

# DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

# DÁIL ÉIREANN

TUAIRISC OIFIGIÚIL—Neamhcheartaithe (OFFICIAL REPORT—Unrevised)

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# DÁIL ÉIREANN

Dé Luain, 27 Meitheamh 2016 Monday, 27 June 2016

Chuaigh an Ceann Comhairle i gceannas ar 12 p.m.

Paidir. Prayer.

# United Kingdom Referendum on European Union Membership: Statements

The Taoiseach: Last Thursday, a majority of the United Kingdom electorate made a decision that will have a lasting impact on the future of these islands. On Friday, the Prime Minister, Mr. David Cameron, telephoned me to inform me personally of the result and of his intention to resign. He thanked the Irish Government for its support all through the process. He committed to ensuring there would be early bilateral engagement at senior official level on key issues now arising. These include Northern Ireland, the Border and the common travel area. That high level contact between officials will take place this week initially. While this is not the result the Government wanted, we fully respect the voters' sovereign choice in the UK.

Both I and my colleagues in government have been clear all along that a Leave result in the referendum would have significant implications at a national, bilateral and international level. Many Members also supported that view and helpfully engaged in advocating Ireland's position, particularly among the Irish and the Irish-connected communities that had a vote. I believe a cross-party approach will be valuable in the time ahead. I briefed Opposition leaders last Friday on contingency plans and the next steps in the EU-UK negotiation process. I was encouraged to hear that Members were willing to use their influence through their own party affiliations in Europe to ensure Ireland's position is well understood. I very much welcome this constructive approach. While the referendum result is not the outcome we wanted, we always knew that this result was possible and we are ready for the challenges ahead.

The stakes have always been higher on this issue for Ireland than for any other EU member state. The reasons for this are well known: first, the economy and the relative importance of each other's markets for trade; second, Northern Ireland, the peace process and British-Irish relations; third, the common travel area and our shared land border; and fourth, the role of the United Kingdom within the European Union and its strategic value to Ireland in that context.

The Irish Government was, therefore, very active throughout this entire process in engaging with the UK Government, and with our EU partners, outlining both our concerns and our interests. We advocated for a Remain outcome, having regard to the jurisdictional boundaries

because that was in our national interests. In parallel, we also deepened our understanding of the implications of a UK vote to leave the European Union. That was also in our national interests. Our primary goal now is to protect and advance those interests.

Prior to last year's general election in the UK, I strengthened my Department's capacity to focus specifically on bilateral relations between Ireland and Britain, including issues that would arise in the context of a change in the European Union-United Kingdom relationship. Work commenced across Departments to identify the key strategic and sectoral issues that could arise for us if the UK were to vote to leave the European Union. We have a whole-of-government contingency framework, within which we will continue to track and develop key policy issues and negotiation positions. This will be used in key economic areas such as trade, energy interconnection, social welfare arrangements, education and research co-operation. It will, in reality, extend right across every single area of Government activity. Above all, our contingency management arrangements will prioritise the key political and strategic issues arising from the implications for Northern Ireland, the common travel area and the Border.

We recognise that detailed contingency planning for a Brexit is particularly challenging. This is for a number of reasons: first, we do not know the precise arrangements or the timescale for the UK's withdrawal from the European Union; second, we do not know what the new relationship between the UK and the European Union will be; and third, we do not know who the new British Prime Minister will be and what his or her attitude might be. Nevertheless, we will scale up and intensify work to mitigate risks across Departments and in key agencies such as Enterprise Ireland and the Industrial Development Authority. Detailed negotiation strategies will be prepared on each of the key points for use in negotiations in Brussels, London, Belfast and other capitals as appropriate. It is important to recall that Ireland will work within the EU context. At the same time, as everybody knows, we have unique bilateral interests with the UK, including with regard to Northern Ireland. The Government will also have to work bilaterally in close contact with the UK Government and the devolved Administration in Northern Ireland.

I will travel to Brussels tomorrow for a meeting of the European Council, where there will be a first opportunity for a collective response to the situation by all the member states. I will have an opportunity to underline and outline our specific interests and concerns to make clear our national position. Prime Minister Cameron will also attend tomorrow's meeting, where he will have an opportunity to explain to the other 27 EU leaders his own interpretation of the outcome and of the next steps to be taken. However, I expect that on Wednesday morning there will be a substantial discussion among the Heads of State or Government of the 27 other member states, without the presence of the UK. I have no doubt that it will be underlined that Article 50 of the Treaty on European Union is the only legal basis for a member state to withdraw from the European Union. I also want to make clear that it is the European Council, the leaders of the different countries, under the direction of President Donald Tusk, and not any other EU institution or subgroup, which will have overall political control of the process involved here. This is important.

In other governments, there is a full understanding that there has been a political earthquake in the UK, the consequences of which will take some time to work out. I expect that there will be broad consensus that we will need to await the entry into office of a new British Prime Minister before a formal exit notification can be made and so the negotiations on withdrawal are unlikely to commence for some months yet and they will take a considerable time to complete. A two-year timeframe is envisaged in the treaty. As the Ceann Comhairle will be aware, this has never been tested in previous times.

In the meantime, it is important that people are aware that, as I mentioned earlier, the UK has not for now left the EU. Until it does so, following the Article 50 negotiations, it remains a full member with its existing rights and obligations. There will be no early change to the free flow of people, goods and services between our islands. I also want to underline that the withdrawal negotiations will be only one part of the story. They will prepare the way for exit, addressing issues such as the phasing out of UK budget payments, the completion of existing programmes in which the UK takes part, the status of UK officials in Brussels and so forth but they will not address the crucial question of the UK's future relationship with the Union, as a third country outside it.

Separate negotiations on the new relationship between the UK and the EU will therefore take place, if that is what the UK seeks or will seek. It is in this second set of negotiations that such crucial questions as the UK's future trading relationship with the EU and the movement of people to and from the UK will be addressed. It is expected that they will begin and be carried forward in parallel with the withdrawal negotiations.

Ireland's starting point will be straightforward. A stable, prosperous and outward-looking UK is clearly in our own interests and those of the EU as a whole. The closer the UK is to the EU, the better for all of us, and above all for Ireland. However, it will be up to the UK to work out what it wants to achieve and how it sees its future. That strategy is unclear at the moment. Within the EU, Ireland will argue that the negotiations should be conducted in a positive and constructive way but this will also depend on the UK's approach. I will be encouraging the next British Prime Minister to set realistic and achievable objectives and to build confidence in the UK's good faith. I also want to be clear that in so doing Ireland will not be alone. It is in nobody's interests for the UK and the EU to have anything but the best possible future relations. Among the other twenty six member states there will be a number of others who, like us, will be particularly anxious to see such an outcome and we will co-operate particularly closely with them. Our first priority will be to ensure that our own specific interests are protected to the maximum possible degree. We will, in parallel, take forward with the UK those matters which can be settled bilaterally, in whole or in part. In many crucial areas, above all those where the EU has the strongest competence such as trade, it will be the outcome of the wider negotiations that will be decisive.

Building on our strong partnerships, political relationships and using our teams of experienced officials in Dublin, Brussels and EU capitals, the Government will ensure the EU approach to these negotiations takes account of Ireland's special concerns and interests, including in relation to Northern Ireland. We have been actively engaging with our counterparts across Europe for some time now to ensure there is a clear understanding and appreciation of these aspects and I am confident that this is so. I also want to make clear that I, or my officials, will be at the table for every major decision on the negotiations. It is important to recall that the majority of our goods and services exports are to the euro area at 34% and to the US at 17%. The UK accounts for around 16% of our exports. The UK remains a member of the Single Market until such time as negotiations are concluded and overall our trading relationship continues as normal. Currency fluctuations will present some challenges in the short term for indigenous SMEs and the agrifood sector in particular.

Enterprise Ireland is implementing a plan to help exporters and a short-term strategy identifying other options. Possible instruments will be developed to protect jobs in particularly vulnerable sectors. The impact on enterprise and trade in Border counties will be monitored closely. As part of overall contingency planning a dedicated unit has been established in the

Department of Agriculture, Food and the Marine to work on relevant sectoral issues and the Minister will convene a consultative committee of interest groups to ensure a full exchange of information as the negotiations proceed.

Bord Bia will provide practical guidance to SMEs to assist them in dealing with marketing challenges and the management of volatility arising in the short term. The Minister for Jobs, Enterprise and Innovation will be working to ensure there is certainty as early as possible on the terms of future trading relationships, including the extent of access by the UK to the EU's Single Market.

Of course, Ireland remains a strong, competitive and open economy. Our talent pool, competitive and consistent tax regime and long track record of working with foreign companies is something that companies are interested in. The fact that Ireland is English-speaking and a member of the EU and eurozone is an added attraction. IDA Ireland will continue to market Ireland across the globe as the number one location for foreign direct investment. I noted the comments of its chief executive this morning on his view that the latter half of this year will be particularly strong for job investment from abroad into Ireland.

I welcome the Prime Minister's clear statement that Northern Ireland's interests will be fully reflected in the British Government's negotiating position. The Government fully recognises that the outcome of the UK referendum creates particular concerns in Northern Ireland. I fully understand why many people in Northern Ireland are deeply concerned that Northern Ireland will be outside of a project that has delivered so much for political stability, reconciliation and economic prosperity. We will continue to work urgently and intensively with the British Government and the Northern Ireland Executive to see how collectively we can ensure that the gains of the last two decades are fully protected in whatever post-exit arrangements are eventually negotiated.

All three administrations share the common objective of wanting to preserve the common travel area, which has existed since 1922, and an open Border on the island of Ireland. This work has already commenced through a round of telephone calls undertaken on Friday by the Minister for Foreign Affairs and Trade, Deputy Flanagan. Next Monday's plenary meeting of the North-South Ministerial Council in Dublin, which I will chair, will provide an opportunity for the Irish Government and the Northern Ireland Executive to have a strategic discussion around how we are going to work together to protect the interests of all our citizens on the island of Ireland. It will be of particular importance to know exactly what are the main priorities of the Northern Ireland Executive. When these talks and the process eventually concludes it is obviously in Northern Ireland's interest that the Irish Government is able to articulate those priorities, as needs be.

I will travel to Brussels for a meeting of the European Council tomorrow. At that meeting I will clearly set out our national position. I will ensure that our particular national interests are fully respected as we prepare to enter the next phase of negotiations. Given the strength of our relationship with the UK on one hand and our connectedness to the EU on the other, Ireland is in an important position. Our Ministers and officials are well respected and well connected in both London and Brussels. We will not be found wanting in contributing constructively to discussions in the days ahead. However, let me be absolutely clear that my primary goal is Ireland's national interests, and that goal will be foremost in any discussions with the UK, our EU partners and between the EU collectively and the United Kingdom. References to our corporation tax rate being the possible subject of change are not valid. This is a national competence,

and our corporation tax rate will not change. We have resisted every attempt to change it in the past, and we will continue to do so in the future.

These negotiations might not commence for some time. We will play our full part on an issue that will have consequences for many in the years ahead. I hope that working together in Ireland, we can achieve our ambitions, given the new circumstances and the situation that applies. I will keep Members of the House fully apprised and informed.

**Deputy Micheál Martin:** The next few years will be a defining period in our history and in the history of Europe. The stakes could not be higher. The need for a determined political response could not be stronger. For that reason we must move to bring some structure and clarity to what will happen. We must be clear on Ireland's fundamental policy towards Europe and we must develop a new framework for relations with the United Kingdom. We must also prepare for new threats and possible opportunities. Most of all, we must take a stand against the ideologies which were central to this result and which are a real and rising threat to shared democracy, human rights and development in Europe.

Let us start the debate about where to go from here by remembering why the European Union matters. We should never forget something very simple and uncontested, that the European Union was the driving force behind turning a century of war and destruction into a time of peace and development. The two world wars had their direct origins in the fact that nation states developed without strong, rules-based co-operation to enforce basic principles and ensure co-operation. The European Union turned this around and nobody has come up with even the most basic argument about how peace and rising living standards could have been achieved without it. However, Europe has become an all-purpose whipping boy for those who seek ideological purity or a return to days when they could dominate large empires. It has been so successful in its core mission that it is taken for granted. Should those on the right and the left who want it to disappear be successful, what possible means is there to stop a return to the cycle of destruction and depression we saw the last time European nations went their own way?

For Ireland, the rise in living standards and reduction in absolute poverty of the last four decades would have been impossible without participation in the European Union. Hundreds of thousands of jobs and many vital public services and supports are directly linked to our position as members of the Union. Ireland must be absolutely resolute in reaffirming its position as a committed constructive member of the European Union.

The outcome of this referendum was decided by a relatively small margin of UK voters but its potential impacts are deep for people throughout Ireland, Europe and the wider international community. It poses immediate economic, social and political threats more severe than anything faced in the past 70 years. The threats for our country are grave and they require an urgent and comprehensive response. Overcoming the inevitable damage from this vote must now be an absolute priority. There is a mandate for the United Kingdom to leave the European Union, but for nothing else. Nobody, especially those who pushed for this result, knows what comes next. They have not even made up their minds about when they want to trigger the process of negotiating departure. The political firestorm of an empowered far right and far left in Europe may be contained or it may lead to a period of growing extremism and xenophobia.

Let nobody be in any doubt about how this result came about. Many are trying to spin it and play down what everybody could see for themselves. We have heard this already from some groups in this House, as they try to claim the result for their own cause. Please, stop the attempt

to cover up what everybody can see. This was the result of a relentless campaign of attacks on Europe and the promotion of an anti-foreigner agenda. One does not get to claim the result for one's ideology while ignoring the campaign that secured that result. The sinister poster of hordes of Syrians waiting to invade Britain is part of the result and one does not get to ignore it.

The demand to end the automatic right of travel for all Europeans is also part of the result, as was the promise to opt out of the European Convention on Human Rights and the deeply cynical promise of an additional €350 million per week for the health service in the United Kingdom. Let us not forget that the slogan, Take Our Country Back, is the current preferred slogan of extreme populists throughout Europe and the wider world for whom there is always a group which can be isolated and blamed. It is about scapegoating others and building a politics of grievance.

Those who claim the outcome of the referendum was a vote against austerity politics should have the honesty to admit that the United Kingdom is not in the euro, is not subject to the eurozone's fiscal rules and has been a master of its economic destiny in recent years. While there is anger in many English communities about insecurity and living standards, it is the Westminster government which sets the core fiscal and economic policies of the United Kingdom. It is those who most want to end workers' rights, gut consumer protection, oppose environmental protection and deny climate change who ran and funded the Leave campaign. One cannot brush this aside and claim that somehow voters were motivated by a different agenda which is miraculously one's own.

Those who claim there is a backlash under way against so-called European war-mongering should remember that the United Kingdom acted against European Union opinion when it participated in the invasion of Iraq and it is the United Kingdom which has been strongest in opposing a common foreign and defence policy. We also heard the view that British identity was being undermined by the European Union and to be patriotic one had to be against the EU. This idea is a perversion of history. The European Union is a construction of a generation of patriots who fought for their countries, whether in the world war or to win independence. They understood that the only way to protect nation states was to create treaty-based organisations which forced co-operation and they have been proved spectacularly right.

Many strands of English opinion want to return to some pure vision of a glorious past. In doing this, they ignore the historical fact that depression and destruction went hand in hand with the Europe of competing states to which they aspire. While it is true that many working class communities were persuaded by the Tory-led campaign that they should vote to leave the EU, it is also the case that working class communities in Scotland and Northern Ireland voted to remain in the EU.

There are many legitimate reasons to criticise the European Union and there are many opponents of the EU who are not committed to the hyper-nationalist agenda. However, the core argument used by the Leave campaign was that Europe and foreigners were to be blamed for all hardships. Building on 40 years of Tory anti-EU rhetoric and the near hysterical campaigning of many media owners, people with legitimate economic and social grievances were directly encouraged to blame outsiders. This is a warning to all those who believe in constructive politics and abhor the divisive and cynical politics of the anti-EU populists that one cannot indulge their arguments and tactics, nor can one simply blame the European Union every time one has to do something unpopular. One must never stop making the positive and constructive case.

From the point in 2012 when the Prime Minister, David Cameron, announced his intention to hold a referendum on Britain's membership of the European Union, my party has addressed the issue of Brexit repeatedly and at length. We set out our position in a series of detailed statements at the Institute of European Affairs, at our Ard-Fheiseanna and in our election manifesto. Our policy was not developed today but was secured by the mandate we received from our members and 500,000 people who voted for us. Some people question why we spent time discussing a matter which did not seem to be of immediate importance. We were correct to identify Brexit as a priority and to be clear in our policy on the issue.

It is our absolute position that the economic, social and political case for Ireland remaining in the European Union is overwhelming. Even the suspicion that we might consider leaving the EU would cause immense damage, threatening hundreds of thousands of jobs and permanently devastating funding for public services. Its long-term impact would go far beyond the recent recession and return us to an economic model we abandoned nearly 60 years ago. Our message must be that we will be constructive and active in the period leading up to the UK's exit but we will under no circumstance join them. In recent days I have talked to business people, farmers, workers and other groups about their attitudes. There is a serious level of concern and anxiety about the future and a desire to see an active agenda to minimise damage. The first thing we need is to ensure we fully define our objectives and have an inclusive national approach to the negotiations. We all need to be wearing the same jersey.

I welcome the briefings provided last Friday and the assurance that parties will be fully consulted in future. Given the scale of the threat and the small amount of time, current arrangements should be built upon. A cross-government task force should be put in place with officials who are seconded full time to work on this issue. A formal update should be published at least monthly from next month onwards. Employers, trade unions, farming organisations and others must be full partners in the process of analysing Ireland's needs and negotiating positions. They are expert and constructive. Clearly, a permanent consultative approach is required rather than occasional meetings.

The impact on our relations with Northern Ireland is a distinct and vital concern and requires a distinct response. The statements during the campaign by the UK Secretary of State for Northern Ireland were at best dismissive of major concerns. She refused to acknowledge or make any preparations for the adverse impacts feared by the majority of the people of Northern Ireland. We must ensure that the voices of the people on both sides of the Border are heard and that the threat to them is minimised. We should seek urgent meetings of the various consultative institutions of the Belfast Agreement and establish a formal structure for consultation and policy agreement. I welcome the fact that there will be a meeting of the North-South Ministerial Council. This should be followed by a series of sectoral meetings.

As for the issue of calling a unification referendum, our position remains that one should be called when it is clear that there is a possibility the vote would pass. At the moment, there is no evidence of this. If this changes because of a forced departure from the European Union, then it may be the time for such a vote. Yet this has not yet been demonstrated. The North has had enough of the politics of gestures and votes used to assert difference rather than build consensus. The cynicism of Sinn Féin on this is dramatic even for that party. For four decades Provisional Sinn Féin has opposed Europe in everything. It opposed membership and it opposed every referendum. In the European Parliament the party spends its time condemning the European Union. It shares a group with parties opposed to the existence of the European Union. It even refuses to oppose the Russian invasion and partition of European states, but supports

resolutions blaming the European Union for Russian aggression. If Sinn Féin wants people to take it seriously in arguing for Northern Ireland to stay in the European Union, it should start by finding a positive word to say about the European Union in respect of anything.

I believe it would be best to await some clarity on timetables and impacts before we discuss the serious issue of the fact that the Belfast Agreement and the international treaty which underpins it are based on the principle of Ireland and the United Kingdom being members of the European Union. No useful purpose would be served by addressing that at a moment of such uncertainty.

The issue of Scotland's position has already been placed to the fore by Scottish First Minister, Ms Nicola Sturgeon, MSP. The future of Scotland within the United Kingdom is a matter for the people of Scotland. However, the future of Scotland within the European Union, should it leave the United Kingdom, is a matter which concerns all European Union states. I and my party believe that it would be unacceptable for Scotland to be treated as a normal candidate country should it seek to remain as a member of the European Union. Currently, it implements all European Union laws. Manifestly, it would not need to be reviewed for standards of governance or ability to implement European Union laws. It has a strong administration, a distinct legal system and an absolute commitment to European ideals. Scotland is strong enough to advocate for itself but Ireland should be a friend and demand fair play should it seek to remain in the European Union. As for whether Scotland could effectively veto Brexit, we have to play this straight, leaving it to the administrations concerned. Europe must under no circumstances interfere. As to the timing of the negotiations, it is reasonable that the United Kingdom Government would be allowed the time to change its leadership, assuming this is fully completed within three months. The British Prime Minister, Mr. Cameron, clearly does not have the legitimacy to lead any Article 50 negotiations. However, these negotiations should begin immediately upon this transition happening. The United Kingdom has no right to inflict ongoing uncertainty on the other 27 member states.

Regarding our interaction with the other 27 member states, the Taoiseach must bring to the Council the message that the overwhelming majority of this House and of the Irish people are committed to membership and that Ireland's unique concerns must be recognised. We need assurance that Ireland will be fully represented in negotiations. We do not want consultations; we want representation. This is one of the messages I will bring to a pre-summit meeting of the ALDE Party in Brussels tomorrow.

This is an issue of treaties and future relationships that are not just between the European Union and the United Kingdom. The primary negotiations should be carried out by the Council and not left solely to the Commission. I am not just talking about the Council overseeing but actually carrying out the negotiations. The Council should appoint negotiators who are representative of member states and especially those with major national interests involved. There can be no tolerance of any attempt by larger countries to dominate. This is a matter covered by unanimity. Ireland has the right to assert its interests and other states must be fully aware of this.

Given the complexity of negotiations, the Department of Foreign Affairs and Trade and all other Departments should immediately review the number of personnel required and substantially increase the full-time personnel working on bilateral relations with other states. We need all other countries to be up to date at all times on our concerns. We do not have the staff in place to achieve this at the moment, especially regarding sectoral issues.

Relations with the United Kingdom are far from the only issue of concern to Ireland. The future workings of the Union must be addressed. We must promote reform that delivers a Union more focused on key economic and social objectives. In particular, we must promote reform that addresses key causes of the recent recession and continued slow growth. These discussions must be inclusive and run parallel to the United Kingdom negotiations. However, this cannot be an opportunity for certain states to resurrect policies such as tax harmonisation which have no popular legitimacy and no likely economic benefit.

While these negotiations are ongoing, we need the European Union to be able to function and progress with the urgent agenda it has in hand at the moment. We cannot afford to have Brexit dominating everything.

It has not yet been proposed how to deal with the EU Presidency of the Council for the second half of next year. It would be manifestly absurd to have the United Kingdom in charge of negotiations within the Council at the same time as negotiating to leave the Union. In the past there have been a number of examples of countries delegating specific roles to other countries due to their size or lack of expertise. The legal basis for the UK handing over the chairs of ministerial councils clearly exists. If necessary, Ireland should offer to take over some of the roles as part of a group of countries.

The result of this referendum was the final outcome of four decades of rhetoric which blamed Europe and foreigners for everything. It followed an incoherent and pointless period of negotiations focused on marginal issues. In the end the regional and age divides in the vote were striking and will cause serious issues for the very future of the United Kingdom.

Ireland must take a different route. We do not have the British nostalgia for empire or fear of outsiders. To be successful, to offer a future for our people and to have a voice in the world, we must be active members of the European Union.

The generation which founded this State was absolutely committed to the ideal of Ireland as a member of a community of nations with responsibilities to each other. The men and women of 1916 were modern and outward looking, defining nationalism in an open and inclusive way, unlike so many elsewhere.

The first meeting of Dáil Éireann expressed the desire of this Republic to work with other states and sought security through co-operation. Our republican Constitution, adopted by the people at a dark time in world history, puts international co-operation and international law at the heart of Irish statehood. The stand taken by the then Taoiseach, Eamon de Valera, at the League of Nations, where he predicted that only destruction would come from ignoring rule-bound international organisations, remains one of the most important statements of Irish statehood.

It is this tradition, which stood against destructive competition between states and fear of outsiders, that we must now reaffirm. Ireland is a European state that believes in binding commitments between states. We believe in co-operation as the only way to achieve social, economic and political progress. The difficult few years of negotiations we face will pose an enormous political and administrative challenge. Meeting this challenge must be an absolute priority for us.

**Deputy Gerry Adams:** I would like to dedicate my remarks today to the memory of my good friend, Stan Corrigan, a long-standing member of Sinn Féin, whose funeral is taking place

just now.

Divisions on the EU within the British Tory party led David Cameron to make the mistake of calling a referendum on Britain's membership of the European Union. The debate in advance of the referendum was marred by racism, hatred and fear, especially in recent weeks. As immigration became the dominant theme for the Leave side, it was ruthlessly exploited by the right wing and the far right. The brutal murder of Labour MP Jo Cox was unable to stem the tide. This found its greatest expression in the UKIP poster that depicted thousands of exhausted immigrants trudging through the roads of southern Europe, desperate for work and safety. Its overtones of the fascism of the 1930s drew huge criticism, but to no avail. Is oth liom a rá go raibh ceist na n-imirceach ina fhachtóir freisin san fheachtas ó Thuaidh.

Leaving aside these unacceptable aspects of the Brexit debate, the outcome of the referendum is a vindication of Sinn Féin's long-standing criticism of the democratic deficit at the heart of the EU, the two-tier nature of the Union's structures and the social and economic inequalities inherent in the political ethos of the bigger states. Tá seasamh leanúnach i gcoinne gnéithe seo an Aontais Eorpaigh glactha ag Sinn Féin. We have also consistently argued for a more robust and less compliant policy from successive Irish Governments. In 1972, Sinn Féin and other progressives campaigned against membership of the EEC. Over the decades since then, we have modified our position to one of critical engagement. This position was formally adopted by our Ard-Fheis in 1999. At that time we said we were keenly aware of the dangers for Ireland as more and more decisions were ceded to unaccountable structures in the Union. We set out as our objectives the reform and restructuring of the EU, the decentralising of power, the promotion of national or state democracy, the promotion of economic and social justice and the creation of a 32-county political and economic identity within the EU. Is í sin ár dtuairim fós.

Tá gá ann an Aontas Eorpach a athchóiriú leis na mblianta anois. Ba cheart toradh an reifrinn an phróiseas sin a spreagadh agus ba chóir an deis sin a ghlacadh le práinne. I have no confidence that the elites in Europe will apply themselves to this task. I doubt that our Government has any real commitment to this objective. Those of us who want a social European Union, and there is EU-wide demand for such a fair dispensation based on equality, must find ways of uniting behind this demand.

On this island, notwithstanding partition, we should accept the vote in the North. Ba cheart dúinn a ghlacadh gur chaith tromlach na ndaoine sa Tuaisceart a gcuid vótaí chun fanacht laistigh den Aontas Eorpach. Many people, including those who have spoken already this afternoon, will say we are bound by the so-called United Kingdom vote. Sinn Féin says we are not. We need to put the island of Ireland first. We stand by the vote of the people of the North. I heard clearly the State-limited vision of the Fianna Fáil leader. All of us here need an island-wide vision. Beidh tionchar mór ag Brexit ar an dá gheilleagar ar an oileán seo. That the Border will now become an international frontier between an EU member state and a non-member state creates particular concerns for the people of this island. There is now a huge responsibility on our Government to think nationally, in the real sense of national which means on this island, the Thirty-two Counties. The Government, as a co-equal guarantor of the Good Friday Agreement, also has a responsibility to defend that Agreement and its political institutions. Contrary to the assertion made today by the Fianna Fáil leader that this international treaty is predicated by membership of the co-equal guarantors within the European Union, that is not the case whatsoever.

The reality is that the British decision puts at risk the human rights legislation that underpins

much of the Agreement, the cross-Border bodies and the all-Ireland structures. This must be resisted. Sinn Féin believes this can best be achieved by the maximum co-operation between the Executive and the Government in Dublin upholding the vote of the electorate in the North. While we would stand on the democratic position that the British Government has no right to represent the North, in this particular instance, it has forfeited the claim to represent the North at EU level. Its policy was rejected by the people.

The Irish Government must work to promote the interests of the whole island, and the North in particular, in future talks at EU level. It must support the rights of Ministers from the Executive to deal directly with the EU institutions. If the British Government has its way, this will be set aside and ignored because of the vote in England. The Democratic Unionist Party, DUP, must also respect the Remain vote. The majority of people, including many Unionists, rejected its exit policy. The DUP should embrace this. The people of the North have the right to have their voice heard and their vote respected. For the Government to ignore this is unacceptable. For the Fianna Fáil leadership to support the British position is shameful.

The democratic vote of the Scottish people is what is now determining the political approach of the Scottish Government to the EU and the British Government. The Scottish First Minister and her Cabinet yesterday decided to put into action their plan to negotiate with the EU and to prepare for a referendum on Scottish independence. Tá an Rialtas tar éis dhiúltú le glaoch Shinn Féin do reifreann chun Éire a aontú. The vote in the North is what will determine Sinn Féin's position. It should also determine that of the Irish Government.

I mbliana, tá muintir an oileáin tar éis comóradh céad bliain Éirí Amach 1916 a cheiliúradh. This centenary year, there has been a huge outpouring of solidarity with the men and women who fought for the freedom of Ireland - all of Ireland - 100 years ago. The Proclamation too has come into its own. Tá muid tar éis é sin a cheiliúradh fosta. The principles contained in the Proclamation of equality, rights and self-determination are resonating with citizens as never before. There is a greater understanding and appreciation of the vision and sacrifice of the men and women of 1916 now than at any time in our recent history. Sadly, like the Government's insistence on appealing the High Court decision against the planned demolition of much of the Moore Street national monument, this Government embraces those bits of 1916 it likes while ignoring and undermining those bits it does not like. The Rising and the Proclamation were about the people of all Ireland, not this State, not Twenty-six Counties but all Thirty-two Counties. Successive Fianna Fáil and Fine Gael and Labour Governments have forgotten that.

The Brexit vote reminds us of this. It also presents us with a unique opportunity to advance this cause in a democratic and peaceful way, and in a manner that has never existed before. We need to defend and promote the arrangements which protect the rights of every citizen, embrace all communities, and do so on the basis of equality and parity of esteem for everyone. This is a very appealing proposition, a democratic proposition and is entirely in keeping with the Good Friday Agreement.

