Ireland's Experience of EU Membership

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Summary

This paper has been written by Irish Eurosceptics.

It constitutes a review of the Republic of Ireland’s strategic interests in the context of Brexit. It finds that these have changed considerably from those that originally drove the country towards accession.

It is EU membership itself that now constitutes an economic, constitutional and strategic cost – and these increasingly detrimental effects of EU membership have been observable for a considerable amount of time.

Unfortunately, Irish membership has long been part of a locked and sacrosanct narrative – even though it is one which does not stand up to close scrutiny.

Dublin’s policy over the ‘soft border’, meanwhile, apart from the moral issue of being pursued in bad faith is a bad move from the Nationalist perspective. It will end up with both discontented Unionists, and leave unaddressed the Republic’s deep and deepening problems arising from EU membership.

Ireland’s political and business communities should review their strategy towards Brexit in that light and reconsider EU membership from first premises, to best exploit what is today a major opportunity for the country - and also a considerable threat if high stakes gaming by Dublin leads to a hard border emerging by default.

Now is a chance for a full reappraisal. A fair one would consequently reveal that Ireland, too, should safeguard its vital national interests and leave the EU.

Ireland’s EU Membership

The Republic of Ireland applied to join the European Economic Community (EEC), predecessor of the European Union, in 1961 simultaneously with the United Kingdom and Denmark because it did most of its trade with Britain and Northern Ireland at the time. Another reason was that if the Republic did not join the EEC when Northern Ireland was doing so as part of the UK it would add new dimensions to the North-South border within the country, which would then become a Community external frontier.

Following French President Charles De Gaulle’s two vetoes on British membership during the 1960s, the Republic eventually joined the EEC along with the UK and Denmark in January 1973. The prospect of higher incomes for Irish farmers because of the protectionist dear-food Common Agricultural Policy (CAP) was the principal economic attraction of EEC membership for Ireland at the time. As a major food-producing country Ireland exported well over half its agricultural output, much of it to the UK. Irish farmers were the most enthusiastic advocates of EEC membership then and later.

In the Republic's constitutional referendum on accession, voters were also told that the diminution of the importance of borders because of European integration would help to end the partition of the country between North and South.

Under the Irish Constitution all sovereignty, law and governmental authority in the country derives from the Irish People who adopted the Republic's Constitution by popular referendum in 1937. Amendments to the Constitution must be by referendum also. Referendums in Ireland are therefore forms of direct legislation in which the People vote to accept or reject a Bill to amend the Constitution, the State's primary source of law. Joining the European Communities entailed permitting supranational law coming from the European Treaties to override any contrary provisions of Irish law. Hence State sovereignty in the relevant areas had to be surrendered to the European Communities, later the European Union, by the Irish People themselves.

This was done in the May 1972 EEC Accession Treaty referendum. In this the majority of voters agreed to insert a new subsection in Article 29.4.3 of the Irish Constitution stating that the State might join the three European Communities, the Economic Community (EEC), the Coal and Steel Community and the Atomic Energy Community. The amendment then went on to give primacy to the these European Treaties over any contrary provision of the Constitution by stating that*: "No provision of this Constitution invalidates laws enacted, acts done or measures adopted by the State consequent on membership of the Communities or prevents laws enacted, acts done or measures adopted by the Communities or institutions thereof, from having the force of law in the State."*

Thus in a couple of simple sweeping sentences a new European Constitution - the European Treaties and the supranational EU law deriving from them - was effectively made part of the Irish Constitution and given primacy over all existing provisions of that Constitution in any case of conflict between EU law and Irish law. Following this constitutional change the 1972 European Communities Act, passed by the Dáil and Seanad, made the European Treaties and acts adopted to implement them part of the domestic law of the Irish State.

In 1987 the Supreme Court laid down in its *Crotty* judgement that any further surrenders of sovereignty in later EU treaties had also to be agreed by the Irish people in constitutional referendums. Such referendums were held to permit the ratification of the Single European Act in 1987, the Maastricht Treaty in 1992, the Amsterdam Treaty in 1998, the Nice Treaty in 2002 and the Lisbon Treaty in 2009. A referendum was also held to ratify the so-called Stability Treaty for the Eurozone in 2012 as it was judged that this too entailed a surrender of sovereignty by Ireland even though it did not apply to all 28 EU States, but to 26 of them.

The 1972 referendum vote in favour of joining the EEC was the same as the combined votes of the State's two largest parties, Fianna Fail and Fine Gael. Irish voters said to themselves in effect that if the two big parties that had dominated the Republic's politics for decades were united in favour of joining the EEC, then surely that must be a good thing. There was little public appreciation of the long term implications of joining the supranational integration project. Those who sought to point these out were dismissed as alarmist. The Irish Labour Party, the Irish Congress of Trade Unions and the two wings of the recently divided Sinn Fein Republicans, Provisionals and Officials, opposed EEC membership in the Accession referendum. It is probable that President Eamon de Valera, who was the principal author of the 1937 Constitution, himself voted against joining the EEC.[1]

Joining the EEC caused significant unemployment in the Republic's protected domestic industries as tariffs were removed in the years following entry. The jobs lost were gradually replaced by more capital-intensive jobs in export industries, but overall Irish unemployment remained high and there was heavy emigration during the 1980s, a decade after joining "Europe".

The value of Irish agricultural output and exports and associated farm incomes increased because of the CAP, but as EU farm supports were geared to volume of farm production the CAP benefited larger farmers most and the rural population continued to fall. A previous system whereby milk price supports for dairy farmers tapered off as volume of production increased, which benefited smaller producers, had to be abolished on EEC entry as discriminatory between big farmers and small.

It would be mistaken to believe that joining the EEC in 1973 led to a revolution in the Republic's economic fortunes. The definitive assessment is given in Report No.88 of the National Economic and Social Council, published in 1989, titled *Ireland in the European Community: Performance, Prospect and Strategy.* This shows (Table 4.1) that the State's average economic growth rate of GDP was 4.4 percent a year in the period 1960-1973, before joining the EEC, and was 4.1 per cent a year in the period 1973-79 and 1.5 per cent a year in the period 1979-86, after Ireland joined.

The figures for average GNP growth in those years show the same pattern. As regards GDP and GNP therefore, Ireland's average annual economic growth rates were lower in the decade after joining the EEC than they were before. So far as annual growth rates in Gross Disposable Income per head were concerned – a surrogate for average living standards – the same NESC Table shows that these averaged 4.2 per cent a year between 1960 and the State joining the EEC in 1973. They then averaged 1.2 per cent a year for 1973-79 and fell by –0.4 per cent annually between 1979 and 1986, after joining. Gross disposable income per head is of course affected by trends in population size, and Ireland's population grew faster in the 1970s and 1980s than it had done in the 1960s, which tended to lower average income per head.

