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Fiscal austerity is the watchword of the EU.

The publication of a fourth draft of a new treaty which claims to be for 'stability, coordination and governance in the economic and monetary union' is the latest example of this obsession.

Little does it matter that fiscal austerity means reducing aggregate demand, thus leading to economic stagnation and recession throughout the EU as our own current economic record so obviously bears out.

Irish officialdom is now more concerned about avoiding having to put the new treaty to a referendum than it is about signing up generations to living in a social and economic wasteland with emigration being the only realistic form of escape.

Grandiose talk about 'economic governance' cannot hide the fact that what is involved in the proposed fiscal compact treaty is laying the legal groundwork for a qualitatively heightened level of surveillance of EU member state fiscal policies by the larger EU states, particularly Germany and France, and the imposition of penalties on those failing to observe the deflationary budget rules to be adopted. Signing up to the treaty would result in a qualitative change in the nature of the outside interference with the budget, taxation and public spending capacity of the Irish state.

Mr Noonan deliberately confused this point when he told a London meeting towards the end of last year that 'There is external consultation already on the types of budgets that we put in place. For example, we have to reach agreement with the European authorities and the IMF – and have done so – on the level of deficit that we run in all budgets up to 2015'. He also boasted that he has 'a fiscal control bill drafted already, which in certain respects goes further than is required.'

His audience of City of London financiers and bankers might have missed the travesty of the principles of sovereignty, democracy and independence that he was espousing but European democratic opinion and in particular its Irish section cannot be equally blind.

Today, his fiscal control bill could still be repealed by a new government that is answerable to the Irish people and even the IMF/ECB/EU 'troika' will ultimately have to leave these shores.

What is, of course, totally ignored is the fact that indebtedness in this country and others like Spain was mainly private; or that the draconian fiscal measures imposed on Greece, far from reducing public indebtedness, has drastically increased it.

Between 2008 and July 2010 the European Commission approved national state guarantees for European banks to the tune of €4.589 trillion. Remember, it was Jean-Claude Trichet and the ECB that insisted to Brian Cowan and Brian Lenihan that insolvent Anglo Irish Bank must not be allowed to go bust, in line with the ECB policy of preserving all the euro zone's banks for fear of 'contagion' spreading to banks in other euro-zone countries.

This led to over €60 billion of private Irish bank debts to foreign banks being imposed on Irish people who were no way responsible for them. The resulting ballooning public sector deficit led to the EU/ECB/IMF stitch up with the 'troika' taking over direct supervision of the state's finances.

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