



### **“We will need to move towards a federation of nation-states”**



In an address to members of the European Parliament in Strasbourg the president of the EU Commission, José Manuel Barroso, said he wants to transform the EU

into a “federation of nation-states,” with a new treaty in which countries would hand over increased powers to Brussels.

Significantly, he said a new EU “political union” should have a coherent foreign and defence policy and should be able to send military missions to crisis areas.

“I said . . . on purpose a federation of nation-states, because in these turbulent times, these times of anxiety, we should not leave the defence of the nation just to the nationalists and populists. Today I call for a federation of nation-states, not a superstate.” (One is tempted to ask, “What’s the difference?”)



“The world needs a Europe that is capable of deploying military missions to help stabilise the situation in crisis areas,” he continued. “We need to launch a comprehensive review of European capabilities and begin truly collective defence planning.”

He conceded that creating a federation would “ultimately require a new treaty,” something the Irish government must view with trepidation, as voters still retain a residual antipathy to imperial military adventures, which is likely to be reflected in the result of the referendum that would be required in these circumstances.

Barroso also used the address to formally announce a plan for a single supervisory mechanism for all banks in the euro zone, describing this as “the stepping-stone to the banking union.”

In order to survive, the European Union should evolve and agree on “a decisive deal for Europe” that would establish a “contract of confidence” between member-countries, EU institutions, social partners, and the Union’s citizens.

“Let’s not be afraid of the words: we will need to move towards a federation of nation-states,” he said. This is what we need. This is our political horizon.”

Barroso did not shy away from stating that the creation of such a federation would require a change in the EU treaties. Alluding to the negotiations on the Lisbon Treaty, which took three years to conclude after French and Dutch voters rejected a proposed EU constitution in 2005, he said the Commission didn’t take it “lightly” and that he realised how difficult it was to change the treaty.

He appealed to the European Parliament to contribute, but also to “European thinkers,” to “men and women of culture, to join this debate on the future of Europe.”

His call for a public debate on Europe’s future echoes a German campaign called *Ich will Europa* (“I want Europe”), launched in August by Angela Merkel to persuade Germans of the benefits of European unity.

Regarding the 2014 European elections, Barroso tabled a proposal to boost European political parties’ ability to form “a truly European public sphere.”

He said it was unfortunate that the political debate is cast all too often as if it were just between national parties. “Even in the European elections we do not see the name of the European political parties on the ballot box, we see a national debate between national political parties. This is why we need a reinforced statute for European political parties. We must not allow the populists and the nationalists to set a negative agenda.”

### **Ministers call for less power for member-states**

A group of eleven powerful EU foreign ministers has called for a more powerful EU foreign policy head and less power for EU countries.

Ministers from Austria, Belgium, Denmark, France, Italy, Germany, Luxembourg, the Netherlands, Poland, Portugal and Spain, in their communiqué on the “Future of Europe” said the EU should make a “substantial revision” of the European External Action Service, putting its head in charge of neighbourhood and development policy as well as a new defence policy designed to create a European army.

The report also called for more informal meetings of EU foreign ministers and more majority-based decisions on foreign and defence policy, in order to “prevent one single member-state from being able to obstruct initiatives.”



The concept of less power for member-states was the main theme of the paper. It said that changes to EU treaties should in future be adopted and implemented “by a super-qualified majority of the EU member-states and their population,” instead of by unanimity.

It endorsed existing legal proposals to give the European Commission and the European Central Bank more control over national economies and floated the idea of a single EU president who would run the Commission and the Council and would be directly elected by voters in a pan-EU vote “on the same day in all member-states.”

The paper also proposed that EU external borders should be manned by a European Border Police.

■ The report (PDF) is available at [www.ms.gov.pl/files/docs/komunikaty/20120918RAPORT/report.pdf](http://www.ms.gov.pl/files/docs/komunikaty/20120918RAPORT/report.pdf).

## German Constitutional Court gives temporary approval to ESM



In its long-awaited ruling on the constitutionality of the European Stability Mechanism and the Austerity Treaty, the German Constitutional Court has ruled that the ratification of both could proceed, on condition that Germany’s liability under the ESM cannot exceed the present cap of €190 billion without the approval of the Bundestag.

This is in addition to other conditions, such as keeping both chambers of the German parliament fully informed, while possibly requiring approval by the Bundestag for all ESM activations.

The court also ruled out the ESM borrowing money from the European Central Bank. The decision is only temporary, with a full ruling due

early next year—although no substantial changes to the German court’s decision with respect to the ESM are expected.