From 1973 until 2014 Ireland was a net beneficiary from EU funds, primarily because of the CAP but also under the EU Regional Fund and Social Fund. For those 40 years the EU was generally regarded in Ireland as the proverbial "cash cow". There was no public enthusiasm for the ideological Eurofederalism that existed on the continent although what one might call "career federalism" burgeoned amongst the State's political, bureaucratic, media and academic elites, many of whose jobs and incomes benefited from their supporting the "integration project".

The gap between Ireland's EU budget receipts and its budget contributions narrowed since the 1990s. In 2014 Ireland became a net contributor to the EU Budget for the first time, paying in €1.69 billion and receiving €1.52 billion. From that date any EU moneys that come to the Republic under the CAP, EU cohesion funds, research grants, support for community groups and the like, would be Irish taxpayers'

[1] One of Eamon de Valera's sons, Major Vivion De Valera, related that "He almost certainly did so", in the course of a conversation following the 1972 referendum, "but he would not tell us definitely how he cast his vote on anything, as he considered that improper for the President." Decades later when this story was repeated to De Valera's grandson, Eamon O Cuiv TD, the latter said that this chimed with a statement the then President made to his family when they gathered in Aras an Uachtaráin on New Year's Eve 1972, the day before Ireland joined the EEC: "I am the first and last President of an independent Irish Republic."

money coming back, employing some Brussels apparatchiks on the way. This has been the case for Britain and Northern Ireland for decades.

Of course the Republic's net receipts from and payments to the EU budget give no indication of the effects of EU membership on the State's overall balance of payments.

For example, a proper cost-benefit analysis of Irish membership of the EU would highlight the value of Ireland's lost sea-fishery resources. In the course of membership negotiations with the UK, Ireland and Denmark in the early 1970s the then Six founder members of the EEC adopted the Common Fisheries Policy, giving their fleets free access to Ireland's and Britain's territorial waters – their own waters having been substantially fished out. Eurostat estimates of the value of fish catches by non-Irish boats in Irish waters since 1973 are a several-times multiple of the EU moneys the Republic received over that time.

There are many other hidden costs of EU membership for Ireland which the State's europhile politicians and media tend to ignore. For example the crisis in Ireland's hospital services has been significantly contributed to by the impact of the EU's working-time directive on affordable staffing levels, particularly as regards junior hospital doctors. Or the cost of imposing consumer charges for using the country's abundant water resources and installing an expensive metering system to assess those charges stems from an EU directive.

Abolishing the Punt and Adopting the Euro

The euro-zealotry of Ireland's political class was responsible for the biggest policy mistake ever made by those running the Irish State when they abolished the national currency and adopted the euro on the latter's establishment in 1999. At the time the Republic had near full employment and a solvent economy, with more people coming into the country each year to take up jobs than were leaving. Twelve years later, in 2011, the State was effectively insolvent, with 14% unemployment and high net emigration. Membership of the Eurozone was largely responsible for this change.

Abolishing the púnt and adopting the euro deprived the Irish State of the ability to maintain its economic competitiveness by following a suitable exchange rate policy or to restore lost competitiveness by altering its exchange rate. In the euro's early years it gave the Republic an unsuitably low interest rate regime that was geared to the needs of the larger Eurozone countries and was the principal cause of the Irish property boom of the early-2000s. In those years the Republic's banks abandoned all discipline over credit control and undertook heavy borrowing from foreign banks for irresponsible on-lending to the property market. This was a reversal of their traditional pre-euro practice when banks were cautious about fuelling booms. The European Central Bank (ECB) did nothing to discourage them.

When this property boom turned to bust in 2008, the State's blanket bank guarantee of that year, the EU/IMF bailout of 2010 and the attendant austerity regime were all consequences of the Republic's membership of the Eurozone and its subordination to the rule of the ECB and the EU Commission, the managers of the euro.

Having adopted the euro-currency, it was as if policy-makers in the Department of Finance and Central Bank felt freed from their responsibilities as financial guardians of a State and decided to go for a pint! Unsurprisingly, people involved in that decision like to keep their heads down.

There have been several public enquiries into how the Irish Government came to give a blanket guarantee to the State's insolvent private banks in September 2008 and how that precipitated the EU/IMF bailout two years later and the austerity regime that followed. A more relevant enquiry would be how the Republic of Ireland became a member of the Eurozone in the first place.

Between 1922, when the Irish State was founded, and 1979 Irish policy-makers kept the púnt pegged at parity with the British pound sterling. This reflected the predominance of trade with the UK in the State's balance of payments in its early years and the conservative economic outlook of successive Irish Governments over that half-century. Ireland's currency was implicitly over-valued during those decades. This reduced the economy's competitiveness, discouraged exports, encouraged competing imports and generally inhibited economic growth and employment.

In 1979 the State broke the link with sterling and tied its currency to the Deutschmark in the European Monetary System (EMS). This was in preparation for European Economic and Monetary Union (EMU). The Franco-Germans sponsored EU subsidies to encourage Dublin to take this step and to wean it from the British sphere of influence.[2]

The UK joined the EMS in 1990 at an unsustainable rate for the British pound. Two years later the currency markets forced it to leave and devalue sterling on "Black Wednesday", September 1992, or "Golden Wednesday" as British economists came to call it when the devaluation boosted UK output and employment. Following the British devaluation, the euro-zealots in Ireland's Department of Finance and Central Bank decided to stick with the Deutschmark in the EMS, so that by January 1993 the Irish púnt was worth 110 pence sterling, one-tenth more valuable than the British pound. All hell then broke loose, for Ireland's over-strong currency was ruining its foreign trade, the greater part of which was - as it still is - with the English-speaking UK and USA. The State's over-valued EMS exchange rate was clearly unsustainable.

In January 1993 the Irish Government was forced to devalue the púnt from 110 pence to 100 pence sterling. There was a similar devaluation against the dollar. The Government also devalued the púnt vis-à-vis the Deutschmark in the EMS, which was forced to adopt a new 30% currency band in the year of the devaluation - 15% plus or minus a central EMS rate.

The púnt floated downward for the rest of the 1990s, devaluing against the Deutschmark among the EMS

[2] Someone who was involved at the time, Dr Michael Somers, former head of the National Treasury Management Agency, said in a newspaper interview in 2011: *"I remember very clearly when the major countries in Europe were trying to set up the European Monetary System. They actually offered us interest subsidies at the time. They were so anxious for us to break the link with sterling and join the EMS that they gave us loans with an interest subsidy attached to them because they knew it would be difficult for us due to the close links we had with the UK. It was important for them politically to have credibility by having as many countries join the EMS as possible. Now when we get into this spot of bother, instead of giving us subsidies to help us get out of trouble, they charge us this huge penalty of 3 percent. I mean it's not exactly the behaviour you would expect of your European partners, that they make a profit from the help they give you."* (*Sunday Independent,* 23 January 2011)

currencies and the pound sterling and dollar outside it, in a so-called "managed float". It was a nominal 90 pence sterling when Ireland adopted the euro in 1999, compared to 110 pence six years earlier. This was equivalent to a real effective exchange rate that was lower still, taking into account Ireland's relative costs vis-a-vis Britain and its other trading partners.[3]

The resulting highly competitive currency exchange rate was the fundamental cause of Ireland's remarkable economic growth rates during the so-called "Celtic Tiger" years of 1993 to 2000.

