn-out in local elections in Stockport of 34 per cent earlier this year. This result demonstrates that there is a very high level of support for an EU referendum among ordinary voters, even within two traditionally Liberal Democrat seats . . .
>
> The political parties at Westminster are now going to have to rethink their attitude to a national referendum on the EU. The party that has the courage to adopt a pro-referendum position could potentially win millions of extra votes. If Ed Miliband [leader of the Labour Party] has the courage to champion the right of the British people to have their say about the EU he could secure a victory at the next general election.

Dutch socialists want referendum on Austerity Treaty

Emile Roemer, leader of the Dutch Socialist Party, which is leading in the opinion polls before next month's elections, has said that any further transfers of sovereignty to the EU from the Netherlands would need to be ratified in a referendum.

A spokesperson for the party said that this commitment included the Austerity Treaty. "Economic policy cannot and must not be reduced to a set of rules that prescribe debt reduction," he said. "We . . . will resist the Treaty on Stability, Co-ordination, and Governance."

The election—which takes place on the same day on which the German Constitutional Court will rule on whether the European Stability Mechanism breaches national law—comes after the centre-right coalition collapsed in April over budget cuts.

The Socialist Party is more euro-critical than other Dutch parties, leading opposition to the EU Constitutional Treaty that was defeated in a referendum in 2005. It also opposed EU bail-out loans and the European Stability Mechanism, and is against further moves towards fiscal federalism in the euro zone.

Italians will be given their say over "what the EU of tomorrow should be"

The Italian minister for Europe, Enzo Milanesi, has said that "the time has come for Italy to look beyond the crisis and face with greater—even critical—attention a detailed debate over what the European Union of tomorrow should be. And it is clear that, both during and at the end of such a reflection, the Italian parliament and the citizens will have to be given their say."

Over to you, Ms Creighton!

The vultures are circling!

Greece wants binding bids for its state-owned natural gas company and gas grid operator by the end of September and hopes to complete their sale in late autumn as it revives its privatisation drive. Russian, Italian, American and French companies have expressed an interest in the natural gas company, DEPA, and gas grid operator, DESPA.

The Greek government at first had a target of €50 billion from privatisation by 2015 but cut the target to €19 billion after making a slow start on the programme.

Meanwhile back in Ireland the agency charged with overseeing the process, the ironically named New Era, is seeking financial advisers to act on the sale of Bord Gáis Energy, suggesting that it is likely to be one of the first of a number of state assets to go on the market.

BORD GÁIS

In February the Government announced that it intended to sell Bord Gáis Energy, one of the main divisions of the state-owned Bord Gáis group, and a number of other assets, including ESB power plants, Coillte's forests, and its stake in Aer Lingus.

24th Greaves School, 2012

The 25th Desmond Greaves Summer School will be held in Dublin on **14, 15 and 16 September**. Full details at www.greavesschool.com.