Significantly, the court stated that, as part of its full ruling, it will determine whether the ECB’s new OMT bond-buying programme will transfer additional German sovereignty to the European level above and beyond that which the country has committed itself to in the EU treaties.

Meanwhile *Der Spiegel* reports that in response to the ruling of the Constitutional Court, euro-zone states appear to have reached an agreement on an “interpretative declaration” that will be added to the ESM Treaty incorporating the rulings of the court.

## And the German Judges’ Association expresses alarm

The German Judges’ Association (DRB) has warned about the mandate of the ESM as planned on direct bank recapitalisation without first revising the immunity provisions contained in the ESM treaty for the institution itself and its employees.

“The rescue fund enjoys under the ESM treaty full immunity against legal proceedings of any kind”, says the chairperson of the DRB, Christoph Frank. He pointed out that the property and assets of the ESM are to be totally protected from search, requisition, confiscation, expropriation or any other queries that might be raised by authorities and courts. The staff of the ESM would enjoy personal immunity.

The rescue of the euro, member-states and banks should not result in economic activity in the European Union being partially set outside the law, because then actions in the financial sector could not be checked by prosecutors and courts of criminal and civil law. This would mean a departure from the state of law, Frank warned, which would not be justified by economic necessity.

The DRB therefore urged the EU institutions to ensure that the actions of the ESM, its supervisory bodies and its employees are fully justiciable. It was essential, in view of the planned task of the ESM to make direct recapitalisation of banks, “to set a clear framework of civil and criminal standards for the actions of the rescue. These must be enforceable before independent European courts.”

## “Monti II” withdrawn

### But we’re still at the mercy of Laval and Viking

The EU Commission has decided to withdraw its proposed “Monti II” regulation (outlined in our last issue), which deals with changes to the EU’s so-called Posted Workers’ Directive from the 1990s. The parliaments of twelve member-states used the

“yellow card” procedure, urging the Commission to amend or scrap the proposal, arguing that it breached rules on subsidiarity. The parliaments of Belgium, Britain, Denmark, Finland, France, Latvia, Luxembourg, Malta, the Netherlands, Poland, Portugal and Sweden all stated their opposition to the directive. This is the first time the “yellow card” process, introduced under the Lisbon Treaty, has been invoked.

The withdrawal of the proposal, however, does not solve the problems created by the European Court of Justice in the Viking and Laval judgements, as in the absence of an alternative corrective mechanism the Laval and Viking judgements still stand.

It is now more urgent than ever that a solution to the existing situation is found, as it prevents workers from fully enjoying their rights. The Commission has done nothing to ensure that fundamental social rights cannot be restricted by economic freedoms, illustrating once again that “social Europe” is dead and gone!

The first draft Monti II regulation reflected a failure to come to grips with the serious implications of the Viking and Laval decisions, and a failure to address the changing nature of human rights law insofar as it affects the right to strike.

On 21 March the second draft regulation was issued. It would write into law the bad legal decisions of the Viking and Laval cases and would allow national courts to determine the legality of future strikes according to the principles set out in Viking and Laval—that is, whether the action was proportionate, necessary, and reasonable.

In other words, EU legislation and ECJ decisions have been imposed on national courts. This would restrict still further the right to strike. Nevertheless, when launching the Monti II proposal the EU Commissioner for Employment, László Andor, insisted that the deal would “put practical safeguards in place against social dumping and poor working conditions.”

Following a campaign before the 2009 European Parliament elections, José Manuel Barroso promised to rewrite the Posted Workers’ Directive in his second term as president of the Commission. Despite this, the Commission only drafted an enforcement directive, aimed at monitoring national compliance with rules on posted workers, rather than reopening the text.

The Viking case concerned a Finnish ferry company that replaced Finnish seamen with a Latvian crew, with much lower rates of pay and poorer conditions. This was challenged by the transport unions, which took the dispute to the ECJ.

The Laval case arose from a Latvian building firm using Latvian labour at Latvian rates of pay in Sweden, where there is collective bargaining. The



Swedish trade unions objected, and the dispute ended up in the ECJ, which decided for the powerful employer lobbying groups, such as the European Round Table, and against collective bargaining.

### Better off without the euro?

Under the front-page headline “Germans no longer believe in Europe,” *Die Welt* reports that support for the EU and the euro has hit its lowest point in Germany.

According to an opinion poll carried out in July in Germany, France and Poland on behalf of the Bertelsmann Foundation, 49 per cent of Germans said that they personally would be better off without the EU, compared with 32 per cent who said they would be worse off. 34 per cent of French respondents and 28 per cent of Polish respondents said they would be better off without the EU.