Ireland's Experience of an Independent Currency 1993-1999

The highly competitive exchange rate stemming from the 1993 devaluation encouraged foreign and domestic investment in the State. The Republic's annual economic growth rate, which had averaged some 3% a year from the 1960s to the early 1990s, rose to 6% in 1993, the year of the devaluation. It averaged over 8% a year, more than double its earlier level, from then until 1999, the year the Government abolished the púnt.

Dublin's politicians and public servants decided to join the Eurozone on the assumption that the British were bound to join it also in a year or two. By going first they would show how *communautaire* they were. But Britain did not and clearly now it will not as the UK heads for Brexit.

By this wholly irresponsible step the Republic's politicians and senior civil servants adopted the currency of an area with which it does around one-third of its foreign trade. It does the other two-thirds of its foreign trade with countries, mostly English-speaking, that are outside the EU. The USA is the most important

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[3] University of Limerick economist Anthony Leddin pointed to the importance of the real effective exchange rate before and after joining EMU in S.Kinsella and A.Leddin, *Understanding Ireland's Economic Crisis*, Dublin 2010 (ISBN 978-1-84218-198-0). There he gives a chart which shows that the Republic's real effective exchange rate tends to move in tandem with its real exchange rates with the US and UK, with which it does most of its trade. He writes: *". . . between January 1991 and October 2000 there was a gain in competitiveness [for Ireland] of 39% relative to the US, 17.3% relative to the UK and 15.8% against a basket of 56 trading countries (the real effective exchange rate, REER). This outcome is primarily driven by movements of the Irish pound exchange rate (including the devaluation of 10% in January 1993) and more or less coincides with the Celtic Tiger boom from 1994 to 2000. However, driven by an appreciating euro exchange rate externally and a wage-inflation spiral domestically, between October 2000 and September 2009, a loss of price competitiveness of the following magnitudes was recorded: 72% relative to the US, 60% relative to the UK and 37% overall as measured by the real effective exchange rate … The Celtic Tiger came to a halt in 2001 and was replaced (due primarily to low interest rates) by a boom in property and construction. Up until 2007 the economy continued to grow at over 4% per annum as the property boom compensated for the loss of price competitiveness. When the downturn finally arrived in 2007, the Irish economy was in a very vulnerable position and this has manifested itself in an unprecedented economic recession in 2009*." (p.175) In 2001, as the Irish economy was cooling down following the seven years of rapid export-led growth of the "Celtic Tiger" period, the ECB cut nominal interest rates for the Eurozone when an independent Central Bank of Ireland would almost certainly have raised rates. Leddin comments: "*Outside of EMU, the Irish Central Bank would most likely have raised interest rates in or around 2003 and lending by domestic banks would have been constrained by their ability to attract deposits … Given EMU membership, all of the key automatic adjustment mechanisms - the interest rate, the exchange rate, even elements of fiscal policy - are now outside of our policymakers' control and the burden of adjustment falls almost entirely on the labour market*." (op.cit. pp.283-4)

single-country market for the Republic's foreign-owned firms and the UK for its Irish-owned ones – the latter being especially important for employment.

At the time it abandoned its national currency Ireland needed higher interest rates to restrain its "Celtic Tiger" boom. But Eurozone interest rates in the early 2000s, which were now decided by the European Central Bank, were set low to suit economic conditions in Germany and France. This made the Irish boom "boomier", as then Taoiseach Bertie Ahern put it.

In a report written by Professor John FitzGerald and others in 1996, the Economic and Social Research Institute argued in favour of joining the Eurozone, the principal benefit of which was stated to be indefinitely low interest rates.[4] Before joining the Eurozone the Republic's bank borrowings in foreign currency had traditionally been low. They now shot up as the Irish banks borrowed from foreign banks - from the equivalent of 10% of GDP in 2003 to 60% of GDP in 2008 - mostly for on-lending to the Irish property market.

Unsuitably low interest rates stoked the ensuing property bubble, as also happened in Spain. The European Central Bank (ECB) looked on unconcernedly.

In the first two years of Eurozone membership, 1999 and 2000, an initial fall of the euro vis-à-vis sterling and the US dollar coincidentally added to Ireland's competitiveness. Then the euro started to rise and Ireland's growth rate slowed in the early and middle 2000s as output shifted from exports to the domestic sector in response to the Eurozone's low interest rates and the property boom they stimulated. The Republic began to lose its economic competitiveness.

Apologists for the Republic's adopting the euro-currency are generally in denial about the central role of an effectively floating currency and a highly competitive exchange rate in doubling the State's average annual economic growth rate in the years from 1993 until it joined the Eurozone.

A shelf of books and articles on the "Celtic Tiger" post-1993 ascribe that phenomenon to an earlier Irish devaluation within the Exchange Rate Mechanism in 1986, to national pay agreements between the "social partners" from 1987 onward, to the impact of EU structural funds post-Maastricht and to the supposedly high standard of Irish education.

Most of these studies make only passing reference to the 1993 currency crisis, if they refer to it at all, for most of their authors opposed devaluation at the time and were ideologically committed to adopting the euro. A glance at the actual growth figures for the State's Gross Domestic Product for the various periods since 1970 shows what really happened.

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[4] "Economic Implications for Ireland of EMU", ESRI Research Series, Dublin 1996. The optimistic projections of Professor John FitzGerald and the ESRI were criticized at the time by others, for example P.Neary and D.Rodney Thom in "Punts, Pounds and Euros", *Irish Journal of Business and Administrative Research*, November 1997. There these writers remarked presciently that in the circumstances of the Republic's then booming economy "*lower interest rates are likely to raise demand and lead to further increases in the prices of non-tradeables such as housing.*" And further: "*there are significant asymmetries between Ireland and the European core … this implies the possibility of non-trivial costs if Ireland were to join a monetary union with countries such as France and Germany*."

