PEOPLE’S NEWS

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Noonan contradicts claim that treaty change is needed

The German minister of finance, Wolfgang Schäuble, has said that a euro-zone banking union is “a priority” and needs to be established “quickly.”

“We need to do our best based on the existing [EU] treaties,” he said. “Ideally, banking union would need a uniform European restructuring mechanism. This requires changing the treaties.” If that happens it could mean that Ireland will be forced to hold another referendum.

But Michael Noonan dismissed such a prospect. “The legal advice from European authorities is that we can do all the things that we’ve laid out to do within the present treaty,” he said.

Ministers committed themselves to the idea of a banking union in June last year, with the first step a single supervisor for banks under the European Central Bank. Further elements would include a resolution agency, a fund for closing failed banks, and a deposit guarantee system.

Schäuble called for a two-step approach to a banking union. He stated that the treaty framework existed to provide for a single supervisor but not for the resolution aspect of the proposed banking union. “Yet while today’s EU treaties provide adequate foundation for the new supervisor and for a single resolution mechanism,” he wrote, “they do not suffice to anchor beyond doubt a new and strong central resolution authority.”

Laval with a vengeance!

The Supreme Court has declared all registered employment agreements unconstitutional. This decision will have a profound effect for thousands of workers employed in the construction industry and for the future employment of workers in an already beleaguered industry now associated with mass unemployment and emigration.

The judgement mirrors the outcome of a recent case before the European Court of Justice. The “Laval judgement” upheld the right of a Latvian electrical contracting firm to pay only the rates that would normally be paid in Latvia while working on a contract in Sweden, as there was no registered employment agreement in Sweden to prevent this from happening, while in Ireland a number of disputes mainly involving the Technical, Engineering and Electrical Union secured the terms of the Irish registered employment agreement for hundreds of workers from Serbia and Poland working in the electrical contracting and construction industries who otherwise would have undermined the ability of Irish contractors and Irish workers to secure the work.

It will no longer be possible to enforce minimum standards against foreign contractors now seeking to compete for Irish contracts and who can pay as little as €8.65 per hour without interference for all hours worked up to 48 hours per week. Up to now the registered employment agreements protected both the contractors and the workers in the construction and electrical contracting industry through a universally binding agreement on everyone working in those industries in Ireland, regardless of their country of origin.

EU taking control of seeds for the benefit of agribusiness

There can be no greater tyranny than control of our food; and seeds are the basis of food. In a far-reaching initiative, the European Union's unelected Commission is taking over control of all seeds.

This is being done in typically Orwellian manner. The document laying out their plans begins with the statement: "Seed and propagating material is a cornerstone input for agricultural production. Therefore, ensuring the availability of seed and propagating material of sufficient quality is crucial for the production of food and feed."

The new law proposed by the Commission would make it illegal to "grow, reproduce or trade" any vegetable seeds that have not been "tested, approved and accepted" by a new EU bureaucracy named the EU Plant Variety Agency. It's called the Plant Reproductive Material Law, and it attempts to put the EU in charge of virtually all plants and seeds. Under this law it would even be illegal for gardeners to grow their own plants from non-regulated seeds!

No seed can be sold or even given free to anyone anywhere in the EU unless it is registered on the EU Plant List as an "approved" variety. To be registered, each variety must be tested to see if it meets various criteria. These have been designed around modern hybrid varieties suitable for industrial agriculture, and in general only industrial hybrid seed will pass the tests. Consequently, it will not be possible to register any of the valuable old varieties now in use by millions of home gardeners and small farmers, which therefore will be outlawed.

It will be expensive to apply for listing and testing, and then an annual fee must be paid every year, for ever, to keep the variety on the list. If ever the annual fee is not paid, that vegetable variety is no longer legal.

There are two issues with this, firstly that the cost is high (certainly thousands of euros for each variety). It will be economical only to register varieties that will sell in large quantities to industrial farmers. The regulation says that "the varieties, in order to be made available on the market throughout the Union, shall be included in a national register or in the Union register via direct application procedure to the CPVO [Community Plant Variety Office]."

