

17 May 2012

What are they trying to hide?

Although the forthcoming referendum is solely about seeking the approval of the people to amend the constitution so as to ratify the Fiscal Treaty, Ireland is currently under pressure to ratify in addition to the Fiscal or Austerity Treaty, the Treaty Establishing the European Stability Mechanism (ESM) and an amendment to the European Union Treaties.

The attorney general advised the government to hold a referendum on the Fiscal Treaty but there has been an official blackout on any information about her advice on the ESM Treaty or even more importantly about the amendment to Article 136 of the Treaty on the Functioning of the European Union (TFEU) on which Ireland has a crucial veto.

What is in this second treaty they are not telling us about now, even though it states in its preamble that it is 'complementary' to the Fiscal or Austerity Treaty we will be voting on soon?

But where will they get the money?

Why don't they tell us about the ESM Treaty, which the government wants to ratify next month by majority Dáil vote and without a referendum, so that they can start paying €250 million to the permanent ESM loan fund in July? This is to be followed by another €250 million in October, followed by a further €500 million next year – a total of €1.3 billion as an up-front subscription to this fund!

And after that we will be liable for a total of over €11 billion in different forms of callable capital to help bail out other euro-zone countries thereafter. And there's more: higher sums without limit can be demanded on into the future by the ESM Board of Governors.

A veto that dare not speak its name

Ireland has a constitutional veto over the €700 billion permanent ESM loan fund for the euro zone and we should not allow ourselves to be dragooned into voting 'Yes' to the Fiscal Treaty. And we are to do this in order to have access to an ESM Fund which does not yet exist, which depends on an ESM Treaty that has not yet been ratified, which in turn depends on an EU Treaty amendment on which Irish voters have a constitutional veto that they can exercise in order to get radical relief on our state debts. Well, only if the government has the courage to use that veto by holding a referendum on this ESM Treaty!

The need to get prior relief on the private bank debt which has been so unfairly loaded on to

Irish taxpayers by the ECB and Brussels is the best argument for voting 'No' in the Austerity Treaty referendum.

Sign up to permanent austerity - for what?

We are being tied in to the long-term austerity regime of the Fiscal Treaty in order to be able to apply to – not access – an ESM fund which is not yet established or capitalised but to which we must contribute €1.3 billion over the next two years, with at least a further €11 billion in callable capital to be provided in the future.

Voting 'No' on 31 May and using our veto on the ESM Treaty and Article 136 which authorizes the ESM Treaty in EU law would give us a powerful bargaining card with the euro zone. By threatening to use it as a condition of permitting the ESM Treaty, we could get real relief on our state debts because the euro zone could not have its €700 billion fund without our agreement.

People power

We should realize the power we have - and not be afraid to use it.

A 'No' vote in the Fiscal Treaty referendum is an opportunity we should use. The Fiscal Treaty is not due to come into force until after 1 January next. If there is to be some form of new growth pact accompanying it and we get relief on our state debts by threatening to veto the ESM Treaty which is to follow it, we could then vote again on the Fiscal Treaty, if necessary, free from doomsday threats. People could then make a realistic assessment of its provisions and vote 'Yes' or 'No' accordingly.

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