Average annual % change in the Irish Republic's real GDP
(at constant market prices)

	%
1970-1986	+3.4
1987-1992 (post-1986 devaluation, social partnership)	+3.9
1993-1998 (post-1993 devaluation/"Celtic Tiger")	+9.3
1999-2006 (euro-currency, early years)	+6.0
2007-2013 (euro-currency, post-2007 slump)	- 0.5

Source: Central Statistics Office, National Income and Expenditure 2014

Because Ireland's foreign trade with the English-speaking world of North America, the UK etc. is more important than its trade with the continental EU, the Irish economy follows the Anglo-American economic cycle more closely than the German-dominated Eurozone one. Ireland's monetary policy is dictated by the Eurozone, effectively by Germany, which means that over an economic cycle its prevailing interest rates are usually unsuitable for its economic circumstances. They tend to be low when they should be high and tend to be high when they should be low. This is the result of the folly of joining a monetary union with quite unsuitable foreign trade partners and abandoning a key pillar of all independent States, its own national currency. Future historians will surely indict those who perpetrated this extraordinary policy blunder.

The 2008 Bank Guarantee and the 2010 Eurozone Bailout

When the property bubble burst and house prices collapsed in 2008, Anglo-Irish Bank and other Irish banks became insolvent. The ECB and the Brussels Commission effectively forbade the Irish Government from letting them go bust for fear the EU Mediterranean countries would do the same with their insolvent banks. In September 2008 Fianna Fail Taoiseach Brian Cowen and his Finance Minister Brian Lenihan gave their infamous blanket guarantee to the Irish banks. They thereby imposed the burden of paying the bad debts of Ireland's private banks on the Irish State and Irish taxpayers even though they had not been responsible for them.

The bad debts of Anglo-Irish Bank, a property-developers' money-machine that was in no way systemic for the country's citizens, amounted to some €34 billion. The bad debts of the other Irish banks were some €30 billion. Had the Irish banks defaulted on these debt at the time of the bailout, Germany's banks would have lost €43 billion, Britain's banks €28 billion and France's ones €12 billion. As a result of the bailout €64 billion of private bank debts were loaded on to the Republic's taxpayers, who also had to meet a substantial annual public sector deficit arising from normal excess of government spending over tax revenue.

In this way the German, British, French and other foreign banks that were major creditors of the Irish banks were assured of getting their money back. By preventing the insolvent Irish banks and those who had lent to them suffering the consequences of their failed punt on the Irish property market, the ECB and Brussels Commission ensured that the other peripheral Eurozone countries – Portugal, Italy, Greece and Spain, the so-called "PIIGS" countries - would be equally solicitous of their banks. The "contagion" of one country putting its national interests first in face of the debt crisis would not spread, for that would threaten the survival of the euro. Default on senior bondholders of Ireland's banks would not be permitted even if that meant years of pain for the Irish people, a continuing credit crunch, deflation, austerity, high unemployment and a return to mass emigration for the Republic's young. Some people called it "socialism for the rich", and the rich abroad at that, who had done well during the boom years by lending to Ireland's banks for on-lending to the Republic's property market.

The Irish Government gave its blanket bank guarantee in 2008 on the assumption that its banks would have the backing henceforth of the ECB. They got that for the following two years. During this time the ECB lent money at 1% interest to the Irish banks. Then in September 2010 the Government renewed its bank guarantee for another two years. The ECB was now alarmed at the size of the sums being demanded of it as Dublin's soaring public sector deficit consequent on the collapse of property-based tax-revenue, together with its assumption of the debts of the Irish banks, threatened to shut Ireland out of international bond markets. This particularly reflected Germany's concerns.

Two months later, in November 2010, the Eurozone authorities pulled the ground from under Dublin. The ECB would no longer lend Ireland money at 1% interest, but would organize a loan instead from the temporary bailout fund, the European Financial Stability Facility (EFSF), at some 5%. American Treasury Secretary Tim Geithner backed the ECB's position on Ireland. The Americans were concerned that US banks, which were major insurers of European bank loans through credit default swaps, would have been hit if Irish and other Eurozone banks were let fail and those who had lent to them were not repaid.

The Irish Government was at once too timid and too europhile to threaten the ECB with a debt default, even though Frankfurt, Brussels and Berlin would have bent over backward at the time to prevent Ireland leaving the Eurozone, for other PIIGS countries might well have followed. As the Taoiseach of the time, Brian Cowen, admitted: *"The euro area policy of 'no bank failures and no burning of senior bank creditors' has been a constant during the crisis. And as a member of the euro area, Ireland must play by the rules."* Years later, when getting an honorary doctorate from the National University, Mr Cowen said*: "Europe forced certain countries such as Ireland to implement inappropriate decisions such as protecting international bond-holders."* (*Irish Times,* 27-7-2017)

A troika representing the ECB, the EU Commission and the IMF took over the effective economic running of the Irish State in return for a €67 billion loan to cover the losses of the Irish banks. This was equivalent to some 40% of the State's GDP at the time. In December 2010 the *Financial Times* nominated Finance Minister Brian Lenihan as the worst finance Minister in Europe for the second year in succession. Kevin Cardiff, Secretary-General at the Department of Finance, bemoaned the lack of professional economic expertise among his staff. It was rather late in the day.

After ninety years of political independence the bankruptcy of Ireland's policy-makers stemming from their uncritical europhilia could not have been more obvious. It was a humiliating culmination of their long love-affair with Brussels. As the *Irish Times* put it, a paper that for decades has been Ireland's main media missionary for EU integration: The EU/IMF loan and the conditions attached to it *"represent nonetheless a defeat for this State which has turned us, in the blink of an eye, from European success story to a people at the mercy of the benevolence of others. It was notable that the announcement* [of the bailout] *was made in Brussels and only after that was the Government able to hold its press conference in Dublin."*

Between 2007 and 2011 the Republic's GDP fell by 10% and its GNP by 14%. Employment declined by nearly one-sixth. From being the State with the highest net immigration level in Europe in 2006, Ireland went to having the highest net emigration level in 2013. In those years some 200,000 young Irish people emigrated. Domestic demand fell by a quarter as households and indigenous business deleveraged in face of heavy debts, a bank credit crunch, rising taxes and public spending cuts. The latter resulted from a succession of harsh government budgets, all premised on the maintenance of the bank guarantee. Irish Government debt, which was 25% of GDP in 2006, soared to 124% of GDP in 2013. In that year the Republic's overall debt, adding government debt, household debt and private business debt together, was, relative to its economic size, the highest in the Eurozone and the second highest in the world after Japan at over four times the State's GDP.

All this debt had to be met by Irish citizens, whether through paying taxes to meet Government debt, through mortgage and credit card payments to private lenders or through higher prices to cover business debt. This showed Ireland's vital need of "debt restructuring". Simultaneously the high exchange rate of the euro was hitting Ireland's labour-intensive exports to the UK, where they were trying to sell at an implicit exchange rate of 1.05 púnts or more to sterling. This was near the level that had precipitated the 1993 devaluation that had given birth to the "Celtic Tiger", but a devaluation was now ruled out because of Ireland's membership of the Eurozone.