The competent authorities and the CPVO should charge fees for the processing of applications, the formal and technical examinations, including audits, variety denomination, and the maintenance of the varieties for each year for the duration of the registration.

So the vegetables suitable for small-scale home garden and market farmers will become illegal, and will eventually die out. Then, when we need these varieties in the future—when we have to grow food again without limitless oil and fertilisers—we will not have them, resulting in serious implications for the supply of food.

Secondly, this is privatisation and appropriation of our public-domain vegetable heritage. We, the people, already own these varieties: the old varieties grown by the majority of gardeners are the result of ten thousand years of selection and breeding by our ancestors, with parents passing on precious seeds to their children, generation after generation.

Their status is well known and accepted. For example, they cannot be patented by the seed companies, as they are in the public domain. So we should not have to suddenly pay an annual fee to the EU in order to carry on growing and eating them!

However, the EU has issued a statement saying that there will be a way to register "old varieties" cheaply. But this concession is a smokescreen to fend off public reaction to the law. The latest draft offers a one-off, limited period of relaxation when the new laws come into force: old varieties already commonly on sale can be listed more cheaply and more easily, though we will still have to pay an annual fee to keep the varieties registered.

But the EU press office has also issued a statement saying that this concession applies only to farmers. However, legal experts who challenged the last seed laws in the European Court of Justice point out that in every case, in the "executive summary" at the beginning of the law there have been vaguely reassuring promises that it will apply only to farmers, that there will be concessions for old seeds, and so on. But every time, as in the lofty aspirational introduction to the numerous treaties, the actual legal articles of the document itself, the bits that will become written into EU law, completely contradict this.

Ultimately, this move is the outcome of years of lobbying by Monsanto, Dupont and other seed corporations that have long admitted that their goal is the complete domination of all seeds and crops grown on the planet. By criminalising the private growing of vegetables, EU bureaucrats can finally hand over full control of the food supply to powerful corporations.

For the draft law, see this link. The substance of it begins at about article 25. But remember that the summary is not the law and does not accurately reflect what is in the law.

A blatant predatory grab

Three years from the start of negotiations for a reform of the EU's infamous common fisheries policy, the fisheries ministers of twenty-seven member-states agreed on 15 May at 6:15 a.m., after thirty-six hours of talks, to enter into a further round of negotiations later in the month with representatives of the EU Parliament in the hope of coming up with a new policy that will last for the next ten years.

The minister for agriculture, food and the marine, Simon Coveney, who chaired the marathon talks, spoke of the agreement as a "strong compromise mandate" that might help to bridge differences between the position of the Parliament and the Council, particularly on the issue of a ban on the dumping of fish for which a boat has no quota.

The Council proposal is that a ban on the dumping of pelagic fish (such as mackerel) would begin on 1 January 2015, instead of 2014, as was originally proposed. Strong pressure by powerful fishing countries, such as France, Spain, and Portugal, had forced this extension of the introductory period.

The People's Movement's submission to the review was in no doubt that "fisheries measures are best developed by those most familiar with the fisheries … [The] centralised approach of the CFP leads to general regulations being agreed at EU level … very detailed and complex regulation difficult for fishermen to follow and for enforcement agencies to ensure compliance. The body of regulations that emerge sometimes has more to do with a political project than with real fisheries management needs."

Is this what the ministers had in mind when they talked about the need for more "regional control" of fisheries? The 2002 reform of the

CFP saw the creation of regional advisory councils, which were supposedly based on the recognition of the need "to enable the Common Fisheries Policy to benefit from the knowledge and experience of the fishermen concerned and of other stakeholders and to take into account the diverse conditions throughout Community waters." The term "RAC" is used here to represent the intention of a regionalised system.

The People's Movement believes that a considerable strengthening of the underlying idea of the RAC, by shifting decision-making towards the relevant coastal member-states, should be a central objective in the period ahead.