This Dáil also needs to understand the divorce process between Britain and the EU is not straightforward. There is a significant entanglement of EU law with British law which has to be separated out. The EU and Britain, including the North, are inextricably connected in every sector of life, including the economy, farming, tourism, the health service, the criminal justice system, policing, the environment, climate change, infrastructure, community supports and investment, equality and workers' rights law, and much more. It is also likely that the Assembly in the North may have to give its legislative consent to repeal the European Communities Act

1972 which gives domestic effect to EU law and that too presents possibilities. The Brexit presents a historic challenge, but also an extraordinary opportunity to continue the process to end the injustice of partition and to build a new Ireland. To have one part of this island inside the EU and the other outside makes no sense. I think we are all agreed on that here today. Creideann Sinn Féin go bhfuil muintir an oileáin lán-ábalta ár ngnóthaí féin a eagrú. The Irish Government needs to think nationally - not in a Twenty-six Counties sense, but with an island-wide view. We need to be planning for the future and not sustaining the mistakes of the past.

Several months ago a Canadian report entitled Modelling Irish Unification gave some sense of what is at least economically possible if we get rid of the Border. It concluded that there could be significant long-term improvements in the economies of both the North and the South. Three unification scenarios were presented, with one estimating a €35.6 billion boost in an allisland GDP in the first eight years of unification. It also found that there would be a long-term improvement in the Northern economy as a result of the removal of currency, trade and tax barriers which currently impede economic growth. At the same time, the South would benefit from barrier-free access to the Northern Irish market. By modelling three separate unification scenarios, the researchers showed a long-term improvement of GDP *per capita* in the North of 4% to 7.5% while the South would see a boost of 0.7% to 1.2%. There is evidence that unity is an economically viable project.

We all know what the alternatives will be. Beidh tionchar eacnamaíochta ag Brexit ar an oileán. Last week the Government said that the cost of Brexit to the Irish economy would be between €2.5 billion and €3 billion over the next two years. This means that the State's GDP growth figures and its fiscal space projects may have to be revised downwards. When will the Government provide these revised fiscal space figures? The North too will lose a significant amount of EU funding, including funding for infrastructure, farming and rural communities and, not least, families along the Border. Will the next British Prime Minister be prepared to make up that loss? I very much doubt it.

The future for everyone on this island will be impacted by Brexit. There is no escape from this. The unaccountable nature of much of the EU bureaucracy, and a decision-making process that is often distant from citizens, is part of the reason for the Brexit vote. The treatment of Greece and the imposition of austerity policies on that state and others, including the people of this State, have also led to anger and frustration at the EU institutions. In our case, of course, the Government was infamously compliant with and to the EU elites. Working families paid the price for that folly. They are now due to pay once again. Mar sin, ní mór don Taoiseach a chuid dearcaidh agus dearcadh a Rialtas a athrú go hiomlán. Ní mór dó seasamh do mhuintir an oileáin seo - achan duine ar an oileán. In our national interest we, including the Taoiseach, need to put the island of Ireland first.

There are other unacceptable aspects of the EU including, for example, the shameful agreement with Turkey over refugees, which our Government endorsed, although not in our name, and the failure of the EU to respond adequately and fairly to the humanitarian crisis in the Mediterranean. Sinn Féin has long been critical of aspects of the EU project and rightly so. We do not support a two-tier European Union in which a small number of large member states take it upon themselves to dictate economic or other policy to smaller states, and I note the Taoiseach's remarks in that regard.

Sinn Féin's approach to the European Union can best be described as a critical engagement. Where measures are in the interests of the Irish people and other working people across the

Union, we support them and seek to further them. Where they are not, we oppose them and campaign for change.

We are against the drive for further centralisation of powers in the hands of an unelected EU bureaucracy. Irish citizens do not want to be part of a province of an EU superstate where technocrats take decisions with no accountability. For this reason Sinn Féin has resisted any attempt to undermine or dilute Irish neutrality. We Irish republicans want a different kind of European Union, a Union that is democratically accountable and transparent and that responds to the needs and desires of its citizens. We are for a social European Union, a Union of equals and of partnership and solidarity in which member states work together at times of adversity in the spirit of co-operation. The EU should collectively tackle the problems we face and work together to build opportunity and prosperity for citizens of the region.

The Brexit vote presents an opportunity to advance these objectives and to transform the EU into something better. I welcome the Taoiseach's briefing last week and the commitment to an inclusive approach to these problems. The task of everyone must be to agree policies and strategies that can minimise any problems that will arise as a consequence of Brexit and to use this crisis, if we are able, to create a new Ireland and a new European Union. This means insisting the Irish Government defends the interests of the island of Ireland at the European Council meeting this week and in any future negotiations, ensuring full co-operation between the Government and the Northern Executive, insisting the Irish Government, as a co-equal guarantor of the Good Friday Agreement, defends it, its political institutions and cross-Border bodies, ensuring the equality and human rights elements of the Good Friday Agreement are protected, grasping the opportunity to redesign the constitutional and political future of the island of Ireland and of Europe, and demanding a referendum on Irish unity.

We can change the political conditions to make best use of this unique opportunity. The British Government has no democratic mandate to represent the views of the North in any future negotiations within and with the EU. There is an onus on the British Government to recognise and respect the voice of the people of the North. There is an even greater onus on the Irish Government to respect this vote and to defend and promote this as part of an all-island view of the future.

**Deputy Brendan Howlin:** This Friday marks the 100th anniversary of the first Battle of the Somme, which was the worst day in the history of the British Army. It will be marked throughout the United Kingdom and we will also mark it here. It is particularly significant in the lore and memory of the Unionist community of this island but Nationalists also have deep and important reasons to remember the Somme.

British involvement in European wars does not begin or end with the Somme. Agincourt, Waterloo and Dunkirk are all emotional reference points for the British people because Britain has always regarded Europe as a field of strategic concern for it, or at least it did until last Thursday. There is a terrible irony that in the week the Somme is remembered, the British people voted themselves out of the one organisation that has contributed most to the most peaceful period in European history. Europe is a continent where if we do not work together in common purpose, we tend to war together. It is precisely at the point when one becomes most complacent about war and the maintenance of peace that one imperils peace, but this is what has been done.

I said on Friday that I believed the vote of the British people was a tragedy and it seems no

less a tragedy to me today, a number of days later.

1 o'clock

*k*The EU has served as an arena in which the relationship between this island and our sister island have improved immeasurably. Our equal membership of the EU and the additional prosperity that it has afforded the people of this State - alluded to by many of the contributors to the debate so far - has allowed us, for the first time in our history, to address and deal with the UK as an equal and not as a former colonial master. It has also afforded the UK to see this former colony as a true friend. That friendship was maintained despite the attempts of Sinn Féin and the IRA to set us apart and to construct a winner-takes-all relationship between our two states. Its friendship persevered to the point at which we were able, by working together, to build a peace based on a settlement that was consented to by all the people of this island. It is no exaggeration to say that this new relationship has been dealt a body blow by the referendum outcome last Friday.

The Brexiteers have claimed that the common travel area will not be impacted upon by this decision. We certainly do not need any more physical barriers impeding the relationships North and South between the peoples on this island. Bluntly, we cannot tolerate such impediments. Likewise, we want our trading relationship with the UK, including Northern Ireland, not only to survive as it has done but to grow and to thrive further. There seems now to be an urgency on the part of some EU countries to proceed with the exit process immediately. I urge caution. We are the EU member state with most at stake here. If European values mean anything, they mean that right now, our voice - the voice of Ireland - must be heard by all of our colleagues in the European Union. As I say, we have major issues at stake and we need to get this right. It seems to me perverse that there is an impulse to deal not only urgently but, if one hears the voice and the tone of some, to deal harshly with the UK.

The EU should not be a pen in which the people are corralled for fear of the consequences of exiting. It is a partnership. It was built and envisaged as a true partnership which meets the needs and aspirations of all of our people. It is a partnership which must also listen and hear the changing views of people. As the leader of Fianna Fáil has said, there are peculiar circumstances around the historic antipathy to the EU that seems to abound in the UK. There is a relentless anti-European press, a nostalgia for the glory days of empire and a concern about immigration. That Britain achieved her greatness because of her openness seems lost on many voters. Despite her small size, she remains unduly influential in the world, both politically and culturally. I believe she has put that eminence at risk. I feel particularly sorry for young Britons, who voted emphatically to remain in the EU. They understand that if one is not moving forward in consort, one runs the risk of going backwards. They understand that the modern world is multi-layered, that the global economy is bigger than any single member state and that we can all be buffeted, big or small, by the waves of that multi-layered entity.

Whatever one's view on Scottish independence, it is difficult to deny that the events of the last week are of such magnitude that they justify looking again at the question that was determined by the Scottish people last year.

In like fashion, Sinn Féin has suggested we do likewise on this island. Again, it is not difficult to understand the reasons for this. While the British people have unilaterally cast aside one of the pillars of the settlement between the peoples of Britain and Ireland, it is not the primary pillar. The primary pillar remains the principle of consent. We have no evidence that a Border poll would change the *status quo*. The evidence is rather in the other direction. A lower Nationalist turnout in the referendum and a reduced Nationalist vote in the recent Northern Assembly elections are examples. I disagree that the sentiments of the Good Friday Agreement would be met by a numbers count. The thrust of years of discussion was to win people over to the view of a common Irish homeland, not to do a sectarian head count. We should not devalue the Border poll by an inopportune triggering of its use. We should look to preserve, in the first instance, the real and substantial progress we have made. We must not allow ourselves to slip backwards.

The priority must be to protect the political and institutional arrangements established by the Good Friday Agreement from potential instability. The status of both the UK and Ireland as EU member states is woven throughout the Agreement. One of the six North-South implementation bodies is the cross-Border Special EU Programmes Body, which I had the honour of co-chairing for the past five years. It brought substantial benefits to people on both sides of the Border. One of the functions of the North-South Ministerial Council is to consider the EU dimension of all relevant matters including the implementation of EU policies, programmes and proposals. We must ensure the transition for the institutions is as smooth and free from turbulence as we all, with our shared commitment and goodwill, can make it, and without breaking the sentiment, and progress we have made recently.

There will be some inevitable disruptions. We are an island off an island off the continent of Europe. Our geography dictates our policies. For example, we have an all-island electricity market. The market is being re-designed to comply with EU rules for a pan-European market. Does it make sense to talk about a single European electricity market given that our only physical connections are with a country that is about to leave the EU? The interconnectors will soon enough be importing and exporting power from the EU rather than trading it within a common European market. It is controversial enough to decide whether the North-South interconnector should be above or below ground. What do we do if it is re-classified not as a vital piece of EU infrastructure but as an export project? In both electricity and gas, our only physical connections are with a country that is leaving the EU. Post Brexit, the notion of adhering to policies designed for an internal EU market needs to be urgently re-examined.

Some in the UK are shocked by the scale of the economic reaction to the vote. Some had not realised the disconnect within their communities. There is a certain naivety because of the size of the UK economy which, until last week, was regarded as the fifth-largest economy in the world, albeit one with a sizeable current account deficit. It is disturbing that the warnings set out by the nation's most prominent economists were not just ignored, but ridiculed during the debate. It is summed up in the dismissal by Michael Gove, MP, that "we've had enough of experts". While I believe there is a place where the role of the politician begins, there is a place where that begins and the policy expert's opinion ends. However, that should come after careful consideration of all the opinions, not dismissal of expert opinion out of hand. Let us not pretend that such nihilism is unique to the UK. Deputy Paul Murphy and his friends were at it again last week. Their appetite for chaos seems to have no end but they do this in the name of the left. They have much more in common with the nihilistic right than with genuine progressives.

It is too early to gauge the economic impact of this decision but I would urge caution about moving to amend our budgetary plans. We simply do not yet know what the impact will be. If we believe, as the statement by the Minister for Finance last week indicated, that the impact will be potentially negative, we should not race to fundamentally alter our plans for the budget, believed by the fiscal council to be contractionary next year, in the hope that having further

contraction will provide us with greater shelter. Leaving aside fiscal space, that is largely an esoteric concept and difficult to calculate. I have been involved in this calculation for the past number of years. For example, between February and now, if we believe the figures published last week, the fiscal space has doubled in size. Our debt dynamics are miraculous given where we were as recently as five years ago. Our inflation dynamic is almost unhealthy, our housing policy needs stimulus, not contraction, and wages are slowly recovering from the most catastrophic economic shock we have ever experienced as a nation. We can afford, and absolutely need, an expansionary budget.

I referred earlier to the European response. It was disturbing to see the founder members of the Union gathering at a separate meeting last week. I welcome the Taoiseach's comments in his contribution, probably aimed at the same gathering, that these matters will be determined by the European Council acting in concert not by any select gathering of individual member states. On 21 January 1919, Members gathering at the First Dáil declared the desire that our country be ruled in accordance with the principles of liberty, equality, and justice for all, which they stated, "can alone can secure permanence of Government in the willing adhesion of the people". The EU has not secured the willing adhesion of the British people and there are fears the same result could be repeated elsewhere. It is time, surely, for Europe to realise that the best way for it to survive and, indeed, to continue to prosper, as most of us in this House want desperately to happen, is to serve its people more clearly and demonstrably. This means the return of economic growth to Europe. Many of the other concerns, including those about intra-Union migration, are predicated on fears about the impact that would have on jobs, housing and access to public services. The perception is that these migration patterns add further pressure to over-pressurised services suffering from an obsessive focus on European budgetary controls.

There is a balance to be achieved and we worked hard over the past five years to achieve that, which is a point I have made again and again. We need to ensure we broaden our response to economic underachievement. I know better than most in this House that a balance is required. Since he became president of the ECB, Mario Draghi, has done his best but monetary stimulus is often not enough; a corresponding fiscal stimulus is required. This is something we need to debate and act on, lest further years of EU austerity damage the political fabric of the Union altogether and undermines the people's support for it. Likewise, Europe needs to recover its spirit. It was never intended to be merely an economic club, or a Single Market. Many of its great achievements are in the area of social policy and it is to that spirit of a social Europe, and a common European homeland where all of us can aspire through a spirit of cohesion to a better standard of living for ourselves and for our children, that we must return.

My party will be supportive of the Government's efforts to work through this problem. This result may well have been out of our control but its potential impact on our people remains huge. Like others, I welcome the publication of the Government's contingency strategy and the briefings the Government provided us in opposition last week. I agree we should seek to maximise whatever advantages that might accrue in what is otherwise a difficult challenge. However, if there is to be a new relationship between the UK and the Union arising from this decision, we must work to make one that meets the needs of the State and of everyone on the island of Ireland. It is critical at this juncture that what happens now makes the best of this bad lot for Irish citizens and the citizens of Europe. That is the complicated and challenging task that faces the Taoiseach and his Government. From the Labour Party perspective, it is one that we will support them to our best ability in achieving but we will also hold them to account.

The sheer dishonesty of the Remain and pro-EU camps in this debate, both before the vote and now after the vote, is breathtaking and was captured succinctly by Deputy Howlin's comments where he said that, the Remain camp, much of the political elite and much of the media have tried to dishonestly characterise what is at stake in this vote by presenting a simplistic and utterly disingenuous narrative, which is that those who support Remain in the EU are progressive, internationalist, anti-racism and, therefore, pro-democracy, peace and fairness and those who support exit are reactionary, racist, nationalist and xenophobic. Of course, there are absolutely vile, racist, nationalist and xenophobic forces in Britain who were prominent in the exit campaign and across Europe whom we must oppose resolutely. We must politically defeat them at every turn but the question is whether the EU is the force to do that or whether it has contributed significantly to the growth of those racist and xenophobic political forces. The truth is the latter. The suggestion that those who supported Remain were a bunch of progressive, peace loving people in favour of equality and fairness is nonsense. The official financiers of the Remain campaign in Britain were Goldman Sachs, Citigroup, Morgan Stanley and the hedge funds of the City of London.

**Deputy Darragh O'Brien:** Who funded the Leave campaign?

**Deputy Richard Boyd Barrett:** I will get to that.

Was there any acknowledgment that these people were behind the financing of the hugely resourced Remain campaign? What is their agenda? Is it what is in the interests of the millions across Europe, for a better life for them, to protect refugees, to build a social Europe that Deputy Howlin said he wants? No, the Deputy must have a case of bad amnesia if he thinks that is why those people were resourcing the Remain campaign. These were the same people who inflicted cruel and brutal austerity on the people of Greece, Portugal, Spain and of this country, who insisted that millions of working people, the poor, the least well-off and the most vulnerable bore the brunt of the wild gambling, greed and speculation of Europe's super rich. These were the people who resourced the Remain campaign in Britain and they did so precisely to preserve their interests, to ensure the European Union continues with policies that protects the 1% of the super wealthy and the financial and corporate elite at the expense of millions of ordinary people across Europe. That is the truth. That is the key reason there has been a revolt again the EU and its policies - this is not uniquely British - which we have seen with the massive mobilisations in Greece, Spain, Portugal, Italy and in this country against the cruel austerity policies that the European Union has imposed on them and that has shown an utter contempt for democracy. That is again manifested today, as we speak, with the European Commission, an unelected body, saying that it does not care what democratic mandate this House has or what democratic decision was made by the Irish people in the previous election on the issue of water charges, it says we are simply not allowed to get rid of water charges. Is this the democratic and social Europe about which Deputy Howlin is talking? He must be joking. He must think the people of this country and Europe are fools.

It was that patronising contempt for the intelligence of ordinary people that produced the exit vote. Does anybody really believe that the majority of people who voted to exit are political supporters of UKIP? It certainly would not be evidenced in the UKIP's election results. It is highly likely that when a detailed analysis is done of from where the vote for exit came it will be found that the vast majority of people who voted for exit are Labour voters in the poorest, working class areas in the parts of Britain that were devastated by Thatcher's neoliberal policies that destroyed the steel industry, the car industry and the miners' unions, that inflicted terrible poverty, suffering and alienation on the majority of people in the poorest, working class

areas. That was borne out in any of the vox pops, but was not in any way reflected by the media which wanted to go along with the dishonest narrative of what was at stake and which wanted to present anybody who was in favour of an exit vote as a reactionary xenophobe or a disgusting political opportunist like Boris Johnson. Let me repeat, as far as I am concerned, Johnson is a vile opportunist who must be defeated. Farage is a vile racist and xenophobe who must be defeated. It is precisely by addressing the deep alienation, inequality, poverty, unemployment and the disaffection of millions of people in Britain and across Europe with the utterly undemocratic, corporate-dominated, increasingly militarised and increasingly racist European Union that we will deal with the xenophobes and opportunists like Johnson and Farage and, for that matter, the far right wing and Nazi manifestations of them in other parts of Europe, to which the European Union's own political failures have given birth. If we show contempt and if we insult the English people for the decision they have made, we are more likely to drive them back into the hands of the right, the racists and xenophobes rather than direct their justified anger where it should be directed, against an increasingly undemocratic European Union, against the policies of austerity that are not by any means unique to the European Union, that were also championed by the Tories in Britain for decades, instigated by Margaret Thatcher, and carried on by David Cameron. Who started the anti-immigrant narrative of the exit campaign? David Cameron.

These are the people with whom Deputy Brendan Howlin and anybody else who was in the Remain camp are associating themselves. Is that a fair argument? It is as fair as the Deputy trying to liken us to Farage to say he was in the camp of David Cameron and of Citibank, Morgan Stanley, Goldman Sachs and of Jean-Claude Juncker, President of the European Commission, who decided to wait until after the Brexit vote to unveil the plans for a European army. They had those plans drafted but did not publish them until after the vote and following it they have been revealed. There is an explicit commitment now from what I call the global strategy on foreign and security policy to move towards a European army, something supported by Mr. Juncker, who has said, "a common army among the Europeans would convey to Russia that we are serious about defending the values of the European Union". That is what Mr. Juncker thinks. Germany's defence Minister said, "The European army is our long-term goal but first we must strengthen the European Defence Union." That is their long-term goal. That is the agenda they want but we do not speak about that.

A great number of the people in Britain and here who are anxious about the exit vote are anxious because they are genuinely progressive but they have wrongly invested their anti-rasict sentiments, hopes and their belief and desire for solidarity with refugees in the European Union. I would ask those people seriously to consider whether they can honestly believe that the European Union that has signed an agreement with Turkey to expel all immigrants who come in and send them back to Turkey to be shot or imprisoned and brutalised by the Turkish regime is a force for defending and a force for the solidarity of refugees? That is the purest of fantasies.

**Deputy Darragh O'Brien:** I was waiting to hear the Deputy's views about the Leave campaign.

**Deputy Richard Boyd Barrett:** I told the Deputy what I thought of Farage and Johnson.

**An Ceann Comhairle:** The Deputy is eating into Deputy Coppinger's time.

**Deputy Ruth Coppinger:** Since the Anti-Austerity Alliance and People Before Profit seems to be the only group in the Dáil that has spoken thus far that took a decision to support the outcome of what has happened, it might do Deputies well to listen rather than just to snipe

or remove themselves from the building when the left speaks.

A quote that is apt is that there are decades where nothing happens and there are weeks where decades happen. That is certainly the case with respect to the events in Britain in recent days. On Thursday a majority of UK voters opted to leave the EU in an act of what has been called "raw democracy". Many people here are not happy with that. Some people would like the great unwashed not to have a vote. What we have seen is that millions withstood bullying, intimidation and their dismissal with open contempt in many cases by their so-called betters in political parties and in business. We have seen that reflected in some of the tone of today's comments in the Dáil. World leaders from Obama to NATO to the IMF to Tony Blair told people to remain and they chose to exit. It has been slowly dawning on some in the media and in the establishment that there is a recognition that this is a backlash, a working class revolt, by those who do not, and have not, benefited from EU or British capitalism in recent years or for decades. With respect to the 17 million people who voted to exit, there is an inchoate class anger and rage at what they have suffered under the EU and big business, making them pay for a crisis in recent years and decades of low pay, an increase in zero-hour contracts, cuts in benefits, increased privatisation, a decrease in public services and a housing crisis. I can completely understand the progressive instincts of very many people in Britain who voted to remain, particularly young people - those who did vote. Of such people, the large majority voted against the little Englanders, the nationalism and the racism that they saw, and wanted co-operation and unity across Europe and so on. The EU cannot provide this and it is not progressive. I would like to remind people here of the reality. The EU about which I have heard today is nothing like the reality of the EU. It is a capitalist club the primary interest of which is to represent the interests of the bosses, the wealthy and the 1%. The Minister for Finance, Deputy Noonan, received a phone call to the effect that a financial bomb would go off in Europe if the Irish Government and the Irish people dared to burn the bondholders. Has the Government forgotten this? During the bailout the private debt of speculators in European banks was shouldered onto the backs of ordinary working class people in Ireland. What about the humiliation last year of the people of Greece? Has the Government forgotten that? This is what the EU now stands for. The EU is allowing thousands of refugees to drown in the Mediterranean while it does a deal with President Erdogan and Turkey to keep them held outside of the EU. That this is considered progressive is quite incredible. This is the EU that working class people in Europe see and that people in Britain saw. What about the EU ban on public spending that is affecting our housing crisis? There has not been a peep about that. The spending by Ireland of money from the strategic investment fund and cash held by NAMA on our housing emergency is outlawed under EU rules but we should ignore this.

Obviously, there were genuine fears among people who voted to remain about racism and intolerance. For this reason, 48% of people voted to remain. There was racism in the official Leave side but there was massive racism in the Remain side. During the mayoral elections, Mr. David Cameron, used disgusting racism against Mr. Kahn. That is forgotten. Who was it that stirred up racism and fears about immigration in the first place? These people built their careers on stirring up racism. I am amazed at the sudden concern of Fianna Fáil. Deputy Martin in his contribution effectively characterised 17 million in Britain as being racist.

# Deputy Micheál Martin: No.

**Deputy Ruth Coppinger:** That is effectively what he said. I assume Deputy Martin will take action against the Fianna Fáil Sligo-Leitrim Deputy who on 23 June tabled a parliamentary question to the Minister for Justice and Equality asking how many Muslims had applied to

come into Ireland. Will the Deputy be moving against that type of racism? There has been a stoking up of immigration issues in this country since this vote took place, including by Deputy Michael Healy-Rae and some Fianna Fáil Deputies over the weekend. I hope Deputy Martin will look into that matter and take appropriate action.

There are politicians here who stoke up racism. It is unfortunate that Jeremy Corbyn and the left of the Labour Party in Britain did not have the courage of their convictions and opt to advocate for a Brexit from the EU, which is a capitalist club of the 1%, thereby allowing the debate to be dominated by racists and the two wings of the Tory Party. Points could have been made. There are genuine fears that people have in relation to immigration that should have been answered but were not because the left stood aside from the debate. That is unfortunate.

On the call by Sinn Féin for a Border poll, which we heard again today, given the existing level of sectarianism that exists in the North this could be particularly divisive and polarising. The so-called democratic voted would be, in essence, a coercion of 1 million Protestants into a united Ireland. Such sectarianism is not helpful at this time. It creates a huge illusion in the EU, of which I heard no criticism, which is effectively a neoliberal project. We need real unity of ordinary working class people North and South.

What we have seen happening in Britain since this vote took place is an incredible pace of events in that the Tory Party could be effectively split into two right wing parties and the Labour Party is attacking its leader, Jeremy Corbyn. In effect, Jeremy Corbyn is being blamed for everything in Britain, including the weather. There is an attempted coup by a cabal of people who pressured him to take the "remain" side and are now blaming him for the result. I hope that he will stand up to that coup and will use this opportunity to lead Britain out of the EU and in the direction of a general election and that he will win that general election and move the Labour Party in a real left direction.

As far as the Socialist Party and the Anti-Austerity Alliance are concerned there is no future for working class people on the basis of the current economic system, be it in or outside the EU. As has been said, the EU is a neoliberal straitjacket enforcing undemocratic decisions on member states. We have to fight to create a different society, a socialist society where the massive wealth and resources that exist in the EU would be used for the majority and not the 1%. We need to build homes cheaply and on a large scale. Imagine if we were allowed to spend the resources we have in this country to end our housing crisis rather than privatise our housing system in the future. Imagine a system that would not ban public ownership but would invest in public services, health and education and would not dictate to people that they must charge for water. The total ignoring in this debate of the diktat from the European Commission that this Parliament ignore the democratic mandate given to it by the majority in the recent election not to implement water charges is incredible. Imagine a society where the European corporations were taken under the control of the majority. European corporations are currently sitting on and hoarding €1.1 trillion. This cash pile, apparently the largest we have seen since 2001, remains uninvested while working class people in Europe suffer huge cuts to their living standards.

One hundred years ago James Connolly mentioned not patching up the capitalist system. We cannot patch up a system that is based on economic crisis, inequality, racism and war and the misery that is being inflicted on the majority in Greece. We need to build an equal, social society organised for need not profit, for solidarity not division.

An Ceann Comhairle: The next speaker is Deputy Catherine Connolly who I understand

is sharing time with Deputy Pringle. Is that agreed? Agreed.

Deputy Catherine Connolly: We can judge and we can condemn the people that did not vote the way that the English Government, Irish Government or the EU wanted them to vote. We can remain in denial and we can continue to believe that the EU can continue as is without the UK and that our role is to be good European citizens and comply with the rules to hold back the tide or we can grow up and own up to the fact that this Government not only failed to see Brexit winning but took an active part in the project of fear that sought to scare the British electorate into remaining. Of equal significance, we could realise that this Government utterly failed to realise the importance of the electorate and the vote, except in so far as it was willing to look at a "Yes" vote and talk about the people, I am sure, having spoken but a vote to leave was, would be and is interpreted as a vote based on greed, narrow self interest, nationalism of the worst kind and dangerous anti-immigration views. In fact so busy were members of this Government canvassing for a "Yes" vote that little thought was put into the preparation of a contingency plan, although I welcome that this is now in place.

Since the vote, we have heard many commentators, journalists and ex-journalists describe the vote in doomsday terms. According to Cliff Taylor, the overwhelming opinion of analysis is that the balance for the Irish economy will be negative, the only question being by how much. According to Fintan O'Toole, English nationalists, recklessly and casually, with barely a thought, have planted a bomb under the agreement that brought peace to Northern Ireland and so on. According to Pat Leahy, the nightmare has actually happened. Former President of the EU Parliament, Pat Cox, has talked of mines going off. This is the language of the Remain campaign. They spoke of hidden mines and people walking on them, causing them to explode and that people would not be expecting them. Deputy Micheál Martin said, "Brexit would be bad for Britain, bad for Ireland, bad for Europe and, as the IMF pointed out last week, bad for the world." John Bruton utterly failed to recognise the significance of the referendum and of the crisis that a Brexit would create for the EU. Many of these same people and others repeatedly pointed out in the media that the Brexit side had no plan of action, which was a fair comment and a fair question. However nobody put the question as to what was the contingency plan of those who favoured remaining, including our own Government. Therefore, before and after the vote we continue to see one right way to vote and one right way to behave. It does not occur to the commentators, to the Irish Government, to the UK Government and, most important, to the EU itself that despite the projection of fear and total manipulation of same to force a desired result, the electorate was not fooled. The only foolish people are those of us who are still unable to digest and learn from the fact that more than 17 million people voted for a Brexit.

The EU project, led by an elite that is unaccountable to the people, is utterly deaf to what people in different countries, including Ireland, have been saying about the EU: its growing size and power, its overall control and the volume of legislation emanating from the EU, notwith-standing the constant bombardment from the establishment to remain. This should alert us and red bells should ring that something is seriously amiss with the EU itself.

