PEOPLE'S NEWS

News Digest of the People's Movement

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Strong public resistance to paying more for survival of euro

At the launch of a REDC opinion poll, the People's Movement warned that Irish people were unwilling to make further sacrifices to ensure the future of the euro, and that they were unaware of forthcoming fundamental changes to the voting system in the EU Council of Ministers. The opinion poll was commissioned by the EU Democrats, a pan-EU political organisation, for the People's Movement in Ireland.

The findings show a lack of public awareness of forthcoming fundamental changes to decision-making at the EU level and also a strong resistance to any further costs to taxpayers to help bail out the EU currency.

It is notable that, despite two referendum campaigns, 69 per cent of Irish people were still unaware of the most significant political change introduced by the Lisbon Treaty, namely that voting in the all-powerful Council of Ministers will move to a population-based system, giving a huge increase in voting power to the big states at the expense of smaller states, such as Ireland. In 2014 Ireland's vote will be more than halved, to less than 1 per cent, while Germany's vote will be doubled, to 16 per cent.

These findings come as no surprise to members of the People's Movement, because we have argued consistently that there was a deliberate policy by the Government and the political establishment to keep people in the dark about this fundamental change to the EU law-making process.

From November, under the new population-based system the six largest EU states will increase their share of Council votes from 49 per cent to over 70 per cent, while the combined voting share of the twenty-two smallest states will fall from 51 per cent to less than 30 per cent.

When Ireland joined what was then the EEC in 1973, Germany, France and Britain had 10 votes each in making European laws, and Ireland had 3—a third of the bigger states. Up to November the big states have 29 votes each and Ireland has 7—a quarter of the large states. After November, Germany's voting weight will be twenty times that of Ireland, for it has 80 million people, while the Republic has 4½ million.

France, Britain and Italy, with their average populations of 60 million, will each have fifteen times the voting weight of Ireland. Under the Lisbon rules Germany and France, with a third of the EU's population between them, need only two small countries to vote with them to block any EU law that they do not like.

Under the new voting system it will be much easier for the EU Commission and the bigger states to continue to discipline countries and to impose sanctions, up to and including limitless fines, if they fail to get their budget deficit down to the target of 3 per cent of GDP on schedule.

Those in any doubt should take a look at articles 104 and 122 of the Lisbon Treaty, whereby a special majority of two-thirds of the weighted votes of euro-zone countries can impose an enforcement procedure and sanctions on countries that are running excessive budget deficits. From 1 November, nine of the eighteen states (excluding the state that is in deficit) could impose sanctions on a country running what is considered an excessive deficit, as long as they have 65 per cent of the euro-zone population between them. Germany and France have nearly half the population of the euro zone between them.

Over time, people will increasingly come to recognise this fundamental change as a significant power grab by the big states for the control of the EU.

The finding that 72 per cent of the Irish people would be resistant to any cuts in pay, social welfare or pensions to ensure the survival of the euro should provide a strong warning about any further plans by the Government for continued austerity measures. It is significant that despite Irish people's attachment to the euro, a large majority will resist any further pain to ensure its survival. Clearly, people's generosity will only stretch so far.

The Irish taxpayer has already paid a high price for the euro's survival. It is now a well-known fact that in order to protect the euro project the European Union and European Central Bank put pressure on the Government to provided the infamous 2008 blanket guarantee for all loans by Irish banks, thus ensuring that those debts were transferred to the backs of the taxpayer.

While public opinion appears to be polarised regarding how concerned people believe the ECB is with Irish interests, the findings generally show that a slight majority—52 per cent—have little or no confidence in the ECB's ability to take account of Irish interests. This is a significant finding, in that the main EU institution controlling the economies of all euro-zone countries, including Ireland, attracts little public confidence from Irish people.

Furthermore, it illustrates yet again the serious democratic deficit at the heart of the EU structure: because even if 100 per cent of the people distrusted the ECB it would be irrelevant, as there is no mechanism for holding this vital decision-making institution to account.

Falling out of favour!

A Gallup survey published last week shows that affection for the EU in Ireland has slumped. 70 per cent approved of the EU in 2008, but only 47 per cent did so in 2013—a drop of 23 percentage points.

Although it suffered double-digit losses in support in countries such as Cyprus, Ireland, and Spain, low approval of the EU's leadership was not limited to bail-out countries, with fewer than one in three approving of the EU's leadership in Britain, the Czech Republic, and Sweden.