A main point would be that only member-states with a direct economic interest in a fishery should be allowed to take part in the management of it. An RAC should, as far as possible, comprise the sea area (within exclusive economic zones) covering the ecosystem of the relevant fish stocks. Only those member-states taking part in fisheries in the relevant area should be entitled to participate in the RAC's decision-making.

Decision-making could be based on weighted votes, calculated according to each participant state's share of the economic interest in a specific fishery. This would mean that in case only one member-state has an economic interest in a fishing stock (the stock is not shared with anyone), that state would in fact decide the positions of the RAC in such a fishery. Another RAC, or a third state, might have an overlapping interest in a specific case; then the necessary co-operation between RACs or third states must be found.

At the broader level of international law it should not be forgotten that the international law of the sea was discussed by the United Nations back in the 1950s and 60s. Success came with international agreement on the concept of exclusive economic zones laid down in the United Nations Convention on the Law of the Sea (1982).

The establishment of the EEZ is a main response under international law so far to combat overfishing. Under the UN law of the sea the EEZ of coastal states extends to 200 nautical miles (370 km) from the baselines. Perhaps as much as 90 per cent of the fish stocks of the world are found in the EEZs. Accordingly, adequate measures in these waters have a considerable potential for conservation.

The agreement on the EEZ is based on the general assumption that a coastal state has a self-interest in sustaining fisheries off its coasts, and that this interest is stronger than any other state's interest.

It is the responsibility of the coastal state to manage the fish stocks of its EEZ. Accordingly, other states need the consent of the coastal state before their fishermen may legally fish in that state's EEZ. The historical and traditional fishing rights of other states were thus extinguished, unless recognised by the coastal state.

The common fisheries policy was formulated in 1970, at a time when the development of the EEZ was clearly seen. It is contended by the People's Movement that the principle of equal access was a means by which some EEC member-states sought to ensure continued access for their vessels to traditional (distant) fishing grounds, regardless of the development of the EEZ.

Equal access would be secured on a reciprocal basis vis-à-vis existing coastal member-states but in particular vis-à-vis acceding coastal states. If successful, this policy would contribute to the status quo and thus counteract the law of the sea development of the EEZ.

It was a blatant predatory grab dressed up in fine-sounding rhetoric about the "European ideal."

Have you heard that countries should "compete" on tax?

The *Financial Times* has published an important and fascinating story about the tax haven of Ireland.

This is, at heart, a story about how small financial centres become entirely "captured" by financial-services interests, with the deliberate removal of democratic checks and balances and *carte blanche* given to those interests to write laws in secret.

In the "Ratchet" chapter of his book *Treasure Islands,* Nicholas Shaxson compared Delaware's Big Bang of 1981 with another episode in the British tax haven of Jersey a decade later and discovered a remarkable similarity between the two: the captured financial state. And that is exactly what has happened in tax haven after tax haven.

Cyprus, it turns out, was exactly the same: see this link. And now the *Financial Times* is reporting precisely the same thing in Ireland, and also reports a meeting in November 2011 of senior civil servants with senior managers from the financial sector, while painful "austerity" is being imposed on the Irish people.

They met under the auspices of the "Clearing House," a secretive group of financial industry executives, accountants and public servants formed in 1987 to promote Dublin as a financial hub.

The participants thrashed out twenty-one separate tax and legal incentives sought by the financial industry at the meeting, which took place in room 308 in the Department of the Taoiseach.

"The lobbying was done in secret behind closed doors," says Nessa Childers, who obtained minutes of the meeting under the Freedom of Information Act last year. "The bankers and hedge fund industry got virtually everything they asked for while the public got hit with a number of austerity measures."

There you have it. The minutes of the meetings are provided by Childers at this link. This is what's happening all over the world. Anyone wanting to understand the offshore phenomenon needs to understand: this is what it is all about.

In whose interest?