As significant is the Lisbon treaty being amiss. I have it here and I have read it. Article 50 specifically provides that any member state may withdraw from the EU. Article 50 does not preclude a country from applying to rejoin the EU but "its request shall be subject to the procedure referred to in Article 49". Clearly, the Lisbon treaty provides for an orderly and a managed exit of any country from the EU. Given the doomsday scenario both prior to and subsequent to the Brexit referendum, the question must be asked why Article 50 was put into the treaty at all if it was not contemplated that a country might exit. It also begs the question as to whether

other articles in the Lisbon treaty similarly are there only as token gestures to be implemented or not depending on the needs of the markets. Consider the article on democracy and participation. Article 10.3 of the Lisbon treaty - a wonderful article - states "Every citizen shall have the right to participate in the democratic life of the Union. Decisions shall be taken as openly and as closely as possible to the citizen." However, the words and content of this article are different from the reality. One need only look at how local government resources have been depleted and how almost all the powers of local government have been taken away under the guise of better local government.

If one looks at the Lisbon and Nice referenda, which were re-run to obtain the outcome desired by the Irish Government, and if one looks at the current negotiations for the Transatlantic Trade and Investment Partnership, TTIP, which are happening under complete secrecy, perhaps therein lies the key to what led to Brexit - the utter disconnect which was felt, on this occasion by the UK electorate. We should realise that Brexit is not the problem. Brexit is the consequence of a problem, which is the failure of the ruling elite and compliant governments, our own included, to realise that the democratic deficit is an integral part of the EU. This has been pointed out by one or two sensible people and one article about the Brexit referendum by Dr. Christopher Bickerton drew my particular attention. He said:

A key theme has been the deep disenchantment voters feel about politics and the contempt they have for politicians, and there is nothing uniquely British about this ... The British-EU referendum is the tip of a much larger iceberg, a European Union of disenchantment.

I agree with that commentator that the Brexit outcome could be the basis for a new internationalism in Europe, one that gives Europe the political meaning far more profound than the shallow cosmopolitanism that comes with the economic integration of the Single Market.

Some of the leaders on the Brexit side carefully and systematically misused the issue of immigration to support their cause. I utterly deplore such actions. However, to seek to explain Brexit on that basis, or to explain it on the basis that the 17 plus million people who voted to leave did not quite understand what they were voting for is not only contemptuous of the electorate, it is also a seriously dangerous interpretation which ignores the real reasons for the Brexit vote. More important, such shallow analysis and explanations are not conducive to a proper debate on the significance of Brexit.

The EU project, which is increasingly led by an elite that is unaccountable to the people, is utterly deaf to what people in different countries, including Ireland, have been saying about the EU: its growing size and power, its overall control and the volume of legislation emanating from it. Euralex has indicated that there are some 134,000 EU rules, international agreements and legal acts binding or affecting citizens across the EU alone. With regard to the language of its unelected leaders, and it has been mentioned already about bombs going off in Dublin, our treatment of Greece was deplorable and our connivance in the treatment of Greece was simply appalling. The replacement of legitimate leaders in Italy and Greece, replaced by the EU's men, really should be ringing alarm bells in our heads. In Ireland we have been subjected to this kind of capricious power on many occasions. Remember Nice, faoi dhó, Lisbon, faoi dhó, the fiscal treaty and the bullying behaviour of the EU institutions and their unelected leaders during the financial crisis? That crisis was as much created by those same institutions, either by their direct actions or policies, or their failure to act, or both, and yet the result for Ireland was the imposition of austerity measures that hit the most vulnerable the hardest and burdened us with debts we had not incurred while the banks were enabled, with our money, to strengthen

themselves again so as to trade without debt on the free market.

If the financial crisis laid bare the EU project for what it was and has become, and how little the nicely worded articles to do with equality and solidarity really matter, then Brexit has removed the remaining fig leaf. Witness the meeting of the leaders of the original six EU states, meeting in secret and issuing instructions. I listened to the European Commission President, Jean-Claude Juncker - some president - say that it would not be an amicable divorce. I listened to the European Council President say, while moving to reassure the EU that nothing will change, that if Britain is going, it should get out. This is topped by the German MEP who heads the European Parliament's largest political group saying that leave means leave, so get out. Better still, consider the barely contained anger in the faces of Europe's elite leaders as the vote was published at the people who dared to vote differently.

There is little enough cause for hope with any of the above comments and there is little sign that they have listened or learnt. It is clear that dissent will not be tolerated. A message is going out to other countries: "Dare not leave." In Ireland there was the repeated failure of governments to learn from the electorate, for example, in the Nice and Lisbon treaties referendums. I should rephrase it and say it was the Government's ability to learn from those referendums and to circumvent the express will of the people which should be of concern to all democrats. To change the result from the first Nice treaty referendum, legislation was pushed through in one day which prevented the Referendum Commission from giving out information on both sides. That is how terrified it was of the truth. There will be the most serious consequences for us as a country if we continue along the path of groupthink and if we continue not to question the dogma. We have been here before. We have seen the dogmatism of the Catholic Church at its most powerful in this country when bishops reigned supreme and no questions were allowed. Have we thrown off one form of subjugation only to take up another, the market as determined by those who have the power as the supreme power we must serve?

Brexit should, if we have any sense, lead us to have the courage to question what the EU is and where it is taking us. We should not allow the extreme right to narrate the story for the interpretation of Brexit, nor should the right be allowed to describe or produce the type of Europe and society we want. Perhaps we could begin to listen to people who are outside of the groupthink, somebody like Wolfgang Munchau, who is totally for the European project and yet has the courage to say:

The case for Remain in the UK boiled down to an intellectually dishonest claim that Britain would be worse off economically otherwise. It was backed by the near-consensual agreement of macro-economists who, despite the many insights they have to offer, were guilty of overreach ... The fear-based Remain campaign was the pinnacle of the profession's intellectual arrogance.

The Taoiseach has confirmed that his main aim will be to protect the Irish position, which is likely to mean him aligning himself with the new Prime Minister on certain issues. That is to be praised and welcomed. Indeed, the Taoiseach's voice was one of moderation, but that can only be judged against the rabid voices of the EU. However, he has another role, which is to question, on our behalf, the undemocratic nature of the EU and to initiate a debate on whether a social Europe, which we all desire, is at all possible given the fact that treaty after treaty, particularly the Lisbon treaty, has copperfastened the neoliberal agenda and committed us to the further militarisation of Europe.

I am delighted that, finally, the Government has published a statement. Hopefully, a task force will be established. The Taoiseach mentioned IDA Ireland and other organisations. I ask him to consider Údarás na Gaeltachta, which has a number of client companies with exports going to Britain. Finally, we must listen and learn. This is a crisis not for England, as it will survive this, but for democracy.

**Deputy Thomas Pringle:** I am glad to contribute to the debate on the Brexit vote in the UK last Thursday. Much has been said over the last weekend to attack people who, like myself, supported the Brexit campaign for leaving the EU on the basis that we aligned ourselves with the far right and people such as Nigel Farage in the debate. However, there is far more to it than that. That type of knee-jerk dismissal of 17 million people in the UK who voted to leave the European Union and the reaction to the vote will do nothing to deal with the issues that arose in the campaign.

I know from talking to people who campaigned in the referendum that many of those who voted for Brexit were working in the peace movement and were concerned about militarisation, not only British militarisation but also European Union militarisation, and voted against the EU on that basis. Much has been made of the fact that people in working class areas voted to leave the European Union and it is claimed that working class people are all right wing for doing so. However, Boris Johnson is not from a working class background, nor is Nigel Farage. People in working class areas have seen how the neoliberalism of the British Government and of the European Union has destroyed them, piled inequality on top of inequality and left them in a situation where they have been left behind not only in the UK, but also in the European Union. All of the people who had those reasons to vote against the European Union only needed to make up less than 10% of the vote that was cast to make the crucial decision for the UK to leave. It is not good enough just to dismiss people who voted for Brexit on that basis. That is the type of arrogance in attitude that will lead to other countries voting to leave the Union at some stage in the future.

Undoubtedly, there is a huge amount of uncertainty. That was clear from the meeting we had with the Taoiseach on Friday and from his speech to the House today. Nobody really knows what will happen now and how Brexit will look when it takes place. It is vital that our Government puts Irish interests first, something our Governments have not been good at doing in the European context. Our Government has been too quick to roll over and lie down when it comes to European interests and the elites in Europe. The UK has the fifth biggest economy in the world. It has a history of colonialism, like many of the major European powers. The UK is big enough to be able to push for a deal for itself with the European Union. People in Ireland should know from the last six or seven years that within Europe might is right. If a country is too big to fail it will be saved, as happened with Italy and Spain. If a country is big and powerful economically, as Germany is, it can call the shots. The UK, being the fifth or sixth largest economy in the world, will be big enough to do a deal with the European Union that will benefit itself. It will be dressed up. We hear language from Europe about it being hardline and so forth with the UK, but ultimately the Union will negotiate with the UK and they will negotiate as equals.

We must look after Irish interests. Even though the Government says, and it might be the case, that there is a recognition within Europe that Ireland is in a special situation because of the Border on the island of Ireland, I do not believe that our Government will put our interests first. That is unfortunate, both for people in this country and for people in the Six Counties who will be left there when the UK pulls out. I hope the Government will put our interests first, that

it will stand up for them and fight hard to ensure they are looked after. However, it should be remembered during its discussions with the European Union that this is the EU that overthrew two democratically elected governments in the past seven years, in Greece and in Italy. It is the same European Union that threatened economic warfare against Ireland if it dared to burn the bondholders in our bank bailout, threatening that an economic bomb would go off in Dublin. That must be borne in mind when negotiating with the European Union on its recognising Ireland's so-called special case.

I believe that, ultimately, the EU will not recognise much that relates to us. It will be a question of large economies such as Germany, France and England doing deals among themselves to look after their own interests. Keep our interests to the fore when dealing with this issue, and deal with the European Union on that basis. The only way we will be looked after is if we look after our own interests.

**Deputy Mattie McGrath:** I welcome the recall of the Dáil to discuss this very serious situation. The result has brought to the fore the deeply divided nature of British society. I fully accept the outcome and Britain's right to decide, as well as the fact that it will not be forced to have another vote. The majority of those who voted to leave were from working class backgrounds and regions that were disproportionately affected by the EU austerity agenda. While the UK was not involved in the treaties, as it has its own currency, the austerity agenda is one of the issues that has made people so sceptical about and opposed to the European project.

The result has underscored the enormous democratic deficit at the heart of the European institutions. It is a fact we cannot deny. There is a lack of accountability among the mandarins, as we call them here, or eurocrats who are unelected but are dictating what we must do in Ireland. Successive Governments have not stood up to the eurocrats, nor have they stood up to the eurocrats in this country. That is a *fait accompli*; everybody knows it. I supported our entry into the European Union and some of the treaties. I was not happy when we had to vote again on the Lisbon and Nice treaties. It is not good for democracy to change the goalposts when one does not get the result one wants. Our team would not be returning today from the European soccer championships if there was a situation where the goalposts could be changed when it suited.

Nonetheless, there is a very serious situation now. Many of us took our eyes off the ball, perhaps, especially after the murder of Jo Cox MP, as she was going about her business. We thought that people might swing back to support remaining in the EU. Obviously, the campaigns of the Labour Party in England and of the Conservative government were not what they should have been and were unable to bring the people with them. One cannot drive people, one must listen to them. That was learned by our Government with the new situation in Ireland. The election threw up a different political landscape and we must reflect on that, accept it and work within it. The European leaders did nothing to bring people in the UK with them. Instead, they talked down to the people and dismissed their fears as irrelevant, which only hardened views. That has happened again.

# 2 o'clock

Since the referendum result was announced in mid-morning on Friday, the leaders of the European Union, as they like to call themselves, have engaged in threats and bullying. The 28 member states should be treated equally and small groups of member states should not operate in the EU. Members of all parties were not happy with the Economic Management Council that operated in the previous Government because it vested the power of decision making in a small

number of people. All member state governments have been elected and they must all have an equal say in the European Union.

The outcome of the British referendum was decisive and delivered certainty, namely, the decision of Prime Minister Cameron to step down. Delays are not good and a vacuum will not be good for Europe, the United Kingdom or the important relationship between the UK and Ireland, especially given the number of Irish people working in and travelling to and from Britain and the many people who travel up and down to the North.

The impact of the referendum result on Ireland is already being felt. My views on water are well known. According to news reports this morning, the European Commission has indicated that Ireland will be severely punished if we do not maintain water charges. Our sovereign Government has acted on this matter and the Oireachtas debated the Irish Water fiasco last Friday, yet we are being dictated to by the EU, which tells us we will be given a few lashes of the cane or, to pardon the pun, the tap will be turned off in some other way if we do not have water charges. The EU cannot operate by diktat and behave in this manner. It must allow people to breathe and develop a respect for the EU institutions.

While Ireland has made significant gains since joining the European Economic Community in the early 1970s, the European Union has become too big. There are concerns about its powers and EU support for armed intervention by the United States in various parts of the world has not gone down well.

Immediate clarification is needed on a series of issues. I am pleased a special group has been established in the Department of Agriculture, Food and the Marine to seek a manageable way forward for agriculture, which continues to be our most important industry. We do not have a sea or land border, other than a fence with Northern Ireland. Britain's exit from the EU will have a serious impact on many flagship projects. Despite various EU payments, for example, the single farm payment, agriculture is on its knees. I have never seen farmers in such a perilous position as they hope for a harvest or await a milk cheque that will not come. They are desperate because the large conglomerates and co-operatives have become too greedy and have lost sight of individual farmers. Communities have been devastated by certain policies pursued by the European Union with the support of successive Governments.

What will be the impact of Brexit on the struggling haulage industry whose drivers are subject to a plethora of levies as they travel to and from Northern Ireland and Britain? Will more punitive measures be imposed on them?

While I welcome the debate, it must be meaningful and extend beyond making statements about this serious issue. I thank the Taoiseach and his officials for the briefing provided to Opposition spokespersons last Friday, which was attended by Deputy Michael Harty on behalf of the Rural Alliance. I welcome the calm and reflective comments made by the Minister for Social Protection, Deputy Leo Varadkar, in a radio interview this morning. We need calm and reflection but the Government must take a stronger line with the European institutions than previous Governments took when the banks went bust and austerity was forced on us. Before the bust, other European banks knew Irish banks were in trouble but kept shovelling money into them. The banks and bondholders were subsequently protected and had the last laugh because their insurance policies were not even called in. The patsies were made to carry the can and the Government accepted that.

I voted for the bank guarantee and it is a mistake I will carry to my grave. We were warned that all kinds of scenarios would come about. The bank guarantee was provided for the big people, while ordinary people and families suffered grievously as a result of the decision to let the banks off the hook. Not only did European banks shovel money into Ireland, they bulldozed money into this country when they knew the position was perilous. They also knew they would be backed up by the powers of the European Union because, as Deputy Pringle stated, might is right in the European context and the EU backed up the larger countries and punished smaller countries. We were not strong enough to stand up for ourselves but I hope we will stand up for ourselves now. We must not have uncertainty in the interregnum that will last until the button is pressed and Article 50 invoked. Clarity is required in this regard.

I understand Ireland may benefit from increased foreign direct investment in the short term because companies may decide to invest here on the basis that Ireland will be the only English-speaking member state after Brexit. While I hope they will do so, I do not want Irish people working in England to suffer as a result of policies pursued by the Government. We must stand on our own two feet. We must also learn that the European project may be good but it requires serious attention because many things have gone wrong with it. The EU institutions must sit up and listen. Fear-mongering and threats will not prevent other countries from exercising their right to leave the EU, if they wish to do so. Respect must go both ways and must be shown to the smallest as well as the largest countries.

We must not allow Brussels to become a rest home for politicians who have utterly failed in this country. I will not mention names but everyone will know who I am talking about. A full examination is required of the payscales and remuneration provided to unelected officials in the European Commission and other European institutions because they are totally out of kilter with the principle of a fair day's pay for a fair day's work. The EU has become a gravy train for some people. This issue must be examined. Everyone must be looked after fairly but we must remember the ideals of the men and women of 1916 and what they fought for. Europe cannot issue diktats all the time.

I am willing to work with any committee, review body or group that is established to soften the blow of Brexit. I look forward to engaging with the British-Irish Parliamentary Assembly, BIPA, and the continuation of the valuable relationships that have been built up. No one wants another fixed border in this country because the Border was in place for too long. The smuggling and racketeering it generated and which continues are too serious. Borders need to be removed and broken down.

We must seriously examine developments in the Middle East. The poster used in the referendum campaign depicting thousands of emigrants moving to Britain was an example of scaremongering but people are frightened. We must address the ethnic cleansing of Christian communities from the Middle East. The Oireachtas has not debated or discussed this issue. I look forward to doing so with the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan. I also look forward to travelling to Rome in the summer where I will debate this issue with an international group. I hope to have a meeting with the Minister before we leave and on our return. The Middle East is experiencing a serious crisis which is destabilising the world. It is important that we reflect on and address this issue. While it is fine to agree to take a couple of thousand refugees, the European Union is unable to deal with the serious crisis that has emerged. It may have to deal with many more crises but it must respect Ireland and the other 27 member states as equal partners. We are not lesser members that can be bullied, threatened and intimidated.

Deputy Danny Healy-Rae: I welcome the opportunity to speak on this most serious matter that has arisen in recent days. To say that people are exercised about it would be to say very little. People in rural Ireland are wondering and concerned about the future. In rural areas such as County Kerry and west Cork, where I spent some time yesterday evening, people depend on the European Union for their existence. The EU has been responsible for much of the improvement in their way of life in the past 30 or 40 years. People dare only imagine what it would be like to return to those times. In this context, it should be remembered that 52% of our beef exports go to Britain. What would happen if anything was to go wrong with this market? Fully 60% of our cheese production goes to the United Kingdom, 84% of our poultry exports go to the UK and 13% of total dairy products go to the UK. If anything were to happen to these markets one cannot bear or dream to imagine the effect on rural Ireland. The story is, and always was, that when farming is going bad, the country is going bad.

Another side is that business people have survived the recession and everything that brought with it. Indeed, they have gone on to be successful in exporting to London and other places in England. These people are now telling us sales are down 10% already because of the change in sterling. I hope this will recover somewhat in the coming days or in the short term. Things may stabilise and get back into shape again, and I hope that will sort it out somewhat.

Reference has been made to the tourism sector. I have been told by the hoteliers in Killarney, Dingle, Kenmare and various other places that the UK market is a major part of their income. They reckon that in the short term because sterling will not buy what the English expect it to buy, they will not come in the numbers they have been coming. Those in the industry say to me that 30% or 40% of business is from the UK and that if anything were to go wrong with that, the industry would be seriously in jeopardy.

Clearly, this is serious. I had hoped it would not happen. However, in recent weeks and months I became concerned that this was what would happen. I am different from Deputy Mattie McGrath, who is sitting beside me. He says he would not entertain another vote. I am asking that the people in the UK be given an opportunity to vote again. We were asked to do that for the Nice treaty. This is as serious, if not far more serious. If the Ministers in the British Government could be cajoled into having another vote in a year's time and deferring the move down the road somewhat, then maybe they would change their minds.

It is clear to me why the people in England voted in this way. It was mainly to do with rules from Europe and the immigration problem. They took the view that the politicians were not listening to them and this was their way of getting the message across.

People are concerned about what this will mean for the Border. Some people have even asked me whether Dundalk would become the new Tallaght. Certainly, I have no wish to see the Border back between us and the people of Northern Ireland, because it would only bring back memories of the troubled times and what that meant for people above and below the Border. We do not want to go back to that situation, but clearly we must have a plan in place.

Like most Members, while I would welcome refugees into the country, I believe we must be able to cater for them. Thoroughly vetted refugees are no problem and we should do our best for them, but it must be remembered that at present we do not have sufficient housing for our own people. In that vein, I put a question to Kerry County Council when the suggestion came up about coping with refugees. I asked for the Taoiseach and the Government to put in place separate housing, funding and housing officials to deal with those applications, because clearly

the local authorities have not had sufficient capacity or funding in recent years. This should be provided before we can entertain a major increase in the population. We must have a strategy in place to deal with anything like that.

Clearly, there are Deputies in this Chamber who, like the people in Britain, would like us to opt out of Europe. What plans have they in place if we move out or take ourselves out of Europe? I always take the view that if we are going to leave one place, then we should have somewhere else to go. Otherwise we are going to finish up in no man's land. I am putting that question to those people. Boris Johnson and his companions were propagating the idea of getting out of Europe. However, they have gone into hiding and in the past two or three days there has been no word from them. They have no direction. All I heard Boris Johnson say was a remark about deferring it a little. Did he not think of where he would go before he advised people which way to vote?

From listening to the debates in recent weeks it is clear the British Government did not spell out all the good reasons why the UK should remain in Europe. Now, the result is going to cause havoc for the entire European Union. For this reason I am calling on the Taoiseach and his Ministers to do everything possible to talk to the Prime Minister of Britain, whether or not he is going, or else to the new fellow who takes his position. They should talk about the possibility of renegotiating and holding another vote. It is important for us to go down that route, because if other European countries ask to leave or hold a referendum, then in a short time we could have a complete break-up of the European Union. Certainly, that would not serve the people of Ireland well. I call on the Minister for Foreign Affairs and Trade to do his very best to ensure that the UK people are given another crack at it. Already, some 3.5 million people have signed a petition to allow them to vote again. Perhaps someone could explain properly the pros for Europe. That should be done in a determined fashion in future.

**An Ceann Comhairle:** I assume the next 20 minute slot is being shared equally between Deputy Stephen Donnelly and Deputy Eamon Ryan.

**Deputy Stephen S. Donnelly:** We will divide it into 12 minutes and eight minutes. The United Kingdom's decision to leave the European Union is a bad decision for the UK, a bad decision for Ireland and a bad decision for the European Union. It is a symptom of the growing disconnect between politics and the citizens whom politics is meant to serve. It is a symptom of the growing sense of the haves and have nots as well as of the failure of globalisation - we live in a world in which 65 people now own over half of global wealth.

Ireland must act quickly and decisively to protect our interests as well as to support the interests of our neighbours in the UK. Moreover, we should reflect on this result and seek to understand what lessons can be learned by Ireland and the European Union.

The decision to leave the EU will almost certainly damage the United Kingdom. The Treasury has forecast that UK GDP could fall by 6% in the coming years. New regulations and barriers to trade are likely to affect capital flows and international trade in goods and services from the UK. Labour productivity could also be held back by a decrease in foreign direct investment and a smaller pool of skills as immigration flows are likely to reduce.

Thursday's vote also makes the United Kingdom more fragile. We saw those in England and Wales vote to leave the EU but those in Scotland and Northern Ireland voted to remain. People in Ireland must focus immediately on those groups most affected by Brexit. This in-

cludes the 400,000 Irish citizens living in the UK and the 115,000 UK citizens living in Ireland. It includes the people of Northern Ireland who will be wondering what this holds for them. It also includes Irish firms trading with the UK.

A total of 400,000 Irish-born nationals live in the UK. That is more than the populations of Limerick, Cork, Galway and Waterford cities combined. These people and more than 100,000 UK citizens living in the Republic are living with uncertainty. They are looking at the prospect of tighter border controls, potential restrictions on movements and uncertainty about access to social protections and public services, which were key themes in the UK during the campaign.

We need to move quickly to put bilateral agreements in place ahead of EU agreements with the UK to guarantee absolutely the rights and placement not just of Irish citizens in the UK, but also of UK citizens here.

The economic impacts on Ireland could be quite severe - hopefully they will not be. The FTSE index fell by nearly 4% on Friday; the ISEQ index fell by twice that amount and the ISEQ financial index fell by 20% in just one day. So the markets have factored in twice as much damage to the Irish stock market as they have to the UK stock market and we need to be very cognisant of that.

Ireland has trade of about €1 billion of goods and services with the UK each week. Some 15% of all of our exports go to the UK; 20% of our services go to the UK; and 40% of all our food exports go to the UK. The ESRI has estimated that Brexit could cause a fall in trade of a fifth which would have devastating impacts on the food and other industries with close economic ties with the UK.

There are serious questions to be resolved over relations between the North and South of Ireland. We must work to ensure no new barriers are put in place. We also need to seize whatever opportunities Brexit might produce. There is a very real possibility of a new hard border being put in place, which would obviously be a retrograde step. Any disruption to cross-Border economic activity could have a very serious effect on the economy of Northern Ireland and on the Border region here in the South.

The EU also faces a crisis of identity. The EU was meant to be built on solidarity. The Union has the stated purpose of "reflecting the will of the citizens and States of Europe to build a common future." After Brexit we now see calls in France, the Netherlands, Denmark, Greece, Sweden and others to hold similar exit referendums. Those calling for these votes obviously feel that the EU is not acting in their interest and does not reflect their will. However, as we saw during the banking crisis the EU seems to have been captured to a greater or lesser extent by some very serious special interests. The interests of international bondholders, for example, were put above those of the Irish citizens.

The Banking Inquiry found that Jean Claude Trichet when president of the ECB directly and explicitly threatened Ireland in a very serious way. He threatened that if private sector losses were imposed on private sector speculators, he would pull liquidity assistance from our banks and in so doing would collapse our banking system and with it our economy. That is the ECB that is meant to be the monetary body working for the common good of Europe. It certainly has not been working that way for Ireland.

The EU seems to be increasingly run by a small number of countries. We saw the so-called founding members of the EU come together over the weekend to push for a quick exit by the

UK. The Minister might be able to clarify to the House if the Taoiseach was invited to this meeting. Angela Merkel is meeting Donald Tusk, François Hollande and Matteo Renzi in Berlin today. It would be useful to know if the Taoiseach was invited to that meeting.

It is critical for Ireland to play a leading role. We are a small country, but in this negotiation we must make our voice heard. If we are not being invited to these set pieces by the so-called central European states, we are off to a very bad start. Was the Taoiseach invited to any of these meetings and if not is every diplomatic effort being made to make it clear to these countries that it is totally unacceptable for them to meet and start acting in this way without the broader EU membership?

We need to stand very firmly with the UK during its exit negotiations. European leaders have been lining up to make an example of the UK. They are going to make it as painful as possible for the UK, just as they did with Ireland. When they saw what happened in Ireland they said, "We don't want anyone else acting like this so we're going to hang this small country out to dry", and that is exactly what they did. It is exactly what they are lining up to do to the UK.

Immediately after the Brexit result was announced, the joint statement from Jean-Claude Juncker, Donald Tusk, Martin Schulz and the Dutch Prime Minister called on the UK to leave "as soon as possible, however painful this may be." The implication there was however painful this may be for the UK. Jean-Claude Juncker has since said that the departure will not be "an amicable divorce". Given that essentially there is not a Prime Minister in place in the UK at the moment, he is clearly talking about the position the EU intends taking in its negotiations.

After 44 years of membership, the UK is being asked to trigger Article 50 as soon as possible. The UK will need allies during that negotiation and we should be one of those allies.

Ireland's special relationship with the UK must be maintained and this is an opportunity to strengthen it. We have a special relationship that predates the EU. We need to establish immediately and firmly that Ireland will have its own deals with the UK if necessary. It is critical that we establish the primacy of that point over group deals done between the UK and the EU. The EU will look to lock the UK out. It will be looking to damage its society and its economy to make sure that nobody else thinks about leaving. So if the Swedes, French, Danes, Greeks or anyone else decides to have a referendum, the EU will point at the UK and say, "Look, they can no longer move freely. They can no longer trade freely. They can no longer invest freely. So if you leave, the same will happen to you."

If the EU imposes those types of deals with the UK, it is critical that we have different deals in place. We should not accept a principle that insists the same trade negotiations apply for all of the EU 27 that will apply to the UK. We must have primacy of our own deals.

There are, of course, potential opportunities as the Government has referenced. One would have to think that FDI is set to increase. Commercial activity from the UK looks likely to come over in financial services and in other goods and services sectors. If we can get our trade agreements, free movement of labour, people and capital between Ireland and the UK right, and they can be tighter than a general EU deal, we may be able to benefit and tighten our relationships with the UK because relative to other EU countries we would have freer movement and better relationships. So it could, in fact, be an opportunity.

We are likely to see the movement of skilled migrants to Ireland. There is a tech conference on at the moment, looking for highly skilled people in the tech industry and the ICT industry. It is likely that we will see a flow of highly skilled migrants to Ireland and we should look forward to that.

The people of Northern Ireland critically may begin to look towards the EU and away from London. Some of them already are, as we know. If that is the case, as it appears, we must be positioned as part of the EU to use that opportunity to strengthen our relationships, socially, culturally and economically with Northern Ireland and pursue opportunities as they arise for closer integration.

The UK vote is a symptom of the disconnect between the European Union and its citizens. We have seen this. A recent survey by the European Commission found that 20% of people have a "totally negative" view of the EU. This is a function of the EU's dysfunction and, I would argue, its exclusivity. We have felt the impact of this and the people of the UK are about to see it as well.

The UK vote fits with a global trend. We are seeing Donald Trump gaining support on the promise of building walls and keeping Muslims out of the US. We are seeing the rise of Golden Dawn in Greece, the rise of the National Front in France and the True Finn Party. We are seeing the rise of ultra-nationalism in Europe and an equivalent in the US with Donald Trump in the US presidential election.

Europe's response to the refugee crisis has seen many of those escaping war being described as economic refugees, which is obviously outrageous.

There is a global trend here that needs to be pushed back. It needs to be taken very seriously. Social democracy, which is pro-enterprise, pro-trade and, critically, absolutely focused on equality and everyone sharing the benefits of economic growth and wealth creation, is a part of that.

**Deputy Eamon Ryan:** They are great people in Great Britain. They are our family and our friends. We have worked there. Okay, we fought for 800 years but we have got over that. Now we get on very well with the people in Great Britain. I remember working there when there were bombs going off in our midst. They still got on with us. We were still tolerant to one another. I think we have to respect the vote of the British people, particularly the English people, because we believe in democracy. We know from our use of referendums in this country that the last thing we want is for people from outside to question the results of our polls. I am sure many people in Britain had very good reasons for voting the way they did. I am sure many of them did so because they had nothing to lose. In the backlash or backwash from one of Margaret Thatcher's legacies - her comment that "there is no such thing as society" - perhaps they thought there was no reason not to leave. Maybe others had an understandable fear about what migration might bring, given that 60 million people are crammed into a relatively small area on a small island, and voted to leave the European Union on the basis that it would solve their problems.

