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Thomas Pringle presents his case to the ECJ

Thomas Pringle TD has presented his case before the European Court of Justice in Luxembourg regarding the lawfulness of the European Stability Mechanism. The court is considering a number of questions referred to it in July last year by the Supreme Court following his challenge to the ESM.

The ESM was characterised at the ECJ as undermining EU law. The comment was made in the EU's highest court by John Rogers SC, who is representing Thomas. He argued that "in trying to defend the compatibility of the ESM with the EU treaties, the intervening member-states and institutions have had to engage in mischaracterisation and distortion in the confusion of form and substance and in legal and conceptual contradictions."

In his presentation Rogers emphasised the fact that the ESM can exist as an independent entity, outside of EU law. "Developed in haste, the ESM Treaty is at odds with and undermines the EU legal order. We are concerned that a body outside the union and not subject to union law could take measures in connection with the union and dictate conditions that will be imposed on member-states in matters so fundamental and integral to the union as its economy and its currency."

The vice-president of the court, Koen Lenaerts, asked Rogers about the meaning of the term "bail-out." "Are you really saying that member-states would, as a matter of union law, be prohibited to help one another in whatever framework it would be?"

Lenaerts is the reporting judge and will write the draft judgement that will serve as a starting-point for discussion among the judges. The court's final decision, however, will not show dissenting judges' views or how the vote was split.

Counsel for the government as defendant in the case, Michael Cush, told the court that there was nothing improper in an imminent change to the EU treaties to allow the creation of a rescue fund for any distressed member-state. Ireland regards the amendments as "fully compatible with the treaties."

The Government has been supported in its defence by Germany and ten other EU countries, as well as the legal service of the European Council, the European Commission, and the European Parliament.

After almost four hours of questioning, the ECJ judges asked the legal representatives to stand over their statements. Most of the questioning dealt with the oral statements from the European Commission and the European Council, although Rogers was called on to clarify and justify his arguments on several occasions.

The proceedings were finally adjourned, the president of the court declaring that the judges were now "relatively well informed."

The ECJ has the power to strike down the ESM Treaty as it is now constituted. All twenty-seven judges of the ECJ are participating in the hearing, the first time this has happened in a case referred by a national court; it normally hears cases in chambers of three, five or fifteen judges.

The case is being dealt with under an accelerated procedure, and a ruling is expected by the end of the year, before the treaty change takes effect on 1 January 1st, 2013.

■ The written observations of Thomas Pringle to the ECJ may be found at https://docs.google.com.

Thomas Pringle TD v. Ireland

Summary of the judgement of Mr Justice Adrian Hardiman

The Supreme Court has presented its judgement in the appeal by Thomas Pringle against the High Court's dismissal of his case regarding the European Stability Mechanism. The appeal was rejected, and the court must now await the judgement of the ECJ in the case as described above.

Mr Justice Adrian Hardiman was a dissenting judge, and a summary of his interesting judgement is given below.

The Government propose to adhere to the European Stability Mechanism. Dáil Éireann has already passed a law allowing sums not exceeding €11,145,400,000 (11 billion, 145 million, 400 thousand euros) to be paid to the ESM.

The question arises, at the suit of the plaintiff, Deputy Thomas Pringle, an independent member of Dáil Éireann, as to the compatibility with the Constitution of Ireland of the ratification by the Government of the Treaty establishing the ESM. The ESM

itself is a new financial institution which will be based in the Grand Duchy of Luxembourg and which exists entirely outside the law of Ireland and outside the law of the European Union. It is agreed that the ESM is not something "necessitated" by Ireland's membership of the European Union and therefore immune to the constitutional scrutiny of Article 29.4.6 of the Constitution.

Mr Pringle does not deny that it is legally and constitutionally possible for Ireland to adhere to the European Stability Mechanism. But he says that can only be done with the consent of the people in a referendum. I agree.

The immediate background to this case is to be found in Articles 1, 5 and 6 of the Constitution. These are set out on page 5 of my judgement. Particularly relevant are the provisions of Article 6 about the nature of governmental power, which enshrines the right of the People "in final appeal to decide all questions of national policy."

This, of course, is something which the Courts are obliged to acknowledge and uphold.

It appears to me, for the reason set out in the judgement, that the Constitution as originally adopted in 1937 mandated a purely national approach to foreign policy and to the exercise of governmental power generally. In such approach, the common good of the people of Ireland was the sole criterion for the exercise of Irish government power.

Subsequently, in the 1970s, Ireland became a member of the European Union. This introduced a new point of reference for the exercise of Irish governmental power and this is now enshrined in Article 29 of the Constitution.