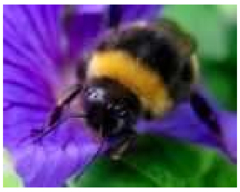
John Bruton, president of the Irish Financial Services Centre and former EU "ambassador" to the United States, has called for "a rein on regulation" in the financial services industry. He was supported by the deputy chairman of AIB, Dermot Somers, who claimed that too much regulation was causing companies to leave the IFSC, citing the departure of Goldman Sachs.

It will be recalled that the former Fine Gael attorney-general Peter Sutherland is chairman of Goldman Sachs International.

It's obviously not the workers they are concerned about but rather a small elite that comprises the Charterhouse Group and their bosses in the world's leading banks and financial services and ensuring the continuation of their massive profits, which might just be compromised by any increase in regulation or supervision.

In a week in which the outgoing banking regulator, Matthew Elderfield, called for more regulation, it's clear which side John Bruton is on!

EU to temporarily ban bee-killing pesticides



The European Commission will push ahead with its plan to place a two-year ban on pesticides that are thought to kill bees. The EU commissioner for health, Tonio Borg, pledged "to do my utmost to ensure that our bees, which are so vital to our ecosystem and contribute over €22 billion annually to European agriculture, are protected."

Restrictions will begin on 1 December, but with exceptions for crops that attract bees in greenhouses and in open-air fields only after flowering. The Commission will review the ban after two years.

The majority of European food crops depend on pollination by insects; but beekeepers have reported a large decline in the bee population over the past ten to fifteen years.

Western Europe is particularly affected, says the Commission, with losses of colonies spotted in France, Belgium, Switzerland, Germany, Britain, the Netherlands, Italy, and Spain. Most member-states agreed with the assessment by the European food safety authority regarding toxicity but were unable to reach the qualified majority needed in March for the Commission to introduce its ban.

France, Germany, Spain and twelve other countries voted Yes. Italy, Britain and six others voted No, while four countries, including Ireland, Finland, and Greece, abstained. Ireland voted against the ban on the first occasion.

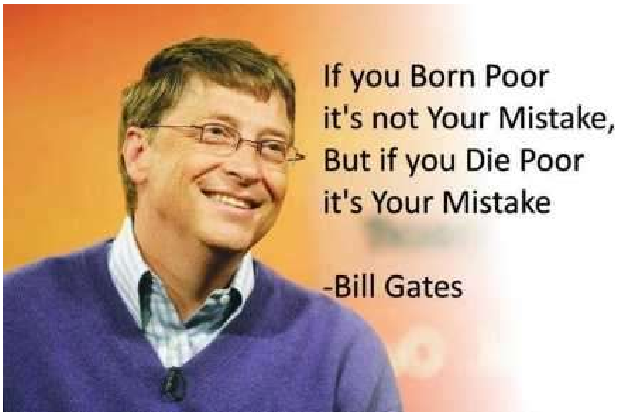
A second round of votes also failed to get a qualified majority; but the indecision among member-states for a second time means the Commission is now able to push ahead with the ban anyway—a power that is wide open to abuse in other circumstances.

According to Borg, "the decision now lies with the Commission. Since our proposal is based on a number of risks to bee health identified by the European food safety authority, the Commission will go ahead with its text in the coming weeks."

Bart Staes, a Belgian Green member of the EU Parliament who launched a campaign earlier in the year to protect the declining bee population, said: "In reality, the suspension proposed by the commission is only a first step. A complete ban of all neonicotinoids is clearly essential to prevent the collapse of our bee colonies, as only a full ban will stop the exposure of non-target insects to these persistent, systemic compounds that stay in the soil and find their way to nectar and pollen over many years."

The chemical giant Bayer, which produces two of the three pesticides—imidacloprid and clothianidin—said that the company believes the chemicals are safe for bees.

Billionaire bailed out by Irish taxpayers



What has happened in Ireland is nothing less than the destruction of a nation in order to reward billionaire bond-holders who invested recklessly, and then went crying to the European Central Bank when it didn't work out. In other words, it was their fault, and they should have lost their collective shirts when the banks failed.