I want to use this occasion to express what I can only describe as my personal grief, shock and disbelief at what they have just done. What were they thinking when they ignored the voices of their young people, the vast majority of whom made their views clear on the day by voting to stay in the EU? What was the generation of baby boomers doing? As they headed off to the south of France or the south of Spain on their retirement savings, they pulled up the drawbridge so that the generation which is just about to start would not have a chance. The

younger generation will be cut off and disadvantaged as a result of how the older generation has voted. What were they thinking when they allowed themselves to be led by such clowns as Johnson, Gove and Farage? It has been clear every day since the referendum result that they did not have the first faintest idea of what they would do if they won. What were they thinking when they bought the bilious, bitter and bigoted lines of jingoistic newspapers like *The Sun*, the *Daily Express* and the *Daily Mail*? The proprietors of such newspapers sought to gain by building on the lack of society they helped to create when they supported the British Government - it seemed to me that they ran it, in effect - for the last 30 or 40 years with their frequent visits to 10 Downing Street. What were they thinking when they ignored the shouts from the graves in the Somme, Verdun and the Dardanelles? Perhaps they forgot the following lines:

Age shall not weary them, nor the years condemn.

At the going down of the sun and in the morning

We will remember them.

They forgot the lessons of the First World War, the Second World War and the many other wars on our European Continent down through the years. How can they have forgotten those lessons as they voted last Friday? How can they have given up on what we need to do to foster more international co-operation? When I read the English newspapers with interest to try to get the line from those who voted Leave, the best I could discern was some kind of notion - it is not a notion; it is their right to hold it - that there needed to be a glorious new revolution that involved returning to their own parliament, having great freedom and choice and being able to show great skill. They did not seem to realise that the glorious revolution that needs to take place today, if we are to deal with issues like climate change and migration and if we are to manage the forces of globalisation, which were behind the fear that led people to vote "Leave" in the first place, must involve nation-states working together, not just within our Union but across the whole wider world.

What can we possibly do now? First of all, I say that we stand by the European Union. I have listened to people here giving out about the Union and various aspects of it. In my experience, most of the failings of the Union arose when we gave up on the Community method. Failings were exposed in how we dealt with the financial crash when we retreated back to nation-states just looking after their own interests, rather than looking at the bigger picture. The failings in the migration crisis have arisen when we have not done things in a co-ordinated or organised way. We stand by the Union. As we said to our Scottish Green Party colleagues over the last few years, we stand by the Scottish people should they seek to achieve independence. Perhaps they will now look to independence once more as a lifeboat to maintain their position within the EU. As other speakers have said here today, of course we would welcome them aboard. We should also stand by the UK in the negotiations that have to take place because we have a special interest and a special relationship that we want to keep. We should not stand with them in a way that merely involves buying into the form of economic thinking that believes free trade is the only thing that matters. Some people believe the adoption of such a system would be a good outcome from this process. It has been suggested that if the UK were to get a lower corporation tax rate, that would undermine what they consider to be our chief interest in the EU, which is having a low corporation tax rate. I do not believe that is true and I do not believe such a strategy is a clever one. We should look for them to build up trade and to keep their borders open, particularly on this island. We should negotiate and give them time. We should try to give them a chance to manage this in a way that minimises the damage that will be done. It was interesting to hear the Taoiseach emphasise that the European Council will be in control of this process. The European Parliament will also have a role. The EU is not without its democratic systems and structures. As we said to the Taoiseach at last Friday's meeting, we will work with our Green colleagues across Europe to try to make sure there is a common position in the European Parliament on how we should deal with this. I think that is important.

I read some Irish commentators over the weekend who think this is great because it means we must have an election here, which in turn will somehow improve our position as we negotiate this most uncertain time. I do not agree with that. I think the results from Spain overnight show that if we were to have an election, we would probably get a similar result, followed by another period of several months of instability. That is not what we need. We need to show political strength by working together collectively. We need to work with our near neighbours and our far neighbours in the EU to try to minimise the damage that has been done by this single act. Last but not least, we need to send a message to the British people that although we respect the decision they made when they voted three or four days ago, we will welcome them back if they ever change their minds. We have done that in the past. It was neither easy nor right to vote twice on the Nice and Lisbon treaties, but do we regret it? Do we regret our position within the Union? One hundred years on from the foundation of our own State, what would our advice to Scotland be? I think we would advise the Scottish people that they cannot stand on their own two feet, but they can stand within a European Union and strengthen their own country by working in co-operation with other countries. I long for the day when the UK as a whole realises that and votes itself back into our Union, thereby helping to make it stronger and to address the critical challenges we all face today.

Minister for Foreign Affairs and Trade (Deputy Charles Flanagan): I want to acknowledge the importance of this afternoon's debate. I thank the Government Chief Whip for ensuring it took place. As a Government, we welcome all the views in the House. I detect and acknowledge a collective determination across the Government and Opposition benches to meet the challenges and uncertainties of the period ahead. Our work together over the next months and years must fully serve Irish national interests. We must all work towards the construction of a new environment in which to maintain the strongest possible relations with our European Union partners and indeed with the United Kingdom. The Irish people expect nothing less than a comprehensive, proactive, constructive and calm response to these challenges.

Earlier, the Taoiseach set out his overall approach and the key priorities across Government. Other Ministers and State agencies are setting out their plans in their respective areas. There will be no greater priority for me as Minister for Foreign Affairs and Trade and for my Department than the effective handling of the process that will follow the decision of the UK electorate to leave the EU. Almost every unit in my Department will be involved because there is a direct connection between this issue and our work in areas like EU and global foreign relations, Northern Ireland, British-Irish relations, supports to the Irish abroad, trade, development assistance, international law, passport services and consular services. As Minister, I will ensure we have the capabilities in place to manage all this work at home and abroad. The Government published a summary of its contingency framework on Friday afternoon. My Department has already commenced the implementation of its own detailed contingency framework.

I would like to reinforce what I said on Friday following the confirmation of the referendum result. First, Ireland is and will remain closely aligned to the EU and the UK. Ireland will, of course, firmly remain in the EU and in the eurozone, while we will also do everything to protect our political, economic and people-to-people links to the United Kingdom. Second, a

key priority for me will be the ongoing work to support stability, reconciliation and prosperity for the people of Northern Ireland. Third, we must all stress that the UK is not leaving the EU immediately and that all arrangements, rights and facilities linked to EU membership still apply in full. A negotiation process will commence and will take a minimum of two years prior to a UK exit. During that time, the UK remains an EU member state.

The referendum outcome presents serious challenges for the EU as a whole but it presents unique challenges in Ireland, as we repeatedly outlined in the period leading up to the referendum. It is important for us now in the days, weeks, months and, indeed, years ahead, that Ireland's particular circumstances are understood and taken into account. Last Thursday, on referendum polling day, I briefed all the EU ambassadors accredited to Ireland, setting out the Government's priorities for both possible outcomes to the referendum. I continued that work on Friday, when the result was known, speaking to UK and other European counterparts by telephone, including the UK Foreign Secretary, Philip Hammond, MP, and the Secretary of State for Northern Ireland, Theresa Villiers, MP.

As ever, Northern Ireland remains a core priority for me. On Friday, I also spoke with Northern Ireland political leaders including the First Minister and Deputy First Minister. On Wednesday, I will travel to Belfast for a series of meetings. In my Department, Irish ambassadors and consuls general across the world were briefed in the days leading up to the referendum. There were consultations with heads of mission in key missions on Friday morning. In the coming days, I will convene a meeting of our ambassadors from several EU capitals for consultations and discussions on our approach in the period ahead. Ireland's diplomatic resources will be used to the full, namely, to drive home Ireland's priorities with EU governments, to support the Irish community in Britain and to support Irish trade, among other key tasks.

The Government will also prioritise the necessary work to protect and sustain trade, business, tourism and investment flows within the island, as well as with Britain, the EU and across the world. Our embassies will support and co-ordinate this work on the ground with local market teams involving the State agencies, while that work will be guided at home by the work of the export trade council, which I chair.

The Government will use every resource available to it. On Friday, I wrote to all members of the Global Irish Network, requesting their support for the Government's work to minimise any adverse impacts on Ireland's interests. I extend my thanks to the vibrant Irish community in the UK which made a valuable contribution to the debate with many, including Irish4Europe, working tirelessly to stress the Irish perspective, as well as to inform and involve the Irish community. Among the Irish community in Britain, many are now worried about their future. The Government, including my Department and Minister of State, Deputy Joe McHugh, is acutely conscious of their concerns. I assure our citizens in the UK that we will continue to advocate for and defend their interests in the time ahead, with particular reference to the common travel area.

On the matter of passports, there has in recent days been a spike in interest in Irish passports in Northern Ireland, Great Britain and elsewhere. The increased interest clearly points to a sense of concern among some UK passport holders that the rights they enjoy as EU citizens are about to abruptly end. This is not the case. The UK has voted to leave the European Union but it has not yet left. It will take some time for negotiations on a British exit to conclude. Article 50 of the Lisbon treaty envisages a two-year negotiation process once the article is triggered, while many speculate this could take longer. Over this period, the UK remains a member of

the European Union, its citizens continue to fully enjoy EU rights, including free movement of people within the EU. There is, therefore, absolutely no urgency for UK citizens, who may also be Irish citizens, in now applying for Irish passports. An unnecessary surge in applications for Irish passports will place significant pressure on the system and on turnaround times. In turn, that would likely impact those with a genuine need for passports to facilitate imminent travel plans. Those who believe they need to apply for an Irish passport immediately to enjoy free travel in the EU should take full account of the facts before making an application. The Department of Foreign Affairs and Trade's website clearly sets out information on passport entitlements and procedures. People should consult the site.

During the course of the referendum campaign, the Taoiseach and I both pointed to the importance of Ireland's and the UK's shared membership of the European Union for the progress made in Northern Ireland over recent decades, not least the tangible practical support the EU provided for building peace and reconciliation on our island. Accordingly, I am conscious of the serious implications for Northern Ireland of the UK's referendum decision. The fact that 56% of those who voted in Northern Ireland to remain are now faced with the prospect of their preference being set aside, as a result of the overall result across the UK, raises profound issues, as it does in Scotland. Many people in the North, both of the Nationalist and Unionist traditions, are deeply concerned that, in spite of the expressed will of the people, Northern Ireland will now find itself outside of the European Union and deprived of the EU scaffolding which provided such support for the progress made on this island over recent decades. These are real and genuine concerns which the Irish Government intends to address with a spirit of determination and responsibility. The key reassurance I can provide is that, irrespective of last Thursday's result, the Good Friday Agreement remains the template for political relationships on this island and between these islands.

When I spoke to the Secretary of State for Northern Ireland on Friday, we both agreed this foundational international agreement remains the basis for the approach of the two Governments to Northern Ireland. Friday's result does not in any way diminish the centrality of the Good Friday Agreement or the commitment of the two Governments to uphold it. As a coguarantor of the Good Friday and succeeding agreements, the Irish Government is determined that its institutions, values and principles will be fully protected. The Good Friday Agreement is absolutely clear on the issue of sovereignty in Northern Ireland - it rests on the consent of a majority of its people. The Agreement recognised that the wish of a current majority was that Northern Ireland remained under British sovereignty, but also that this sovereign status might change in the future. It, therefore, provides for the possibility of a Border poll to ascertain if a majority in the future wished for a change in the constitutional status. It further prescribes that the Secretary of State for Northern Ireland shall arrange for the holding of such a poll, if he or she believes that a majority is likely to vote for such a change.

In the light of last week's momentous decision, I can understand why some people have proposed such a Border poll be held. I also accept that such calls are simply invoking the use of a mechanism provided for under the Good Friday Agreement. However, I believe pressing for a Border poll at this time would not be prudent or effective for two reasons. First, the fact that 56% of those who voted in last Thursday's referendum in Northern Ireland opted to remain within the European Union cannot logically be interpreted as meaning that a majority of the electorate there would vote for a united Ireland. These are two very different propositions. At present, there is no convincing evidence to suggest that a majority of the people of Northern Ireland would opt for a change in its constitutional status.

Second, while the prospect of a vote for change in the near future would be remote, the mere fact of holding the referendum could nevertheless be divisive. The Northern Ireland institutions have only recently emerged from a prolonged period of turbulence. It required two major sets of negotiations over the past two years to stabilise the operation of the Northern Ireland Executive. Just as the new Executive is beginning to deliver good government for the people of Northern Ireland, do we now really want to toss in the potentially destabilising issue of the binary choice between British or Irish sovereignty? I say, not. In the short term, a Border poll would unlikely trigger any change in constitutional status but would risk the current stability of the Northern Ireland institutions, achieved with such great effort and which are beginning to yield positive results. Rather than focus on a Border poll, our immediate strategy should be to sit down with the British Government and with the Northern Ireland Executive to urgently discuss how, collectively, we are together going to protect the gains of the past decades and to prevent the worst effects of a UK departure from the EU.

As far as I am aware, no major party in Northern Ireland wants to see the reimposition of a hard Border on the island of Ireland. They all want to see continuation of the freedom of movement of trade, services and people across the island. I spoke about this matter in separate conversations on Friday with the First Minister and Deputy First Minister and with the leader of the SDLP. Next Monday's plenary meeting of the North-South Ministerial Council in Dublin, chaired by the Taoiseach, will provide an opportunity to have a high-level strategic discussion between the Government and the Northern Ireland Executive on how together we will address the challenges arising from a UK exit.

I accept, of course, that future arrangements with regard to the Border on this island will not exclusively be determined by the combined wishes of the Irish Government, the British Government and the Northern Ireland Executive. They will also be influenced by the wider negotiations between the United Kingdom and the European Union of 27 remaining member states. One of our challenges, therefore, will be for Ireland to use our influence with our EU partners to persuade them of the need for specific arrangements which protect the key gains of the peace process on this island - a process to which the EU has already made a key contribution.

I will conclude by saying that a UK exit from the European Union will present us all with a major challenge but Ireland and our people have dealt with major challenges in the past. While the outcome of the UK referendum is definitely not the one we would have hoped or wished for, I believe everyone here in this House is determined to ensure that the peace, stability and prosperity achieved over recent decades is not only protected but sustained.

**Acting Chairman (Deputy Declan Breathnach):** Deputies Darragh O'Brien and Michael McGrath are sharing 15 minutes.

**Deputy Darragh O'Brien:** I will take ten minutes and Deputy McGrath will take five, if that is agreeable to the House.

I thank the Minister for outlining the position and I thank the Government for recalling the Dáil today to discuss this urgent and important matter. I put it to the Minister that the British exit from the EU and the referendum will dominate the European agenda as well as the agenda in Ireland and Britain over the coming months. As Fianna Fáil's spokesperson for foreign affairs and trade, although fully respecting the decision of the British people in the referendum, I am deeply disappointed with it. Its implications are not yet known and we, as a State, as well as the European Union are only now grappling with the serious implications of the decision of

the British people. We must remember that, in the main, the decision was made by those in England and that the people in Scotland as well as hundreds of thousands of our citizens north of the Border voted to remain.

From listening to reports within Britain over the few short days since this happened, there are many in Britain who now feel like outsiders in their country. We must do our best, in a calm, measured and considered way with our European partners and through the Minister for Foreign Affairs and Trade, to ensure the approach Ireland takes with the other leaders in Europe through the European Council meeting is level-headed and calm and that we do not make the situation worse. We do not want Europe to be seen as coming down heavy on Britain. Although we do not like the result of the referendum, we have to respect it and how people voted.

Ireland's role in future negotiations must be central. Both the Minister and my party leader, Deputy Michael Martin, have already outlined that we have a distinct and unique relationship with Britain. This is not just a product of the recent peace process, the Good Friday Agreement and the treaties that emanated from it; we also share a land Border. Thankfully, over the past 20 years, this Border has become effectively irrelevant. None of us wishes to see a hardening of the Border given our trade with Britain and, more important, our people who are in the United Kingdom, including those in mainland Britain as well as those in the North. We must insist that Ireland's unique and distinct position is recognised by our partners in Europe. Indeed, we joined the European Economic Community together in 1973.

There are those who decry the European Union, which is not without fault. We all know there are democratic deficits. However, in the main, if one looks at the advances this country has made both economically and socially, they are a result of European Union. We have greater diversity and tolerance in our communities and Ireland is no longer a homogenous State. People from across Europe are living, working, raising their families and setting down roots here. My party and I have never made any excuse for the fact that we are pro-European. I consider myself a European citizen as well as an Irish citizen and it worries me greatly that there are many in Britain who already feel they are not part of that society.

I wish to address a matter raised by Deputies Boyd Barrett and Coppinger, which is the idea that this was a workers' revolution within Europe. That is absolute total and utter nonsense. Those Deputies align themselves, whether they like it or not, to a bunch of racist, xenophobic and anti-immigration parties. One does not have to scratch the surface too much - I said it a number of weeks ago - to discover that one of the main reasons for and thrusts to the Leave campaign was an anti-immigration, one-nation, Tory attitude. Although it was led by Boris Johnson, one wonders if he would have campaigned for the Leave side if he was still mayor of London. I doubt he would have. Those in the Anti-Austerity Alliance and People Before Profit align themselves with Nigel Farage, the British National Party, the English Defence League and others and they cannot move away from that in any way, shape or form, but we must look to the future to see how we will address it.

I mentioned at the foreign affairs committee, when we had a chance to meet last week prior to the referendum, and put it to the Minister now, that we have not used the North-South bodies to their full potential over the past number of years. I know there was a reason in the past year, in particular, because of elections here and the electoral cycle in Ireland and Britain. However, we have not used the North-South Ministerial Council to its full potential and it is incumbent on us to do so. I am glad that the meeting is being held and hope the scheduling of future meetings is made available. It is an important vehicle to address the issue of how Ireland, North

and South, interacts with itself and how east-west relations between Ireland and Britain work in the future. This vehicle is provided for in a treaty between our states, although it is one which is underpinned by the European Union. In the past number of years, there has been quite a *laissez-faire* attitude towards the all-Ireland bodies and the North-South Ministerial Council, in particular, but now is the time to look forward and to use them to their maximum potential.

As far as the negotiations themselves go, we need to allow a bit of space. The British Prime Minister, David Cameron, has decided to resign. Having said that, Europe cannot just be left in abeyance for a five, six or seven year period. There is also the likelihood of a British general election. Some are saying it could happen as early as October or November. We need clear heads and we need to ensure the specific interests of Ireland, North and South, are defended by the Government and that we are not overtaken by the larger member states in the European Union negotiations with Britain on its exit.

I hope and pray that there is a way out of this and that Britain may decide another course. The referendum in Britain is not legally binding. The holding of a new general election is a matter for the Westminster Parliament but things may change over the course of the next couple of months. We have to be ready for those eventualities. I am glad the Minister outlined in his speech the contingency plans he has in place. I understand why none of them could be published or debated in recent weeks in advance of the referendum itself.

3 o'clock

I had put those questions to the Minister, Deputy Flanagan, four or five weeks ago.

We need a cohesive approach in the Chamber from the elected members who see the benefit of the European Union and Ireland's membership of it for our national interests and for the betterment of the citizens of Europe. As I stated, it is not without its flaws but we must work together. I ask the Minister, Deputy Flanagan, and the Chief Whip that regular updates from the negotiations be discussed in plenary session in the Dáil. Some very good contributions have been made today and people are concerned. Other contributions were made with which I completely and utterly disagree, but this is the Chamber for this to be done. It would be useful to have these debates and updates here and not just at the Joint Committee on Foreign Affairs and Trade, and Defence.

This is probably the most seismic political event that has happened in Europe since the end of the Second World War. This is not putting a tooth in it because this is how serious the situation is. The future of Scotland is within its own gift. My party leader has outlined our view on the Border poll. I know Sinn Féin's position is long held so I do not take it as opportunist. It would be divisive at this stage to have a Border poll. It would be better to work through our all-island bodies, including the North-South Ministerial Council and the British-Irish parliamentary bodies. I wish the Minister well in the negotiations in the coming weeks. This will dominate the agenda, and rightly so. The risks to our citizens and their economic and social well-being are too great for us not to focus on this in particular.

**Deputy Michael McGrath:** I welcome the opportunity to contribute briefly to the debate on Brexit. I am deeply concerned about the impact last Thursday's decision in the UK may have on the Irish economy. It goes without saying the Minister and the Government have the full support of Fianna Fáil in managing the fallout from the referendum. We will do anything we can in this respect.

The only certainty we have following Thursday's decision is there will be a prolonged period of uncertainty. This we can take as being for sure. The Minister, the Taoiseach and every other member of Government needs to realise, as I am sure they do, that Brexit and its implications for Ireland will be the dominant issue during the Government's term of office. There is no question about this. Serious economists are predicting the UK will now enter a period of recession and we would be very naive to believe that such a scenario would not have serious implications for Ireland and our economic prospects. The uncertainty into which we are now entering will be bad for business, investment and consumer confidence. There will be opportunities for Ireland and we should unashamedly pursue them. I expect the Government and the State agencies will do this. Overall, the decision last week represents a massive negative for Ireland which is unquantifiable at this stage.

I do not see a new arrangement being agreed between the European Union and the UK within a period of two years. To untangle the full complexity of the UK's relationship with the European Union in all facets is very unlikely to be concluded within two years. An extension of this two-year period requires a unanimous decision by the remaining 27 countries of the European Union. As we all know, it is difficult to get 27 countries to agree to anything, so the prospect of a sudden exit following a period of prolonged negotiations where no agreement is reached at their conclusion is a possibility and we need to be aware of this.

We also need to acknowledge that when it comes to the negotiations, which I hope will reach a successful conclusion, Ireland does not have a veto on the agreement. The agreement will be decided upon by way of qualified majority vote. We need to be very conscious of this issue. The Taoiseach and all Ministers need to realise the forthcoming negotiations on the UK's exit from the European Union and the implications for Ireland will be the toughest set of negotiations the country has ever entered into bar, perhaps, the peace process and the Good Friday Agreement of 1998. This is how serious this is and how serious the process we are about to enter as a country and as one of 27 remaining countries in the European Union will be. The Taoiseach will have to have this front and centre on his agenda for his remaining tenure. In a sense, he is on his final lap in his political career and there is an opportunity for him to flex his muscles and represent Ireland to the very best of his ability over whatever is left in his period in office.

The idea the remaining countries in the European Union would simply allow the UK to have unfettered access to the European Single Market while at the same time allowing the UK to restrict access to that country for members of the European Union is naive. These negotiations will be quite brutal and quite tough, and every country in the European Union will have its own particular stamp on them and will have its own vested interests which it will seek to pursue. For Ireland it is not just about free trade or common travel. Irish people travelling to the UK must have the right to take up employment and work. Thousands of people are doing this. It is not just about travel. It is travel allied to the right to work in the jurisdiction and the issue of free trade.

The Acting Chairman, Deputy Breathnach, is well aware of the implications for our relationship with Northern Ireland from a trade and economic point of view. We have had a 9% shift in the value of sterling with regard to the euro. It went from approximately 76p to 83p, which has an immediate impact on the dynamic of cross-Border trade with regard to footfall and the ability to export not only to the Six Counties but to England, Wales and Scotland. This issue must be borne in mind.

The ISEQ index has decreased by approximately 14% since close of play on Thursday. It has decreased by approximately €16 billion. We will not live and die by the markets, but what happens on the markets affects real people's pensions, savings and investments and we all need to be very conscious of the importance of what is happening.

We commit our support on this side of the House but, make no mistake about it, managing the fallout from this and minimising the impact on Ireland must be the single greatest priority for the Government and everything it does for however long it is in office.

**Deputy Mary Lou McDonald:** It would be wrong to consider Brexit in isolation from the broad political context of a very aggressive pursuit of the European integration project over past decades. Dissatisfaction and disaffection with the European Union is not a new phenomenon nor is it a uniquely British or English phenomenon. The rejection of EU treaties by those of us who had a vote in referendums in the cases of the Nice treaty in 2001 and the Lisbon treaty in 2008 should have sounded alarm bells for EU leaders. More to the point, the very spectacular rejection of the EU constitutional treaty in 2005 by the French and Dutch spelt out for anyone interested in listening to the voices of the electorates that the relentless pursuit of ever-closer union, the stubborn pursuit of a federal or united states of Europe, did not command widespread democratic support, including in the core states whose political elites force the issue. They will meet in conclave in the coming days to force the same agenda again.

The setting aside of democratic votes, the rerunning of referendums and the manner in which citizens were ignored or talked down to was the most dramatic manifestation of what is called the democratic deficit. Frustration with the eurocrats is by no means a limited phenomenon, nor is the frustration that is felt towards the timid and sometimes negligent politicians who facilitate those eurocrats.

It would equally be wrong to consider Brexit in isolation from the consequences of an EU that favours the market above all else and the corporates over the citizens, an EU in which the banks were too big to fail and the citizens were too small to matter, and a Union in which austerity, the political and economic orthodoxy of the EU, has laid communities and towns low. The rage of the ravaged industrial north of England and the Welsh valleys can only be understood in that context. It would be wrong and perhaps our biggest mistake if we imagined that the Brexit debate was about confronting or resolving any of those critical issues. I make my remarks as a person who is absolutely European to the core and deeply critical of the current direction of the EU project. That reflects the position of my political party.

The Brexit debate was not sparked by a demand for radical democratic reform or a partner-ship of equals in Europe. It was not initiated to champion the needs of workers or those out of work or to advocate for social justice - on the contrary or *au contraire*, as one might say. Small-minded, Tory, public school boys jockeying for political position is what sparked this debate and referendum. If ever the 1% was made flesh, it is in the case of Mr. Boris Johnson and Mr. David Cameron. They reached for the playbook of racist, divisive and lowest common denominator political tactics to get their way. They got their way. It is astonishing to hear from those who claim to speak for the left as they align themselves with such cheap, narrow and elitist tactics and motivations.

I suggest there are three lessons we need to learn from Brexit. The first lesson is that the EU can only proceed in a manner and at a pace that is democratically sanctioned by the electorates of Europe. That means that when there is a "No" to federalism, the super-state comes off the

table. The second lesson is that there are consequences for governments and institutions which refuse to listen or refuse to accept the verdict of the people when the people put the brakes on the ambition of the political elites. In other words, we need political leadership and not political coercion. The third lesson is that if the popular instinct for radical reform is denied and the reformers stonewalled, the wreckers will have their day. In my view, the wreckers have had their day across the water and are set to continue with their wrecking.

I listened to many here who claim to be on my political left. I am alarmed that they would try to suggest that the Brexit result is a good result for the working class. As a person from a party that represents the Irish working class North and South, I say that that is not the case. The Brexit decision will not herald a great dawn of democratic empowerment, prosperity and equality for anybody in the EU or outside it, that is, in Britain.

The die is now cast. The votes are counted. England and Wales have decided to exit. That is their democratic prerogative. Scotland has voted to stay and the Scottish administration has made it clear that they will ensure that that democratic decision is honoured. The North of Ireland has also voted to stay. That is the democratic mandate of the people of all political persuasions. I am not convinced for one moment of the argument that suggests that a referendum at this stage on Irish unity would simply be a sectarian headcount. I do not accept that. Neither do I accept that it would be divisive or destabilising. As a matter of fact, a referendum on Irish unity is the only available mechanism that we now have to allow the majority, the people of the North of Ireland, to stay within the EU. In effect, the referendum is not simply about Irish unity. It is about affording to the people of the North an honouring of their democratic decision.

I detect, and I hope it is not deliberate, an almost *laissez-faire* or hands-off view of Irish citizens living in the North. Consider the Northern farmers and the prospect of the Common Agricultural Policy, CAP, being torn from under their feet. Consider any of our students in third level academic institutions who stand to lose very substantial funding and support for research and development. Consider not just a hardening of the Border between North and South, but the nightmare and frankly ludicrous scenario in which Ireland is at the one time inside and outside the EU, with all the regulatory, legislative and practical contradictions that entails. It is not good enough to say that the people of the North voted to stay and then simply step back and not assist them in that ambition. Their democratic decision is clear.

I regard the position adopted by the DUP and its leader, Ms Arlene Foster, to have been utterly reckless in this regard. They have conceded the right to speak for anybody, or certainly the majority, in the North on these issues. Ms Theresa Villiers certainly does not represent the considered and democratically arrived at view of the people in the North. Ms Villiers represents the Tories, the Conservatives, their position and their view, at least that of the Leave faction of the party. In no way is she prepared to advance the rights and the interests of citizens in the North.

Now is the time for calm. I believe that is true. I am very calm.

**Deputy Charles Flanagan:** After all that.

**Deputy Mary Lou McDonald:** I am very calm about these matters, but I am also very determined that the Minister will not walk away from, wimp out on or equivocate on something that is clearly in the national interest. I am an Irish republican. My view is, and will always be, that the partition of our country has not served us well. We will be truly stronger together. In this turn of events and with this political earthquake comes a scenario in which Irish and British

citizens - Nationalists, republicans, Unionists and loyalists - in the North who have expressed a wish to stay within the EU now have an avenue to achieve that through a referendum which is provided for in the Good Friday Agreement. Rather than the Minister rattling off his assumptions around things being divisive or destabilising, I ask him to trust the people in the North. They had a chance to hear the debate. They took their decision. Now let us use the mechanism we have to make good on that democratic verdict.

