

Stopping the Swiss-EU Negotiations and Voting Down the CO₂ Tax Law

by Reinhard Greter

This is the edited transcript of Swiss entrepreneur Reinhard Greter's presentation to a June 16, 2021 online seminar on the reasons for the failure of the EU-Switzerland Framework Agreement and the CO₂ law. The seminar was sponsored by the Bürgerrechtsbewegung Solidarität (BüSo), the Civil Rights Movement Solidarity, a German political party founded by Helga Zepp-LaRouche. Subheads have been added.

EU and Swiss Government Systems Differ

The government systems of the EU and Switzerland could not be more different. Below is a list of the divergences.

The EU has a top-down system of government. That means, parliament and government decide, and citizens have to act on it, no matter what the topic. The EU citizens can vote once every four years and based on the results of the individual countries, parliamentary groups are put together in the EU Parliament. This means that individuals are not elected as members of parliament, but those who are elected to the EU Parliament are sent depending on the party strength of the individual country.

Switzerland has a system that is organized from the bottom up. That means that the highest authority in the state are the citizens. The parliament, both the National Council (representatives, large chamber) and the Council of States (two representatives per canton, small chamber) are also elected every four years. In Switzerland, we maintain a concordance system, which means that the four parties with the most voters make up the Federal Council, which is then elected by parliament. This constitutes itself, that is, the departments are determined and distributed coopera-

tively and the Federal President, who heads the body, is newly appointed every year.

Direct democracy allows the following in our system:

- No long-term power for individual members of the government.
- If the federal state and parliament decide something that some of the citizens do not like, a “referendum” can be called, which requires a collection of 50,000 valid signatures. This can block a deal in that there is a referendum on it. This deprives the Federal Council of the power to make decisions without public consent.



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On June 13, Swiss voters pried the cover of lies off the Green New Deal, and voted it down.

- If some of the citizens want to bring a concern to the people, there is the “right of initiative,” which requires a collection of 100,000 valid signatures. This means that the issue can be brought before the people in a vote.

- In addition to the right to vote, we can also vote on technical issues—for example, on tax increases or reductions, or additions or deletions to the constitution, or on the enactment or deletion of laws, etc.

- We usually have four voting days per year.

- Our constitution can only be amended by means of a referendum. This also requires a “cantonal majority” where small cantons carry equal weight to big ones.

How did this system affect the Framework Agreement?

Some History of the Framework Agreement

A brief historical summary: In 1992 the Swiss people decided against joining the European Economic Area (EEA). This fact led to bilateral agreements being negotiated on an equal footing in order to regulate a regular relationship in mutual coexistence.

In the meantime, the EU emerged from the EEA. The question of direct EU participation became once again the center of attention. EU membership would totally undermine our direct democracy, and this fact divided the citizenry.

The government then sent a membership application to Brussels, but this was never put into effect. Membership in the EU would not have stood a chance in a referendum.

Then came the idea of the Framework Agreement, an action by the then President [of the European Commission], José Manuel Barroso, and with that began the misery. Above all, Left and Green circles and also the federal administration, as well as a majority in the Federal Council, were in favor of such an agreement.

Negotiations began, and the problem was that the Swiss negotiator was an EU supporter. He then responded to the EU's demands too quickly and too naively. Most of the treaty was to the advantage of the EU. It was then negotiated and negotiated ... and for a long time it was agreed not to disclose the content. Years later, this treaty was revealed, and three issues emerged that the people would never have agreed to. These official topics were:

- Wage protection was mainly demanded by the trade unions, their fear being that citizens who immigrate from the EU would lower our wage level.
- The Union Citizens Directive, an intrusion into our social system, was fought above all by right-wing circles. Every EU citizen would have the right to receive the same social benefits even though he never paid for them.
- The free movement of people, also opposed by right-wing circles, their fear being that citizens who immigrate from the EU would undermine our social system.

These three points were discussed and negotiated from bottom to top and vice versa until no one understood what it was all about. In my opinion, these reasons were all a pretext; what it really was about was never clearly stated. The following is a selection:

- We recognize financial equalization among the cantons, that is to say; financially strong cantons support financially weak cantons. These amounts do not have to be repaid by the weak cantons. (This right would be nullified.)
 - Our cantonal banking system would be undermined (state support is not allowed).

- Since the cantons are the owners of our National Bank, their surpluses are distributed to the cantons (state aid, that would no longer be possible.)

- We would be required to adopt current and future EU law. We could still vote against it, but if the EU officials didn't like it, we would be subject to compensatory measures or, better, sanctions. (Why should we punish ourselves?)

- We would be required to accept future laws that we cannot anticipate.