Younger people, who gave an approval rating of 86 per cent in 2008, now grant 68 per cent—a drop of 18 points—though this is up on last year. In 2013 unemployment among 25 to 29-year-olds reached new records of 16 per cent in Ireland, 20 per cent in Italy, 22 per cent in Portugal, 34 per cent in Spain, and 41 per cent in Greece, according to data from Eurostat. The situation is even worse for the 15–24 age group.

Economic insecurity has weakened support for EU leadership among the people of many European countries since 2008. Disapproval is clearest in the bail-out countries, where the EU has imposed austerity policies, compounding the economic hardship that people were already experiencing from the financial and economic crisis.

But the problem is not merely economic. People's sense of disconnection from EU power is clear from the dwindling turn-out in EU elections, a continuous trend since the first direct vote to elect members of the European Parliament in 1979.

Welcome to NATO!

Introduction to the conclusions of the European Council, 19–20 December 2013:

EUROPEAN COUNCIL Brussels, 20 December 2013
EUCO 217/13. CO. EUR 15 CONCL 8
COVER NOTE
from : General Secretariat of the Council
to : Delegations
Subject : **EUROPEAN COUNCIL CONCLUSIONS**

For the first time since the entry into force of the Lisbon Treaty, the European Council held a thematic debate on defence. It identified priority actions for stronger cooperation. This debate was preceded by a meeting with the NATO Secretary-General. He presented his assessment of current and future security challenges and welcomed the ongoing efforts and commitments by the EU and its Member States as being compatible with, and beneficial to NATO.

1. … Defence budgets in Europe are constrained, limiting the ability to develop, deploy and sustain military capabilities. Fragmented European defence markets jeopardise the sustainability and competitiveness of Europe's defence and security industry …

3. The EU and its Member States must exercise greater responsibilities in response to those challenges if they want to contribute to maintaining peace and security through CSDP together with key partners such as the United Nations and NATO. The Common Security and Defence Policy (CSDP) will continue to develop in full complementarity with NATO in the agreed framework of the strategic partnership between the EU and NATO.

Ajai's lessons

In a survey article published by the International Monetary Fund, its Irish "bail-out" representative, Ajai Chopra, wrote that "my involvement with Ireland over the past few years has been the capstone of a three-decade career at the IMF," an experience from which he says he has learnt a number of lessons, the most important of which are:

1. When faced with a systemic banking crisis, governments need to deal with the situation quickly, including resolving banks—in other words, closing them down if necessary.

2. It is unfair to impose the burden of supporting banks on taxpayers when senior bondholders are paid out.

Will Irish soldiers support French ambitions in Africa?

EU officials have proposed that it should move quickly to send troops to the Central African Republic. The proposal for an EU force of at least battalion strength—roughly 700 to 1,000 soldiers—will please France, which has urged its allies to do more to bolster the 1,600 soldiers it sent to its former colony last month. But it is too early to say how much support there is among EU member-governments for sending a military mission that might put EU soldiers' lives at risks.

The different options for a possible EU military mission were contained in a paper circulated by the EU's high representative for foreign affairs and security policy, Catherine Ashton, acting on a request by EU leaders (obviously involving Enda Kenny) emanating from last month's summit meeting.

The Department of Defence said that any decision to send Irish soldiers to the Central African Republic would be "made by Government ultimately. If and when the EU makes a decision then the Department of Foreign Affairs and the Department of Defence would be approached." It reiterated that it was too early to make any sort of speculation about whether Ireland would be involved in the proposed mission.

French soldiers are intervening alone in Africa for the second time in a year, after ousting rebels in Mali. But an opinion poll last week showed that French public support for military intervention was rapidly waning.

France already had troops in the Central African Republic. It admitted to at least 650 being there for a considerable time. It claims they are there to protect France's interests as well as French citizens.

The Central African Republic is a former French colony, where the Forces Armées Centr-africaines—the army trained and equipped by the French—has been implicated in numerous atrocities. They are under the control of France's protégé, President François Bozizé, who carried the mad "Emperor" Bokassa's bag and cane before being promoted to general and then organising a coup when Bokassa's madness made him an unreliable ally for France.

But France does not possess the capability of normalising the situation in the country; it is merely pursuing its own national interests. It is also competing with the United States, which has intervened extensively over recent years in numerous African countries. The US army now has an "Africa Command," which has thousands of troops involved in operations all over the continent and off the coast of both east and west Africa.