Deputy Caoimhghín Ó Caoláin: As a Teachta Dála for the Border constituency of counties Monaghan and Cavan, I am acutely conscious of the great uncertainty and deep concern that arises from the so-called Brexit vote. We are literally on the front line of partition. Since 1922, social, economic, cultural and political life has been hugely disrupted by the unnatural division of our country by the British Government. For decades, our communities knew the reality of customs posts and Border controls. This was followed during the conflict by the closure of Border roads in some cases, with the British Army blowing up roads and bridges and erecting barriers, spy posts and all manner of obstructions. This happened not just over the years of armed conflict but over the lifetime of the Orange state in the Six Counties, propped up as it was by the might of the British state. Over all those decades, local communities on the Border resisted. They reopened closed Border roads and bridges, often against the violent response of the British Crown forces, and endeavoured to maintain normal community life.

The peace process opened a new era for our communities in the Border counties. Our efforts over many years were vindicated. Huge progress was made. The physical Border in most of its aspects was removed but much remains to be done. The challenge of greater co-operation and integration of services remains. Progress under the Good Friday Agreement has been too slow but there has been a sense that progress has been made.

The Brexit vote introduces a new and formidable element of uncertainty. What will it mean for our communities? The answer at this point is that we do not know. We have listened to contradictory predictions from both sides in the referendum debate. The bottom line is that it was an English question. It was about divisions within the Tory party being played out in a referendum on EU membership. It is well recorded, and I have made it clear in the House, that Sinn Féin has been consistently and correctly critical of the EU integration project. We have rightly challenged the undermining of democracy, sovereignty, independence and neutrality by the drive to an EU super state. The basis of our policy of critical engagement with the EU is that the nation state, for all its faults, constitutes the basic and workable unit of democracy. This is how we view the EU, and we do so on an all-Ireland basis.

We are now faced with a situation in which our neighbours across the artificial, British-imposed frontier are deemed to be outside the EU while we on this side of the Border are inside. The Six Counties are deemed to be within the so-called United Kingdom. They voted to remain in the EU but are to be taken out of the EU against their expressed will and without reference to the people of the rest of this island. It is an intolerable situation for our Border communities in particular and for the people of Ireland as a whole. It is for the people of Ireland as a whole to determine our relationship with the EU. For Sinn Féin, it is fundamental. Therefore, we in the Border counties will be to the fore in advocating a referendum, under the Good Friday Agreement on the question of Irish unity. All pro-united Ireland parties and voices should seize the moment. Ní neart go chur le chéile.

In tandem with this reasonable and wholly defensible argument is a need to fully recognise the new reality and put it to Ireland's best benefit. Despite the prospect of significant adverse effects, we should, in the immediate aftermath, promote the State's arguably enhanced prospects of attracting overseas investment, not just from the US. In undertaking this course, let the IDA and Government note that the Border counties are more than a fit location for any new or expanding enterprise in this jurisdictions. The abandonment of the Border counties, long ignored by the State's agencies, must end.

One subtext of conversations during recent days was the realisation of the shocking prospect that we could have, on the one hand, Boris Johnson in 10 Downing Street and, God forbid, Donald Trump in the White House. God help us all. Where would we be then?

**Deputy Joan Burton:** James Connolly said, "Ireland, without its people, means nothing to me". To paraphrase Connolly, Europe without its people means nothing to me. Can we speak of European people? We are Irish and European, French and European, Polish and European. We see the shock and anger among people and a new fear of a further period of uncertainty as to what this profound historic rejection means. It must be a wake-up call to the leadership in Europe and to our Government.

The EU has been an essential force not just in building peace but in spreading democracy. It has been an essential force in promoting prosperity, but also equality and human rights. It was the EU which put equal pay and other rights for women firmly on the agenda and prioritised the rights of people with disabilities. This approach to human rights, including women's rights and the rights of particular groups such as people with disabilities or minorities, brought about many changes in Ireland in recent decades.

When the standing of the EU was at its highest, countries were queuing up to join. I think in particular of the situation after the collapse of communism in eastern Europe. Now, sadly, our nearest neighbour and biggest trading partner is the first member to vote to leave the EU. People in places such as the north of England voted to leave the EU, while people in Northern Ireland and Scotland voted to remain.

The very survival of the EU is in peril. Some reactions are baffling. Angela Merkel has solemnly called for calm. François Hollande has declared that there needs to be a "refoundation" of the EU. Donald Tusk, President of the European Council, who is from Poland quoted Nietzsche: "What doesn't kill you makes you stronger." Martin Schulz, President of the European Parliament, wants matters hurried on and believes "the chain reaction being celebrated everywhere now by Eurosceptics won't happen". This is the collective wisdom of recent days of the top level of European leadership.

David Cameron lost his gamble by calling the referendum. He won a general election recently and then gambled, in terms of the internal tensions of the Tory party in England over Europe, that the referendum could be pulled off.

What we have seen, and what faces the Taoiseach and his fellow members of the European People's Party, is a slow but steady drift of the broad European ideal to the right in several European countries, led by the European People's Party and the forces of the extreme right and, in many cases, their allies on the extreme left.

**Deputy Dara Murphy:** It is not true.

**Deputy Joan Burton:** The Minister of State was smiling when I mentioned this in the Chamber last week. If we are to have a discussion, we must talk about this. Where is the Eu-

rope of Jacques Delors? Are we being offered the Europe of Jean-Claude Juncker with a multibillion euro investment plan that has no levers to provide for investment by countries such as Ireland? While the plan is very welcome, it does not do anything. Europe has done a Houdini job of locking itself up with a set of rules largely on a German imperative. However, unlike Houdini it does not seem to be able to find the key. It is full of good intentions but contains relatively little action.

People in many European countries feel that things they or their parents took for granted - constant and continual incremental improvements in their lifestyle - are put under threat by changes that appear to come from what for many people is a remote location, namely, Brussels, and from a leadership that seems remote from most people, including those in their home countries. The Minister of State knows what it is like to go to Brussels. While it is a great project to bring many people together, there must be a change in style in European leadership. Maybe Jean-Claude Juncker will say he got it wrong and did not deliver the investment to all those young people who are unemployed. Maybe he will have the grace and courage to stand down. If one wants to fight poverty and have a social Europe, the most important thing is employment of young people. When I was in government I prioritised, and the Government agreed, reducing youth unemployment in Ireland and across the EU. It was a critical priority for our economic, social and political future. The diffidence and, in some cases, the downright hostility, of the European right, however, has meant this aim has stalled in many countries, including countries that desperately need a recovery in the number of young people going to work.

Last week, I asked the Minister of State and the Taoiseach, who was beside him at the time, whether the Government had a plan B. I have heard much of the detail that has been rolled out, some of which has been helpful. However, I am not convinced as yet. With the benefit of hind-sight, it was stupid to take the debate on the summer economic statement. As I said last week, I was firmly in the Remain camp and I am, and always have been, strongly pro-European, yet the Government parties launched the summer economic statement. They were so confident last week when I said I was not sure if the referendum would pass based on conversations I had with many people involved in politics in different parts of the UK, particularly members of the British Labour Party. There was a great deal of scepticism about whether this might come to pass.

Last week, we also discussed the murder of Jo Cox. There has been a development in politics of the language of hate as opposed to the language of argument and that is no good, whether people are totally opposed to Europe, as is the case with some Members, or are strongly in favour. Hate will not replace argument in politics. Argument means people disagree and put forward different cases while hate involves doing what the Nazis did, namely, turning the people opposed to them into the other and then any action against those people - such as the murder of Jo Cox - becomes a possibility. We need to guard against that in this debate. We need to be particularly careful about this extraordinarily destructive language. On the extreme right, however, no more than on the extreme left, a language of hate is corroding most of our democracies and inhibiting good discussion that could help us reach better decisions and solutions. For example, women, in particular, have been targeted on social media.

The fading connection between citizens and EU institutions will not be restored simply by diplomatic work and choreography, vital and all as that will be. It will not be enough to restore what has been shattered. The European Council and the Commission have to convincingly answer the charge levelled by the eurosceptic camp that democracy is being undermined by the EU system. Their argument is based on the idea that only by reversion to the nation state can we restore to people the sense they can kick out their rulers at elections and choose new ones,

if that is their wish. It is a powerful argument, which needs to be met by convincing reform of the European Council and the Commission. Reform is important in this context.

As a social democrat, I believe that the best protection against poverty is secure and fairly paid work. I was appalled by the EU's initial response to the financial crisis, which was too slow, dictated from the centre and ideologically bunkered in outlook. From 2011 onwards, I repeatedly argued, together with my colleagues in the Labour Party, that the EU needed to shift from austerity towards a policy based on investment, growth and job creation, with full employment the central target. I pressed the case for that at European level at every opportunity. I hope, during the upcoming discussion, that the Government will press that case because confidence in the profoundly democratic European idea of providing a decent education, good prospects of securing decent, well-paid work. and services to people during their lives will not return.

Young people, as the referendum in the UK demonstrates, grasp the advantages of an open, diverse Europe. It is a shame that this link is in grave danger, and if it is further weakened, Europe could unravel. This is the one priority that should obsess those who sit in Brussels. The European Council and Commission need to restore among European citizens, particularly those in Ireland, Britain and France, a sense that a collective endeavour of solidarity, a founding principle of the Union, and of social values can deliver what they need and want. There is no point blaming the voters for the disconnect between citizens and the EU. Those in the EU leadership must examine what they offer. We want to restore the great solidarity that underpinned the European ideal because that will be essential if we are to deal with global challenges such as migration, climate change and unemployment. Going it alone, which many eurosceptics want, is not an option. We are stronger working together. Ní neart go cur le chéile. Following the recent financial crisis the consensus on policy shifted to the right and social progress stalled, as has happened generally throughout history. We have to face today's great challenges.

John Hume, the architect of the peace process for Ireland, made many political sacrifices to persuade, for example, Sinn Féin to be involved in negotiations and to put down the guns and stop the killing, torture and maiming. That was a great achievement. We need to be conscious, as we enter this difficult phase when people in the North have clearly voted in favour of remaining in the EU for a variety of sound reasons, that there is not an opportunity plucked which would return us to the old days of simple head counts and majoritarianism and which would oppose the vision of people such as John Hume to bring everyone together and to foster unification rather than division. People may mean well in what they propose but they need to look further down the road because not much more than a year ago, David Cameron took a political gamble that seemed to have a certain answer. Like him, they could be very wrong.

**Deputy Mick Barry:** Within hours of the announcement of the Brexit result, Sinn Féin's Deputy First Minister, Martin McGuinness, issued a call for a Border poll, which was repeated by Deputies Adams and McDonald earlier in this debate. The Sinn Féin spokespersons are referring to a provision in the Good Friday Agreement whereby a poll on Irish unity can be called in Northern Ireland if there is reason to believe that it might pass. The Northern Ireland Secretary of State, Ms Theresa Villiers, has said "No", arguing there is no prospect of a poll producing a majority in favour of a united Ireland at this time. However, this is probably not the end of the matter. A new referendum on Scottish independence is likely to be held in the coming years in light of the majority vote in Scotland to stay in the EU. It is likely that this referendum will produce a vote for Scottish independence and will begin the break up of the UK. In that situation a debate on the position of Northern Ireland within that union is likely to re-emerge.

The Anti-Austerity Alliance Deputies will oppose the demand for a Border poll. Whereas in Scotland the demand for a poll is a democratic demand, in the context of Northern Ireland, it is a demand for a contest which would inevitably deepen sectarian divisions among ordinary people. Does anyone really believe that a poll on a united Ireland would not polarise opinion in the North with one community drawn to a united Ireland poll and the other community drawn to a maintain the union poll? Does anyone seriously believe that this would be anything other than a passionately fought and severely heated contest which would serve to copperfasten, deepen and inflame the already existing sectarian divisions? Does anyone really believe that the result would be anything other than the result of a sectarian head count? There would be nothing progressive about such a process. Even if such a poll were to result in a majority for a united Ireland, which it would not, and Sinn Féin knows that it would not, does anyone believe that 800,000 Protestants could or should be coerced into a united Ireland against their will? That is a recipe for civil war, not for Irish unity. Neither a capitalist Northern Ireland nor a capitalist united Ireland, in or out of the European Union, can resolve the national question on this island. It is only a fight against austerity and the capitalist system which produces it that has the potential to unite the working people of this island, to establish agreed socialist structures and to gain the upper hand over both sectarianism and division.

In the after-shock of the Brexit vote the working class movement in this State should not accept one single job loss or one single cut to a single worker's pay packet because already working people are being lined up to be the whipping boys. Yesterday's edition of *The Sunday Business Post* reports that major exporters have already made contingency plans for job losses. The ESRI has predicted that wage cuts can now come onto the agenda. It has raised the possibility of wage cuts in the region of 4% to 5% for up to 60,000 workers. This morning's edition of *The Irish Times*, under the headline "Rules on public pay set to stay after vote", reports that the Government plans to ask the Dáil this week to renew the financial emergency legislation that was used to underpin cuts to public service pay and pensions after the crash, citing Brexit as a reason for doing so. The commentator Matt Cooper in yesterday's edition of *The Sunday Business Post* raises the prospect of British employers, free of certain EU restrictions, trying to drive down minimum wage rights and drive down workers' right and then Irish employers attempting to follow their example.

The Anti-Austerity Alliance will oppose all these measures. We will use our voices and votes against the renewal of the financial emergency legislation and for the immediate reversal of public service pay and pension cuts. We call this afternoon on the trade union movement and on trade union activists to be fully alert to the dangers here for working people and to say loudly, clearly and with one voice that we will not accept job losses or pay cuts and that we will not be made the whipping boys for Brexit. The same applies across the water. The Conservative Party's Chancellor of the Exchequer, Mr. Osborne, MP, spoke in the course of the debate about the possibility of an emergency budget involving cuts in the event of a Brexit. I note he stated this morning that such a budget should be delayed until such time as Britain has a new Conservative Prime Minister but the trade union movement in Britain must be prepared to meet that challenge. The idea of a 24-hour general strike against such an emergency package would be entirely appropriate.

We have seen quite enough of little Englander politicians in the past while without having to also stomach little Irelander politicians. Deputy Michael Healy-Rae's comments reported in this morning's edition of *The Irish Times* can only be described as depressing. He is reported as stating that immigrants bound for the UK will instead now come to Ireland. He predicts that

wages will fall as a result. He also predicts there will be more pressure on housing, schools and other public facilities. He states, "I am worried about it. I can see no positive aspect. I am worried about every aspect". He concludes by stating that immigrants are of course welcome and then the next word is "but". Politicians who try to play the race card and tap into anti-immigrant sentiment might think that immigrants are fairly defenceless and might not be able to fight back. They might think they will not get any flack flying back in their direction, but that is not so. The Anti-Austerity Alliance will call out politicians of that kind every time this happens and we will do it here on the floor of the Dáil

Only this morning the European Commission issued a statement on Ireland and the question of water charges. Fewer than four months ago the Irish people democratically elected a Dáil comprising a majority of Deputies pledged to opposing water charges. The response of the European Commission this morning was to state that it would be illegal for this House to represent the will of the people and abolish water charges. That is outrageous.

Ten days ago a special committee of this House issued a report with proposals on how to deal with this country's housing emergency. The report included a proposal that 50,000 publicly built houses be provided over the next four years. Leaving aside the fact that 50,000 is barely more than a third of the number on the State's social housing waiting lists and the fact that it would take 15 years to clear the list at the rate of house building proposed by the committee majority, the authors of that report could not even nail their colours to the mast and state that 50,000 houses would be and should be built by public funds. Why? It is because to do so would be to risk breaking EU fiscal rules, which prevent us from dealing with the housing emergency in a full-blooded way. Work begins soon on framing a budget for October. The EU fiscal rules, which prevent us from dealing fully with the housing emergency will be a barrier in terms of reversing cuts in health and social protection and ending financial emergency cuts to public service pay and pensions.

I wish to comment on Deputy McDonald's remark that she was alarmed that there were Deputies to her left in the House who felt that Brexit was good for the working class. I believe there are supporters of Sinn Féin who are, and I will be moderate in my language, surprised that it is arguing that the EU can be good for the working class. I accept the point that the Deputies have made, that they want to reform the European Union and see changes within it, but a massive social experiment was conducted just over a year ago to test the possibility of reforming and changing the EU. It took place in Greece where we had the election of the Syriza Government which wanted to combat austerity and to remain within the EU and reform it. They got their answer loud and clear from the EU structures, which was that if they wished to remain within the EU they would implement austerity. So much for the prospects of reforming the European Union.

Fully reversing austerity measures in this State and elsewhere means breaking EU fiscal rules. Breaking EU fiscal rules means European Union fines and denial of voting rights on key EU bodies. It is only possible to break out of the prison of austerity by waging a struggle against capitalism and the EU rules and structures which underpin it. We need a socialist Ireland, a socialist Europe and instead of the European Union a socialist united states of Europe.

**Deputy Joan Collins:** If I were a UK citizen I would have voted to remain in Europe. If I had held a political position in the UK my priority would have been to oppose the right wing, xenophobic, racist, jingoistic, empire-yearning Leave campaign. That would have been my position, and I am a socialist. I acknowledge that there are many varying positions within dif-

ferent parties and organisations but that is my position.

Those on the left who supported the leave option have, in my view, made a serious mistake. I agree with their criticisms of the EU and the direction it has taken. I am not saying they are xenophobes or racists but it is disillusionment in the extreme to believe that working people in the UK, particularly England and Wales, voted for a campaign led by Boris Johnson, Michael Gove and Nigel Farage in the belief that leaving the EU would result in a more democratic, progressive and worker-friendly Britain. Unfortunately, they allowed their fears and anger about unemployment, low wages, uncertain hours, precarious work, housing and the problems of the NHS to be manipulated and their anger to be diverted from the real causes of these problems towards migrant workers. That is exactly how it was presented. I believe this result does not represent a working class revolt, rather it is a setback for working people and a victory for the forces of the ultra-right in the UK and Europe as a whole.

The people who bear responsibility for the decline in class consciousness and working class solidarity and for trying to blame Jeremy Corbyn for this catastrophe are the very people responsible for it. Those who supported the Blairite-Brown project are the parliamentary Labour Party today. This applies across the board throughout Europe in relation to social democracy. Mr. Blair's new Labour was a conscious policy to ditch the traditions of the British Labour movement and turn the Labour Party into a tame, pro-capitalist version of the US Democrats, the party of Wall Street. Jeremy Corbyn did not destroy the Labour Party in Scotland or enormously weaken its support in the north of England: this was done by Messrs Blair and Brown.

On the statement that the EU is a monstrous, undemocratic edifice run by unelected faceless bureaucrats completely out of touch with the aims of aspirations of the average EU citizen, of course the EU is undemocratic and it is removed from the people it is supposed to represent but it is not run by unelected, faceless bureaucrats rather it is run by politicians such as Merkel, Hollande, Valls, Cameron, Osborne and, in their own small way, Messers. Kenny and Noonan. It is these politicians who have designed the EU to be the undemocratic institution that it is, beyond the accountability of the EU citizens. It is these politicians who give the orders which the bureaucrats follow. These politicians appoint the commissioners and the board of the ECB. Anybody who believes that the ECB is independent of political control does not live in the real world.

When Trichet rang the late Brian Lenihan to threaten him on the bondholders issue, Brian Lenihan knew that Trichet spoke for the real power in Europe. When the ECB closed the Greek banks, it knew it was playing its part in the plot to strangle the Syriza Government and to send a message to the Greek people that any attempt to follow the alternative to austerity would be strangled at birth. The Greek people knew who was responsible for this, as did Irish people.

In regard to Hollande and Valls, it is not faceless bureaucrats but these two leaders of the socalled French Socialist Party who introduced the Loi de Travail, the aim of which is to weaken employment legislation and make it easier to sack workers. In response, French workers have come out in their thousands in opposition to these cuts to their employment rights and conditions. The real powers behind this are not faceless bureaucrats but the 1%, namely, European big business interests.

What happens now is anyone's guess. Boris Johnson, who is no more or no less racist and right wing than Cameron, Osborne or any of his other Tory friends, is making conciliatory statements about a new relationship between the UK and the EU. It is clear he used this issue

to advance his attempt to become Tory leader, just as David Cameron's gamble was to save his leadership. There will undoubtedly be a recession in the UK, which will probably coincide with a new world recession. The fall in the value of sterling has wiped out one of the biggest advantages to Ireland and a key factor in the recent growth in our economy. The reintroduction of Border controls and tariffs will no doubt adversely affect the Irish economy.

I cannot support the call for a Border poll. In current circumstances this would be nothing but a divisive sectarian headcount. It would restate the current status of Northern Ireland within the UK. It will be interesting to see how the constitutional issue raised by Nicola Sturgeon, the Scottish leader, plays out. In my view it does not stand up. It is ironic that the British establishment that fought tooth and nail against Scottish independence has now landed itself in this mess, and it is a mess. To my mind, the solution for working people is not in the EU as currently constituted - a neoliberal policy zone. Nor, is it to be found within a return to so-called national sovereignty. The task is to change not only the Europe in which we live but the world as a whole, particularly for the large swathes of continents that have suffered from a beggar thy neighbour economic attitude on the part of many European states in terms of the imposition of huge taxes and the poverty therein resulting from such policies. The world must change from a world based on the greed and profit of the 1% to one based on the struggle of organised workers and organised communities in the fight for equality, solidarity and political accountability. Transnational organisations must be representative of all people rather than one country or one aspect of the world. This is a difficult task, which has been attempted many times throughout history. However, it is the only way we change society for the better and from the capitalist control of the world in which we now live.

**Acting Chairman (Deputy Declan Breathnach):** The next speaker is Deputy Michael Collins who is sharing time with Deputy Michael Harty. Is that agreed? Agreed.

**Deputy Michael Collins:** As a result of the Brexit vote, I would like to raise issues of concern to the constituency of Cork South-West. West Cork depends heavily on tourism, farming, fishing and SMEs. In terms of tourism, the Wild Atlantic Way is a huge asset to our area, with thousands of visitors coming into west Cork each year. While these tourists come from across the world, a large percentage comes from Great Britain. Over 40% of visitors to Ireland come from the UK. West Cork has some of the best scenery in the country and we are developing facilities for the visitor on an ongoing basis and, of course, the friendless of the people of west Cork is known worldwide.

The challenges now facing us as a result of Brexit should not be understated. The value of sterling will provide a big challenge to Ireland. It may well be more expensive for UK tourists to visit Ireland.

4 o'clock

Our tourism bodies, Government and industry will have to step up to the mark in terms of marketing and giving better value to the tourist.

There is no disputing the fact that farming has benefitted from Ireland's membership of the EU with a large percentage of agriculture exports going to the UK market. With Britain voting to leave the EU and with changes to sterling values, etc., our farming industry is facing a more uncertain future. The UK accounts for 50% of our beef exports and one third our dairy exports and any disruption to this trade would have a huge bearing on Ireland's agriculture industry.

Irish agriculture, farming and food exports need to be protected in the event of the UK leaving the EU. The Government needs to be more vigilant in the negotiations ahead.

I will now turn to the fishing industry which, it can be argued, has not benefitted from our membership of the EU as farming has. In our original negotiations Ireland's territorial waters were opened up to other European states. Irish fishermen are trying to compete with large factory fishing ships in our own waters. EU regulations have put our fishermen at a huge disadvantage and many feel they are being treated as criminals in their own waters. The discard policy has caused much frustration among fishermen. The Government should now fight a stronger case for our fishing industry at EU level. Over-the-top rules and regulations, many of them originating at EU level, have caused much hardship to employers, industry, farming and fishing. There was a disconnect between many ordinary people and the EU. In Ireland, many of those who are working hard to make a living feel that there is a disconnect between them and the Government. This was very much evident in the results of our recent general election. The Government now needs to listen to the concerns of the people and stand up to the EU. During the recent crash many people feel that Ireland was poorly represented by the Government and that it did not stand up to the EU. Now it is time for the Government to take a strong stand on behalf of the State.

The IDA, Enterprise Ireland and Bord Bia will have to target new markets and supports for exporters and producers. There is no argument that Ireland has benefitted over the last 40 years from its membership of the EU. We can continue to benefit but the Government needs to fight to protect our interests within the EU. Now, post-Brexit, Ireland will have a land border with a country outside the EU, so some type of bilateral trade and customs agreement between the UK and Ireland will have to be negotiated. The EU will have to allow this to happen.

**Deputy Michael Harty:** I welcome the opportunity to contribute to this debate on the UK's referendum. The decision by the people of the UK to leave the EU has come as a shock to all the countries in Europe, to Ireland, the stock markets and to the UK Government itself. Uncertainty is the most common response across Europe in stock markets, in currencies and in the markets worldwide. Uncertainty always causes chaos in the markets. This market turmoil is our most immediate challenge and returning some certainty needs to be our most immediate priority. Since its foundation 43 years ago, no member state has opted to leave the EU, until now. Therefore the process of disengagement and negotiation on exit is uncharted. It will lead to very difficult negotiations for other EU countries but particularly for Ireland because of our connection with the UK. The Conservative Party and the Labour Party campaigned to remain in Europe but failed to get their message across to the British public. The main issues that led to this failure were not economic or political but were based on fear and isolationism, including fear of migration and immigration.

I pay tribute to the late Jo Cox, MP, who was murdered during this campaign as she campaigned to keep Britain and the UK in Europe. Her death was a tragedy which I believe overshadows the result of this referendum. She must be remembered.

The UK has voted to leave the EU against the advice of its political leadership and without political preparation. This is an extraordinary situation. One would wonder what the British people were thinking of. This was a protest vote against the British Government as well as a protest vote against the EU, without taking into account the ramifications of the result. Some campaigners used the referendum as an electioneering platform to advance their own careers. I believe that the UK is as confused about what happened as we are ourselves. There was po-

litical turmoil in Britain with the resignation of the Prime Minister and the mass exodus of the Labour Party shadow cabinet. There is the prospect of a disintegration of the United Kingdom with Scotland and Northern Ireland voting to remain in Europe. The UK and Wales are also divided since the margin of the vote was only 4%. There is no exit plan. Boris Johnson, MP, and Nigel Farage, in their attempts to preserve and isolate the United Kingdom, may have unwittingly precipitated the disintegration of the United Kingdom. Ireland is now faced with the prospect of its main trading partner being outside of the EU, which will lead to huge economic challenges.

Ireland has a common Border with Northern Ireland which will now be outside the EU. This will cause unique difficulties for both sides of the Border, politically, economically and socially. Extra efforts will be required in seeking EU support to preserve freedom of movement of people and goods across the Border and indeed between Ireland and the UK where we have substantial interests economic and socially and with so many Irish citizens living and working in the UK. Many Irish companies have a substantial interest in the UK, including our agribusinesses such as Glanbia, Kerry Group and Greencore.

It is true that EU bureaucracy has become too intrusive. What might be good and applicable in France and Germany may not be applicable in Ireland or other small countries. We must guard against the EU becoming as unpopular in Ireland as it has become in the UK. However, we must remain calm and patient. The initial shock of this decision should not spook us. There are two years of negotiations ahead. Article 50 will not be triggered for several months and I believe there are three phases in what lies ahead. There is the immediate phase, where market and currency volatility is going to be very difficult. This is our most immediate threat. The second phase may be the medium term when Article 50 is triggered and the two years of negotiations commence, which may take several more years beyond that. Then, in the long term, what will Ireland be like and what will Europe be like after the UK has exited the EU completely? Hopefully negotiations will be positive and constructive and not carried out with rancour and mistrust. Hopefully also Ireland will get support from other EU with regard to our economic, social, political and geographic connections with the UK.

Ireland needs to protect its jobs and exports to the UK and to protect our political structures. We particularly need to protect the political institutions which developed from the Good Friday Agreement and which underpinned peace in Northern Ireland. However, Brexit could put Ireland's economic recovery at risk. We must protect Ireland's exports and in particular our agrifood exports. Some 50% of our Irish beef, one third of our dairy products, 60% of our poultry and cheese products and 33% of our timber are exported to the UK. Some 51% of total agricultural food exports from Ireland go to the UK and 51% of total agricultural imports come from the UK.

Border controls would also impede trade. The UK is a major contributor to the EU budget, of which 40% goes to CAP. Therefore, the budget for CAP may be substantially reduced which would reduce subsidies to the Irish farming community. If tariffs were imposed then exports to the United Kingdom would be severely damaged.

On the positive side there may be opportunities for Ireland for foreign direct investment and in financial institutions moving from London to Dublin. Ireland will be the only English-speaking EU country. There may also be unforeseen advantages of which we are not yet aware or which are not apparent. We must be patient, calm and focused and we must gain advantage out of this adversity, if there is advantage available.

Deputy Róisín Shortall: I am glad to have the opportunity to contribute to this debate. While of the news of the vote last Friday morning has superseded everything else happening in this country and in Europe and it is an issue we must address urgently in the House, in many ways it is too early to do that today. People throughout Europe are still reeling at the decision. It is a surprise, given that there was an expectation that the vote was likely to go the other way. Now that it has happened, it is laying bare the complete lack of preparation in the UK, and in many ways in this country, for the vote going this way. It is only as time passes that the full implications of that historic vote are beginning to dawn on people. It will be some time before we can fully grasp exactly what it means for the future of the EU and of Anglo-Irish relations and especially the implications for society and the economy in this country. It is important to get an initial reaction from Members of the House but we will have to return to this in a more effective way over the next few weeks. Undoubtedly, we will do that. Today, we can only raise questions about the issues that have been, and are being, raised by the result of the vote last Thursday.

It is important to state that, irrespective of our fears and concerns and our views about the wisdom of the vote that was taken, we must respect the democratic wishes of the British people. There are many different ways of analysing the wishes that were expressed in the vote on Thursday. We can find fault with or criticise elements of the campaign and certainly much of the fear-mongering that took place during the campaign, but ultimately we must respect the decision as a democratic decision and work with that. Of course, there is no pretending other than that the result of the decision by the British people is exceptionally disappointing from this country's point of view. It would be disappointing for any of the EU member states to withdraw at this point but given that the UK is the country with which we have most in common, it is particularly disappointing and its implications are very far reaching for many aspects of life in this country.