Re-establishing an Independent Irish Currency

An influential factor sustaining the loyalty of the Irish political class to the euro is dread of the reputational damage its members would suffer if it should break up. This reflects a longstanding sense of national inferiority in Ireland's policy-making elite, which few of them will admit to. It is at once a long-term legacy of colonialism and a reaction to past economic failures of successive Irish Governments. It was lack of psychological self-confidence of this kind that made the *Irish Times* editorially praise Messrs Kohl and Mitterand for having been *"willing to put Europe before country*" when it came to Eurozone policy (2-9-2011). It is what made Finance Minister Michael Noonan tell the Oireachtas Finance Committee that preserving the euro was the main aim of the Irish Government's economic policy.

"We are not like Greece," said Irish Taoiseach Enda Kenny in 2015 as he sought the plaudits of the Republic's Eurozone "partners" for his commitment to the EU/IMF austerity programme, which Greece's Syriza-led government criticized when it first came to office. Earlier the mantra of official Ireland had been *"We are not Iceland*". That was when Iceland had reacted to the financial crisis by letting its insolvent banks go bust, defaulting on much of its debt, burning its bondholders, devaluing its currency, and introducing capital controls. By 2013 Iceland was doing well, having positive economic growth and unemployment at less than half the Irish level. It had kept its own currency, avoided the tutelage of the ECB and maintained its political independence.

Instead of disdaining the Icelanders or seeking to distance itself from the Greeks and the other PIIGS countries, an Irish Government that had its people's interests at heart would have concerted its policy with the governments of these countries in seeking together a way to rid both itself and them of the intolerable burden of private bank debt which the Eurozone authorities insisted that their taxpayers should bear. It would have sought to concert with them a dissolution of the currency union and a reversion to national currencies in as organised a manner as possible.

The most constructive way of dissolving the Eurozone would be for Germany to leave first, thus weakening the euro, and for other Eurozone countries gradually to follow, restoring their economic competitiveness in the process, with Greece going last. But that will not happen. More likely in due time is a withdrawal by some of the PIIGS States from the Eurozone, if that entity holds together at all in face of the inevitable further crises.

One way or another it is essential that the Irish State restores its national currency and with that regains control of either its rate of interest or its exchange rate – each an essential economic instrument for advancing the Irish people's welfare. The same goes for the other PIIGS countries.

Having been so foolish as to join the Eurozone in the first place, there would be pain in withdrawing from it, but it would be short-term pain, with the reward in sight of re-establishing what EU Commission President Romano Prodi called *"one of the two pillars of the Nation State"*, and with it the ability to control interest rates or exchange rates, which is fundamental to good government economic policy.

The alternative is years of long-drawn-out pain, national subservience and political hopelessness while continuing to use the euro-currency, as pay, profits and pensions are cut regularly in so-called "internal devaluations" and the rigid balanced-budget rule of the 2012 Fiscal Stability Treaty is imposed indefinitely on economies for which it is quite unsuited. That German-inspired treaty (see p.65 above) requires most EU States to run balanced budgets or budgets that are in surplus at all times, even though running a deficit is the proper response to economic recessions. In 2012 Ireland's euro-zealots got this Germanic political nostrum enshrined in the Republic's Constitution by referendum.

Break-ups of monetary unions have been frequent in history. Some sixty monetary unions dissolved during the 20th century. In Europe since 1990 the USSR rouble was replaced by the 15 currencies of the USSR's 15 successor States. Similarly when Czechoslovakia broke into two States and Yugoslavia into five, each new State adopted its own currency. The British pound was the currency used throughout Ireland before the Irish State was established. There are some 170 independent currencies in the world. To re-establish an independent currency new Irish bank-notes should initially be exchanged for euro notes at par, something that could be done over a long weekend for electronic and credit and debit card transactions in which most business is done nowadays. Or euros could be temporarily over-stamped as Irish pounds, which would then devalue with a view to balancing the State's payments at a level that maximized its economic output and employment.

Such steps would make it easy for people to monitor price movements and inhibit retailers from exploiting the shift to a new currency to raise prices. Euro notes and coins could still be allowed for small transactions until the new notes and coins became available, just as was done when the euro was introduced. ATM machines would not need then to be changed instantly. Capital controls would need to be temporarily imposed, as in Iceland, to prevent a rush of euro-withdrawals from the banks. The Oireachtas would have to legislate on how Irish law would henceforth treat contracts denominated in euros. The new currency would devalue, as the Irish púnt did in 1993 when it gave birth to the "Celtic Tiger", although it would take some time to find out by how much. That step would be desirable to restore the State's lost competitiveness. The extent of the devaluation would depend on what happened in the other Eurozone countries, on whether all or just some of these reverted to their national currencies and on what economic functions, if any, remained with the ECB.

In 2012 when it was widely thought that the Eurozone would break up, civil servants in the Department of Finance were tasked with considering the steps needed to restore the Irish pound. Such plans need to be fleshed out and put into force at the first opportunity, desirably following private consultations with the UK, Germany, the European Central Bank and the Bank of England regarding support for the Irish currency in the early weeks following its initial devaluation.

A devaluation would make Irish imports more expensive but would increase the value of exports and stimulate home production. That would be its main purpose. The Republic would thereby earn greater volumes of foreign currency with which to pay off its legitimate foreign debts. The Irish Government would have greater freedom to write down company debt and mortgage debt if desired, and to expand domestic demand in appropriate areas, using credit guidelines for the commercial Banks if need be – steps that are against the current rules of the Eurozone.[5]

The Republic's central aim in the period ahead should to be to join the nine other States that are EU members but are not trapped inside the Eurozone, as the most essential step needed to restore its economic sovereignty. Unless that becomes the State's policy objective and there is a parallel turning away from Irish policy-makers' unthinking "Europeanism", the rhetoric of politicians about economic recovery, media criticism of delinquent bankers and developers, business interests bemoaning tight credit and trade unions calling for priority to be given to jobs and investment, are so much blowing against the wind.

Ireland's economy will suffer for years as a result of the measures taken by the Eurozone and the ECB during the post-2008 financial crisis – in lost output, lost young emigrants, high debt levels and deeper subordination to German-imposed austerity and "ordo-liberalism". If the State remains a member of the Eurozone it is certain that there will be further such episodes, as well as continuing diminution of such policy autonomy as it has left.

[5] Economist Cormac Lucey describes what needs to be done in his book *Plan B: How leaving the Euro can save Ireland*, Gill and Macmillan, 2014. In this he shows how "Plan A" - current policies that are premised on continuing Eurozone membership - is not working and must do continuing damage to most Irish people. The book argues that it is essential for the people's welfare to restore the national currency and with it the capacity to control either interest rates or the exchange rate.