The overall French goal is to take African resources and funnel them towards French corporations; and the Central African Republic is a base from which they can gain access to resources all over Africa. They use the country to keep the oil flowing to French companies in Chad and the resources flowing from Congo. The Central African Republic itself has valuable resources, including uranium, which the French badly need because they are so dependent on nuclear power. It also has such strategic resources as gold and diamonds, which are essential to the international economic system.

So France doesn't want to be left out of this new scramble for Africa. It is all part of the continuing rivalry between France and the United States for control of post-colonial Africa, where China is now also playing an increasing role.

A cunning plan!

The Belgian newspaper *De Standaard* has reported that Belgium narrowly managed to convince the EU Commission last May not to impose a fine of €750 million on the country for breaching EU deficit targets. The Belgian government reportedly warned the Commission that imposing a fine could make Belgian politicians more Eurosceptic.

Now there's a plan!

Viviane Reding's vision

A campaign for the European Union to become a "United States of Europe" will be the "best weapon against the Eurocritics," the vice-president of the European Commission, Viviane Reding, has said.

The longest-serving EU commissioner has called for "a true political union" to be put on the agenda for EU elections this spring. "We need to build a United States of Europe, with the Commission as government and two chambers: the European Parliament and a 'Senate' of Member States."

Reding's vision, which is shared by many in the EU institutions, would transform the EU into a state, relegating national governments and parliaments to a minor political role comparable to that played by city and county councils.

Under her plan the Commission would have supremacy over governments, and members of the EU Parliament would supersede the sovereignty of members of European parliaments, including Dáil Éireann. National leaders, meeting as the European Council, would be reduced to a consultative second-chamber role, similar to that of the Seanad.

Concern is mounting at the highest levels in Brussels, because hostility to the EU has reached unprecedented levels throughout the Continent, and EU-critical parties of various hues are leading the opinion polls in France, the Netherlands, and Greece.

Senior EU figures, such as Reding, want the EU elections in May to move beyond debates over euro-zone austerity by embracing a grand federalist vision of Europe. "This debate is moving into the decisive phase now," she said. "In a little more than four months' time, citizens across Europe will be able to choose the Europe they want to live in." But it would be hard for even the most hardened Europhile to swallow that line, given that the "parliament" to which members will be elected does not possess the simple power of initiating legislation.

"There is a lot at stake," Reding continued. "The outcome of these elections will shape Europe for years to come. In the run up to the springtime pan-European vote, the EU is gearing up to mount an unprecedented campaign for the hearts and minds of voters."

So now we can expect to have the looming Great War commemorations combined with rhetoric about how the EU has saved the continent from conflict since the Second World War—about which more anon!

Latvians less than pleased

On 1 January 2014 Latvia became the eighteenth country to adopt the euro. The prime minister, Valdis Dombrovskis, trumpeted that "joining the currency is a big opportunity for Latvia's economic development," while at the same time opinion polls were finding that only 20 per cent of Latvians supported the move, with 60 per cent opposed. Most also believe that the euro will lead to higher prices, according to a study by the European Commission.

The Latvian people have suffered severe austerity. The economy shrank by 22 per cent, and there was and is great hardship. Dombrovskis was shown on RTE outlining the master plan of the Latvian elite: join the EU, join NATO, and finally adopt the euro as the capstone of their commitment to the EU federal project.

Meeting the criteria for adopting the euro caused a major portion of the hardship, as the European Central Bank—egged on by Germany—refused to condone devaluation of the national currency, which would have seen the cost spread over all sections of society. Instead the government engaged in a process of "internal devaluation"—a process we are very familiar with—through which the vulnerable and needy shoulder a disproportionate part of the burden, and workers suffer reductions in income and a general diminution in conditions, accompanied by increased levels of unemployment.

Like Ireland, Latvia has experienced the catastrophic emigration of its young population; but in Latvia's case this has given rise to a demographic crisis, as the birth rate has also fallen dramatically.

Now—without asking the people—the country's elite has surrendered one of the most important policy instruments possessed by any government, that of setting exchange rates. They are now at the mercy of the ECB, which will hardly give priority to little Latvia any more than it does to Ireland.

Meanwhile the president of the ECB, Mario Draghi, has said that it is "premature" to declare the euro crisis over, with the bank keeping its main interest rates unchanged. The warning came only one day after the president of the EU Commission, José Manuel Barroso, said the euro zone would put the crisis behind it in 2014.