It appears to me that the European Stability Mechanism introduces a hitherto unknown third element: the interest of "the Euro area as a whole or of its Member States." This is the governing criterion, the body to which, in this Treaty, Ireland commits itself to supply a sum of more than €11 billion if called upon to do so.

It is perfectly clear to me that this new criterion under the guidance of which Ireland commits itself to act is quite different from either of the existing criteria—the common good of the Irish people or the aims of the European Union. In constitutional terms it is a *"tertium quid,"* a hitherto unknown third criterion. It may be worth changing from the existing criteria for the exercise of governmental power to the new one, which envisages the interests of a part only and by no means the whole of the European Union. That is a political question, in which the Court has no role. But there seems to me to be no doubt that this would be an enormous change, and that it requires the assent of the Irish People.

In my view, to introduce this change without the assent of the People is a serious undermining of their right to decide, in final appeal, "all questions of national policy." This right could of course itself be removed from the Constitution, but that, too, would be a matter for the People.

The constitutional jurisprudence and the analysis of the ESM Treaty which underlies these views are set out extensively in the accompanying judgement. Towards the end of the judgement there is a consideration of the present constitutional and statutory rules relating to democratic accountability of the Government and relating to democratic accountability for the expenditure of public moneys. Relevant questions are raised such as the accountability or lack thereof of the Minister for Finance (who will be a Governor of the ESM) to Dáil Éireann for his actions in that capacity, and the role of the Comptroller and Auditor General in relation to the drawing down of public money and its transmission to the European Stability Mechanism.

The "special case"

"As some of them found out, they shouldn't tangle with me too often"

The president of France, François Hollande, has said that Ireland is "a special case" and must be treated as such by euro-zone finance ministers. So too did the German chancellor, Angela Merkel, who caused consternation in Dublin when she said that historic or "legacy" debt would not be covered by the ESM. She was echoing earlier remarks by her minister of finance, Wolfgang Schäuble.

But Enda Kenny topped it all when he said that Ireland was a special case, because it had a European remedy "imposed upon it" when the banking industry collapsed. "Ireland was the first and only country which had a European position imposed upon it, in the sense that there wasn't the opportunity, if the Government wished, to do it their way by burning bondholders," he said. "The Irish public and Irish taxpayer were required to service the full extent of the debt."

Yet Merkel's remarks about the ESM were unambiguous, and they gave fresh force to the statement at Helsinki last month in which the German, Finnish and Dutch finance ministers said that national bodies must remain liable for most banking debts. They made the clear case that national bodies would remain liable for most banking debts in the new dispensation. Even if the ESM invests in institutions such as AIB and Bank of Ireland, sovereign debt would remain inextricably linked with bank debt. This is not quite what the Irish Government had in mind.

But the Government continues to insist that the Helsinki statement had no bearing on the ministers' pledge in June to tackle the loop between bank and sovereign debt. This was an argument the Government could no longer sustain after Merkel's latest intervention.

The actual wording from the summit—largely concerned with addressing the short-term problems of Spain and Italy—stated, in part: "The Eurogroup will examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme . . ." This is hardly a statement that could be interpreted as a hard commitment to a particular policy choice.

A spokesperson for the German government, Steffen Seibert, explained that "in Ireland it is the case that the Irish government recapitalised its banks with large amounts of tax money, and this will certainly be taken into account when the Euro Group addresses the issue of Ireland again."

The German reading of the June deal is that the ministers made no time commitment or guarantee for changes for Ireland, and in particular made no link between the issue of the banking debt and improving the sustainability of the programme.

So does the Kenny-Merkel joint statement or Hollande's chiming in change anything? The widespread understanding of the conclusions of the June summit is that if Spain is to get any special deal from its euro partners Ireland would also. But if Spain doesn't get something—relief on legacy debt, for instance—can Ireland?

German officials respond simply: "We will leave all that up to the imagination of the negotiators in the coming weeks."