## DIE WELT

The survey also found that 65 per cent of Germans believed they would be better off had the euro not been introduced, compared with 36 per cent of French respondents. Meanwhile, 76 per cent of Poles opposed their country adopting the single currency, with only 18 per cent in favour.

According to a new survey published on *Le Figaro*, 64 per cent of French voters would vote today against ratifying the Maastricht Treaty (which introduced the euro in 1992), although 65 per cent also rejected a return to the French franc. 60 per cent also said they are in favour of “less European integration” of economic and budgetary policies.

And *De Standaard* reports that Belgium faces an EU fine of up to €700 million for not meeting its deficit targets.

Watch this space!

### SNP at odds with Brussels

#### And Catalunya is on the march!

The First Minister of Scotland, Alex Salmond, is at odds with the EU Commission over the question of an independent Scotland’s membership of the EU

after Brussels claimed that a new state would be forced into accession talks. The statement, which came from the highest level, contradicted Salmond's belief that membership would be automatic.



A spokesperson for the EU Commission, Olivier Bailly, made the statement after José Manuel Barroso said that a region that secedes from a member-state would have to renegotiate "within the international legal order. A new state, if it wants to join the European Union, has to apply to become a member like any state. And all the other member states have to give their consent.

"There is a secession process under international law and the request for accession to EU membership under EU treaties," he said. "In the meantime, of course, this [country] is not part of the EU, since it has to make a request for accession."

The SNP asserts that an independent Scotland would have the same relationship that Britain now has—including the opt-out from the euro. Alyn Smith, an SNP member of the European Parliament, said: "Scotland's membership of the EU after independence will continue. We are citizens of a member-state of the EU now, and we'll continue to be citizens of a member-state of the EU after independence."



Meanwhile the president of Catalunya, Artur Mas, has warned the EU that it must prepare itself for the break-up of countries within its frontiers after 1½ million people marched in Barcelona for independence. He said that he "identified with the public outcry," and that "Catalunya needs a state."

"Europe will at some time have to think about this," Artur said. "It wouldn't make sense if, because of some rigid norms, it was unable to adapt to changing realities."

He called for a referendum on Catalan independence and said there would be no looking back for Catalunya after the march, which was attended by a fifth of the entire population.

## The lap of luxury!

The cost of the European Central Bank's new twin-tower skyscraper offices will now be more than €1 billion. Building began in 2010 on the site of a listed building from the 1920s, the Großmarkthalle (Wholesale Market Hall).



As we are painfully aware, the ECB has formed part of the European "Troika," demanding severe austerity measures from Greece, Ireland, and Portugal; but while hospitals here struggle and the government diverts urgently needed resources to pay mainly German and French bondholders, the ECB has no hesitation when it comes to ostentation.

## Portuguese reject "universal social charge"

The Portuguese government is facing huge resistance to austerity measures approved by the Troika to raise social contributions for employees. The president of Portugal was forced to convene a meeting of the Council of State in an attempt to defuse a political crisis linked to the controversial measure.

More than a million people took to the streets to protest against a proposal to increase social insurance contributions from 11 per cent to 18 per cent for workers while at the same time lowering them from 25 to 18 per cent for companies. The change would have the effect of cutting a month's pay per year for every employee. Employers are also to be given more leeway in firing people.

Trade unions, the opposition Socialist Party and the junior partner in the centre-right government coalition have all come out against the measure, part of a package of cuts agreed with the troika of international lenders in return for an extra year for Portugal to meet its deficit targets.

The scale of the anti-austerity street protests mirrors those in Greece. Echoing the Irish situation, a Portuguese member of the European Parliament, Ana Gomes, pointed out that "it is not the fault of the Portuguese: they have accepted everything so far. The Troika wanted to show that Portugal is a good pupil, compared with Greece, abiding by the book. But the problem is that the book is wrong. Austerity is killing the economy."

If the stalemate continues, euro-zone finance ministers meeting in Luxembourg on 8 October could in theory delay the payment of the next tranche of Portugal's €78 billion bail-out.

## Hollande rejects fracking

In the latest rejection of fracking the French president, François Hollande, says his government would reject the development of shale gas using hydraulic fracturing or “fracking.”

Hollande, who took office in May, announced on 14 September that he has rejected several applications to begin extracting natural gas and oil from shale by means of hydraulic fracking, which uses a high-pressure mixture of sand, water and chemicals to extract petroleum.

The decision was made because of health and environmental concerns, according to reports. Hollande’s predecessor, Nicolas Sarkozy, also banned fracking. France has become the latest EU member to halt fracking, joining Bulgaria, Romania and the German region of North Rhine-Westphalia.