Merkel's party allies call for reduced EU powers

The Christian Social Union, the Bavarian sister-party of Angela Merkel's Christian Democratic Union, plans to call for fewer EU commissioners and less new EU legislation in this year's elections for the EU Parliament. "We need a withdrawal treatment for commissioners intoxicated by regulation," the party's election strategy paper says.

CSU
näher am Menschen.

The draft text calls for a new "competences court" to be established to rule on disputes between member-states and the Commission. Germany's own constitutional court has become a feared body in the EU decision-making process after granting the German parliament new powers on EU bail-outs and euro-zone economic governance.

The paper also strongly reiterates the party's support for referendums to be held on EU issues in Germany, and for shrinking the EU Commission.

Martin Schulz, president of the EU Parliament and the centre-left's candidate to replace José Manuel Barroso as president of the Commission, responded by saying that rather than repatriating powers from Brussels he would be open to discussing "a re-delegation of duties" within the EU.

Later, at the annual meeting of the Free Democratic Party, its new leader, Christian Lindner, called for the Commission to be reduced by a third, saying, "Where Europe has no competences, there is no need for a Commissioner."

Guns—not bread!

New allegations of corruption have been levelled at leading German arms manufacturers, which paid millions in bribes to induce Greece to purchase German weaponry worth several billion euros.

A report on the German Foreign Policy web site reveals that these deals helped inflate the country's debts and were therefore partly responsible for exacerbating the crisis. German companies were the "main beneficiaries" of Greece joining the euro zone, because they subsequently profited from highly lucrative Greek government contracts. These contracts helped plunge Greece into crisis while at the same time helping the German arms industry to a predominant position in Europe.

According to a former employee of the Greek ministry of defence and several representatives of the arms industry who have been questioned by the magistrate's office in Athens, companies such as Krauss-Maffei Wegmann, Rheinmetall and Atlas paid large bribes to sell arms to the Greek armed forces. The former secretary-general for procurements at the Greek ministry of defence, Antónis Kántas, has admitted having accepted approximately €8 million in bribes, €3.2 million of this coming from Germany.

According to reports, a large portion had been invested in a deal for 170 Leopard 2 battle tanks, concluded in 2003, for which Greece had paid €1.7 billion over the past few years—despite the crisis. The deals also included the modernisation of submarines, the sale of the Asrad anti-aircraft system, and the delivery of PzH 2000 self-propelled howitzers. Rheinmetall and Krauss-Maffei Wegmann are denying that they paid bribes.

This was not the first time German arms deals with Greece ended up in court. In the autumn of 2013 the former Greek minister of defence Ákis Tsochatzópoulos was sentenced to twenty years' imprisonment, having accepted bribes of €55 million to purchase Russian-made anti-aircraft missiles and German-made submarines, developed by the HDW shipbuilding company in Kiel. The bribes had been transmitted by an associate company, Ferrostaal, in Essen. This deal, valued at about €2.85 billion, was concluded in 2000.

Shortly after the economic crisis in Greece broke, critics were already pointing out that the multi-billion German arms deals were playing a major role in Greece's position as the world's fifth-largest arms procurer for the period 2005–09.

German arms manufacturers were not the only ones to land lucrative deals through bribes in Athens. Since the late 1990s Siemens has been receiving lucrative contracts from Greece. It digitalised the telephone network, provided communications systems for the armed forces, and participated in establishing an electronic surveillance system for the 2004 Olympic Games in Athens. This system had been planned as a test run for new "anti-terror" technology. Even though it was not operative on time, it provided the corporation with substantial profits. To land that contract Siemens paid bribes rumoured to be in the region of €15 million per year.

The former Siemens manager in Greece avoided legal proceedings by fleeing to Munich, where he received a suspended sentence in one trial and was fined €350,000. A second German court found him guilty in 2009 but refused to extradite him to Greece, on the grounds that the charges pending against him in Greece would have surpassed the German statute of limitations. Two other Siemens managers have been fined €45,000 and €250,000, respectively, by German courts but cannot be tried again in Greece, where they risk a much harsher sentence because of the double-jeopardy rule.

In Greece a parliamentary committee of inquiry has calculated the damages inflicted solely by the Siemens Corporation at more than €2 billion. In early 2012 Siemens reached an agreement with the Greek government whereby it would waive the compensation for €80 million in outstanding Greek financial obligations, donate €90 million for educational and anti-corruption schemes, and expand its activities in Greece by about €100 million. In Greece this has been widely criticised as totally insufficient.