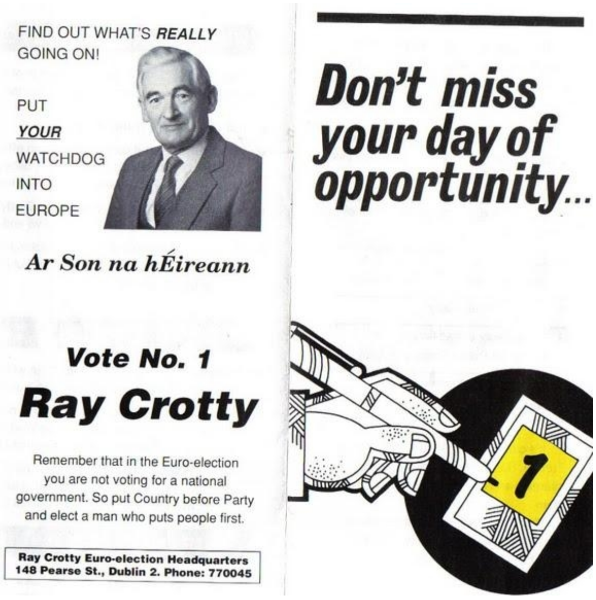
So Kenny's justification of Ireland's "special case" at least brings us closer to the truth that the former president of the ECB, Jean-Claude Trichet, says he doesn't want publicised and gives greater credence to stories of midnight phone calls from the ECB to the late Brian Lenihan. That Kenny is prepared to go this far indicates the degree of panic in government circles as the debt burden becomes increasingly unsustainable.

The Government's pet economist, Colm McCarthy, whose report on saleable state assets points to the imminent disposal of a number of them, has even written in the *Irish Independent* that we should plead inability to pay! We can only agree with him in this instance, but only if it is the first step in a structured default and not simply a negotiating tactic.

But Kenny has them on the run! "I'm a hard grafter," he bragged after the June summit, "and, as some of them found out, they shouldn't tangle with me too often!"

Raymond Crotty Lecture, 2012

The third Raymond Crotty Lecture will be given by Thomas Pringle TD in the Pearse Centre (27 Pearse Street), Dublin, on Thursday 22 November at 7:30 p.m. All are welcome.



Common financial transactions tax

Eleven countries move ahead

The EU Commission has proposed that a group of eleven countries move ahead with a common financial transactions tax. Estonia, Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain are willing to go ahead with the tax. The proposal still needs the approval of a majority of the EU's twenty-seven countries and the European Parliament, after which a joint legal text will be issued.

The EU commissioner for tax and customs union, Algirdas Šemeta, said this will be "the epitome of a fair tax," raising billions while helping to curb the "casino-type trading" that caused the 2008 financial crisis.

The roots of this idea go as far back as 1972, when the Nobel laureate James Tobin proposed a tax on currency speculations.

The Government claims that in the absence of a worldwide tax, financial businesses will move elsewhere and specifically, in the situation where Britain has not joined, to the City of London.

Good for Europe —bad for Ireland!

Enda Kenny is to be presented with the "Golden Victoria European of the Year" award at a ceremony in Berlin next month hosted by the German Magazine Publishers' Association. The award is in recognition of his "strong contribution to Europe" but doesn't mention the abject leadership that he has given to the Irish people. It's hard to imagine anybody awarding him the title of "Irish Person of the Year"!

It could hardly be considered begrudging to suggest that this award has fallen into Kenny's lap as a result of his compliant demeanour in the presence of Merkel and his persistence in looking after German bondholders, at the expense of the Irish people.

All in all, hardly something to celebrate as we head for a terrible budget, by courtesy of Mr Kenny and his masters.

Lenihan's letter released

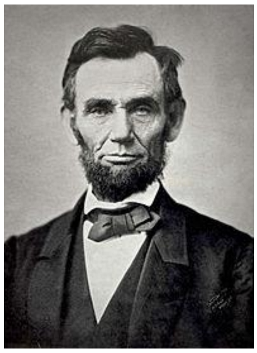
Now let's see the ECB correspondence on the bail-out!

Brian Lenihan's letter to the former president of the European Central Bank, Jean-Claude Trichet, requesting a bail-out loan was written in response to one that Trichet sent to Lenihan two days beforehand, on 19 November 2009. "[*In response to the points made in your letter*] *I would like to inform you that the Irish Government has decided today to seek access to external support from the European and international support mechanism. This grave and serious decision has been taken in the light of the developments . . . and the recent communications and the advice you have conveyed to me personally and courteously in recent days.*"

So what "communications and advice" did Lenihan receive from the ECB regarding the 2008 bank guarantee, the bank recapitalisation, and the nationalisation of Anglo-Irish Bank in January 2009? And why doesn't Trichet want this information placed in the public arena?

And why has the Department of Finance refused to release some of the other correspondence relating to this period under Freedom of Information laws? Could they possibly be providing cover for the ECB?

Lincoln saw it coming!



"I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavour to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the Republic is destroyed."—Abraham Lincoln, November 1864.