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### Ban Fracking Ireland

Created by Tracey Y. Leane

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10,282 signers. Let's reach 20,000

Why this is important

## And another decision against fracking

The EU Parliament’s environment committee has adopted a report that draws attention to the dangers of fracking following three highly critical reports from the parliament itself. With sixty-three against and one abstention, the decision will lead to a non-binding resolution on the issue in a plenary session in October or November.

The report calls for a review of EU and national environmental laws related to shale exploitation and for “constant monitoring” of shale extraction activity. It also calls for industry to pay for associated pollution and for a disclosure of the chemicals used in fracking—a technique for extracting gas from rock by blasting it with hydraulic fluid to create cracks and fissures.

The resolution of the environment committee supports a ban on shale mining in sensitive geological areas and would redirect funds from research in fracking towards investment in safety. It also called for environmental impact assessments and industry transparency, asking for full disclosure of contracts.



The resolution emphasised the “polluter pays” principle and the responsibility of companies to take pre-emptive measures against the risks of shale mining as well as taking responsibility for accidents.

The paper also called for a review aimed at tackling holes in EU regulations, following doubts from the European Commission over the compatibility of fracking with EU water quality laws. The resolution bans the reuse of waste “flowback water”—the liquid that resurfaces after the fracking process—to comply with the EU’s Water Framework Directive.

Doubts have been expressed about whether some of the substances used in the fracking process are compatible with EU rules regarding the use of chemicals.

“We want to make sure that any shale gas company that wishes to operate in the EU knows that they will have to meet the highest environmental standards,” according to Linda McAvan, a member of the committee.

## The new Entente Cordiale

Government advisers in Berlin are demanding a rapid expansion of German-French co-operation in the military area and the arms industry so as to prevent the creation of a Paris-London axis.

In Germany the French and British efforts, initiated in 2010 to reinforce the bonds between their military forces and their arms industries, have long been dangerously underestimated, according to a recent analysis published by the German Council on Foreign Relations (DGAP). It says that “a new



Entente Cordiale” between Britain and France is being created, which would undercut German efforts to set up an EU army and thwart the organising of a unified European arms industry. (The *Entente Cordiale* was the Franco-British alliance formed in 1904 to synchronise the two countries’ global interests and forge a common defence in Europe against the growing power of the German Empire.)

The awareness that European policy is essentially being dictated by Berlin has led to this new Franco-British alliance. It extends far beyond general strategic concepts to include numerous aspects of military and arms-industry business practice. Much of what Britain and France agreed on 2 November 2010 has either been successfully implemented or is in the process of implementation. This includes the creation of a “Combined Joint Expeditionary Force” of six thousand soldiers, which has already carried out several manoeuvres and should be available for service in any kind of combat mission by 2016.

The experience of the Libyan war has already been evaluated, and deficiencies are being corrected. There are difficulties in establishing the joint aero-naval fleet, but their “agreed co-operation in the areas of arms technology and the arms industry is continuing unobstructed.”

Nuclear co-operation, which enables Britain—in spite of the immense austerity pressure—to maintain its nuclear deterrent, is also significant.

### Over to you, Mr Gilmore

On the eleventh anniversary of the attack on the World Trade Center in New York in 2001, members of the European Parliament have sent a strong message that the European Union must not sacrifice the human rights of its citizens in the fight against terrorism.

In a resolution adopted by a large majority, member-states were urged to fully disclose information on the CIA’s secret flights carrying suspected terrorists.

The report on the alleged transporting and illegal detention of prisoners in European countries was adopted after new evidence was revealed by the press and NGOs, including Amnesty International, concerning the involvement of European countries in the CIA’s illegal “extraordinary rendition” programme.



Hélène Flautre, rapporteur for the report, said: “It is quite clear there was a systematic programme of transfer of people,” involving “switches [of prisoners] in

third countries so as to hide the final destination of the people involved.”

The report presses EU member-states to hold full and effective investigations into the collaboration with the CIA. A British member of the civil liberties committee, Claude Moraes, said: “Member-states have a duty to fulfil their obligations under international law and investigate the serious human rights violations that took place within the CIA programme.

“Despite increasing evidence, Europe still refuses to accept any responsibility for past illegal detentions and renditions. The support for this report today will hopefully increase the pressure on EU member-states to co-operate fully with this investigation and take collective responsibility for past actions. State secrecy cannot stand in the way of access to justice and the disclosure of the truth.”