It is a huge leap into the unknown and the uncertainty created, in itself, over the next few weeks and months could do serious damage to both the economy in the UK and the economy in this country. Who knows what the long-term implications will be for the European Union? Many financial and political risks are thrown up by this decision. The longer they are left to fester, the greater is the potential for damage. For that reason, we are all concerned about the potential for a vacuum being created while at the same time acknowledging the need to reflect. Getting that balance right will be a challenge for all of us.

This vote represents a very significant loss for Ireland. Ireland has lost a very strong partner in Europe, a partner with which we have exceptionally close cultural and economic ties. There are hundreds of thousands of Irish-born people living in the UK, and all of us have family members living there. Furthermore, there are millions of people of Irish descent living in the UK. Britain is the only EU member state with which we share a land border and is the only other officially recognised English speaking member state. Our peripheral position in the EU has undoubtedly become worse. We have become far more isolated as a result of this decision.

Ireland's loss goes much further than simply its relationship with Britain, however. The loss of Britain to the EU could have enormous repercussions for the European project. A weaker EU weakens Ireland. A weak pound hurts Irish exports to Britain and hurts British tourism to Ireland. A Britain that is free to set its own standards on various issues such as food safety, environmental standards and workers' rights could seriously undercut Irish businesses. Of course, the implications for Northern Ireland are enormous. A total of 87% of farm income in Northern Ireland comes from the EU. The agrifood business is very much on an all-Ireland basis and the negative impacts are obvious for the entire island in this regard. The PEACE programme has

provided funding from the EU regional fund for Northern Ireland and the Border counties and that is now in doubt.

Northern Ireland and Scotland, as component nations of the UK, chose to remain within the European Union. It is fundamentally undemocratic to force withdrawal on parts of the UK that have given a clear democratic decision that they wish to remain within the EU. The prospect of the return of a hard border at some stage in the future is an issue we must address. There is an urgent need to clarify this as it is crucial to investment on both sides of the Border. This jurisdiction will not be able to control decisions relating to a new Border and how it will be policed and organised. Those decisions will be taken by the EU. Obviously, we must insist that we are centrally involved in being consulted on that, but ultimately it is the EU that will decide it rather than it being an agreement between Ireland and the UK. This is happening just as life was settling down for people in Northern Ireland and they were starting to get on with normal business. It throws all of the progress that has been made up into the air and creates huge uncertainty about the future prospects of Northern Ireland.

What is next for Britain? Undoubtedly, an orderly exit is vital. We urgently require clarity on whether the UK will remain as a member of the EEA. Ireland now finds itself in the same position as Finland, with an external EU border on its frontier. We must have a discussion on what type of relationship the UK wishes to have with Ireland, dealing with a multitude of issues such as what will happen with the Border, what the voting arrangements will be for UK citizens living in Ireland and Irish citizens living in the UK and the arrangements for funding of Irish students in UK third level colleges. There is no doubt that there are some positives. Assuming the withdrawal of Britain from the EU is managed smoothly, it represents, potentially, a significant opportunity for Ireland. Britain has traditionally been one of the best EU member states at attracting foreign investment. Ireland is uniquely positioned to attract much of the business which wishes to maintain a presence in the EU in an English speaking state.

There are lessons that we will learn in time and which we will have to address. Ultimately, the lessons relate to the way in which the EU has operated and the fact that it has been seen, both in this country and clearly in the UK, as a Union which serves the interests of the elites more than those of the people. That is the big challenge for the EU in the future. The response in recent days, certainly of the founding states, has not been encouraging in that regard. They do not appear to have learned the lessons. We in this country are very well aware of those lessons and we must play our part in ensuring that we can change the direction of the EU to make it a Union of peoples rather than elites. That is the biggest challenge arising out of this.

Deputy Catherine Martin: While the referendum on the United Kingdom's exit from the European Union was decided by a myriad of forces and the reasons people voted the way they did must be assessed in the fullness of time in the cold light of day, we must, first and foremost, respect the democratic decision taken by our neighbours. On this momentous and challenging occasion, I am reminded of the words of Martin Luther King: "We have inherited a large house, a great world 'world house' in which we have to live together - black and white, easterner and westerner, Gentile and Jew, Catholic and Protestant, Muslim and Hindu - a family unduly separated in ideas, culture and interest, who, because we can never again live apart, must learn somehow to live with each other in peace." This concept of inclusivity, stability and peace is a fundamental pillar of the European Union. It is the responsibility not only of the European Union and each member state but also of every citizen of the EU to face up to and play his or her part in challenging the politics of anger and intolerance which offers no solutions and is simply and solely populist and extreme in nature.

It would be very foolish of the European Union not to accept some responsibility for the outcome of the referendum. However strong and toxic the prevailing force of intolerance may be, it was not the sole reason for the referendum result. The EU played into the hands of extremists and racists by compounding instead of tackling the disconnect felt by so many citizens who feel left behind, forgotten and disadvantaged in what they perceive to be a Union that has become primarily about serving and benefiting an elite and privileged class and does not support the vulnerable and weak. Member states, as well as individuals, feel alienated in what appears to be an inexorable drive to create a super-state.

This is a time for calm and reflection. From speaking to Green Party colleagues in Britain, one of the most regrettable aspects of the referendum is that it appears that while many of the electorate may have known why they voted to leave the EU, some did not appreciate exactly what they were voting to accept and the consequences of the decision. Major long-term issues were at stake, including the very future of the United Kingdom, yet the complexities and significant consequences of the decision were not adequately explained in advance of the vote. Perhaps this is because the UK lacks experience in holding referendums, having previously held only two such polls. It is a shame an independent referendum commission was not in place to explain with expert and independent authority the likely consequences and outcomes associated with either a "Leave" or "Remain" vote. Precipitated by a number of legal challenges in this jurisdiction, the State has, fortunately, an impartial statutory commission in place which is accessible to all. In this respect, the UK could take a leaf out of our book or at least consult and learn from us in case further referendums come down the line.

Another outcome of the referendum was the immediate call made here for a Border poll. I would love to see a united Ireland by peaceful means. As someone who was born and reared in the Border area, I know at first hand how destructive and divisive borders can be. While we do not want physical borders to return, much more work is needed to remove what is, in many respects, an even more important and debilitating border, namely, the psychological border caused by the deep hurt, pain and suffering that are still pervasive and present for many in both communities.

Surely the motivation behind calls for a Border poll should be that it may be successful. I state the obvious in asking how a poll could possibly be successful when the entire leadership of one community in the North is not on board, having flatly dismissed the idea. It appears the leaders of Irish Unionism were not even consulted on the call for a Border poll. This is, at the very least, a very poor start if one is serious about achieving a successful outcome.

The call for a Border poll is premature and ill thought-out. It lacks credibility and a sense of reality. Surely at this stage, after all that people, North and South, have been through in the Troubles, we should accept the overriding principle that reconciliation, mutual respect, tolerance and inclusivity must be front and centre. Reconciliation and the ultimate goal of a united Ireland mean bringing people together at all times and fostering trust, rather than producing snap unilateral proposals that exclude rather than include and instil fear rather than building much-needed trust and confidence. Conducting a Border poll at this time would alienate people and prove divisive, thereby running the risk of turning the vote into a sectarian head count. Moreover, the vote would inevitably be lost, which would set back by a generation the ultimate goal of achieving a united Ireland.

The European Union was founded on the "together we are better" principle based on mutuality, respect and co-operation. We must fight to keep this principle at the forefront of our

thoughts as we enter an uncertain future. After the Second World War, Europe was an extremely fractured and divided Continent. The formation of the European Economic Community helped bring stability and reconciliation to nations that had been at war. This potential to heal and deliver stability is needed again. It is a shame that the European Union's potential for good hardly featured during the recent referendum campaign. More than ever, we in our capacity as individual EU citizens must implore Ireland as a member state to emphasise and extol the force for good the European Union can be. Ní neart go cur le chéile.

Minister of State at the Department of the Taoiseach (Deputy Dara Murphy): It is with sadness and regret that I find myself here, among many other Members, discussing the United Kingdom's departure from the European Union. This was not the referendum outcome the Government wanted or campaigned for, nor was it wanted by the other 26 members of the European Union. Nevertheless, we fully respect that this decision has been taken by the UK electorate.

The Government's focus lies firmly and absolutely in advancing Irish interests in the period ahead. I am convinced, having listened to the contributions of Deputies, that the House shares the view that this must be the country's number one priority. We prepared, to the maximum extent possible, for the referendum outcome. While we did not want this result, we were aware at Government level, through the formation of the interdepartmental committee and meetings held in the past 18 months, that it was a real and live possibility. The result will undoubtedly demand considerable time and engagement across the system, including with the Opposition.

It is against this complex backdrop that I will echo three critically important points made earlier by the Taoiseach. First, Ireland remains absolutely committed to its European Union membership, which is profoundly in our national interest. I believe this view is shared by the majority of speakers, notwithstanding that many political parties across the political spectrum believe the European Union could be run differently and improved. We must all acknowledge that while the EU has the potential to be better, any improvement can only be effected from the inside.

Second, after more than 40 years of membership, we have developed strong bonds of partnership with all other member states and the European institutions. These bonds will continue to serve us well, particularly in the complex negotiations that will take place in the months ahead. As I stated last Friday to my European colleague, the British Minister with responsibility for Europe, David Lidington, MP, very strong ties will continue to bind our two islands together. These political, social and economic ties must endure.

The third point, which was expressed very well by Deputy Shortall, is that nothing has changed yet. The United Kingdom remains a full member of the European Union with all the rights and obligations membership confers. Importantly, there has been no change to the free flow of people, goods and services between Ireland and Britain. In the coming years we will engage to seek to minimise absolutely the effect of the vote of the United Kingdom in all areas and to ensure that they are kept to an absolute minimum in our national interest.

The exchange that took place last week in Luxembourg in the immediate aftermath of the referendum makes some issues clearer. There was regret from all EU colleagues of the fact that our Union would be losing not only a member state, but a valued negotiating partner at the table. There was a strong over-riding sense that in the period ahead unity would be essential for all member states. As a union of 27, we must begin to reflect on how we can renew our Union

and equip it for the many challenges that lie before us. One of the fundamental pillars of the renewal process will be the need to focus on areas where there is broad consensus at EU level and where important agreements have already been reached.

Much has been written about the lessons of last week's referendum and we can expect that far more opinion will be expressed in the forthcoming weeks and months. One important emerging theme is the need for the European Union to become closer to its citizens. In the challenging period ahead, this must be to the forefront of our minds. It is self-evident that the EU must focus on delivering for our citizens. It is essential that during this difficult time we continue to focus on opportunities, such as the progression of the Single Market, including the digital Single Market, which have broad support among EU member states.

I will outline the mechanics briefly - I am aware that I am over my time. Article 50 provides the legal framework to handle the next phase. It is right and proper that this process will be led by EU Heads of State and Government. Crucially, from an Irish and EU point of view, it will be required that negotiations take place with another party or Government. Therefore, notwith-standing the turbulence in existence in the UK system, it will be necessary to await the arrival of a new UK Government with whom the EU can negotiate. As has been said, it is important to reach a balance between allowing the UK to arrive at that point and securing as much certainty as possible about the process. There will be wide-ranging and complex negotiations. I assure every Member that this will be very much to the fore of the interdepartmental committee, the Taoiseach and other Ministers, all of whom have had much success in engaging with our colleagues in all the institutions. The Members who have engaged at the Joint Committee on European Union Affairs can be assured that there will be a significant role going through this process for members of all Opposition parties and the Government and I imagine all involved will bring their expertise to bear in that regard.

**Deputy Seán Haughey:** Yeats once wrote that everything is changed, changed utterly. We are not entirely sure what Thursday's vote is going to give birth to; a writer to the letters page of *The Irish Times* today finished off by stating that a terrible future is born. That remains to be seen, but I am apprehensive about the consequences of Thursday's vote. I am generally sad about the outcome of the referendum. Of course, as democrats, we accept the decision of the British people but most Members are disappointed with the recent turn of events. Like many people, I strongly believe in the values and ideals of the European Union. For all its faults, and there are many, the EU has brought unprecedented peace and stability in Europe since the Second World War. Among other things it has ensured rights for workers and equal pay for women. The EU has achieved all of these things over the years.

We live in an uncertain world economically and in many other ways. Certain states to the south of Europe are simply not functioning. The threat posed by Russia to the east cannot be underestimated. International terrorism threatens our fundamental way of life. The rise of the extreme right and extreme left movements are putting the centre under pressure. Extremism and hatred pose real challenges for our liberal democracies.

This vote was divisive in many ways for the United Kingdom and the EU. It has the potential to destroy unity and consensus at a European level. The leave campaign was ugly and nasty. It was negative and angry. This ignorance and intolerance is on the rise in other EU states as well. Old prejudices are being stoked up. Fundamental or extreme nationalism is on the rise. As a result, eurosceptic parties are growing in Europe. This dangerous populism poses a real risk to liberal democratic values and at times it seems reason and common sense are discarded

and the politics of protest takes over.

Of course the EU institutions have questions to answer. Even if the vote to remain had prevailed, serious soul-searching would have been required. There is a growing disillusionment with the so-called political establishment, the elite and the experts. The EU faces many challenges. The 2008 financial and banking crisis is still being played out. A resurgent Russia poses a real threat as does the influx of immigrants. The citizens of the EU do not believe the institutions are handling these crises well. The disconnect between the EU institutions and citizens is a real issue. It is not simply a question of poor communication, although that question needs to be addressed. The EU is perceived as increasingly remote. It has an alienating style and can be seen as autocratic or high-handed. The view is that citizens are talked down to rather than talked to. Indeed, the meeting of the six foreign Ministers of the founding fathers over the weekend was an illustration of this, and the democratic deficit needs to be addressed. An ongoing programme of constructive reform of the European Union is needed now.

Many of us recall the patriotic visionaries who founded the EU. As Deputy Micheál Martin said this morning and in contributions last week, the founding fathers of the European Union or EEC were patriotic. The generation led by Jacques Delors, the former President of the European Commission, François Mitterrand and Helmut Kohl were visionaries. They were leaders with a vision and they had a real sense of solidarity. It seems that today the major political figures of the European Union are reverting wholeheartedly to national self-interest, and that is regrettable.

It is interesting to note that, by and large, young people supported the remain side in the UK vote. Their sense of idealism needs to be encouraged and supported. The EU is something more than a partnership of nation states but it should not become a federal super-state either. Any further integration or expansion proposed by the EU will have to be clearly justified and fully explained to the citizens of the European Union.

Where do we go from here? Ireland has a unique relationship with the UK economically, culturally and socially. We need to preserve this unique relationship in the negotiations to follow. Ireland needs to be at the centre of these negotiations given our unique relationship with the UK. The exit of the UK will have more of an impact on Ireland than any other EU state. We need to be calm, reasoned and rational to protect our national self-interest. However, we also need to work closely with other EU member states to ensure the survival of the Union and all that it stands for.

I realise my time is running out but I am keen to assure the Minister of State that we are all wearing the green jersey. Those of us on this side of the House will be fully supportive of the efforts to protect our national interests and to get the best possible outcome from the negotiations to follow.

It is regrettable that a vast amount of time, effort and resources will now have to be expended by Government and our public administration generally to try to sort out these issues in the coming two years. This is unfortunate and it will slow down policy-making in many important areas of Irish life. Be that as it may, we are where we are and we need to pick ourselves up and do what we have to do to protect the interests of the country.

**Acting Chairman (Deputy Thomas P. Broughan):** We are trying to get in as many Deputies as possible. The next speaker is Deputy Pearse Doherty, who has five minutes.

**Deputy Pearse Doherty:** We have heard many speeches about how we will respect the outcome of Thursday's referendum. That is correct as we discuss the implications of the British Government triggering Article 50 of the Treaty of Lisbon. However, it is worth noting that if this House had respected the outcome of our referendum eight years ago when we rejected the Lisbon treaty containing Article 50, there would have been no Brexit under the current format that we are discussing today. If the then Minister for Foreign Affairs and now leader of Fianna Fáil, Deputy Micheál Martin, took a different course of action, I wonder would there be a different set of events instead of those we are now facing and the catastrophe that some people are talking about.

However, regardless of what happens, we are where we are, as the famous saying goes. There is no doubt that we are entering a period of uncertainty. We have heard many predictions of how this will affect our economy, our GDP and our trade. The truth is that nobody knows how a Brexit will affect our country, Britain or the EU. The projections for the decline in GDP that the Department of Finance has given us or at least the slower growth rate are projections based on projections. We do not know if they will materialise, or if they will be more severe or even less severe. We need to ensure that any negative impact is reduced by working together, and if we can have a positive impact we need to try to secure that positive impact.

However, there are a number of certainties. With part of this island inside the EU and the other part outside, there will be an impact on that region. Unfortunately, that region, the Border region, is a region that is already suffering from deprivation, higher levels of unemployment and poverty compared with the rest of the State. What we are about to see will make life much more difficult.

People voted to leave for many different reasons. It is always dangerous to try to pin it down to one reason. We know there was a big argument over the idea of fortress Britain. It is not possible to have fortress Britain without doing something with the Border between the Six Counties and the Twenty-six Counties. That is a huge fear for people in that region - in the Six Counties and the Twenty-six Counties, and particularly in my constituency of Donegal, where our county border is with the rest of the Six Counties.

My children have grown up not to know or understand what a real border was like. I tell them stories as we pass Strabane or Aughnacloy about how British soldiers would stop people and empty out the bags. My auntie was in the house last week and talked about the days the children's nappies would be thrown all over the streets as they rummaged through people's bags to see what was in them.

The idea of going back to some type of hard border is a scary thought for many people. It will impact not just on individuals and tourists but will also have impacts in terms of trade, business and so on. Many groups rely on cross-Border funding. Many projects have been funded through the EU. Many farmers in the North have benefited from supports for agriculture. There is huge fear over what is coming down the line for these communities.

At the core there is hypocrisy in Irish politics when it comes to the EU because there is no space for real debate about the democratic deficit, unfair developments in the EU or militarism. With some of the debates we have had here, one could rewind the clock. When a referendum or something else gets defeated, those who argue against the result reject the language that we need to talk about the democratic deficit and they bat off any criticism as coming from the far right or far left on the basis that they know best.

The reality is that those who proclaim to love Europe most will see the inevitable destruction of Europe because of their failure to face up to what is, at the core, a democratic deficit. It is not a single issue. For some people it is TTIP. For others it is not being allowed to cut turf in the west. For others still it is that we have signed away our fishing rights, or it is immigration, the refugee crisis or the economic crisis. We now have a tsunami of different crises leading to a view across Europe that the system is broken. This needs to be a big wake-up call for people who truly believe in a new type of Europe.

I believe we could take two routes. We could try to limit the impact of Brexit in terms of Britain and the North. Alternatively we could try to use this as an opportunity. Despite what Green Party Members, who have disappeared now, might say, a Border poll is not something new. I am sure they voted for the Good Friday Agreement. The Border poll was enshrined in the Good Friday Agreement 18 years ago. Sinn Féin has been saying this very clearly to the DUP and others. So it is no surprise that we want to see a Border poll in the term of this Dáil and of the Assembly. We have been saying that for the past five years. We have signalled that we would like to have a Border poll.

We are now saying that the only way to fulfil the democratic decisions of the people of the Six Counties to remain within Europe is to facilitate a Border poll and let them choose through a debate and talking about the choices as to whether they want to join a united Ireland, as allowed for under the Good Friday Agreement and be part of a European Union as a result of that. Some people, including those in the Labour Party, have said it will fail. However, two years before Scotland's referendum, YouGov polls showed that Scottish independence could not secure support above 32% support, yet it was only narrowly defeated. The polls now show that it would probably be successful.

Why can we not have a similar poll? We should use the opportunity to have a discussion and a lead-in period. Let all of us who want a united Ireland set out the challenges and benefits of having one. What would it mean for health, infrastructure, tourism, education, farming, sport and the economy? Let us put our money where our mouth is rather than suggesting that this would be a headcount and would be divisive. We are all big enough. We can have an intellectual debate. We can discuss it democratically. We have enshrined it in the Good Friday Agreement and it is a pity that parties such as Fianna Fáil, which has the strapline of being the republican party, and the Labour Party, which is so proud of its origins going back to James Connolly, have turned their faces against the idea of having a Border poll here but have no problem with supporting the idea of a border poll in Scotland.

**Deputy Gino Kenny:** I am pro-European, pro-solidarity and pro co-operation. Much has been said in the corporate media that those with a different position on the future of the European Union are somehow lining themselves up with regressive forces and elements of the far right. I utterly reject that argument. Members of this House, who try to associate AAA-PBP with views from far right parties and abhorrent nationalist parties, are politically illiterate and opportunistic in their language.

Our solidarity and co-operation goes out to the working people of England, Wales, Scotland, the North of Ireland and far beyond. Regardless of how they voted, I have more in common with working people from these geographical areas than the technocrats and sociopaths of the European banking system. Working people regardless of where they are living on these islands have absolutely nothing in common with the British Tories or Nigel Farage, MEP, and his band of narrow-minded reactionaries. They have nothing to offer but to uphold their deep class

prejudice and the economic system from which they thrive.

Some commentators have painted whole swathes of working class communities in England as reactionary and xenophobic. To me this skews the debate on why people chose to reject the European Union. These are areas that were once heartlands of the old industrial working class and of the British labour movement. By and large they remain Labour Party strongholds which suffered devastation under the Thatcher regime.

It is a matter of undeniable fact that fears of immigration and racism were a running narrative in the debate on either remaining in or leaving the EU. However, the question is whether that was the main element. Many of the towns that typically and decisively voted to leave are safe Labour seats. Bradford, for example, voted by 54.2% to 45.8% to leave. Bradford is a city with a large Asian population. It has three parliamentary constituencies and three Labour MPs. Each of these Labour MPs won big majorities in 2015. Bolsover is another example. It has been represented for decades by the Labour MP, Denis Skinner, with a huge majority. Bolsover voted by 70.8% to leave the European Union.

I wish to raise something others have not mentioned, which is the relationship between the European Union and the state of Israel. I will read out some pretty abhorrent facts. EU arms sales to Israel in 2014 were worth nearly €2 billion. Germany is the leading supplier of weapons and military equipment from the EU to Israel, with sales of up to €1 billion in 2014. A submarine armed with cruise missiles capable of carrying nuclear warheads was sold by Germany to Israel for €7 billion in December of last year. Other equipment sold by the EU to Israel includes warships, aircraft, military vehicles, tanks, weapons, firing equipment, explosive devices, imaging and electronic equipment, chemical agents, small arms and artillery. Israel's weapons sales to Europe more than doubled in 2015 by comparison with the previous year. According to official figures released by the Israeli defence ministry, arms worth \$1.6 billion were exported in 2015. This compares with arms exports of \$724 million in 2014. Most of Israel's arms sales are exports of ammunition, drones and other upgrades to existing aircraft. Even though Israel killed 2,000 civilians, including 560 children, in the Gaza Strip in 2014, the EU continues to sell arms that destroy lives, rather than saving them, to that country in large numbers.

The European Union has for long periods been portrayed as a benign force in Irish society. Many people still see it as a progressive institution. I believe that relationship is now being questioned more than ever before. The economic meltdown of 2008 changed our relationship with the EU forever. I remind the House that 42% of the cost of the crisis in Europe's banking system is being paid by Ireland. That equates to €9,000 per citizen of this country. Ireland finds itself in an economic straitjacket as a result of Fianna Fáil's bankrupt policies, which were perpetuated by the European banking system. This is an affront to democracy and progress in a social Europe. The people have spoken. They have said that they want a social Europe rather than a corporate Europe.

**Deputy Thomas P. Broughan:** Like many people, I followed the count with great interest last Thursday night. I watched until 2.30 a.m. or 2.45 a.m. in the expectation that the Remain camp would overtake the Leave camp. I expected that the establishment in Brussels and London would get a great shock and perhaps do something about it subsequently, but I did not think we would be faced with the circumstances we face today. The British people have spoken clearly and we must respect their decision. The massive turnout of 73% in England, 72% in Wales, 63% in Northern Ireland and 67% in Scotland shows that the people of the UK were energised and passionate about the decision they were making. While the appeals to xenophobia

and racism from elements of the Leave campaign were deplorable and disgraceful, it cannot be disputed that the mainstream campaign led by Michael Gove, Boris Johnson and Priti Patel tapped into the profound anguish and distress of working people, especially in the north and centre of England, who have felt ignored and abandoned by metropolitan and big business elites and even by the British Labour Party and the labour movement, which have been historic community organisers and defenders of such people. Indeed, it is probable that the roll-out by the Remain campaign of failed and distrusted luminaries like John Major, Tony Blair and Gordon Brown put the final nails in the Remain coffin. I noted this sense of alienation at first hand in Yorkshire during the British general election of 2015. While nothing better was expected from the disgraced Liberal Democrats or the so-called nasty party Tories at the time, the most glaring element of that election was the failure of Ed Miliband and Ed Balls to recover authority and trust after the disastrous Iraq debacle and the Brown and Blair years. Of course, nearly 40% of Scottish people and over 44% of our countrymen and women north of the Border voted the same way as the majority of people in England and Wales.

It is clear that because of our shared geography and history, our economic, cultural and family connections with Britain will strongly continue. As the Taoiseach noted earlier, the impact of Brexit on Ireland and on our northern counties is by far the most profound of any of the remaining 26 or 27 countries. Therefore, we must insist that the common travel area will continue and that no offensive border will be resurrected in our country. The massive strides we have made towards the peaceful reunification of the Irish people cannot be endangered in any way. We must liaise closely with the Northern Ireland Executive and the Northern Ireland Assembly to ensure the benefits of the Single Market continue for all our nation. Our massive food and agricultural trade with the UK cannot be endangered by the kind of foolish diktats we have heard from Brussels in the past 48 hours. While negotiations between Britain and the EU may be long and complex, it would suit us best by far if the UK were to remain part of the Single Market. This applies regardless of whether any new British Government opts for a Norwegian, Swiss or Canadian-style relationship with the EU. In any event, we cannot allow the common travel area or our massive food exports, which have been referred to by many Deputies, to be damaged in any renegotiation of Britain's status with the EU.

The attempt by the EU elite to introduce a common consolidated corporate tax, which was initiated at the height of austerity, is a direct threat to Ireland's remaining fiscal independence and cannot be countenanced. The distinguished former finance minister of Greece, Yanis Varoufakis, who visited this country recently, correctly judged on Saturday that the Leave side won because "too many British voters identified the EU with authoritarianism, irrationality and contempt for parliamentary democracy while too few believed those of us who claimed that another EU was possible". Like me, Mr. Varoufakis is a critical remainer. More than most, he understands the suffering imposed on Greece over the past seven years on foot of the ruthless determination by the Brussels and Berlin elite to make Greeks pay for the appalling errors in the creation of the euro currency, especially the lack of a euro central bank or financial regulator. Similarly, Portugal, Spain, Italy and even France have suffered in this ongoing austerity. We were threatened with a financial bomb going off in Dublin. We remember hearing from the Minister, Deputy Noonan, and his predecessor, Brian Lenihan, in this House about the kind of pressure being imposed on us. Where were the fine ideals of the Rome and Amsterdam treaties throughout this European bullying and threats?

As Deputy Howlin noted earlier, it was disheartening and disrespectful for the foreign Ministers of the six founding nations to meet over the weekend. Surely the EU is its 27 or 28 mem-

ber states or it is nothing. Several times in this House, I raised with the Taoiseach the fitness of Jean-Claude Juncker to be the head of the European Commission, given the systematic use of tax evasion organised by the Luxembourg Government over many years, as revealed by the Lux Leaks scandal. Who is he to ask for Article 50 to be triggered immediately? Likewise, I am disappointed that Martin Schulz MEP, as the leader of the socialists and democrats in the European Parliament, has not decided to stand back and take a considered view. The Acting Chairman and I were both in attendance when Mr. Schulz addressed this House a couple of years ago. I am proud to work closely at European level with Nessa Childers MEP, who is a member of the socialists and democrats group.

Now is the time to take our time. The Commission, the European Parliament and the Council of Ministers need major reform if the EU is to reach down and be visible and accountable to the people of areas like Yorkshire and the English midlands, who felt they could not remain in the EU governed by unaccountable London and Brussels elites. I agree with the former Taoiseach, John Bruton, that the head of the Commission should be elected. Perhaps we should consider the election of all the members of the Commission. With the exception of a few progressive personalities, the roll of Commissioners is a litany of non-entities and political hangers-on, including from Ireland. Many of them, including Peter Sutherland, went on to make fortunes on foot of their stints as Commissioner.

This House needs to be vigilant in defending Ireland's interests at all costs. I do not have much confidence in the Brexit contingency plans announced by the Taoiseach on Friday. It seems that things are being rushed at the last minute. Perhaps the Acting Chairman might suggest to the Taoiseach and other members of his party that a Cabinet Minister should be put in charge of all this because it is so serious for our country and for this House. The contingency arrangements we will have to use, perhaps when we are negotiating on our own, must be fully thought out and respectful of our deep economic, political and social interests.

Minister of State at the Department of Agriculture, Food and the Marine (Deputy Andrew Doyle): I have been asked to speak specifically on the implications of the result of the UK referendum on the European Union for the agriculture and agrifood sector. The result has the potential to give rise to significant challenges for the Irish agrifood sector. I am keenly aware of the concerns of those working in the sector about the UK's decision to leave the EU.

I have just come from Dublin Castle, where the National Economic Dialogue has been taking place since 9 o'clock this morning. Perhaps inevitably, Brexit has been a major topic at that forum, both in its plenary session and in the break-out session on the Food Wise strategy, which I was chairing until I got the call to come here. While efforts are being made to ensure it does not dominate our discussions, there can be no doubt that the implications of the UK decision have dominated the background to the dialogue.