The EU and women

The European college of commissioners has postponed plans to impose a binding quota to get more women on company boards. The proposal of the commissioner for justice, Viviane Reding, to make it mandatory for boards to reserve 40 per cent of seats for women will now be put on hold.

The quota had already run into problems after EU lawyers said the proposed law might go too far, and that countries could not be forced to meet the target. Reding's plan ran into heavy opposition among her colleagues, who are pushing for a watering down of the proposal.

Meanwhile the president of the European Council, Herman van Rompuy, has pleaded with the parliament to endorse the appointment of Yves Mersch to the executive board of the European Central Bank. His appointment, which seems inevitable despite being delayed by opposition in the parliament, would make the six-member board all male, and its governing council of twenty-three members also exclusively male.

The price of equality—EU style

Up to 200,000 Irish women are facing increases in the cost of car insurance of up to €300 a year when new rules banning discrimination on grounds of sex take effect in December.

Increases of between 10 and 45 per cent are being imposed on women drivers between the ages of seventeen and thirty, with lower increases for older women. The trends emerged in data compiled from sixteen insurers by AonInsure.ie, which produces an index of insurance costs.

Women have traditionally paid much less for insurance than men, because they are less risky drivers. But from December an EU ruling will not allow insurers to charge different rates to men and women. A ruling last year by the EU Court of Justice forced the EU to issue a directive banning discrimination for insurance.

Only small misunderstandings!

Amid mass protests, the German chancellor recently visited Athens to promote new opportunities for German companies! The privatisation of state enterprises and infrastructure must be accelerated: this was the demand in Berlin even before her visit.

Merkel will remember well how the enterprises of the former German Democratic Republic were liquidated and so knows how to pluck out a country's industrial fillets to sell them off to profit-seeking investors. Interested Germans, such as those in the chancellor's delegation, will be in a privileged position, through the creation of "special economic zones" in Greece, which has long been a German demand.

A spokesperson for the German government recently commented on the effects of the German austerity diktat, which has led to the impoverishment of the Greek population, saying that "we have succeeded in reducing the unit labour costs by double-digit percentage points." Foreign policy experts in Berlin attribute the protests to "misunderstandings" and recommend that Germany undertake targeted PR measures, to impede future resistance to German policies of domination.

"Awarding the Nobel Peace Prize to the EU is an absurdity"

A statement by Norwegian No to the EU, an EU-critical organisation with thirty thousand members and a staunch ally of the People's Movement.

No to the EU thinks this award is absurd. The EU has very little going for it when it comes to creating world peace. On the contrary, the EU is promoting a large-scale military build-up in the coming years, said Heming Olaussen, head of the organisation.

The EU is allowing and encouraging a nuclear-based arms system in Britain and France, and is putting a lot of resources into its own nuclear research, Olaussen said. The union's handling of the euro crisis also leads to unemployment and social misery, and undermines the welfare states of the EU countries. This is not promoting stability and peace.

The refugee policies of the European Union are inhumane. Desperate people trying to escape from poverty and distress are killed, interned without law, and deported at the EU borders. Unfortunately, Norway is also complicit through the Schengen agreement.

Opinion polls show a steady majority of 80 per cent against Norwegian membership of the EU.

"In one way or another, we'll change the EU treaties"

The German business daily *Handelsblatt* has reported that the minister of finance, Wolfgang Schäuble, has said that he wants quick changes in the EU treaties to establish a specific euro-zone commissioner—potentially as powerful as the commissioner in charge of competition—with the mandate to send national budgets back to national parliaments if they are not within the euro zone's fiscal rules.

Schäuble also wants a specific euro-zone parliament, an offshoot of the European Parliament. He is quoted as saying that, "in one way or another, we'll change the European treaties."

Germany may seek an intergovernmental treaty, but this may be problematic following the latest judgement of the German Constitutional Court. But a former president of the Constitutional Court, Hans-Jürgen Papier, has called for competencies to be claimed back from the EU level, arguing that "you cannot always blindly centralise and think only about further European extension," citing environmental legislation and consumer protection in particular.

"Dividing the EU . . . and further dividing Ireland"

Brussels is bracing itself for a battle with the British prime minister, David Cameron, with the likelihood growing that Cameron will block a proposed €1 trillion seven-year spending plan and push for a two-tier EU budget.

A move to veto the budget could be politically attractive to Britain, as it would allow Cameron to argue that Britain was not propping up the euro zone. Britain is also suggesting moving to a five-year budget, because of economic uncertainty.

Cameron believes a two-tier Europe is inevitable and has talked of seeking the "fresh consent" of the British people for this new relationship in the next parliament, in a clear signal that he favours a referendum.