This is the heart of the bail-out battle in Ireland and everywhere else: taxpayers v. bank bond-holders.

Now it has just been revealed that the world's second-richest man, Bill Gates, the founder of

Microsoft, was a major holder of Irish bank bonds before the financial collapse that resulted in the Irish taxpayer being put on the hook for the €80-plus billion bank bail-out.

The identity of wealthy bond-holders, bailed out in most cases by Irish citizens, has never been revealed fully. The billionaire owner of Chelsea Football Club, Roman Abramovich, emerged as a bond-holder in Irish Nationwide after his investment vehicle Millhouse was involved in a court case. Abramovich and his partners lost the case, but many other bond-holders were repaid in full, despite backing irresponsible banks.

French and German banks were the largest holders of Irish bank bonds. Pressure on Ireland from the ECB and the US Treasury not to "burn" senior bond-holders resulted in those French and German banks being repaid in full when the Irish banks failed.

Most recent regulatory submissions show that the Bill and Melinda Gates Foundation still owns nearly 99 million shares in Bank of Ireland, which would be worth about €20 million at today's prices. Gates was also a bond-holder in Anglo-Irish Bank, Irish Nationwide, Bank of Ireland, and Allied Irish Bank, according to new submissions that report investments by the Gates Foundation. This total included 7 million bonds in Anglo-Irish, valued at nearly €9 million.

The trust also listed a holding of 1 million Irish Nationwide bonds, worth €2.02 million. It also owned Bank of Ireland and Bank of Ireland (UK) bonds worth more than €7.7 million as well as more than €5.54 million in AIB bonds.

Trust Angela Merkel: she knows what she's doing, as "austerity" is destined to become "fiscal consolidation."

The president of the EU Commission, José Manuel Barroso, has defended Merkel in an increasingly tetchy debate on EU "austerity" in which the Commission and its allies are trying to change the mood music. It seems that, just as Windscale morphed into "Sellafield" and Long Kesh into "the Maze," it now seems that "austerity" is destined to become "fiscal consolidation." But the pain and poverty associated with the policy won't go away!

Barroso said that crisis-hit countries should stop blaming others for their woes. "What is happening in France and Portugal (and, of course Ireland) is not Merkel's or Germany's fault … The crisis and their problems are not a result of German policy or the fault of the EU. It is the result of excessive spending, lack of competitiveness and irresponsible trading in the financial markets." He claimed that Merkel is "one of the only, if not the only leader at the European level who best understands what is going on."

Barroso's praise of Merkel comes after the ruling Socialist Party in France attacked her last week in a leaked manifesto for her "selfish intransigence." It also comes after Barroso himself offended German sensibilities two weeks ago by saying that EU austerity had "reached its limits."

For his part, the French minister of finance, Pierre Moscovici, told French radio: "This is decisive. It's a turn in the history of the European project since the start of the euro … We have witnessed the ending of a certain form of financial austerity and the end of the austerity dogma."

The German minister of finance, Wolfgang Schäuble—normally more hawkish than Merkel—told the media that EU fiscal discipline rules should show "flexibility." But Merkel's minister of economic affairs, Philipp Rösler, took Barroso to task. He said that Germany is "a good example" for Europe, because it is "spending not more, but less. We have to … consolidate our budgets. We have to make savings. It's irresponsible when a president of the European Commission questions the policy of fiscal consolidation."

What taxpayer bail-outs?

Throughout Europe's debt crisis, northern European politicians have often said they will not stand for taxpayers having to fork out for other countries' problems, and the notion of "taxpayer-funded bail-outs' has taken root. A break-up of the euro zone, it was said, would have been a much costlier affair than any bail-out losses.

Yet despite three-and-a-half years of debt and banking turmoil, with bail-outs totalling more than €400 billion, northern euro-zone taxpayers have not lost a cent.

What's more, governments in Germany, Finland, Austria, the Netherlands and France have saved billions through a sharp fall in how much they pay to raise money in the financial markets, as their borrowing costs have dropped steeply. But that has not prevented the image taking root in voters' minds of hard-working northern Europeans putting money on the line to rescue profligate, work-shy southerners, thus fuelling resentment.

