

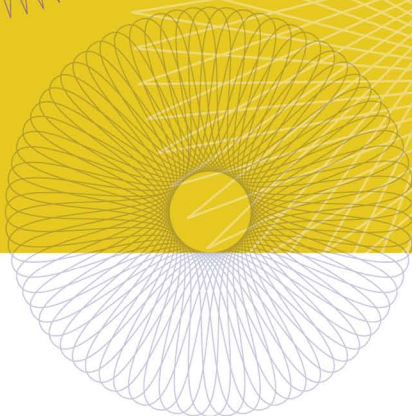
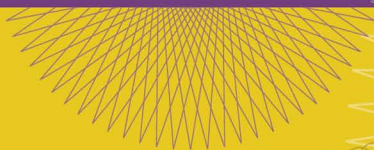
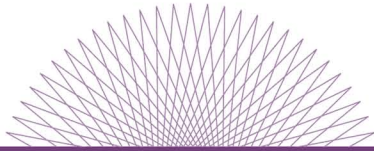
31 May 2012

THE

**AUSTERITY**

**TREATY**

Your Guide



[www.eirigi.org](http://www.eirigi.org)

## Introduction

You are being asked to vote on 31 May to decide if the Twenty-Six Counties should ratify the Treaty on Austerity, Reduced Sovereignty and Fiscal Strait-Jacketing in the Economic and Monetary Union (referred to here as The Austerity Treaty).

To help with your decision, the government is distributing this booklet which contains the full treaty text. Further material is available at [www.eirigi.org](http://www.eirigi.org) including a Treaty newsletter and poster which you can download and distribute to your family and friends.

## What is the Austerity Treaty?

**It's a Treaty aiming to support the interests of the rich and powerful who control Ireland and Europe**

The Austerity Treaty is an international agreement among twenty-five European states, including all states that use the euro. The Treaty does not state its true purpose, which is to protect the interests of big business, the banks and the corrupt politicians who created the current crisis.

**The Treaty requires every state to undermine its own democracy and sovereignty by legally limiting the amount of money it can raise, borrow and spend**

To do this, it requires each state to pass new laws which place **permanent** restrictions on the economic and fiscal policies of all future democratically elected governments. In other words, The Treaty will reduce your democratic input, the power of your vote and the powers of the governments you elect.

**The Treaty is part of a toolkit to bail out the rich and powerful across Europe**

It is part of a master plan to get capitalism back on track, so that the bankers, speculators and politicians can get back to making billions of Euros off the backs of people like you and your family.

**The Treaty dramatically changes how decisions on taxing and spending are made**

The rules of The Austerity Treaty tie the hands of future governments, placing legal restrictions on how much money can be spend on things like job creation and stimulation packages as well as vital public services like healthcare, housing and education.

# The Austerity Treaty & Ireland

The Austerity Treaty is a significant element of the joint efforts being made by the ruling class in Ireland and across the EU to prevent the collapse of European capitalism. This is particularly important for Ireland's ruling elite because they want to prevent a popular anti-austerity movement from developing in Ireland.

The Treaty is particularly relevant to Ireland's bankers, property developers and gombeen politicians as they see it as a way to:

## 1. MAKE MORE MONEY

The new laws contained within The Treaty are based upon neo-liberal principles which ultimately aim to see education, healthcare and housing services fully privatised. Our home-grown cute hoors see this privatisation agenda as an opportunity to make big profits.

## 2. DIVERT ATTENTION AWAY FROM THEIR OWN WEALTH

The Austerity Treaty will allow the state to borrow even more money from the Troika loan sharks, money which comes with lots of austerity strings attached. Ireland's super-rich support the idea of more Troika loans because it means that they don't have to pay their fair share.,

## 3. ATTACK PUBLIC SERVICES AND WORKERS' CONDITIONS

The Treaty enshrines into law a particular right wing economic model. Under this economic model vital public services and ordinary workers are seen as fair game, to be attacked at every opportunity.

The Treaty ensures that the pain of the current recession will be felt in our schools, hospitals and pay packets and not in the corridors of the banks or Leinster House.

# The Austerity Treaty text a short guide

## **“Preamble”**

This section of the Austerity Treaty is full of neo-liberal waffle which completely fails to identify the real causes of the current economic crisis.

## **Title 1 – Purpose & Scope**

This short section explains that The Treaty is designed to deliver a right-wing economic model.

## **Title 2 – Consistency and Relationship with the law of The European Union**

This section states that The Austerity Treaty will act in line with previous EU treaties that you might have been bribed, blackmailed or otherwise conned into supporting.

## **Title 3 – Fiscal Compact**

This is the core element of The Treaty, called the ‘The Fiscal Compact’. It sets out how democracy in each of the participating states is to be undermined. It explains that each state will make it illegal for future governments to borrow and spend money as their people direct. Instead each state will be bound to strict limits, regardless of future political, economic social conditions. It also contains details of how the EU will deal with democratically elected governments that break these new laws.

## **Title 4 – Economic Policy & Convergence**

This section deals with how states will co-ordinate their efforts to stabilise the capitalist system across Europe. Central to these efforts is the development of ‘competitiveness’ and the ‘internal market’ - code words for the failed policies that created the crisis in the first place.

## **Title 5 – Governance of The Euro Area**

This section arranges for governments in the Euro area to meet and respond effectively to ‘problems’. What these ‘problem’s might be is not defined but you can be sure that the ‘solution’ will involve the interests of the rich being protected.

## **Title 6 – General & Final Provisions**

This provides for the Treaty to enter into force when just 12 of the 25 states have ratified it. This is a major break from previous European treaties which afforded a veto to each state.