In the autumn of 2011 the chancellor of the exchequer, George Osborne, stated that the euro zone should move towards a fiscal union, with supranational control over budgets, taxes, and public spending, in order to shore up the currency, but that Britain would not be joining it. This was an important change in British government policy, which has sought since 1961 to be at the heart of the EU, sharing basic policy-making with Germany and France.

If the Irish state goes along with moves towards a euro-zone fiscal union while Northern Ireland stays with sterling within the United Kingdom, it will deepen significantly the political-economic border between North and South in Ireland. And why should Northern nationalists or unionists ever consider aspiring to a united Ireland when it would essentially mean exchanging rule from London for rule from Berlin and Frankfurt?

All the main political parties in this state are formally on record as favouring eventual Irish re-unification. But eventually even they will have to face up to the question, How is an uncritical commitment to the euro and the euro zone reconcilable with what in effect would be a new division of the country, between the way things now look like developing in EU affairs between the 26 Counties in the euro zone 17 and the Six Counties in the non-eurozone 10?

Those who style themselves all-Ireland nationalists should ask themselves this question.

Fast-track for Tony O'Reilly, Jr

Isn't it time we stopped this nonsense?

An Taisce joined local campaigners in attacking a decision to license Tony O'Reilly Jr's Providence Resources to test for reserves on the edge of Dublin Bay, just 6 km off Dalkey. The national trust group said it believes the potential threats to the coast, wildlife and habitats have not been adequately assessed. "This is the first time that a licence with potential major threats of pollution so close to the shoreline has been granted," An Taisce said.

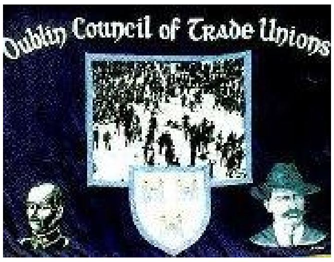
The Department of the Environment agreed to the licence covering an area in the Kish Bank Basin, on the edge of Dublin Bay. Included is permission for a well-site survey and the drilling of an exploration well on the Dalkey Island prospect in 85 ft (26 m) of water.

A contingency plan found that oil from a spill in the Dalkey basin could reach shore within an hour. The Protect Our Coast campaign condemned the lack of a public inquiry on the application.

William Hederman, editor of IrishOilandGas.com, said: "In environmental terms, this project is extremely close to the shore, but in economic terms it might as well be off the coast of Malaysia." He wrote that workers will be flown in from Scotland, and any oil would be shipped overseas for processing, so there would be "no local benefits."

Under Ireland's oil and gas exploration laws, corporation tax on oil and gas profits is 25 per cent. Under other incentives, if Providence Resources, controlled by Tony O'Reilly Jr, finds oil it can write off the costs of all its Irish exploration over the last twenty-five years against corporation tax on profits from the find. US government figures show that Ireland surpasses only Cameroon in the smallness of its take from resource exploitation.

Budget demonstration



On Saturday 24 November the People's Movement will be participating in the Dublin Council of Trade Union's pre-budget demonstration, assembling at Parnell Square from 1 p.m. Do come along.

Something fishy in Sierra Leone

A report by the Environmental Justice Foundation has exposed the continuing role of the European Union and east Asian countries in facilitating a market for seafood illegally caught in west Africa.

The report documents "rampant pirate fishing in Sierra Leone and laundering of the illegal catch into the European seafood market by vessels accredited to export fish to the EU." It found that pirate fishing vessels were out of control:

- refusing to pay fines
- covering their identification markings
- using banned fishing equipment
- transferring fish illegally at sea to large refrigerated cargo ships destined for east Asia
- refusing to stop for fisheries patrols
- bribing enforcement officers
- fleeing to neighbouring countries to avoid sanctions
- committing labour violations
- using a flag of convenience (registering in a country that lacks the ability or willingness to monitor activities).

The evidence of illegal activity collected through what the EJF called its "community surveillance project" has been sent to the governments of Sierra Leone and South Korea, as well as the EU.

West African waters are estimated to have the highest level of illegal, unreported and unregulated fishing in the world, accounting for up to 37 per cent of the region's catch. West Africa also has the world's highest level of illegal fishing. Along with the economic losses, pirate fishing has a devastating effect on coastal communities by severely compromising food security, local livelihoods, the health of fish stocks and the marine environment in some of the world's poorest countries.

Sierra Leone's minister for fisheries and marine resources, Soccoh Kabia, says: "This is a problem that has affected us for many years now and has had serious repercussions for us as a people in terms of economic consequences as well as threatening our food security."