Abusing Ireland's Constitutional Process

Since 1986 successive EU Treaties have extended EU control over the Republic in a series of referendums that have been marked by unconstitutional behaviour and political chicanery on the part of Irish Governments, acting on behalf of its EU masters.

In 1986 the FitzGerald-Spring Government sought to ratify the Single European Act (SEA) establishing the single market by simple majority vote of the Dáil and Seanad even though this proposed new EU treaty greatly extended the supranational powers of Brussels. In its 1987 *Crotty* ruling the Supreme Court held that the SEA entailed a further surrender of Irish sovereignty and that this could only be done by the people themselves in a referendum, not by Oireachtas majority. As the Irish People are the repositories of sovereignty, only they could surrender it.

To ensure that the SEA was adopted in the referendum which the Supreme Court decided was necessary the Charles Haughey-led Government of the time decided to spend public money entirely on one side urging people to vote Yes. This had never happened before in Irish referendums. A decade later the Supreme Court ruled in its 1995 *McKenna* judgement that such one-sided expenditure of public money in referendums was undemocratic, unconstitutional and unfair. Later in its 2000 *Coughlan* judgement the Supreme Court ruled that one-sided allocation of free broadcasting time to the political parties in referendums, which had helped to get the previous referendums passed, was both illegal and unconstitutional.

These earlier EU referendums had thus been carried by means that were subsequently deemed unconstitutional, even though these later Supreme Court judgements did not invalidate their outcomes.

Following the McKenna case the Government set up a new body, the Referendum Commission, charged with the twofold task of (a) informing citizens what the referendum was about - in other words what the constitutional amendment the People were voting on proposed to do - and (b) informing them of the main arguments for and against the referendum proposition.

The latter provision was a significant help to the No side which rejected the Nice Treaty in the 2001 referendum on that because for the first time there was significant money behind the No-side arguments through the Referendum Commission's advertisements. To reverse that result and push the unchanged Nice Treaty through in the second referendum on Nice in 2002, the Bertie Ahern-led Fianna Fail Government removed from the Referendum Commission its function of setting out the main arguments for and against the referendum proposition. It did this by means of an amendment to the 1998 Referendum Act which it put through all stages of the Dáil and Seanad in one day on the last day of Oireachtas sittings before Christmas 2001, with one day's notice to the Opposition, when the media and public were distracted by the seasonal festivities. The Fine Gael, Labour, Sinn Fein and Green parties voted against this step.

Another ploy used to get the Nice Treaty ratified the second time round was that on that occasion the proposed constitutional amendment to permit the ratification of Nice was coupled with an amendment precluding the State from joining any future common EU defence pact without that step being first approved in a referendum. This was because concern about neutrality had led some people to vote No to

Nice the first time round. Both issues - the ratification of the Nice Treaty and the commitment to a referendum on a future EU military pact - were then put forward as one joint proposition on which citizens had to vote either Yes or No together, for they could not vote on its two elements separately.

Thus if voters wished to prevent the State joining a future EU defence pact, they had to vote to ratify the Nice Treaty. If they voted against the Nice Treaty they were also rejecting a constitutional amendment preventing the State joining an EU defence pact without a referendum. The Referendum Commission then had to inform citizen-voters how this dual proposition combined would affect the Constitution.

This two-different-propositions-in-one amendment was almost certainly unconstitutional in itself, but no one came forward to challenge it in the courts. Neither did anyone in the Irish media protest. The dual character of the Referendum Commission's explanations helped pile up votes for the Yes side. By these means the Government of the day turned the Irish People's No vote to the Nice Treaty in 2001 into a Yes vote in 2002.

Although after the second Nice referendum the Referendum Commission no longer had the function of setting out the Yes-side and No-side arguments in referendums, it still had the function of informing citizens what the subject matter of a referendum was. This it did by sending explanatory booklets to households on these occasions. When it came to the 2008 Lisbon Treaty referendum on the EU Constitution the Government decided that it would run its own information campaign in parallel with the Referendum Commission's by sending its own highly tendentious booklet to all households, separate from the Referendum Commission's booklet. This was not legally challenged at the time but in its 2012 *McCrystal* judgement the Supreme Court ruled that the Government booklet distributed in the Children's Rights referendum of that year contained errors and was significantly misleading. The booklet had to be withdrawn. Irish Governments have not sought to run "information campaigns" separate from the Referendum Commission's on these occasions since.

As well as these abuses of democracy in the domestic sphere in order to push through EU integration the longstanding neutrality policy of the Irish State has been significantly eroded by EU membership. Ireland has joined NATO's so-called "Partnership for Peace" and participates in EU battlegroups and foreign military missions. It has cooperated with the US Government in permitting Shannon Airport to be used for foreign military purposes.

Since joining the EU the Irish State has lost virtually any independent voice in international affairs, although it had once been proud of that. It participated in EU economic sanctions against Russia over Ukraine in 2015 even though these had no United Nations authorization and Russia had done no harm to Ireland.

This is clearly far from *"the unfettered control of Irish destinies"* which the men and women of the 1916 Easter Rising aspired to for the independent Irish Republic they fought and died to establish.

Brexit and Irexit: Fine Gael, Fianna Fail, Sinn Fein

Ireland's joining the EEC in 1973 led to decades of carefully nurtured ideological nightmare in which the mere mention of EU criticism was enough to put anyone beyond the pale of acceptable public discourse. Over that time a powerful "EU industry" grew up of politicians, civil servants, media figures and interest groups that benefited personally from the EU connection. Voters' rejection of the Nice Treaty in 2001 and the Lisbon Treaty in 2008 were signals to Ireland's political class that it should pause, that in the mind of its people supranational integration had gone far enough. But the career federalists who decided Irish public policy paid no attention and pressed on.

Since joining the EEC the Irish Establishment has oscillated between reckless behaviour - joining the euro, turning the State into a tax haven for foreign investors, throwing away any meaningful neutrality - and craven cowardice: grovelling to Germany and France when the Irish public voted No to the Nice and Lisbon Treaties even if that meant rejecting the results of democratic referendums.

There was incredulity in Irish Government circles when the majority of people in the UK voted to leave the EU in their 2016 Brexit referendum. Former Taoiseach Garret FitzGerald, who had helped establish the European Movement in Ireland, remarked once that the ultimate nightmare for Irish policy-makers would be if the UK, including Northern Ireland, went one way while the EU went another. That nightmare now threatened.

The Irish Government had opposed the EU giving concessions on inward migration to David Cameron's UK Government before its Brexit referendum, although if such concessions had been made the "Remain" side might well have carried the day. The Irish Government and the Republic's main parties then interfered blatantly in that referendum. Irish Taoiseach Enda Kenny, Fianna Fail leader Micheál Martin and the Irish ambassador in London campaigned publicly in Britain in favour of "Remain", against all the norms of international good behaviour in such matters.

