

**22 September 2011**

### **Oireachtas members and MEP call for referendum**

Twenty-six members of the Oireachtas and one MEP, have joined in an initiative with the People's Movement (which campaigned against the Lisbon Treaty in the two referenda) to demand that the Irish electorate have the determining say by way of referendum on the proposals to establish a permanent eurozone fund by Treaty amendments that will be binding on Ireland.

A letter from the Oireachtas members, who include members of various parties as well as Independents, says that the Treaty formally subordinates Ireland's interests to those of the stability of the euro area as a whole yet there has been an almost total media blackout on the implications and consequences of the ESM for the country.

In a statement last night People's Movement spokesperson, Kevin McCorry, said that the Government should come clean about the European Stability Mechanism Treaty that Finance Minister Noonan signed in July, a Treaty that commits the State to "irrevocably and unconditionally" contribute some €11 billion towards a eurozone fund from 2013 onwards with the possibility of demands for further sums down the line.

The People's Movement is also calling on Fianna Fáil to explain why it apparently supports the Government action in amending the EU Treaties by stealth.

It is reasonable, given the state of our economy, Mr McCorry said, for people to know the full details of the cost and implications to the country of borrowing to meet Ireland's initial €1.27 billion payment and the remainder of the €11,145,400,000 which all concerned seem happy enough to commit us to pay. What guarantee can they give us that the country will get any benefit?

Also if the State were to receive ESM assistance there are no limits to the "strict conditionality" provisions that might be attached in light of the fact that the Treaty formally subordinates Ireland's interests to those of "the stability of the euro area as a whole" It would mean a regime of unmitigated austerity for decades to come.

And for whose benefit? Certainly not the people of Ireland.

END OF STATEMENT

**The full text of the letter is as follows:**

The Government in the coming months will seek to push through the Oireachtas an amendment to one of the two Treaties on which the EU is based authorising the establishment of a permanent Eurozone fund, the European Stability mechanism (ESM), and the ratification of the Treaty that actually establishes the fund.

The Treaty which has already been signed but not yet ratified commits the Irish State to irrevocably and unconditionally contribute €11 billion in various forms of capital to the ESM when it is established in 2013 and possibly further sums after that at the behest of Eurozone Finance Ministers when contributions come up for regular review. This will have to be borrowed on the international market.

Weaker economies like Ireland would have to put up cash immediately to cover any short-fall of paid in capital that might arise while triple A rated economies like Germany and France would be put under less financial pressure by being able to fulfil their obligations by way of guarantees.

Assistance from the ESM will only be given on the basis of strict conditionality—these conditions being unspecified and potentially unlimited. If the Irish State were to receive loans or grants or favourable borrowing facilities from the ESM, these conditions could require the introduction of a balanced budget constitutional amendment or dropping the objection to the harmonization of corporate taxes at EU level.

The Treaty formally subordinates Ireland's interests to those of the stability of the euro area as a whole yet there has been an almost total media blackout on the implications and consequences of the ESM for the country.

The support of Fianna Fáil for the Government action has further contributed to the managed nature of the whole process. The ESM is part of a package of measures that can only lead to fiscal union in the EU, beginning with stricter controls on budgets and public spending starting with the so-called Euro Plus Pact and soon moving on to a harmonising of taxes.

We believe that the legislation to enable the State to license its establishment and ratify the Treaty setting it up should be put to the Irish people in a constitutional referendum and we urge the Government to let the people decide on this matter of crucial importance for the future of our country.

**The signatories are:**

Gerry Adams TD, Senator David Cullinane, Clare Daly TD, Dessie Ellis TD, Michael Colreavy TD, Seán Crowe TD, Pearse Doherty TD, Martin Ferris TD, Luke Ming Flanagan TD, Joe Higgins TD, Mary Lou McDonald TD, Finian McGrath TD, Mattie McGrath TD, Sandra McLellan TD, Pádraig Mac Lochlainn TD, Catherine Murphy TD, Paul Murphy MEP, Caoimhghin Ó Caoláin TD, Senator Trevor Ó Clochartaigh, Aengus Ó Snodaigh TD, Maureen O'Sullivan TD, Thomas Pringle TD, Senator Kathryn Reilly, Brian Stanley TD, Peadar Tóibín TD, Mick Wallace TD.