In addition, the EJF said that 90 per cent of the pirate vessels it investigated in west Africa were bottom trawlers, "which devastate marine environments by dragging heavy trawl equipment along the seabed." It reported 252 cases of pirate fishing by industrial vessels in inshore areas over a period of eighteen months.

Global losses from pirate fishing are estimated to amount to between $10 and $$23\frac{1}{2}$ billion (£6–15 billion) each year. An EU spokesman said he was "very concerned" that illegally fished produce could enter European markets.

So what do the Swiss know?

The Swiss army is preparing for possible internal civil unrest as well as waves of refugees from euro countries as the economic crisis drags on.

Last month Switzerland began a military exercise to test its preparedness. "It's not excluded that the consequences of the financial crisis in Switzerland can lead to protests and violence," said a spokesperson for the ministry of defence. “The army must be ready when the police in such cases request subsidiary help.”

Some two thousand soldiers took part in the military exercise “Stabilo Due” in eight towns around the country, based on a risk map detailing the threat of internal unrest between warring factions and the possibility of refugees from Greece, Spain, France, Italy and Portugal, according to media reports.

The minister of defence, Ueli Maurer, said there may be an increase in violence in Europe. “I can’t exclude that in the coming years we may need the army,” he said.

A referendum could be called next year to decide whether to keep or end conscription to the 200,000-strong part-time army, the highest concentration of military in a European country in relation to the population. In a referendum in 1986, 35 per cent voted to abolish the army, while in 1992 a referendum proposal opposing the purchase of American fighter planes was defeated, by 57 per cent to 43.

The Swiss military plan comes as protests against austerity measure in Greece, Spain and Portugal have turned violent in recent weeks. The Portuguese government has unveiled the harshest budget in decades, with an increase in income tax of almost 4 per cent and massive lay-offs in the public sector in order to meet EU targets for deficit and debt.

“Asking for more time would lead us to a dictatorship of debt and to failure,” said the Portuguese minister of finance, Vitor Gaspar, said as a general strike was called for 14 November. Ireland, however, which is facing into a harsh budget, seems unlikely to pose any threat to the Swiss!

In Greece an unprecedented seven thousand police were deployed to keep the German chancellor, Angela Merkel, safe from stone-hurling Greeks. A few days later Coca-Cola, the biggest foreign investor in Greece, announced that it would leave the country and move to Switzerland.

Norwegian “Alternatives” group expresses scepticism

A wide-ranging report compiled by a group of Norwegian popular organisations that explored the

effects of the country’s arrangements with the EU within the European Economic Area was published recently.

”The EU’s development towards stronger supranational management and reduced national sovereignty challenges Norway,” the report says, *“where the population rejects the idea of Norwegian membership in the EU more strongly than ever. Scepticism towards the EEA has also been more clearly expressed than ever, and the disputes between the EU and Norway are now many. In this situation, where the EU requires un-Norwegian adaptation in more and more areas, it seems wise of Norway to consider interaction and co-operation primarily in the light of vital national interests. In that respect there is a need to discuss alternatives to the EEA agreement.”*

The European Economic Area comprises the countries of the EU plus Iceland, Liechtenstein, and Norway. It was established on 1 January 1994 following an agreement between the member-states of the European Free Trade Association and the European Community (which became the European Union). Under the agreement Iceland, Liechtenstein and Norway participate in the EU’s internal market, without being members of the EU. In return they are obliged to adopt all EU legislation related to the single market, except laws on agriculture and fisheries. One EFTA member, Switzerland, has not joined the EEA but has a similar agreement.

For Norway it has been twenty years since a majority in the parliament pushed through the agreement to join the EEA and eighteen years since the agreement came into effect. During this period the agreement has become steadily more comprehensive, and today it affects areas that the parliamentary majority assumed would never be touched.

Central elements of Norwegian regional policy, petroleum policy, the management of natural resources, alcohol policy, and in recent years trade union rights and measures to prevent social dumping, have in turn been challenged by the surveillance bodies in the EEA, the ESA, and the EFTA court.

Just as the ECJ’s grip on EU member-states has been constantly tightened in areas such as trade union rights, the grip is similarly being tightened on Norway through reinterpretation of the EEA agreement by the ESA’s surveillance body and EFTA’s court. Many of the new EU directives that affect the country are hardly discussed in Norway, and the government majority seldom dares to stand up against them.