The UK is by far our largest trading partner in the agriculture sector. Last year, we exported almost €5.1 billion worth of agricultural products to the UK, including almost €970 million in dairy products and more than €1.1 billion in beef products. The UK market is also of great importance for other sectors. For example, 80% of our exports of mushrooms goes to the UK.

5 o'clock

Ireland is also the UK's largest destination for its food exports, worth €3.8 billion. This bilateral trade takes place on the basis of harmonised EU rules on animal and public health and

labelling without complex certification, quota limits or customs duties and tariffs. It is underpinned by the vital support of the CAP budget to which the UK is a significant net contributor. Given these linkages, and as the UK is a net food importer of the order of &1.3 billion, both countries have a strong interest in maintaining a close agrifood trading relationship. Safeguarding the interests of the Irish agrifood sector will be central in informing the Government's overall approach to all negotiations pertaining to the UK's exit from the EU.

My Department and our agencies, in association with our stakeholders, have been giving careful consideration to the potential impacts of a UK exit, looking at the areas in which the greatest risks may arise and on which we will need to focus when negotiations begin. However, it is important to bear in mind that the EU treaty provides a two-year period for negotiation of exit arrangements. This, of course, depends on the triggering of Article 50 of the Lisbon treaty but we do not know when that will happen. Within that two-year period, existing arrangements will continue to apply. In other words, for now, trade will continue to take place on the basis of harmonised EU rules on animal and public health without complex certification, border controls, quota limits, customs duties or tariffs.

The short-term risk is with the currency exchanges which could do serious damage if not addressed as a matter of urgency. While I do not underestimate the scale of the task ahead of us, I am confident the Department and its agencies are well prepared to address the challenges presented. The resilience of the Irish agrifood sector is well recognised. This, together with the strong commercial relationships built up over years of trading, will help us to negotiate our way through the challenges ahead.

The main areas in which potential impacts are foreseen are with currency fluctuations, tariffs and trade, the EU budget, regulations and standards, and customs controls and certification. The UK exit vote also raises complex issues for the fisheries sector. By way of example, potential differences in tariffs could restrict trade in both directions and affect traditional supply practices, particularly for raw materials. Preferential agreements already negotiated with third countries, especially those dating back to the UK accession, could require adjustment to take account of UK withdrawal. Freedom of the UK to negotiate trade deals with third countries could present a competitiveness challenge for traditional suppliers such as Ireland. Over time, a different approach by the UK to the common regulations and standards currently applied could create issues and require the conclusion of mutual recognition agreements. Origin labelling could be a significant issue in terms of additional costs. There is also the possible disruption of supply patterns and consumer preferences. Border controls and certification would most likely re-emerge and would, at the very least, add to costs. However, in outlining the potential implications, we need to retain perspective. The extent of any risk in these areas ultimately depends on the trade and other arrangements negotiated between the EU and the UK.

This will remain the focus of our planning in the months ahead. Any of these challenges to our trading relationship will not kick in straight away. As part of our overall contingency planning, a dedicated unit has been established in the Department of Agriculture, Food and the Marine to work on all of these issues. It will convene a consultative committee of stakeholders to ensure a full exchange of information as negotiations proceed. The most immediate concerns for agrifood exports centre on the exchange rate. In that regard, the Central Bank has pre-established contingency plans to deal with the potential market volatilities surrounding the referendum result. The bank will engage with the Department of Finance and individual financial institutions regarding potential risks. Actions by the European Central Bank and other global actors will be monitored closely. I have asked Bord Bia to provide practical guidelines

to small and medium-sized enterprises to assist them in dealing with marketing challenges as they arise in the short term.

The UK is more important to the agrifood sector than any other in the economy. Any changes to the current trading relationship will be challenging. My Department and all its agencies will be giving these issues the highest priority in the period ahead.

**Deputy Declan Breathnach:** We all woke up on Friday morning to the shock that the people of the UK had voted to leave the EU. Those on the exit side were in equal shock that their misinformation campaign had won. A cohort of voters had expressed frustration on issues such as migration, austerity and their sense of sovereignty. Scaremongering of the Leave campaign was aimed at disenfranchised sections of the population who may not have understood fully the impact of Brexit. Threats of economic catastrophe did not resonate with those working class people who constantly felt ignored and marginalised. Equally, the British Government did not do enough to get the message out to everyone.

I am particularly concerned about the economic and political impact that will certainly be felt in Northern Ireland and the Border counties. I was co-chair for four years of the memorandum of understanding between the Louth and Down local authorities to help promote their many areas of collective interest. I would hate to see that co-operation not continuing.

In three separate papers prepared before the referendum by the Centre for Cross Border Studies and Co-operation Ireland, the possible impacts of Brexit on cross-Border co-operation, peace building and regional development were discussed together with constitutional implications. The principal EU funding programme to support cross-Border co-operation is INTER-REG A. Since 1990, the Northern Ireland and Border region has benefited to the tune of €810 million. It has also benefited from an additional European territorial co-operation programme specifically created to reinforce a peaceful and stable society by fostering reconciliation, and to promote social and economic stability in the region. Since 1995, as an EU response to the paramilitary ceasefires and the developing peace process in the North, PEACE programme funding has brought approximately €1.56 billion in EU funds to the region, with an additional €702 million being provided by the Irish Government and the Northern Ireland Executive. This has helped fund the many cross-Border collaboration projects which have helped promote real peace and a shared society.

The all-island local authority forum brings together council executives from Northern Ireland and the Republic to work together to promote projects for the mutual benefit of both. The impact of Brexit on this valuable collaboration, while uncertain, will certainly be vast. The removal of a common EU legislative framework will mean that much cross-Border co-operation achieved in a myriad of areas will now be in jeopardy. Good work has been carried out by the East Border Region Committee, whose mission has been to work with stakeholders throughout the east Border region to ensure balanced and sustainable development on a cross-Border basis. It is imperative the good work of this group would continue.

Fintan O'Toole wrote an opinion piece in *The Guardian* on Friday, entitled "The English have placed a bomb under the Irish peace process". While this may sound a little inflammatory, the reality is that the EU contributed in no small way to political agreement between North and South. The fact British and Irish politicians could participate as equals in Europe and discuss common interest areas was significant. The vote to leave the EU poses serious questions about the Northern Ireland peace settlement and the future of devolution in Northern Ireland. Chang-

es will now be required to the Belfast Agreement to reflect changes in the entitlement to the protections offered by the Human Rights Act 1998. We should also be mindful that a majority in the North favoured remaining in the EU.

There are many other legal implications of Brexit which are unclear. For example, will Irish citizens resident in Northern Ireland still uphold their rights as EU citizens? This is just one of a myriad of problems I can see developing because of the Brexit vote. The future role of the North-South Ministerial Council is also unclear. One of its functions is to look at EU policies and proposals affecting both regions. The Taoiseach will meet colleagues from the Northern Ireland Executive at the North-South Ministerial Council shortly. We also need to be proactive in minimising the expected fall in trade between Ireland and Britain, something which has been well highlighted.

I conclude by saying we have heard people speak about celebrating "Independence Day". It would be more important for people to focus on the interdependence that we as a country, both North and South, as well as those across Europe need to achieve to reach our maximum potential.

Minister for Arts, Heritage and the Gaeltacht (Deputy Heather Humphreys): This day last week, I travelled to Castlewellan in County Down to speak to a group of local farmers about the EU-UK referendum, which was just three days away. They were unified in their opposition to a Leave vote. They were concerned about their livelihoods and their incomes because EU payments account for 87% of income for farmers in Northern Ireland. I thought of that group of farmers on Friday morning as it became clear that the UK had voted to leave the European Union and I had huge sympathy for them given the precarious situation they now find themselves in.

The "Leave" vote poses many challenges for these islands and I am acutely aware that people living on or near the Border may feel particularly uncertain. While we know that there is no overnight change to the free flow of people and services, we have seen the immediate and negative response to the Leave vote on the international markets and in currency exchange rates. Ireland will now take all necessary steps to protect our national interests and minimise the impact on our economy and society. We are now moving into a period of transition, as the UK gets its house in order before beginning formal negotiations on its EU exit. It is somewhat ironic that a number of those who fought hard for a Leave vote are now saying there is no need to rush this process. While there is nothing to be gained by pressurising the UK into invoking Article 50 immediately, there is a need to ensure the process does not drag out - because we all need certainty.

The political upheaval in the UK which has been caused by Friday's result would not be a positive backdrop to negotiations on the terms of their exit. While the UK is in a state of flux, the Irish Government has already started taking swift action to insulate Ireland from the repercussions of Brexit. Among the main reasons that the Irish Government advocated a Remain vote were the implications for Northern Ireland, the peace process, British-Irish relations, the common travel area and our shared land Border. Now we will take steps to ensure these interests are protected.

Despite the fact that there was widespread surprise expressed following Friday's result, the Irish Government has been planning for this possible eventuality for some time. The contingency framework adopted by the Government on Friday identifies a number of key policy

issues including, but not limited to, UK-EU negotiations, British-Irish relations, Northern Ireland, trade, investment, North-South Border impacts and competitiveness. These issues will be tracked closely in this immediate period after the referendum - the pre-negotiation period - and throughout the period of negotiations between the UK and the EU.

The Taoiseach will begin a period of engagement on behalf of the Government this week when he travels to the European Council and we are very fortunate to have him as Taoiseach as we enter into this period of what will be challenging and difficult negotiations. He is very experienced at EU level, having chartered a course through the very difficult waters Ireland was thrown into in the period during the bailout and beyond. His collaborative approach and diplomatic skills are respected and valued in Europe. Ireland is a committed member of the EU and we will work closely with our European counterparts as the UK exit is negotiated in the months and years ahead. However, equally, Ireland has a unique relationship with the UK, which is of huge importance to both islands. This is especially true in respect of Northern Ireland. We will work closely on a bilateral basis with our colleagues in the North and Britain to ensure our mutual interests are best served.

I have referenced the Border already. Coming as I do from a Border constituency, I know how much the region has benefitted from EU membership over the past number of decades. I also know, therefore, that the Border region is particularly vulnerable in the period ahead. I view the decision to leave the EU as a regressive move, but it is a challenge that we will meet head on. Those living along the Border have faced steeper challenges in the past and we emerged stronger. It is important for us all to remember, particularly at a time when divisive rhetoric seems to have resulted in victory, that we have a better relationship than ever before with Britain. As a representative from a Border county, I am determined that the Government will do everything we can to ensure we maintain an open Border and a common travel area for the benefit of citizens right across this island. We will continue to work closely with our Northern Ireland counterparts. These issues will be addressed at the next meeting of the North-South Ministerial Council this day week.

In my view, the debate in the UK in recent weeks was defined by division and distrust. The last thing we need at this time is divisiveness and political opportunism. More than ever, we must work together. As we deal with the fallout, we must take a collaborative and cohesive approach as Europe charts a new way forward.

**Acting Chairman (Deputy Bernard J. Durkan):** The next slot was to go to Deputy Michael Healy-Rae, but he is not present. The Social Democrats-Green Party grouping were to follow but no one from that grouping is present. The next slot, therefore, goes to the Minister of State, Deputy Helen McEntee, who has five minutes.

Minister of State at the Department of Health (Deputy Helen McEntee): I welcome the opportunity to speak in this debate. I did not think I would be discussing this today but we are where we are and we have to deal with it. As Minister of State in the Department of Health, one of my specific areas of responsibility is older people but today my focus will mainly be on younger people and my generation. I was 22 years of age in 2008 when the Celtic tiger economy collapsed. It was a sad time for my generation. Many of us left the country in our droves. Emigration continued for six or seven years and at its height, in 2013, 1,000 Irish people were leaving Ireland every week to work abroad. This House, in particular, should reflect soberly on the impact of an entire generation of Irish people leaving the country due to decisions made.

Many of the tens of thousands who left Ireland moved to Britain for work. These included friends and cousins of mine. Meath was as badly hit as many other counties. My experience in the lead-up to the Brexit referendum, having spoken to my friends and other people living there, was that Irish peers in Scotland, London and other British cities were overwhelmingly in favour of the Remain argument, which is clear from the age demographic and profile of the results seen. For a second time in a second country, our young people living in Britain are feeling abandoned once again by political decisions. I will quote from a post a friend of mine put up on her Facebook page at the weekend. She said:

Some economic effects have been immediate with currency and stock markets free falling but major long term effects to the world's economy won't be seen until Britain transitions over the next two years. What is more immediate and what I'm more concerned about is the social cost - the internet and media are showing a rise in legitimised racism since Friday. I spoke to a friend living in Wales who is Chinese ... she said she has always felt she fitted in but now she really doesn't especially when people ask her where she's from and not in a friendly ... way ... [There is also] the Polish PHD student [who I think we all heard about] who said she felt for the first time in years [she has lived in the UK for a long time] a sense of insecurity when [people tell] her to go home.

# She also said:

For my Irish peers who think this is confined to a bubble, that it doesn't and will never happen in Ireland, trust me, it does. I was born and raised here, am overeducated, came from a working class background somehow now middle class, live in a nice neighbourhood, and I still get told to go back to my own country from time to time.

We are starting to see this evolve and I am fearful, particular for friends and those living in the UK at the moment.

Last weekend I participated in the Taste of the Boyne Valley festival in Kilsaran. It is a very important event for us in the Boyne Valley region as it showcases our locally and regionally produced foods and artisan producers. There was a general sense of concern about the recent result and Brexit, particularly among farmers and food producers, so many of whom borrowed heavily in the past year with the ending of dairy quotas, to buy more cows and invest in land and parlours. Equally, beef and sheep farmers and cereal and potato producers are concerned. I am pleased to see the Minister, Deputy Humphreys, is present and I am confident the Minister of State, Deputy Doyle, and the Minister for Agriculture, Food and the Marine, Deputy Creed, will provide strong leadership on this issue.

A very interesting article was written by Ellie Mae O'Hagan in *The Independent* of London over the weekend. She made the point that whereas Scotland and Northern Ireland each has its own local media, Wales does not. Therefore, Scottish and Northern Irish voters voted in the referendum on the basis of Scottish or Northern Irish issues, and Wales evaluated on the main issue discussed in London, which was immigration. This demonstrates the crucial role of media in our politics. With this in mind, I encourage RTE, TV3 and our radio stations to increase their coverage of 32-county issues. UTV's reportage in this regard is very welcome. This is a very serious and sensitive time in our island. North and east County Meath are very close to County Armagh and County Down, and we are good neighbours. We would like this to continue.

To touch on what the Minister, Deputy Humphreys, said, I very much believe that united we

stand, divided we fall. Over the coming weeks and months we must be constructive in discussions and I will play my part wherever I can.

**Deputy Brendan Smith:** Growing up in a rural Border parish I was conscious from a young age of that division on our doorstep across local communities. Politically the Border was always an issue for us. Today the Border is hardly noticeable and practically invisible as people from both sides move freely across it as they do their daily business. For upwards of 20 years we have seen a process of normalisation as people from all communities slowly and progressively build up relationships across what was a once dangerous frontier. I saw this as a Deputy from a Border constituency, and also as Minister for Agriculture, Fisheries and Food. In that role I saw how much common interest farmers across the Border had, to which the Minister of State, Deputy McEntee, has referred, and how the EU was a means of recognising and addressing these common concerns.

At political and official level we have worked together. Last Thursday's vote caused a political earthquake and it will take time for the consequences to become clear. The return of the Border, this time as an external boundary of the European Union, is not a development any of us want to see or one that we can envisage. It is something against which the majority, 56%, of the people of Northern Ireland voted. The Remain vote was higher in the Northern Border counties, with 63% voting Remain in Newry and Armagh and 58.6% voting Remain in Fermanagh and south Tyrone.

We need to recognise the harm and damage that could be done by running an EU frontier through communities that have already suffered too much from divisions over many decades. We should also recognise the EU is a particular force for good in making the Border irrelevant, not least through the almost €2 billion in EU peace funds disbursed on peace and reconciliation projects in the North and the southern Border region since 1995. This important initiative was driven by the former President of the EU Commission, Jacques Delors, who was a man of vision and a deep believer in the EU's communitaire doctrine of interdependence and the need to protect and safeguard the interests of smaller nations.

Although I deeply regret the decision of Britain to vote to leave, and I share the concerns voiced by many Members here at the tone and conduct of the leave campaign, we should not ignore the reality that the EU has not always made it easy for those of us who believe in our EU membership to defend it. We cannot have self-appointed sub-groups of countries issuing comments masquerading as the EU position, such as the remarks made over the weekend by the foreign ministers of the six founding EEC member states. Ireland's views on the implications of Brexit are as important, indeed are more important, than any of those of the original six.

As our former colleague and Minister of State with responsibility for European affairs, Dick Roche, stated today in a very good opinion piece on *EurActiv.com*:

Separating the UK and the EU-27 will be complex and messy. It will be in everybody's interests to ensure that the process goes ahead as smoothly as is possible.

Anything that smacks of hectoring, bullying, impatience or disrespect will make a bad situation worse, will play to those forces who wish to portray the Union as a project driven by remote elites and will feed the poison that has already entered into the public perception of the Union in far too many member states.

The tone that is adopted in the separation talks will be vital. Any suggestion that the UK

must be 'put through the wringer' to discourage other member states from following in the same direction should be shunned. The European project will overcome the current challenges and thrive only if it re-establishes itself as a union of equals, a family of nation states who voluntarily pool some elements of their sovereignty to achieve a common purpose.

Others have also recognised the danger, not least the EU Council President, Donald Tusk. As recently as the beginning of June, Mr. Tusk was warning EU leaders, and in particular the EU Commission, in the starkest of terms that their utopian illusions are tearing Europe apart, and that any attempt to seize on Brexit to force through yet more integration would be a grave mistake. He did not stop there. He warned EU leaders, particularly the German Chancellor, Angela Merkel, and European Commission President, Jean-Claude Juncker, that, "Obsessed with the idea of instant and total integration, we failed to notice that ordinary people, the citizens of Europe do not share our Euro-enthusiasm".

The disconnect between the EU project as viewed from those at the top and the will of the people on the ground is growing. It is not the only factor that pushed the UK out of Europe, but it is a factor and it is one which we in this House will need to keep in our minds as we struggle through the next two to three years of uncertainty and upheaval. We are duty-bound to investigate every option to reduce the damage ahead. There are serious ramifications for everyone on all of this island. We cannot return to the era of obstacles and impediments to the free movement of people, goods or services. We need jobs on this island, not borders.

As the Minister, Deputy Humphreys, stated earlier, the economy in Border constituencies such as Cavan-Monaghan is very much dependent on interaction North and South. When I walked through Cavan town on Saturday evening on my way home from the Monaghan and Donegal game, having been at the match to cheer on Monaghan, apart from people speaking about the good quality of the game they were equally exercised by the desperate decision made by the electorate in Thursday's referendum. There is real fear in our region about the implications of Border controls and that we would be back to an era we all thought we had put long behind us.

**Deputy Maurice Quinlivan:** I welcome the Taoiseach's statement this morning that the Minister for Jobs, Enterprise and Innovation will work to ensure certainty on the terms of future trade between Ireland and Britain as soon as possible.

There can be little doubt that the work of IDA Ireland and Enterprise Ireland in the months and years ahead will take on even more crucial significance. Enterprise Ireland has identified diversification into other international markets, enhanced UK market supports, management and competitiveness supports and the management of potential currency exchange impacts as key priorities. It has also noted the UK's decision to leave the EU will present significant new challenges for Irish companies exporting to the UK and has announced immediate plans to support these companies to help them maintain their UK presence.

It is in this context I find astonishing reports in the press over the weekend and today that the Government has been engaging in a cost-cutting exercise at Enterprise Ireland. Apparently, the Minister, Deputy Mitchell O'Connor, has been told by officials in the Department that cost-cutting at Enterprise Ireland could jeopardise the organisation's ability to hit future job targets. Reports suggest the workforce at the agency is being cut from 797 people at the end of 2011 to a target of 597 at the end of this year. If a reduction in the number of staff was not enough, apparently after Exchequer budget cuts Enterprise Ireland will be required to fund the greater part

of its expenditure through making returns on investments rather than relying on departmental funding.

Enterprise Ireland has stated its principal challenge is to maintain and improve the level of performance of recent years against the backdrop of resource constraints and an uncertain global economic climate. It also states managing a downsized organisation generating income from investments and rolling out a new engagement model to clients will pose challenges. We can add Brexit to this list of existing challenges. Companies supported by Enterprise Ireland employed more than 192,000 people last year, and this year it aims to target 12,000 new jobs at client companies and €22 billion in exports. Cuts to staff in its budget make absolutely no sense.

There can be little doubt that Brexit has created huge uncertainty across the whole of the EU and in Ireland, in particular. It has come as a shock to many of us but in spite of the challenges we are now faced with, it will also bring gaps in Government policy into sharper focus. Going forward, the emphasis must be on initiatives and policies from the Government and the Department of Jobs, Enterprise and Innovation which are pro-active, which support and foster the best interests of Irish businesses both at home and abroad and which protect the jobs and welfare of workers in Ireland. The latter point is crucially important, as it is now generally accepted that huge swathes of those who voted to leave the EU did so out of a sense of anger, disillusionment and marginalisation. Many felt disempowered by a system that no longer valued workers' rights, decent pay and decent work conditions. This is the very same system that seeks to privatise key public services such as housing, health and public transport in Ireland and across the EU. The Government would be well-advised to take heed of what has transpired in the UK.

Middle and low-income workers in Ireland will not tolerate further cuts to wages and services under the guise of Brexit paranoia. Neither, however, will people outside the greater Dublin region accept a Government response to Brexit that results in a greater concentration in Dublin, while in the rest of the country under-development continues to take place. The onus is now on the Government and on the Minister for Jobs, Enterprise and Innovation to step up to the plate. Workers' pay and conditions must be protected and a conscious and deliverable policy of rebalanced regional development rigorously pursued. We must also protect Irish businesses and ensure that Enterprise Ireland is adequately staffed and resourced to do its job.

I lived in the UK for nine years and I have been in contact with many friends and family who still live over there. They have a deep concern about it and it should be a priority for the Government to ensure that their rights are vindicated.

Tánaiste and Minister for Justice and Equality (Deputy Frances Fitzgerald): Some 40 years ago, the UK and Ireland joined the European community, embarking on a political experiment that would see the two countries working side by side as equals and good colleagues for decades to come. As a committed and passionate pro-European, I am disappointed by the result of the referendum, but the special relationship between Ireland and the UK is well-recognised by our EU partners and the imperative to preserve the existing high level of co-operation is in all of our interests. It is our duty to uphold and maintain our close relationship with the UK as it embarks down this difficult path, one on which it may not find many allies.

The common travel area pre-dates the existence of the EU going back to 1922. The links between the two jurisdictions have been strengthened in recent years, for example, by the introduction of agreements such as the British-Irish visa scheme, which allows certain third country

nationals who require visas to travel to both the UK and Ireland on the one visa. The common travel arrangements were preserved when we joined the EU and the special relationship has been given legal recognition by protocols to the EU treaties.

The EU has also been a key enabler and supporter of the peace process in Northern Ireland. The peace programmes have supported many community initiatives for reconciliation across Northern Ireland over the years. The Prime Minister, Mr. David Cameron, has made a clear statement that Northern Ireland's interests will be fully reflected in the British Government's negotiating position. However, the eventual departure of the UK from the EU means that the only land border between the EU and the UK will be on the island of Ireland. Normally, a land border of the EU has significant implications for the movement of people and attracts a particular EU regime. However, ours will be geographically isolated from the rest of the EU and in particular will be outside the Schengen area. Therefore, the integrity of the border controls of the Schengen area will not be affected in any way.

It is a priority of the Government to maintain the common travel area. It is clear that the UK share our view that it should be preserved. This afternoon, I spoke to the UK minister of state for security and immigration as a first step in this process. We agreed to have ongoing contact and further detailed discussions which will be necessary, while maintaining our excellent relationship on security issues.

There is a long tradition of bilateral co-operation between An Garda Síochána and its counterparts in the UK. In recent years, a more international dimension has occurred, such as in the drugs trade, but the fact remains that the UK police services continue to be our main partners in a policing context. This operational co-operation will continue. A number of institutions and instruments have been developed to further improve the framework for police and judicial co-operation throughout the EU. The European arrest warrant has replaced the traditional extradition process between EU states and has proven extremely successful. Europol has enhanced police co-operation between the member states and is now a standard part of many investigations with several thousand queries a year going between An Garda Síochána and Europol. These two EU measures have made obvious and practical improvements in the level of police co-operation across Europe. It would be a setback if the UK were to withdraw from these measures.

Across Europe, there is a focus on countering terrorism and particularly on protecting borders from infiltration by terrorists. On a monthly basis, I have been meeting with my counterparts in the EU Justice and Home Affairs Council in which the UK has taken a leading role. I cannot see the EU or the UK doing anything that would reduce the existing level of co-operation between the police and judicial authorities.

I believe this result presents an opportunity for the EU to assess its current position and its future. Across Europe, disenchantment with the European project, combined with a perceived lack of democratic accountability, is manifesting itself through increasing support for anti-EU political parties. There is a responsibility on the EU and its member states to determine why this is happening and how it can be addressed. I am a strong and passionate believer in the EU as a force for good. In 1946, it was Mr. Winston Churchill who first spoke of the need "to recreate the European family, or as much of it as we can, and to provide it with a structure under which it can dwell in peace, in safety and in freedom". That vision came to pass in the intervening years. Now all of us who are pro-European have a responsibility to keep that together. The EU began as a peace project by promoting economic co-operation. It became an economic

enabler, but more importantly, a social champion. In Ireland, for example, membership of the EU led to real changes for women through the removal of the working ban for married women and the equal pay directive.

I believe that the EU must once again be identified with making people's lives better. In recent years, it has been seen by too many people as a restricting rather than an enabling force, focused on economic theory rather than social progression. That must change and now is the time to begin. There are real challenges in what has happened in the UK and I believe it behoves us all to clearly examine the various issues which led to that result. Obviously, they are particular to the UK, but I believe there are some resonances and we must take note of the messages which are very clearly beginning to emerge from that debate.

**Deputy Timmy Dooley:** The outcome of last Thursday's referendum in the UK is as baffling as it was unexpected. It is not at all clear what the political masters of the Brexit campaign wanted to achieve at the end of the exit negotiations. However, Mr. David Cameron's decision to resign and pass the baton on has undoubtedly ensured that the job of recalibrating the UK's relationship with the EU as a stand-alone nation now falls to those who, in the case of some, fought for a result that I believe they did not wish for.

Much of the campaign was fought around the principle that the UK could achieve more on its own than by sharing and pooling its sovereignty with the 27 other members of the union. Much of the campaign was based around slogans such as "Taking back control" and "Making Britain great again". Those of us who have seen the immense benefit that the involvement and membership of the EU has had on our country over the previous decades would have known that an isolated country of such importance as the UK attempting to go it alone, having come so far, is not in anyone's best interests. It is not in the best interests of the people of the UK and it is certainly not in the best interests of the other members of the EU.

The Brexit campaign focused on the burdensome responsibilities attached to membership which in its view would be lifted in the event of a positive result, whilst all the time failing to explain how the UK could expect to retain the rights, privileges and benefits that have come from, and are so much a part of, membership of the EU. A complex web defines the relationship between the member states of the EU. While the disentanglement of the UK from this web will not be easy, it should not be beyond the capability of all concerned. It must happen, given that we must recognise the principles of democracy and the fact that the British people have spoken. It is up to all of us, in a period of calm, to try to bring about a mutually beneficial response and a negotiated position. Fundamental to this outcome must be the recognition that if the UK is to benefit from the free movement of goods and capital, which are two fundamental principles of the EU, there must also be free movement of people, which is another key principle on which the EU was founded. There must be respect for human rights and recognition that in any relationship that would exist between the UK and the EU, there must be an acceptance of responsibilities.

During the campaign, the positive relationship that exists between Norway and the EU, and the fact that it does not require a hard border between Norway and Sweden, was touted. This is the case because the relationship under the European Free Trade Association recognises the free movement of goods, capital and people. There must be a realisation quickly, given that some within the Brexit campaign sought to win it on the back of anti-migration and anti-immigration issues. This must be cleared up relatively quickly. During the period of calm, it should be possible for the British people to come to understand the responsibilities that may now be taken

from their shoulders and the difficulty in maintaining the rights they had achieved through membership.

As spokesperson on communications, energy and climate change, I am somewhat concerned about certain areas. An all-island electricity market has existed since 2007, and interconnection between Ireland and Northern Ireland is particularly important to Northern Ireland, which relies on electricity imports from Ireland to make up for insufficient local electricity generation capacity. From our perspective, we want to ensure it continues. If the electricity market in Britain remains independent of the rest of the EU, interconnection with Britain only would leave Ireland vulnerable to any problems in the British market. Under these circumstances, enhanced interconnection between Ireland and the rest of the EU could provide a useful, but costly, diversification and reduce the risk for Irish consumers. If the UK leaves the EU, it will no longer be subject to EU rules on climate change policy and renewables, which would reduce the chance that the UK would reopen discussions on trade in renewables.

We must face these issues. I hope the Government will interface quickly and directly with other member states to ensure our interests are protected. We must also try to ensure, in so far as possible, the interests of the people of the UK are also protected. In doing so, there must be a recognition in those negotiations by the British negotiators that there are fundamental principles, set out in the establishment of the EU, which are enforceable to all those in the European Economic Area, and that those principles must be recognised in any new relationship.

Minister for Education and Skills (Deputy Richard Bruton): The British people have made a major decision, albeit not one we would have wanted. This is not the time for analysing how it happened or for speculating on where it might take us in the very long term. It is about managing the issues that will be presented in the short term. Ireland has benefited enormously from EU membership. We can see it in our workers' rights code, social welfare code, women's rights and across our economy. It has also allowed us to become much more resilient as an economy, and we are in a much better place to deal with such a decision than we would ever have been in the past. We have taken the opportunity to diversify our exports considerably away from the UK market and we are in a position to deal with it in a way that we would not have been in the past.