Framework Agreement Would Nullify Swiss Constitution

Many provisions in this Framework Agreement are diametrically opposed to our Constitution. That would be the end of our direct democracy. The EU has insisted that it is no longer ready for further negotiations. The pressure on the Federal Council *not* to sign this treaty grew steadily. According to the Federal Council, this treaty would never have had a chance of being adopted in a popular vote. According to surveys, those in favor of joining the EU are only at around 10%. This means that many party members are no longer fully behind the decisions of the party leadership. For these reasons, the Federal Council broke off the negotiations. The supporters of the Framework Agreement are simply sore losers who are already trying to restart negotiations or want to ask the Federal Council to apply for membership.

Switzerland is under no compulsion to act; most bilateral agreements are to the advantage of the EU, so why should the EU terminate these agreements? I also took a look at the trade balance between Switzerland and Germany. Switzerland imports one billion fewer goods from Germany than the other way 'round, which means that Germany earns one billion euros every year with Switzerland. Hopefully, the EU will not open a trade war against Switzerland.

Access to the domestic market (in which we would have to adopt all EU rules) is not absolutely necessary for Switzerland. A market access like we have to all countries with which we trade would be sufficient. *We do not ask the EU to adapt to our rules* if they do business with us. *Trade between countries only takes place in statistics*, in reality trade is between suppliers and buyers, who are usually harassed by regulatory and fiscal measures from their own countries as well.

It follows that only well-run companies can create wealth, but never politics. If our negotiators would

rather sit in the chair of the opposing side, rather than in their own, when drafting contracts, then nothing useful can come about. At least nothing that is in line with our direct democracy.

Many politicians feel far too important; they would like to make their own decisions like their colleagues abroad, but thanks to our system, they cannot do that. That is why you should never send a Federal Councilor to negotiate. What is said is said; a Federal Councilor can then no longer deviate from his statement, whereas a negotiator can object that he must first consult the government on this issue. A Federal Councilor should only be sent abroad to for the signing and toasting.

That was a résumé of the last 30 years of cooperation between Europe and Switzerland.

The CO₂ Law's Provisions

Now to the CO₂ law.

First, good news: on June 13th, this law was rejected in a vote by the people; that is, the government has lost to the people. Two months before the vote, the polls were still at 60% for the law. In the last week before the vote, the ratio had deteriorated to 50:50, so a close result was expected. After the votes were counted, 51.6% were against and only 48.4% were in favor.

But how did this CO₂ law come about? This was decided in parliament (the legislative authority) by the Left-Green side and handed over to the Federal Council (the executive authority) for execution. Only one party opposed this, the Swiss People's Party (SVP). On the other hand, a referendum was then called by the people. Thus a referendum vote was forced. The idea for this law was related to climate change (which has been taking place since our planet has existed, *even without people*), with the claim that climate change was man-made.

Here are some examples of this law:

Basically, everything that pollutes the climate is charged a fee, and people who live "climate-consciously" get something back (steering tax). So, what pollutes the climate, who pays, and who gets something back? A huge administrative task that requires additional federal staff. It was promised that only about 20 new jobs were needed!?! Until everything works smoothly, it will require many times more staff in the future.

Oil and gas pollute the climate. *A petroleum price surcharge* of CHF (*Confoederatio Helvetica* franc) 0.12

per liter is required; those who drive a lot pay more. That seems fair at first sight. In rural areas, however, where people are dependent on a car, they usually drive longer distances and are therefore asked to pay more.

Fuel oil penalty fee: CHF 2,200 per household per year, for a family of four. This is CHF 550 per person. Not all of them can switch to more climate-friendly heating systems in the short term.

Flying pollutes the climate. A fee of between CHF 30 and CHF 120 is added to the regular flight price, depending on the destination, short- to long-haul routes.

Road pricing: costs. CHF 1,000 per 10,000 kilometers. People who depend on a car and drive longer distances are, again, asked to pay more. Should driving only be possible for the rich?

Fee for the use of nuclear power: Electricity comes from the outlet! Who calculates who consumes how much nuclear power? It mainly affects companies, tenants, and homeowners. The landlords will pass on these additional costs directly to the tenants. Another huge administrative effort. (With 20 additional positions, throughout Switzerland?!?)

Solar power obligation: CHF 2,600 per household per year, with the aim of replacing all oil heating systems by 2030. If a homeowner converts to solar power, there are costs (depending on the location, between CHF 80 and 100,000). The remuneration is a maximum of CHF 5,000 (a ± 30-year period is required until the whole thing is amortized). Many older homeowners who live on retirement income would no longer get mortgages or loans to finance a renovation.

That is just a selection from the catalog of demands that Left-Greeners employ. This catalog can be expanded immeasurably in the future. So, an absolute sham for the citizens, nothing more than hidden taxes or a Left-Green fee monster.

"We are rich" and we can afford it, is the proponents' motto.

Another goal is to raise (create) a climate fund of CHF 1,000,000,000 to finance environmentally friendly projects. Then whatever that is, it's an incredible redistribution mechanism.

During the referendum campaign, the supporters [of the Act] lied about the incentive taxes that citizens would have to pay, whatever the case. This exposed to the citizens the sham package in this law, which ultimately led to this positive result for the opponents of this law.