In the approach to the German elections next September that resentment is only likely to grow; and Angela Merkel, bidding for a third term in office, will have to reaffirm her commitment to protecting voters from potential losses.

But the truth remains that German taxpayers, as well as those in Finland, the Netherlands and elsewhere, are no worse off at all, and their finance ministries have in fact racked up savings.

"As an unintentional consequence of the crisis, Finland has benefited enormously," said the head of international and EU affairs at Finland's ministry of finance, Martti Salmi. "We have not lost a cent so far," he told Reuters. "The same as for Germany very much holds for Finland."

German officials are well aware of their stronger position, the result of a fall of more than two percentage points in borrowing costs, even as politicians continue to lament the risks being piled on German taxpayers.

When giving presentations in Germany, Klaus Regling, the German who heads the euro zone's permanent bail-out fund, often cites two studies that show that Germany has reaped substantial savings as an unintended consequence of the crisis. One study, by the German insurance giant Allianz, has calculated that the country saved €10.2 billion in 2010–12 because of lower borrowing costs as yields on its ten-year bonds fell from 3.39 per cent to their present 1.18 per cent.

The other study, by the Kiel Institute for the World Economy, suggests that the German national budget saved €8.6 billion in 2011, thanks to low ECB interest rates and the safe-haven effect of investors putting money into Germany. Those savings rose to €9.6 billion in 2012, and the safe-haven effect alone will be worth €2 billion in 2013, the Kiel Institute said.

Allianz, in a paper published last September, said: "If we add up the interest rate advantages gained in the period 2010 to 2012 and those that Germany will benefit from in the years to come, we arrive at cumulative interest relief for the German budget of an estimated €67 billion. [That is] enough to slash around three percentage points off Germany's Government debt ratio," which reaps further saving.

Finland, the Netherlands, Austria and France may not have gained as much as Germany but have also seen a substantial decline in borrowing costs during the crisis period. "Northern European countries are making a considerable profit out of these operations," said a senior official in Brussels, "and they are not even redistributing these direct and indirect benefits."

The heart of the misconception about taxpayers' losses is the fact that in public discourse the difference between lending and giving has ceased to exist. And with anti-bailout sentiment so strong in much of northern Europe, there has been no willingness on the part of politicians to correct that misconception. In Finland, for example, the anti-EU party True Finns draws support from the belief that Finns are spending money on southern Europeans.

The reality is quite different. While Finland may be providing lots of guarantees to the euro zone's bail-out funds, and has lent money to bailed-out countries, the Finnish ministry of finance has earned extra money from the crisis. Last year the Finnish Central Bank contributed €227 million to the Finnish budget as a result of profits made on the Greek, Spanish and Portuguese government bonds it holds—€40 million more than it made in 2011. This year the profit should rise to €360 million.

In order for any euro-zone country that has provided bail-out assistance to lose money, Greece, Ireland, Portugal, Spain or Cyprus would have to default on the loans they have received. But, rather than being close to default, Portugal and Ireland are claimed to be close to completing their bail-out programmes and so pose little risk, while the chance of default in Spain has always been minimal, and the process is closely managed in Cyprus.

Greece, which has received €166 billion in loans, poses the biggest risk. Apart from the initial bilateral loans to Greece in 2010, which totalled €52.9 billion, no euro-zone taxpayers' money was sent to Greece, or any other country. All the later bail-outs were financed by the markets through the euro-zone bail-out fund.

No wonder there's low unemployment in Germany!

With its record low unemployment (5½ per cent), Germany stands out among euro-zone countries, such as France and Spain, suffering from sky-high unemployment.

Part of Germany's success is due to a series of "reforms" pushed through by the Social-Democrat and Green government of the former chancellor Gerhard Schröder ten years ago, overhauling the labour market and welfare system. He made it easier for companies to hire and fire, lowered taxes, and limited social benefits.

