

The Tiger needs state aid

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The [Guardian has reported](#):

Brussels lumped Ireland together with Greece and Latvia yesterday on a hit list of countries with "excessive" government deficits, in the latest blow to the pride of the economy once envied across Europe and dubbed the Celtic Tiger.

Concerns about the deterioration in the public finances have become so severe that Ireland has even been compared with Iceland, which was forced to turn to the International Monetary Fund.

And the [FT has reported that](#):

Germany signalled that it would support emergency action to protect the eurozone if one of its 16 member-states found itself in such serious difficulties that it could not refinance its debt.

The remarks underlined the concern with which Germany views the impact of the global economic crisis on Europe's public finances, in the shape of sharply rising budget deficits and government debt. Berlin is also worried about excessive liquidity building in financial markets.

Mr Steinbrück declined to elaborate on his comments about possible bail-outs of eurozone member states.

The reality is, of course, that the Eurozone would have to do this to support the currency.

The practice would have to be that strict conditions would also need to be imposed on the recipient state. In the case of Ireland the 12.5% tax rate would have to go. Beggars can't be choosers.

The Tiger is reduced to a mouse being toyed with by the predatory cats.