The Norwegian No to the EU organisation, together with a group of major trade unions, launched the initiative that produced the report in February last year. It better reflects the Norwegian popular attitude to the EU than the recent award of the Nobel Peace Prize to the EU. This award was rightly seen for what it is, a blatant and not too subtle PR job for the EU at a time when it needs all the good publicity it can get.

The wide range and interests of organisations affiliated to the project called ”Alternatives to the Current European Economic Area Agreement” reflect Norwegian concerns about the agreement and about the European Economic Area more generally: the Norwegian United Federation of Trade Unions, Norwegian Union of Social Educators and Social Workers, For the Welfare State, Norwegian Labour Union, Nature and Youth, Norwegian Farmers' Union, Norwegian Country Women's Association, and Norwegian Farmers' and Smallholders' Unions.

The Nobel Prize for War

■ This is an edited version of an article by the American political writer, historian and cultural critic Michael Parenti. For further information visit www.michaelparenti.org.

In October 2012, in all apparent seriousness, the Norwegian Nobel Prize Committee—appointed by the Norwegian Parliament—bestowed the Nobel Prize for Peace on the European Union. Let me say that again: the European Union, with its twenty-seven member-states and 500 million inhabitants, was awarded for having "contributed to the advancement of peace and reconciliation, democracy and human rights in Europe." Norway itself is not a member of the EU.

Alfred Nobel's will in 1895 explicitly states that the peace prize should go "to the person who shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and promotion of peace congresses." The European Union is not a person, and has not worked for the abolition or reduction of standing armies or the promotion of any kind of peace agenda.

If the EU award looked a bit awkward, the BBC and other mainstream news media came to the rescue, referring to the "six decades of peace" and "sixty years without war" that the EU has supposedly achieved. The following day somebody at the BBC did the numbers and started proclaiming that the EU had brought "seventy years of peace on the European continent."

What could these wise pundits possibly be thinking? Originally called the European Economic Community and formed in 1958, the European Union was established under its current name in 1993, about twenty years ago.

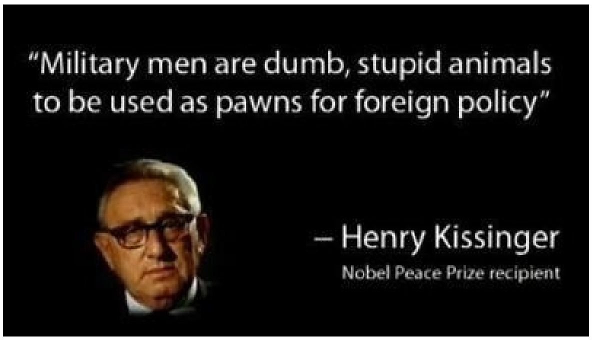
The Nobel Committee, the EU recipients and the western media all overlooked the full-scale air war launched in 1999 on the European continent against Yugoslavia, a socialist democracy that for the most part had offered a good life to people of various Slavic nationalities—as many of them still testify today.

The EU did not oppose that aggression. In fact a number of EU member-states, including Germany and France, joined in the war on European soil led largely by the United States. For seventy-eight days, US and other NATO forces bombed Yugoslav factories, utilities, power stations, railway systems, bridges, hotels, apartment buildings, schools, and hospitals, killing thousands of civilians, all in the name of a humanitarian rescue operation, all fuelled by unsubstantiated stories of Serbian "genocide." All this warfare took place on European soil.

Europe aside, EU member-states have sent troops to Afghanistan, Iraq, Libya, and additional locales in Africa, the Middle East, and Central Asia, usually under the tutorship of the US war machine. But what was I to expect? For years I ironically asserted that the best way to win a Nobel Peace Prize was to wage war or support those who wage war instead of peace. An overstatement, perhaps; but take a look.

Let's start back in 1931 with an improbable Nobel winner: Nicholas Murray Butler, president of Columbia University. During the First World War, Butler explicitly forbade all university staff from criticising the Allied war against the Central Powers. He equated anti-war sentiments with sedition and treason. He also claimed that "an educated proletariat is a constant source of disturbance and danger to any nation." In the 1920s Butler became an outspoken supporter of Italy's fascist dictator, Benito Mussolini. Some years later he became an admirer of a heavily militarised Nazi Germany. In 1933, two years after receiving the Nobel prize, Butler invited the German ambassador to the United States to speak at Columbia University in defence of Hitler. He rejected appeals by students to cancel the invitation, claiming it would violate academic freedom.