The Schröder model is now viewed as essential for crisis-plagued EU countries such as Ireland, and explains in part the relentless attack on wages and conditions at the behest of the Troika. But the reverse side of Germany's high employment rate is low-paid and unstable jobs.

A debate in the Bundestag revealed the widening income gap and social inequality, as Social Democrats and Greens tried, unsuccessfully, to introduce a minimum wage. The leader of the Social Democratic Party, Peer Steinbrück, who is challenging Angela Merkel for the chancellorship in next September's elections, said the minimum wage is needed for a "socially just economy."

Merkel's minister of labour and social affairs , Ursula von der Leyen, noted that there is a "widening income gap," but she put the blame on the old "red-green" government. She said that no across-the-board minimum wage is needed, because the most vulnerable industries—such as construction and health care—already have "minimum wage thresholds."

But according to government statistics published by the *Süddeutsche Zeitung,* hundreds of companies do not respect these thresholds. Some firms have been fined; but with too few inspectors, the risk of being caught is small enough to encourage evasion.

Enzo Weber, a professor of macro-economics and labour market at the University of Regensburg, says that even if Germany introduced a minimum wage it would not solve the problem of social injustice. "The reason why problems are big in the low-income area," he said, "is because there are too many low-qualified workers for too few adequate jobs."

He said German labour market policies still concentrate on unemployment *per se*—getting people into any kind of job, whether it is temporary or low-paid, or getting them into self-employment. "That's where there are a lot of jobs available, but not that many to take them, because it requires extra training. And that's where we should focus the labour market policies on."

He said the German model might not be so easy to export to Italy or Spain, because the crisis has created special conditions. "Germany was lucky with the timing, the reforms were introduced when the economy was not as bad as it is now for the crisis countries, with recession and massive unemployment. It may be easy for us Germans to say, 'Let them do it, we've done it as well.' But we were not in a crisis, as they are.

"The model also has disadvantages: it has drifted more in the direction of precarious employment"—which is exactly where the new Irish model is heading.

Iceland's EU membership in doubt

Victory by euro-critical parties in Iceland's elections has put a question mark over its EU membership process. The outgoing Social Democrat government opened negotiations for membership in 2009; but some 16 of the 33 chapters of the EU's *acquis communautaire* are said to remain open for negotiation. Discussions on fisheries policy, the largest industry in Iceland, and on the common agricultural policy have proved thorny.

Meanwhile public support for membership of the EU has declined, with recent opinion polls suggesting that only a quarter of Icelanders support it.

The election also resulted in the return to government of the parties that presided over the near-collapse of the Icelandic economy in 2008. It could even happen here!

The Social Democrats came to power in 2009 and borrowed $2 billion from the International Monetary Fund to avoid defaulting on the country's debts. Since then it has seen a sustained recovery, with economic growth averaging 2½ per cent and with unemployment below 5 per cent. But Icelanders were frustrated after years of austerity, imposed by the Social Democrat coalition under the IMF package.

The leader of the Independence Party, Bjarni Benediktsson, tipped to be the new prime minister, commented on the election result: "We've seen what cut-backs have done for our health system and social benefits … now it's time to make new investments, create jobs, and start growth."

Lobbyists' influence continues

Transparency campaigners say that a recent report by the European Anti-Fraud Office, OLAF, underlines the need to end one lobbyist's membership of the European Commission's *ad hoc* ethical committee.

In a letter they urged the president of the Commission, José Manuel Barroso, to terminate Michel Petite's membership of the committee. Petite is a former head of the Commission's legal service who went on to work for Clifford Chance, a lobbying firm whose clients are believed to include the American tobacco giant Philip Morris.

It is claimed that a recent report by the anti-fraud agency on the case of the former commissioner for health and consumer policy John Dalli provides "further evidence on Petite's work" for the tobacco industry. In the letter the three groups say that the OLAF report shows that Petite had a "central role" in the events that led to Dalli's resignation last October.