Irish EU grandee Peter Sutherland, former Fine Gael Attorney-General, said on the day after the UK referendum: *"Somehow this result needs to be overturned."* (*Irish Times,* 27 June 2016) When Britain's Conservative Government and the leader of the Labour Opposition indicated that they accepted the popular vote and that there would be no attempt to re-run the referendum with a view to changing the result, as Irish Governments had done in their referendums on the Nice and Lisbon Treaties, disbelief turned to consternation. Dublin joined the chorus of voices saying that while UK voters had voted to leave the EU they had not voted to leave the EU customs union or single market, even though the greater part of supranational EU law relates to those entities.

In 1999 Dublin had perpetrated the folly of joining the euro-currency even though its main trading partners, the UK and USA, were outside it. In 2016 Ireland's Fine Gael Government, supported by the principal Dáil parties and without any public debate, perpetrated a comparable folly by saying that it intended to remain an EU member whatever happened, in the hope that something might still turn up to prevent Brexit. Ireland would remain part of "Team EU" come what may. Dublin would cooperate with the EU Governments, especially Germany and France, with the Brussels Commission and with those "Remainers" on Conservative and Labour sides in Britain who refused to accept the UK referendum result and sought to do everything possible to frustrate Brexit. Ministers blithely signed up to the EU negotiating brief that *"the integrity of the Union's legal order"* should be maintained in any final EU/UK settlement, regardless of the implications of the North-South border within Ireland becoming an EU external frontier. For logically the only way that that could be avoided was by Ireland leaving the EU alongside the UK.

This stance led former Fianna Fail Taoiseach Bertie Ahern to warn that the Government had *"missed the boat"* by failing to engage with London directly before the UK/EU negotiations began with EU chief negotiator Michel Barnier, on the basis of Strand Three of the Good Friday Agreement. *"For the next year it is left to trying to influence him and his team. That is the challenge we face as a country,"* the former Taoiseach said. (*Irish Times* 12-7-2017)

In 2017 to stress its continuing europhile credentials the Irish Government signed up to PESCO, the EU's Permanent Structured Cooperation in military matters. It thereby committed itself to increase its military spending from 0.6% of GDP to help reach the PESCO target of 2%. At the same time Taoiseach Leo Varadkar assured the EU that Ireland, now that it had become a net contributor to the EU Budget, would be willing to increase its future contributions in the interest of EU solidarity.

The situation in which the Irish Government effectively had no policy "red lines" apart from what EU negotiator Michel Barnier and the EU26 decided was the result of decades of uncritical europhilia on the part of official Ireland. This was despite the fact that we do most of our foreign trade outside the continental EU, we speak the English language and our family and cultural ties are primarily with the English-speaking world of North America, the UK, Australia etc. rather than with continental Europe. It means that if we decide at the end of the day that we do not like what the EU negotiates for us, the Irish State will be reacting from a position of utter weakness.

The leadership of the Sinn Fein Party opposed Brexit in the 2016 UK referendum even though Sinn Fein had been against all the integration treaties since 1973 for reasons of loss of sovereignty and democracy. Having supported the attempt to coerce the Northern Unionist population into a United Ireland during the IRA's quarter-century-long military campaign against British rule, Sinn Fein now proclaimed that *"Ulster must not be coerced"* into leaving the EU, while the rest of Ireland should bow to continuing rule from Brussels!

Sinn Fein's leaders had expected the "Remain" side to win and their DUP rivals in Northern Ireland to lose. If they had supported Brexit there would probably have been a Northern Ireland majority for that. Sinn Fein and the DUP together could then together have called on the Irish Government and the southern political parties to follow the North out of the EU and put these under powerful pressure to do that. Such a course would have generated quite a new dynamic with the DUP Unionists. It would have made Unionists generally look with friendlier eyes on Republicanism than they do now, as together they could have given a lead to the whole of Ireland. This was a tragically lost political opportunity.

In the 1972 EEC Accession referendum many people voted to join the then EEC because they were told that the North-South border would effectively dissolve as Europe's economies integrated. Now as Brexit threatened there was much wishful thinking in Dublin about a "special status" being possible for Northern Ireland where it would somehow remain in the EU along with the South post-Brexit while remaining part of the UK as well, or that the post-Brexit EU frontier might run down the Irish Sea, which might induce

Northern Unionists to consider joining the South inside the EU, adopting the euro-currency and bowing to whatever new EU laws might be passed before eventual Irish reunification.

This was fantasy. Northern Ireland Unionists had voted for Brexit by a big majority in the UK referendum. There was no desire among them to become part of an Irish State that was effectively a province in a supranational EU Federation. That is what the Republic's fate would be if it remained in the EU when the UK left, as the EU/Eurozone integrated further in response to Britain's departure. As for Northern Nationalists, becoming effectively part of a German neo-colony inside a federalizing EU/Eurozone would not necessarily be happier for them than being ruled from London.

Talk of Irish unity in an EU context is in any case a distraction. The core value of Irish Nationalism and Republicanism has always been national independence - or unity in independence - not unity unqualified. The whole island of Ireland was united as part of the United Kingdom between 1800 and 1921, but in subservience not independence, rather as its two separate parts are subservient to the European Union today. Indeed Ireland had more relative say, voting weight and political influence on the doings of the larger body of which it was part when it was in the 19th century British Union and elected one-sixth of the members of the Westminster Parliament than it has today as one of the 28 Member States of the European Union, with its 0.9% voting weight in the EU Council of Ministers.

Towards an Independent Democratic Future for the Irish State

Facing reality in the Republic of Ireland today means recognizing that with the UK moving to leave the EU and its single market and customs union - and with other EU countries likely to follow in time - the case for Ireland continuing as an EU Member fundamentally disappears.

Since 2014 the Republic has become a net contributor to the EU budget. Henceforth Brussels will no longer be the source of easy money that it has popularly been regarded as in Ireland for decades and which has been the basis of most Irish europhilia, official and unofficial. If it remains in the EU when the UK leaves it will have to increase its contributions to make up for the EU's loss of UK funds. If it leaves the EU on the other hand it could regain control of its sea-fisheries, the value of which if they had been developed in Irish hands since 1973 would have been many times greater than the Republic's net receipts from the EU over that time.

For the Republic to stay in the EU when the UK leaves would inevitably add new dimensions to the North-South border. It would affect trade between the two States and possibly travel. It would mean ever more EU-based laws in the South as the EU and Eurozone integrate further while the North remains with the UK. It would give Northern Unionists new reasons for opposing moves to Irish reunification, for that would require them to re-join the EU at some time in the future, adopt the disfunctional euro-currency and take on board all the EU legislation likely to be adopted in the interim years. The Republic's participation in the security and defence policy of an increasingly German-dominated EU would give Britain new reasons to discourage Northern Ireland leaving the UK out of consideration for its own long term security.