Jump ahead to 1973, the year one of the most notorious of war criminals, Henry Kissinger,



received the Nobel Peace Prize. For the better part of a decade Kissinger served as assistant to the president for national security affairs and as US Secretary of State, presiding over the seemingly endless blood-letting in Indochina and the ruthless US interventions in Central America and elsewhere. From carpet bombing to death squads, Kissinger was there, beating down on those who dared resist US power. In his writings and pronouncements Kissinger continually talked about maintaining US military and political influence throughout the world. If anyone fails to fit Alfred Nobel's description of a prizewinner, it would be Henry Kissinger.

In 2009, in a fit of self-parody, the folks in Oslo gave the Nobel Peace Prize to President Barack Obama while he produced record military budgets and presided over three or four wars and a number of other attack operations, followed a couple of years later by additional wars in Yemen, West Pakistan, Libya, and Syria (with Iran pending). The Nobel-winner Obama also proudly hunted down and murdered Osama Bin Laden, having accused him—without a shred of evidence—of masterminding the attacks on the World Trade Center and the Pentagon in 2001.

There are probably other Nobel war-hawks and reactionaries to inspect; I don't pretend to be informed about every prizewinner. And there are a few worthy recipients who come to mind, such as Martin Luther King, Jr, Jean-Henry Dunant, Philip J. Noel-Baker, Linus Pauling, Nelson Mandela, Seán MacBride. and Dag Hammarskjöld.

Let us return to the opening point: does the European Union actually qualify for the prize? The Vancouver artist Jennifer Brouse gave me the last (and best) word: "A Nobel Prize for the EU? That seems like a rather convenient and resounding endorsement for current cut-throat austerity measures. First, corporations are people, then money is free speech; now an organisation of states designed to thwart national sovereignty on behalf of ruling-class interests receives a prize for peace. On the other hand, if the EU is a person then it should be prosecuted for imposing policies leading directly to the violent repression of peaceful protests, and to the misery and death of its suffering citizens."

In sum, the Nobel Peace Prize often has nothing to do with peace and too much to do with war. It frequently sees "peace" through the eyes of the western plutocracy. For that reason alone, we should not join in the applause.

Public or private ownership?

The treaties require that the EU must be neutral

EU leaders are under fire for pressuring troubled euro-zone governments to sell public water utilities as part of their bail-out deals. Criticism of the conditions set for Greece and Portugal by the troika call for shedding state-owned companies, including public utilities, as a condition for receiving bail-out loans.

The Public Services International Research Unit at the University of Greenwich says that the privatisation of water is a mistake, both politically and operationally, leading to higher prices and disgruntled customers. "In terms of operating efficiency, there is really no visible difference between public and private sectors," its document says. "There is no evidence at all to support the widely asserted view that the private sector is more efficient.

"There is actually very strong public resistance to the idea of water privatisation, and indeed even stronger resistance to the experience of it," the document says. Some city and regional governments have reversed course and resumed control over water services. Greece hopes to raise €3½ billion from the privatisation of energy and utility companies, while efforts to sell state and locally owned water services are gaining speed in Portugal and Spain.

A European Commission lawyer familiar with the bail-out provisions denied that the Commission was stepping beyond its authority but acknowledged that it was a cumbersome political issue, noting that at one point in 2010 the sale of a stake in the water companies of Thessaloníki and Athens was blocked when the Greek Socialist Party reversed the previous conservative government's privatisation deal.

In May 2011 a coalition of activist groups and public suppliers pressed the vice-president of the Commission, Olli Rehn, who oversees economic affairs, to back off the water privatisation as a condition for loans. A Portuguese MEP, João Ferreira, earlier this year urged members of the EU parliament to halt the trend in his country and others, claiming that "untamed privatisation will lead to a disaster."

In March, trade unions and environmentalists opposed to the sale of Spanish, Portuguese and Greek utilities organised an alternative to the World Water Forum in Marseille, claiming that the meeting was dominated by corporate interests.

At the previous water forum, in Istanbul in 2009, the police battled protesters opposing the private management of water utilities.

The Public Services International Research Unit noted that despite the promoted advantages of private operations, many end up tapping the public purse for financing and investment. The study shows that private companies received €496 million from the European Bank for Reconstruction and Development, which underwrites public improvement projects in central and eastern Europe. The report says €272 million came in the form of equity investment in private companies.

The report called on the European Commission, as a member of the international troika, to reconsider its policies towards indebted euro-zone countries. "The IMF can and does do and say what it likes," the author of the study said. "But there has been a long argument over the years with the EU about privatisation policies, and the EU has always been very clear that the Treaty allows it to promote liberalisation in various sectors; but the Treaty requires the EU itself to be neutral on public or private ownership."