In June 2013 the German railway company Deutsche Bahn admitted that its subsidiary DB International siphoned off funds to obtain contracts to build the metro in Athens. Earlier the US Securities and Exchange Commission accused Daimler of having landed its Greek business deals with bribes.

German exports to Greece, worth about €5 billion in 2002, had soared by 60 per cent by 2008 to reach €8 billion. Even though the German government's decision to vote in favour of Greece joining the euro zone in 2000 has been repeatedly criticised, it has proved beneficial for German industry. According to reports, the government had received indications from Brussels that the Greek trade balance was already showing a "very large deficit," which could create enormous problems in a common currency. This assessment was considered insignificant by Gerhard Schröder's government.

German industry has succeeded in consolidating its predominance in Europe with its excessive exports, not only to Greece but more widely. However, the bribes paid in Athens undoubtedly helped open doors for this export explosion.

How the "security" industry shapes EU legislation

EOS is an organisation in Brussels that represents the business interests of some of Europe's largest and most powerful security and arms companies. BAE Systems, EADS, Finmeccanica, G4S, Thales and thirty-eight other companies are listed as members. Collectively they employ some 2 million people and control 65 per cent of the European security-systems market, which they want to increase by exerting pressure on EU legislators.

They have already succeeded in influencing EU legislative and policy initiatives. In 2008 EOS approached the Commission's Directorate-General for Enterprise about setting up an EU industrial security policy. Four years later it became a reality, piloting a so-called end-to-end approach to ensure that research leads to market development. The approach is now in the process of being adopted within the Commission's directorate-generals, EOS says.

It also refined the EU's comprehensive approach to maritime surveillance in 2009, first proposed in 2005, which is now part of the EU external border surveillance system, Eurosur.

EOS also has a say in the multi-billion Internal Security Fund now under discussion among member-states, which is designed to help implement EU policies on internal security and external borders. It has a leading role in the Archimedes project on "innovative security management" and recently began jointly funded projects on cyber-security. This summer it organised a private meeting with representatives of the Commission, the Parliament and industry to investigate security opportunities in the EU's €80 billion Horizon 2020 research scheme, administered by Máire Geoghegan-Quinn.

Monique Pariat of the EU's Directorate-General for Maritime Affairs chaired a workshop in Göteborg last May on co-operation between civilian and military entities in maritime surveillance. Speakers included the director of

Ireland's Coastguard, a French vice-admiral, the acting executive director of the European Maritime Safety Agency, and the vice-chairman of EOS, Lars Jernbacker, who is also vice-president of the Swedish arms manufacturer Saab.

In a new initiative EOS is now pushing the Commission to allow access by private security companies to maritime surveillance data gathered under the EU's Common Information-Sharing Environment. EU and national authorities are responsible for different aspects of surveillance when it comes to border control, safety and security, fisheries control, customs, environment, and defence.

Some eighty different security-related national authorities within the EU work in the maritime sector. Each gathers its own data but does not necessarily share it. CISE wants to consolidate the collected data in a single platform, with restricted access to public authorities.

Meanwhile EOS sees a new business model emerging from the CISE project: it wants the EU to create a data-exchange system on maritime surveillance and to give private firms access to the information so that they can buy and sell it to generate profits. EOS documents refer to it as the "internet of the sea."

Creating new markets is of high importance, because European industry is facing stiff competition from the United States and China. Globally the "security" industry is in full expansion, having grown nearly tenfold in the past decade, from a market size of about €10 billion to €100 billion in 2011. But the Commission predicts that the share of EU companies in this industry could drop from about a quarter of the world market in 2010 to a fifth in 2020 if no action is taken to enhance the competitiveness of European firms.

The EU's high representative for foreign affairs and security policy, Catherine Ashton, and the commissioner for maritime affairs and fisheries, María Damanáki, are working on a joint document that spells out the options on how to create security for the global maritime domain. They note that the EU needs to be a reliable security provider and that "continuous efforts need to be invested in building capacity." In some cases such investments are already channelled directly and indirectly to industry through EU agencies or through member-states, using the EU Border Fund. The fund offers, for example, to finance up to three-quarters of the national co-ordination points set up under Eurosur.

What better illustration could one have of the seamlessness that exists between industry and the executive in Corporate Europe!

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