Petite is said to have "assisted" the tobacco company Swedish Match in submitting the complaint that triggered the OLAF investigation into the Dalli case. The groups say he "used his access" to the Commission's Irish secretary-general, Catherine Day. They also claim that Petite "held meetings" with his former colleagues in the legal service to advise on the EU's tobacco products directive "whilst having [the] tobacco company Philip Morris international as a client."

A spokesperson for the groups said: "Petite's work for Swedish Match and Philip Morris creates serious conflicts of interest that make his membership of the *ad hoc* ethical committee politically untenable." The groups also point out that, because of his work for the tobacco industry, Petite's membership of the committee violates the WHO Framework Convention on Tobacco Control.

In March the EU ombudsman launched an investigation into Petite's reappointment as EU ethics adviser, following a complaint by the three groups. The ombudsman is investigating whether Petite's reappointment breaches the requirement for members of the *ad hoc* ethical committee to be independent and to have an "impeccable record of professional behaviour."

Petite is merely one of twenty thousand lobbyists based in Brussels who are regularly involved in the drafting of regulations and directives, largely in the interests of those whom they represent.

Shorts

Austria's euro-critical party Team Stronach, founded by the Austrian-Canadian billionaire Frank Stronach, won 8½ per cent of votes in the regional elections in Salzburg last week. The Social Democratics, the party of the chancellor, Werner Faymann, suffered record losses.

Support for the euro has dropped to a record low point of 9 per cent in Sweden, according to SOM-Survey. The Swedes have long been critical of moving the EU towards a kind of United States of Europe, and now only 11 per cent say they think it is a good idea.

The president of the European Central Bank, Mario Draghi, handed out signed copies of the new €5 note to a group of "euro children," who have grown up knowing only the euro. "The children who are here today … belong to the 'euro generation'," Draghi said. He unveiled the new note in Bratislava, the capital city of Slovakia. The "second-generation" note has new security features designed to help stamp out counterfeiting.

In Britain the Conservative Party has published its draft EU Referendum Bill, which would commit the government to asking voters if they think that Britain ought to remain a member of the EU by the end of 2017. The draft bill will be offered to Tory MPs to take up as a private member's bill, meaning that it is unlikely to be passed. Following its publication the prime minister, David Cameron, ruled out any further concessions to his backbenchers, with a senior party source quoted as saying that "this is our red line: we're not going to give them any more ground."

Theódoros Katsanévas (a son-in-law of the former Greek prime minister Andréas Papandréou) has founded the "Five-Star Greek Democratic Movement," modelled on the Italian comedian Beppe Grillo's party. The party calls for Greece to scrap its bail-out deal with the EU and the IMF and return to its national currency. In its manifesto are "ripping up the Memorandum signed with Europe, a return to the drachma, social justice, national dignity, and creating an alliance of Southern European countries."

The president of the EU Commission, José Manuel Barroso, has said that a federal Europe will soon become "reality" for countries inside and outside the euro zone. Barroso insisted that the fiscal union will lead to an "intensified political union" for all twenty-seven member-states. "This is about the economic and monetary union but for the EU as a whole. The Commission will, therefore, set out its views and explicit ideas for treaty change in order for them to be debated before the European elections."

Meanwhile a former German minister of finance, Oskar Lafontaine, has argued that euro-zone states should reintroduce national currencies, alongside the euro.

The chief executive of Santander, Spain's (and the euro zone's) biggest bank, Alfredo Sáenz, has resigned following mounting pressure over his criminal conviction in 2009 and three-month suspended prison sentence. Sáenz had made false allegations against four businessmen who ended up in prison but were later proved innocent. Sáenz will receive an €88 million pension.

New print by Robert Ballagh

A new print, in a limited edition of twenty-five, by the artist Robert Ballagh is available from the People's Movement. The print depicts one star in the EU flag: a fractured EU member-state—Ireland!

The print, which is 37 × 30 cm, costs €125 unframed and €150 framed. All proceeds go to supporting our work. Phone 087 2308330 for your copy.