As regards trade and investment, the Republic sends over three-fifths by value of its goods exports and two-thirds of its services exports to countries that are outside the continental EU26, mostly English-speaking, as the Tables below show. It gets two-thirds of its imports from outside the EU26. The USA is the most important single-country market for the Republic's foreign-owned firms and the UK for its Irish-owned ones - the latter being especially important for employment. The British and North American markets together are significantly more important than those of the EU26 post-Brexit. Taking other English-speaking markets into account makes trade with the English-speaking world even more important.

In 2017, the most recent year for which figures are available, the Republic exported €123 billion worth of goods and imported €79 billion. Its two most important single-country markets were the USA and UK. When the UK leaves the EU the Republic will be sending nearly two-thirds of its goods exports to countries outside the continental EU26 and buying two-thirds of its imports from outside that area.

Distribution of Irish foreign trade in goods by area, 2017

	Exports	Imports
EU26 without the UK	37%	35%
Rest of World including the UK	63%	65%
UK	14%	23%
USA and Canada	28%	22%
USA and Canada + UK	42%	45%

Source: CSO StatBank, External Trade, Tables TSA01 and TSA05

When it comes to the Republic's export trade in services, the greater importance of non-EU markets compared to those of the continental EU26 without the UK is even more striking. Ireland's foreign trade in services is more valuable than its trade in goods. It amounted to €141 billion in exports and €186 billion in imports in 2016, the most recent year for which figures are available The principal items involved are computer services, financial services, other business services, royalties and licenses, transport, tourism and insurance.

Distribution of Irish foreign trade in services by area, 2016

	Exports	Imports
EU26 without the UK	34%	24%
Rest of World including the UK	66%	76%
UK	16%	6%
USA and Canada	11%	22%
USA and Canada + UK	27%	28%

Source: CSO, International trade in services, 2016, Table 2A

Moreover, the continental EU26 market for Irish exports has been relatively declining, as the EU is a low growth area affected by the austerity policies of the Eurozone, while the English-speaking markets of the UK, USA, Canada etc. have been relatively expanding.

These are considerations also for foreign investors coming to Ireland. Effectively foreign direct investment in the Republic has been geared more to exporting to English-speaking markets than to continental EU ones. Economically and psychologically Ireland is closer to Britain than to Germany and to Boston than Berlin. Britain and North America are where there are millions of people of Irish descent or who have Irish relations. There are few such on the European mainland. This puts exaggerated talk of the EU's "giant market of 500 million" into perspective. That shrinks anyway to 435 million with the UK gone. Some 7000 million people live outside the EU, most of them in Asia, the principal world economic growth area of the future.

It is not of course a question of the Republic having to choose between one export market and another if it should decide to leave the EU following the UK's leaving. If common sense prevails in the departure negotiations there should be continuing free trade between the Republic, the EU and the UK in the context of either Brexit or Irexit.

Without Britain beside her in the EU Council of Ministers, the Republic would be in a much weaker position to defend its low rate of company profits tax, important for attracting foreign investment, for which Germany and the Brussels Commission are now gunning. It would be less well able to defend its fishery interests, its trade and investment interests, its distinctive Anglo-Saxon-based traditions in the area of law and justice, which the EU aims to harmonise, and its military neutrality.

Of course for the Republic to leave the EU would mean leaving the Eurozone also, but membership of the Eurozone has been a disaster for Ireland. The Eurozone will not last anyway, at least not for all its current members. As the pound sterling falls in value and adds to the UK's competitiveness while Britain negotiates its way out of the EU, the Republic finds itself caught with an over-valued euro. Irish exporters have sought Government subsidies to compensate. However EU rules forbid such supports. The UK's leaving the EU has opened the possibility of the Republic re-establishing its independence, especially in view of likely further euro-currency crises. What Ireland most urgently needs today is a movement of opinion with that objective. Such a movement would support the reestablishment of an independent Irish currency as essential for advancing the economic welfare of the Irish people. This would open the way to ending Eurozone/German-imposed austerity and the widening gap between rich and poor that stems from that. Such a movement would parallel similar movements that seek to re-establish national democracy and independence in the other EU countries.

It is not a question of the Republic rejoining the UK, as some seek to misrepresent it. It is rather to see Brexit as an opportunity for the Irish State to get back its independence and national democracy vis-a-vis the EU, including the independent currency and associated floating exchange rate that had underpinned its "Celtic Tiger" economic boom of 1994-2001. It would get back thereby the other features of an independent State that have been surrendered to the EU: the right to make its own laws and decide its own international relations, and with that control of its borders, its sea fisheries, its State budget policy, its trade treaties with other countries, its foreign policy and its ability to maintain a meaningful neutrality if it wished to do that, while avoiding responsibility for a new Partition of Ireland by adding new dimensions to the North-South border.

The Republic does not need a constitutional referendum to leave the EU/Eurozone. Article 29.4 of the Constitution lays down that the State "may ratify" the Treaties establishing the European Union. It does not say that it “shall” or “must” do this. The Irish State is therefore a member of the EU by decision of its Government under a permissive power of its Constitution, a license given to it by the Irish People, not a mandatory or obligatory one. Using this permissive power the Government may also withdraw from the EU if that should become its policy and it has the assent of the Oireachtas that elects it.

This is in any case the only practical way to leave, for if the Government had to give several months’ notice that it intended to hold a referendum in the hope of getting a majority of citizens to vote in favour of leaving the EU, abandoning the euro-currency and re-establishing the Irish pound, it would immediately have a currency crisis on its hands because of speculators.

Freeing itself from the straitjacket of the EU/Eurozone would open Ireland to the world in quite a new way, as it would for other EU Member States that did the same. It would free the Irish State to develop trade and international relations with the 93% of humanity that live outside the EU, instead of Brussels deciding those relations for it.

Because of its economic and psychological closeness to Britain and America Ireland is in a prime position to develop close links with the English-speaking countries across the globe, to which so many Irish people have migrated in the past. At the same time it should of course maintain cooperative relations with the continental European States.

Winning back its national democracy and independence from the EU would put Ireland among the progressive modern countries that seek to develop a truly international community, away from a world dominated by Big Power blocs, of which the EU aspires to be one. It would enable the Irish State to contribute significantly once again to mankind’s democratic advance, to become, in James Connolly’s words, *“a beacon light to the oppressed of every land”.*

That is what the men and women of the 1916 Easter Rising hoped that the State they set out to establish would be. Irexit, leaving the EU and thereby regaining its lost national independence and democracy, would open a bright and exciting future for the Irish people, consistent with the best traditions of its past.