In March 2011 Shannonwatch, the group monitoring foreign military use of Shannon Airport, called on the Garda Síochána to review a large body of information that they presented in relation to suspected CIA and US military flights through Shannon Airport. They also called on the Gardaí to provide a comprehensive report on the actions that will be taken to ensure that Ireland complies with its international legal obligations. The information, in two wheelbarrows, was delivered Shannon Garda station on 18 March 2011.



After seventeen months, on 14 August 2012, Shannonwatch finally received a response from the Gardaí. It is a brief half-page letter that simply says: “No evidence has been uncovered by the Gardaí which indicate any alleged breach of Irish & International laws resulting from the transit of armed U.S. troops & CIA associated aircraft in connection with wars and military aggression in Iraq, Afghanistan and elsewhere, and in connection with unlawful detention and torture of prisoners at Guantanamo prison and elsewhere.”

Surely it is now time to revisit this issue and institute an independent inquiry.

**A demonstration is held on the second Sunday of every month at the roundabout at Shannon Airport, from 2 p.m., sponsored by (among others) PANA, Shannonwatch, and**

**Galway Alliance Against War. It calls for ending the use of the airport by US troop-carriers and “extraordinary rendition” flights.**

### *Halligan returns to the fray!*

Brendan Halligan, chairperson of the Institute of International and European Affairs, speaking at the recent Parnell Summer School, advocated “one big referendum” to empower Dáil Éireann to ratify any new EU treaties, in order to see off the challenge from proponents of direct democracy—i.e. referendums. Below is an extract from his paper; the full document can be downloaded from [www.iiea.com/publications](http://www.iiea.com/publications).



In practical terms we are putting our membership on the line each time a new Treaty is agreed and it is my belief we can expect a plethora of new treaties over the next decade and, hence, as things stand, a plethora of referenda. The odds of one being lost are high and, I suggest, are unacceptable given that our economic survival is so utterly dependent on our continuing membership of the EU.

The best way to handle this threat is to put our membership of the European Union on the agenda of the forthcoming Constitutional Convention and ask it to come up with a formula that would express Ireland’s political commitment to membership of the European Union as an enduring policy choice, perhaps based on the wording of the original amendment of 1972.

If that proposal were freely accepted by the people as part of their constitution it would leave the ratification of future EU treaties in the hands of Dáil Éireann, the democratically elected parliament of the Irish people, which under the Constitution is charged with ratifying international treaties. [One can imagine the result of that manoeuvre under the present or last governments!]

Such a move would be a re-affirmation of representative democracy which is being challenged by the proponents of direct democracy and, more recently, by extra parliamentary agitation which even questions the authority of the courts and the fundamental right of the state to raise taxation.

Halligan, a long-time Labour Party handler, has been a ferocious advocate of surrendering sovereignty to the EU for many years but has been quiet while he was making a small fortune. He has moved

seamlessly, and profitably, between the public and the private sector. Thanks in no small part to his involvement in the energy industry—having been appointed chairperson of Bord na Móna—Halligan is now on the verge of making a fortune through Mainstream Renewable Power Ltd, in which he is a shareholder and director and which is headed by his old pal Eddie O’Connor, former chief executive officer of Bord na Móna and chief executive of Airtricity.

Airtricity was sold to EON and Scottish and Southern Energy in 2008 for approximately €2 billion. O’Connor left to set up Mainstream Renewable Power and is reported to have gained €50 million from the transaction. Mainstream is now bidding for a multi-billion project to provide wind-turbine energy to Britain.

Halligan also happens to be chairperson of the Sustainable Energy Authority of Ireland, thanks to his appointment by the former Green Party minister for communications, energy and natural resources Éamon Ryan. He has also been a paid lobbyist for Irish and European tobacco companies.

Before he left Bord na Móna, and with the approval of O’Connor, Halligan arranged for a stipend from Bord na Móna of £60,000, to be paid to the IIEA over a number of years. He repeated this operation with most other government departments, creating an income stream that exists to this day, though none of those departments have been as generous as Bord na Móna.

Both O’Connor and Halligan were keenly aware of the government’s commitment to encouraging the development of renewable energy, and in 2007 Halligan was in position, having been appointed chairperson of the SEAI, in which forum various ideas and proposals—or “well-timed and informed advice to the Government”—would have been common currency.

In February 2008 Éamon Ryan introduced generous price support for offshore wind farms, a move that greatly enhanced the value of Airtricity, sold only a few weeks previously. And also in February 2008—in fact on the same day that Ryan announced the support for wind farms—O’Connor set up Mainstream Renewable Power Ltd; and guess who popped up as both a shareholder (to the tune of half a million) and a director in the new company.

You, the taxpayer, are in effect subsidising the IIEA and its well-produced publications. And we thought it was all the EU!