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On Monday and Tuesday, Minister Michael Noonan will be representing the government at a gathering of finance ministers in Brussels to finalise the text of a fiscal compact treaty now in its fourth draft.

In line with Tánaiste Eamon Gilmore's injunction, Minister Noonan will, if only metaphorically, be wearing his green jersey. Green jerseys will also be very much in evidence on Wednesday when the government goes ahead to redeem at par an Irish Bank Resolution Corporation €1.25 billion bond.

This unsecured, unguaranteed bond traded at less than 60 per cent of par within the past year. It is more than reasonable to ask why the government will be redeeming this bond at par notwithstanding that the issuing bank is insolvent and being liquidated?

Perhaps if the anonymous bondholders who provided funds at the peak of the boom to a bank which operated as a virtual casino had a jersey colour, it would be a more appropriate one for Minister Noonan and the government to sport.

Minister Noonan's purpose in Brussels will be more to do with avoiding having to put the new treaty to a referendum than it is about trying to avoid signing up generations to living in a social and economic wasteland.

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. But the tragedy is that the government has no qualms about doing this.

A lot of crocodile tears are shed about the loss of our 'economic sovereignty'. The same people will be seeking to make great play of the fact that according to the latest draft of the treaty, struggling euro-zone countries will be allowed to apply for a bailout under the euro zone's permanent bailout fund, the European Stability Mechanism (ESM), only if they have ratified the 'fiscal pact'. The previous version only required that countries incorporate the balanced-budget rule.

They will, of course, not tell the full story, which is that the ESM would formally subordinate Ireland's interests to those 'of the stability of the euro area as a whole' and that there would be no limits laid down as regards the 'strict conditionality' which can be imposed on recipients of financial bailouts from the fund – even though Ireland will be required to contribute some €11 billion in paid-up and callable capital and guarantees once this fund is set up later this year.

The sugar-coating for the pill will be promises of 'a federalisation of the euro debt'. The price is high. The fiscal compact treaty, the ESM and the various other elements of the new euro-zone economic architecture all lead in one direction – permanent German hegemony of the EU plus an austerity economic regime for generations. An interest-rate reduction and/or an extension of the debt repayment period down the line will not be the political achievement that it will be claimed to be.

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