The mechanisms through which it will impact on the Irish economy will be complex and many of the decisions are still two years away as the process continues. In the immediate term, the exchange rate will impact on our exporters and this will create difficulties. In recent years, Enterprise Ireland has developed policy tools to help companies diversify their markets and develop a lean approach to the delivery of services and goods. This programme will make a significant impact on helping companies deal with the issues that are thrown up.

The most significant risk we face is not on the economic front, if all sides approach it in a rational way. There is major interdependence between Britain, Ireland and Europe. Each one has a major interest in maintaining reasonably open trade channels and flows. We must seek good, mature and responsible leadership from all elements including Europe, Britain and our own role which we must play. Some of the indications from Europe during recent days, seeking a very sudden activation of the British withdrawal process, were not well judged. We must approach this calmly and allow the time for Britain to make decisions with the vacuum created by the resignation of the British Tory leader. It is important that this time is made available. It is also very important that the political vacuum which could arise in the UK is filled as quickly as possible.

The responsible leaders on the Leave side must step forward and recognise that their approach to these negotiations will be crucial to the stability of the British, Irish and European economies. There are issues to be worked through, some of which, as Deputy Timmy Dooley said, are complex. The energy sector will be complex. It is in nobody's interest for us to create major obstacles to trading relationships between these islands or an obstruction to the free flow we have enjoyed between Ireland and the UK. All parties have a very important role to ensure that during this period, when there is a political vacuum, we act in a careful way.

I was disappointed with Sinn Féin's immediate call for a poll on Irish unity and the Border. Given that there was recently a general election in Northern Ireland and that the Good Friday Agreement sets out how it should be approached, it is difficult not to interpret Sinn Féin's call as political opportunism at a time when we need a calm, reassuring approach to people of different interests to assure them it can be managed to all of our mutual interests.

The Irish Government will play a pivotal role. Our deep friendship with Britain has never been stronger. Our deep connections with the EU, forged during recent years through one of the most difficult crises the EU has ever faced, has put our Government and the Taoiseach, Deputy Enda Kenny, in a very strong position to influence, for the good of the Irish people, the outcome of the difficult negotiations that lie ahead. Although we would have preferred if the British people had decided otherwise, I approach this with confidence. We are in a position to, and will, manage the consequences of the decision carefully, in the interests of all the people of these islands.

**Deputy Lisa Chambers:** What we have witnessed during the past few days has been remarkable and, for many, the result was unexpected. Perhaps, Ireland has failed to prepare adequately for the fallout of Brexit. I hope not. We should endeavour to do our best to ensure the fallout affects our citizens in the most minimal way possible. In 20 years, we will look back on this and recognise it for the defining moment it is in terms of the history of Ireland, Europe and the EU. I share the concern of previous speakers about us sending a clear message that Ireland intends to remain within the EU, is committed to it an values its membership of the Union.

As party spokesperson, I wish to address a number of defence matters in the context of Brexit. There are two aspects to this. First, we must consider the implications of our State in the near future potentially bordering a non-EU member state and what this will mean for both Northern Ireland and the Republic of Ireland. I appreciate Northern Ireland voted "Remain" but we cannot ignore the result of the referendum in Great Britain and the actions that are due to follow because of that. In this regard, it is wise for us to look back and recall a time this island had border controls, both North and South, and what it was like for people living in those areas. Although a free trade agreement was in place, there were still controls and any suggestion by the Government that an agreement can simply be put in place and everything will remain as it is would be disingenuous. This requires careful consideration and planning as to how this will work practically for those living in the Border area and for wider society. Clearly, the logic is Northern Ireland and the Republic of Ireland should continue to enjoy free movement of goods and people but the issue is how we go about this.

With regard to the role of the Defence Fores in dealing with Brexit and the potential border, has a security analysis been carried out? If so, what input has the Department of Defence into it? What does Brexit mean for our national security? Is there a need to revisit decisions, for example, the restructuring of the Western Brigade and the target of 9,500 personnel, which the Department is seeking to achieve? Perhaps this number is too low, depending on the responsi-

bilities that may result from the potential border. Between Finner Camp in County Donegal and Aiken Barracks in Dundalk, which is approximately 500 km of border, there is no military barracks with only two infantry battalions manning the entire Border area controlled from a head-quarters in Rathmines, Dublin. With the closure of Mullingar, Cavan and Monaghan barracks, there is clearly immense pressure on those two battalions and if it transpires that the Border area will need to be intensely policed or patrolled, the current configuration is unworkable. The Minister and his colleagues need to have a conversation about what Brexit means for defence and about the need to put a plan in place immediately.

Second, we need to consider the impact of the loss of the UK voice and perspective at the EU table and in the Common Security and Defence Policy. It is an issue we must reflect on in the context of the impact on our State but a pan-European army, which has been mentioned in the House, is not plausible and will not happen. Protocols attaching to the Lisbon treaty negotiated by Deputy Micheál Martin while Minister for Foreign Affairs make it clear that the treaty does not provide for the creation of a European army or for conscription to any military formation. It does not affect the right of Ireland or another member state to determine the nature and volume of its defence and security expenditure and the nature of its defence capabilities. Furthermore, the protocols make it clear that any decision to move to a common defence policy requires a unanimous decision of the European Council.

We must also address the implication of the loss of a EU member state from the UN Security Council, which has primary responsibility for the maintenance of international peace and security. It has 15 members, each of which has a vote. However, there are only five permanent members, two of which are currently EU member states - France and the UK. Clearly, with the loss of the UK, that will leave the Union with one permanent representative on the Security Council. Every member state needs to consider this and I am sure the Government and the relevant Ministers will endeavour to have this conversation with other member states. There are many issues to examine in the context of defence and security policy which have national as well as European wide implications and I look forward to working with both the Minister for Defence and the Taoiseach on this.

Deputy Michael Fitzmaurice: When Ireland joined the EEC, it was a community and it was a good project. Sadly, over the past number of years, it has headed towards fiscal union. Fiscal union is like marriage - it is either love or divorce. The first element of divorce we have had is with the UK because people are sick and tired of rules and regulations being imposed on them. People wake up in the morning and go to their bathrooms knowing they have to have a permit for their septic tank because of an EU regulation. People in business are regulated by the EU on a daily basis. Earlier, the EU stated Ireland has to make sure people pay water charges because the State has signed up to this. Every year, drivers have to get a certificate saying they are capable of driving a lorry because of EU regulations. I met a 76 year old man who has been spraying potatoes for 64 years. He had to get a licence this year to spray his spuds because of EU regulations. This is what is going on right around the country. Next year, farmers will have to have certificates to spread fertiliser because of EU regulations while eggs cannot be sold to a butcher because of regulations. A person can spread slurry in Spain any day of the year but in Ireland if it is a fine day on 9 January, it is illegal because of regulations whereas if it is spilling rain on 14 January, it is not. The Minister had responsibility for the steel industry in his previous portfolio. Last year, small business owners had to spend €15,000 on certification to comply with EU regulations. Why does the penny not drop with officials that ordinary people on the ground are fed up of the rules and regulations being imposed on them? Politicians have gone to

Brussels from different countries and signed up to measures the ordinary person on the ground does not want and will not adhere to because they are sick of it. Currently, EU regulations forbid bog owners from cutting turf. I can go on but this list reflects the disconnect.

It is no wonder Brexit happened last Friday. The people on the ground revolted and they are sick and tired of rules and regulations being imposed. Newspaper commentators are wondering what went wrong. Politicians did not listen to the people on the ground. Europe has gone too far on its journey. The EEC was a good journey. Politicians returned home and sold pups to people around this country. It is important that the Taoiseach and the leader of the every other member state goes to Brussels with a list of the problems. It is despicable that the leaders of the six founding members states met last Saturday on their own. There are other members in this so-called "union" but they forgot them. They did not want to bring them with them in case they would say something. Ironically, the voters in the countries of those who met on Saturday met may not agree with what they did.

Unelected bureaucrats in Europe are making up rules that the ordinary people on the ground are rebelling against. We have seen the result of that in the UK over the past few days. The people there have said, "Enough is enough". Politicians based in Brussels say the Germans and the French are leading the way. TTIP is being discussed at the moment while the agriculture element of the Mercosur trade deal has been removed. The ordinary person is fearful of what is going on. We have moved away from the great project of trading goods and peace but the steps that have been taken have gone too far. Jobs and prosperity were promised under the Lisbon treaty but, instead, unemployment and debt was foisted upon us by some of those in Europe. Jean-Claude Trichet and Jean-Claude Juncker need to take a step back and understand that there is serious discontent throughout Europe about the path the EU is on. MEPs are elected by us but what say do they have in decisions? Politicians in national parliaments and MEPs are basically put in the back seats while unelected bureaucrats drive the EU agenda. If they do not listen to the people and stay on the road they are on, the European project will be finished. However, there is now opportunity for representatives of every member state to sit down and outline a new vision of the Europe we want. If not, there will be a more significant exodus and the project will be over.

## 6 o'clock

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I am thankful for the opportunity to speak in this debate. Like everybody else in this House, I am deeply worried by this decision. The economic future of this country has been thrown into a huge amount of doubt as a result of what happened; it is not necessarily bad or good but the extent of the doubt is unfathomable at the moment. The opportunity we should take from this is to learn a lesson from what happened in Britain and ask why the British made this decision, which, I suggest, will probably be bad for them and will certainly not be to our benefit initially.

Much of what Deputy Fitzmaurice said is true. I agree with him. There are so many things wrong with the European Union that one can understand why some people in United Kingdom voted against it but I am not so sure why so many did. The image the European Union portrays because of its behaviour, particularly at the top, invited a decision of that sort from those who had an opportunity to give it. I say that as one who would never support our withdrawal from the Union, because it would be disastrous for Ireland, and as one who is optimistic about the future, whether the UK eventually is in the Union. I would not say at this stage it is a foregone conclusion that it will be outside the Union in four, five or six years time. There is every possi-

bility that when Britain comes down to negotiating, it takes so long that they agree a deal which is not acceptable to the British people and we have unthought of consequences at that stage. Our attitude and that of the Government should be one of calm, not panic, in this situation and, second, we should position ourselves to be able to deal with a situation of this sort. By that I mean that if Britain really does leave the union, we should examine what are the advantages for us. It was thought that Britain not being in the eurozone would be a great disadvantage to us, but once the break was made it allowed us to exploit the currency differences to our great advantage and it is one of the reasons our exports have been doing so particularly well. Let us look at it in that sense and from the perspective that we may well be able to attract a great deal of business that Britain would have got if it had not withdrawn. We may be able to take advantage of this fact, even though Britain is our closest neighbour and friend, and, economically, that may happen.

With respect to the reasons this happened, let us be crusaders in taking the lessons from this when we talk about Europe, and when we go there and represent Ireland. We must also understand why so many people regard Europe certainly as a benefactor and as a market, which is now irreplaceable and to which we are tied absolutely inexorably, but also, as Deputy Fitzmaurice said, a Union which is run by a very small number of undemocratically elected people. We are part of that negation of democracy. We continually nominate, for example, Commissioners to the most powerful positions in Europe from among our political ranks. It is not only one party that does that; all parties do so. They exploit the European ideal to become part of the European elite. That is not the only example. There are other plum positions in Europe in which people who have bought into the European ideal participate. There is a bank called the European Bank for Reconstruction and Development on the board of which politicians shamelessly end up after retiring, or losing their seats or having nothing else to do. That sort of thing, which is common in Europe, does inevitable and irrevocable damage to its image among the people. That is one of the reforms we as a small nation could lead by changing that image in order that we would not suffer the same criticism which was so articulately put and so sadly had the result we saw last week.

**Deputy Kathleen Funchion:** In the aftermath of the Brexit vote there are a number of important issues to focus on and I would like to deal with two of those in my contribution to this debate. First, while Sinn Féin campaigned for and supported a Remain vote, it is important that this is not viewed or interpreted in any way as a ringing endorsement of the current structure, set-up or mindset of the EU institutions. We need real and fundamental EU reform, and a far more democratic, equal and inclusive EU is needed, something for which Sinn Féin has always campaigned. There is serious disillusionment among voters. The EU can no longer ignore this. It needs to address it and the first step is to engage in real reform.

At some point during this debate we need to ask ourselves why people felt so strongly about this issue that they opted to vote to leave. I am not referring to the extreme elements of the Leave campaign, which are underpinned by racism and bigotry, but to the genuine voters who were so disillusioned with the current set-up of the EU that they voted to leave. We need to acknowledge that if EU had been more inclusive we might not be in this situation. Originally, when it was the European Economic Community, EEC, it started off on the right path. As somebody who formerly worked in the trade union movement, I acknowledge that many of our very good workers' rights legislation originated in Europe. It is important to state that there have been some positives from Europe. However, over the years the EU lost its way and we have seen a complete change in the way that business is done in Europe where the larger

countries hold all the power while the smaller ones are completely ignored. That was evident at the weekend when Ireland was not even invited to the meeting that took place. In that regard, I urge the Taoiseach and the Minister to have EU reform at the top of their agenda in the upcoming discussions with Europe.

The second issue I wish to focus on is the concerns the Brexit decision holds with regard to the Good Friday Agreement and for the Human Rights Act. The Tory Government is already committed to the repeal of the Human Rights Act which, in itself, is a matter of extreme concern but far more so now in the aftermath of Brexit. The 1998 Act is interwoven completely in the fabric of the Good Friday Agreement and its repeal would have negative consequences for the uniformity of human rights standards across the island of Ireland. We must all be very concerned about that. The Good Friday Agreement is an international one and the Government is a co-equal guarantor of it. It is important that the rights and interests of all the people of this island are defended and protected in any EU negotiations and our Government must ensure that this is the case.

The citizens of the Six Counties voted to remain part of the EU. Britain, therefore, has no mandate to represent the views of the people of the Six Counties in any EU negotiations and we are calling for a Border poll on Irish unity in that regard, which, as people should be aware, is allowed for under the terms of the Good Friday Agreement.

**Acting Chairman (Deputy Eugene Murphy):** The next speaker listed is the Minister, Deputy Varadkar. As he is not in the Chamber, with the agreement of the House, I will give the Minister of State, Deputy Breen, this time slot, as he was due to speak earlier. Is that agreed? Agreed.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Pat Breen): I thank the Acting Chairman. I welcome the opportunity to speak in this debate as I want to remind the Deputies of the strengths of Irish enterprise, of our strong national competitiveness, and of the ability of the enterprise sector to respond with confidence to the sort of challenges which the UK referendum result throws up. I want to give Members some detail about the work that has been ongoing in my Department and agencies in preparation for the "Leave" outcome, and I want to give them an insight as to the actions we are now taking. As Minister of State with responsibility for employment and small business, my focus is on the small and medium enterprises which account for 99.7% of active enterprises, and employ almost 70% of people in the private sector. While there is more uncertainty for small and medium enterprises, I believe we have some of the most innovative small and medium enterprises in Europe which can adapt to change and which, I believe, will thrive.

First, I would reiterate that while we have seen the market in some turmoil, in terms of movement in currencies and share values, it is important that we are able to separate these short-term impacts from the longer-term issues. What we need now is calm in our reaction. We need to be measured in how we respond so as to provide genuine reassurance to business and employees and we should avoid anything that amplifies the uncertainty. Things are uncertain and we know it will take up to two years for the UK to negotiate its exit and some years to negotiate its new relationship with the Union. We have to accept this situation as the new norm.

Members will be aware that the Cabinet met last Friday morning to review contingency plans. Directly following that meeting, the Minister for Jobs, Enterprise and Innovation, Deputy Mitchell O'Connor, convened a meeting of the CEOs and officials of IDA Ireland and

Enterprise Ireland to oversee the management of our response and the messaging to business overseas and domestically. The agencies have been asked to communicate directly with their clients and I know that in addition to writing to them there have been multiple contacts by senior business clients with IDA Ireland and Enterprise Ireland. In fact, Enterprise Ireland has set up a call line to provide assistance.

We must convey our genuine confidence in our ability to continue to compete and win international investment. We have every reason to believe that we can continue to grow exports and market share. The Minister, Deputy Mitchell O'Connor, will continue to meet with the enterprise agencies to lead the co-ordination of our response to challenges as they emerge. It is clear that currency movements present a significant challenge for exporters. We know, for example, that people in the food, construction and retail sectors will be most affected. Obviously, this is not a new challenge. We have lived with the current volatility for years. Many companies have been hedging strategies to cope with currency changes and many have sourced strategies. What is not clear is the ultimate extent or duration of the current currency swings. However, my Department has been working to develop a pilot scheme to improve access to working capital for exporters with the Strategic Banking Corporation of Ireland, Enterprise Ireland and the Department of Finance and I hope that this will be deployed as soon as possible. The agencies have been asked to keep the issue of currency volatility under review and Government remains open to consider any effective proposals they might make.

We know we have a serious market exposure to the UK. However, because of our determined efforts to assist companies to diversify into new markets, EI clients have moved in recent years from 45% of goods and services exports going to the UK to 37% in 2015. Enterprise Ireland has been asked to accelerate the finalisation of its plans for increasing the number of trade missions both within the EU, to include France, Germany and Scandinavia, and to intensify our programme of missions in non-EU markets. A review of the overseas footprint of Enterprise Ireland and IDA is also being initiated to ensure we are fully prepared to support business in finding new markets and investment. In tandem, the Minister for Jobs, Enterprise and Innovation will lead a trade mission to the UK with aviation companies in early July.

I believe our SMEs are innovators. I will outline one example of one area in which our SMEs are EU leaders. The EU Digital Economy and Society Index for 2016 found that Ireland's SMEs are the number one seller online in the EU. Our SMEs also lead the way for selling online cross-border, with 16% of SMEs doing so - well above the EU average of 7.5%. On the position regarding overseas investment into Ireland, IDA Ireland has engaged in extensive planning for the referendum result. It is providing assurance to overseas clients as to Ireland's continued commitment to EU membership; the soundness of the economy and consistency of our fiscal strategy, including on corporation tax. It is not possible to quantify any possible flight of investment from the UK or to what extent new investment in the EU will be directed to Ireland. It is just too early to say, but we are well placed to attract such investment. Apart from our other attractions, the continued political uncertainty in the UK in the short to medium term, coupled with the underlying uncertainty as to its new relationship with the EU, will weigh heavily on the minds of investors.

I would like to reassure Deputies that the Government, my Department and the enterprise agencies are fully committed to supporting business in this period of heightened uncertainty, but we do so against the background of a strong economy and a highly competitive enterprise sector.

**Acting Chairman (Deputy Eugene Murphy):** We wish the Minister of State well with the challenge now presenting.

**Deputy Charlie McConalogue:** I am disappointed at the decision of the UK to remove itself from the European Union, the implications of which are unclear in terms of how it may pan out from a UK point of view. I fail to see any significant upside from the point of view of the Republic of Ireland or Northern Ireland. As mentioned by other speakers, it is important the EU takes cognisance of the factors that led to the vote result and that it takes them on board in terms of how Europe operates into the future. The EU must work hard to ensure it does not lose the faith of its citizens, as has happened in Britain and as reflected among a number of the electorate in the Republic and other parts of Europe. It is also important that the response from Europe is a united one and that we do not see, as happened in the past few weeks, a repeat of the meeting of the six founding members. That is not the approach that is required. The angry response of Europe in terms of its statement that the UK needs to leave and to do so now is also not appropriate despite the disappointment among European member states in regard to the step that the UK has taken.

As Opposition spokesperson on agriculture, I will touch on a couple of key points which are critical to the agriculture sector. In terms of our exports to Britain, the percentage of agricultural exports is much higher than the percentage of exports from the other trades, with approximately 40% of our agricultural produce being exported to Britain and the percentage of exports across the wider economy amounting to only 20%. As such, we should be concerned about the potential impact on agriculture of the UK decision. Half of our beef exports, over two thirds of our meat exports and one third of our dairy exports are traded into Britain. We have already seen the impact of the fall in sterling in that regard.

Our immediate objective, in terms of the Government's engagement with our European counterparts, should be to position ourselves in a central position in the negotiations with the UK. It goes without saying that we must ensure that tariffs are as minimal as possible and that as far as is possible the common trade area which has existed can continue to exist. The starting point for the World Trade Organization members' tariffs on coming into the EU is 14.5%. If anything of that nature were to be considered in relation to the relationship with the UK, it would have significant implications for Irish agriculture.

It is important there is certainty provided for in the CAP budget between now and 2020 in relation to future farm incomes in the Republic. On that note, there are particular difficulties for Northern Ireland farmers in that in terms of the decision taken this year where £236 million from the CAP budget went to Northern Ireland farmers while the total net income of farm families was £183 million, meaning that the average income was less than the average CAP payment. This raises significant problems.

Overall, I fail to see how Northern Ireland can benefit in any way from the decision that has been made. Up until now it has struggled to be a destination for foreign direct investment. The Northern Ireland economy is operating at under-capacity. With the UK decision to remove itself from the common market, there are fewer reasons international investors would choose Northern Ireland as a potential destination for investment. I come from County Donegal, 95% of the border of which is with Northern Ireland. If Northern Ireland is doing well and if the economy there grows, it has significant potential for Border counties to do well also. In that regard, the implications of the decision that has been made are worrying.

I urge the Government to ensure that Ireland gets to play a central role in relation to the response that has not happened to date. It is important that a united European response is forthcoming quickly, with Ireland at its core.

**Acting Chairman (Deputy Eugene Murphy):** I invite the Minister, Deputy Coveney, to speak. He has five minutes.

**Deputy Simon Coveney:** I thought the Minister for Social Protection, Deputy Varadkar, was ahead of me, but it seems not.

**Acting Chairman (Deputy Eugene Murphy):** I will clarify. The Minister for Social Protection was ahead in the running order but I gave the slot to Minister of State, Deputy Breen, as unfortunately Deputy Varadkar was not in the Chamber at the time. I moved ahead.

Minister for Social Protection Deputy Leo Varadkar: Am I up next?

**Acting Chairman (Deputy Eugene Murphy):** We shall see. I have you further down on the list so I will get to you. It is a few down.

Minister for the Environment, Community and Local Government (Deputy Simon Coveney): I have only five minutes and I wish to focus on a few issues. Firstly, on a personal level but also as a Minister in Government, I believe the UK has made a bad decision. It is bad for the European Union and it is certainly bad for Ireland and for Northern Ireland. In time I believe that many people in Britain will live to regret the decision also. From Ireland's perspective, the Government's responsibility now is to try to manage the fallout from that decision for those who live North of the Border and for so many businesses and families who have a connection with and a reliance on the UK market. I have much experience of working with UK Ministers at a ministerial level. When I was chairing the Council of Ministers, the UK brought a significant importance to the CAP negotiation process. Other colleagues here will be familiar with the contribution that the UK makes to the Common Fisheries Policy. The European Union will be a significantly weaker bloc without the United Kingdom. This is regrettable at a time when we have perhaps more global challenges than we have ever faced before and when we need a collective response to many of those challenges and to ensure those responses are comprehensive. A large member state of the European Union has chosen to leave and to isolate itself politically for reasons that I believe many people are not quite sure of yet. The decision will create uncertainty and distraction for a period of at least two years, if not more, while the UK, Ireland and other countries manage the process of the exit from the European Union, with all of the uncertainties that brings. The process will involve demands made by the UK and political responses that will come the other way from the European Union.

I agree with other speakers that it is important that the European Union attempts to have a collective response to this situation rather than allowing individual countries to make frustrating statements about the United Kingdom. In the immediate aftermath of this decision by the UK, my focus, and the focus of the Government and all Members in the House, needs to be on the creation of a calm and pragmatic response that actually minimises potential problems and takes any opportunities.

There are many potential problems. As a former Minister for Agriculture, Food and the Marine I am very familiar with the  $\in$ 7 billion of trade that Ireland has with the United Kingdom each year - about  $\in$ 4.5 billion in exports and approximately  $\in$ 3 billion in imports. I am familiar with the issues surrounding the free movement of livestock across the Border. Ireland does not

have the luxury of choosing either the EU or Britain in terms of a close future relationship. Ireland's response needs to be about protecting what is important for both relationships; Ireland's relationship with Britain is a hugely important one on many levels. It needs to be to protected. Our relationship with the European Union is equally important, and that needs to be protected. However, we must not allow ourselves to be caught in a situation of choosing one over the other. Instead, we need to insist, as an active and hugely relevant member of the European Union in the context of Brexit, that understanding be shown and that we ensure Ireland's relationship with both partners is maintained through a very difficult exit procedure over the next two years.

**Deputy Pat The Cope Gallagher:** Like many Deputies, I am pleased that we have the opportunity of expressing our views by way of statements in the House, which was convened by the Taoiseach at very short notice.

Níor chreid mise riamh go nglacfadh an Bhreatain an cinneadh seo a ghlac siad an Déardaoin seo caite. Nuair a mhúscail mé ar maidin Dé hAoine, bhain sé geit asam nuair a mhothaigh mé an toradh a bhí ar an reifreann nó an plebiscite seo. Is cinneadh tromchúiseach é do mhuintir na Breataine ach, ónár dtaobh-sa de, is cinneadh tromchúiseach é don tír seo agus, go háirithe, na contaetha cois Teorainn agus ina measc iad sin mo chontae féin. Mar a dúirt an Teachta McConalogue, an teorainn atá againne ná an tAtlantach ar taobh amháin, an Tuaisceart ar an taobh eile agus cúpla ciliméadar idir Dhún na nGall agus an taobh eile den tír seo. Ar ndóigh, bhí na himpleachtaí le feiceáil taobh istigh de chúpla uair tar éis an toraidh sna margaí tríd an domhan agus san ráta idir an dollar agus sterling agus idir an euro agus sterling. Beidh tionchar ag an toraidh seo ar na margaí, that is, on the markets and importing to and exporting from this country.

Despite the fact that the result of this plebiscite is not legally binding on the UK Government, the Prime Minister gave an assurance that it would implement the express wishes of the British population by way of referendum. Ireland should also be looking very closely at the outcome in Northern Ireland, where the majority of the Northern Irish population opposed the option of leaving, as did the people of Scotland.

I shall narrow my focus in the short time available to me. When the European Council gives a mandate to the Commission after Article 50 is invoked, it will be a matter for the Commission to commence negotiations. Because of the uniqueness of our situation, those negotiations must include Ireland, they must be pivotal and they must be central to any negotiations. Ireland must be invited to play a role, particularly because of our geographical situation in relation to the UK.

This decision will have far-reaching and serious consequences for cross-Border relations. The EU played an important role in the development of the PEACE project. I was in the House when the PEACE project was announced. I was also a Member of the European Parliament at the same time and I remember very well that the then President of the Commission, Jacques Delors, said that Europe would help in any way possible but in a positive and practical way, which it did. It established the Peace and Reconciliation programme, which was additional to any funds that came from the International Fund for Ireland - a major measure as far as Europe is concerned - and it also helped with INTERREG. Europe did all of that at the time. Whatever privileges are there for the necklace of counties along the Border must continue. The Government must consult with all the bodies that were established in the Good Friday negotiations, North, South, east, west and the islands.

Reference was made to agriculture and the serious implications of Brexit for the fishing industry, including issues such as straddling stocks off the west coast of Scotland, where our

boats fish along with Scottish and UK boats. If negotiations are to take place on that, for example, it will not be between Ireland and the UK; it will be between the European Union and the UK. The European Union will be negotiating on Ireland's behalf. Having spent many years in Brussels and being familiar with the fishing industry, I would not have great confidence that the outcome of those negotiations would be beneficial to Ireland.

Coming from Donegal, I travel through Northern Ireland all the time via Lifford and Strabane down to Aughnacloy and down to Emyvale. Do we have to go back? It looks as though we might have to. We may have customs controls once again. Do we close all the minor roads that were opened up, not just as a result of the peace process but also as a result of the Single European Act? The biggest change I witnessed in my political life, apart from the peace process, was the opening up of the Border for trade purposes. The focus must now be on the A5 and the N2.

While some will say there will be advantages for foreign direct investment and for financial services in Dublin from the City of London, they will pale into insignificance when we examine all of the disadvantages that exist. It is wrong that the big three should be meeting now and excluding the Benelux countries. This is a matter for the 27 member states, and Ireland should play a pivotal role in the negotiations.

**Deputy Carol Nolan:** Many people talk about the shock of the result of the Brexit vote last Thursday. However, was it really a shock? The language of hate that dominated the debate was particularly shocking and the fact that a young, dedicated mother and Member of Parliament was killed during the course of the campaign was also shocking. However, can we really say that the result of the vote was shocking? I do not believe so, if we take the time to reflect on the EU and all it stands for. It is becoming increasingly detached from the people it is supposed to serve.

There was growing scepticism among people after the rerun of referendums on both the Nice treaty and the Lisbon treaty in this State. Democratic rights were not upheld in those cases. We witnessed the complete dismissal of the democratic wishes of the Greek people when they were humiliated to protect the *status quo* of the European elite. Millions of European citizens are currently campaigning in opposition to the Transatlantic Trade and Investment Partnership, TTIP, agreement, which is being negotiated behind our backs - and behind closed doors - and which will hand over huge powers to the elites and to corporate bodies. Sinn Féin has constantly highlighted the democratic deficit that goes to the heart of the EU and all it stands for. The vote last Thursday is merely another signal that the EU has moved in the wrong direction. It is incumbent on all of us, particularly the Irish Government, to be to the forefront in campaigning for real and meaningful reform of the European institutions. The *status quo* cannot be allowed to continue. There must be an acknowledgement of the growing disillusionment among voters.

Leaders across the EU can view this as an opportunity to create a stronger, fairer and far more democratic Europe that delivers the peace and prosperity it was established to achieve. Similarly, while Brexit will no doubt present many challenges for people on this island, there are also opportunities. The Government must immediately assert itself to ensure that we are well positioned to avail of those opportunities. There is a limited opportunity to negotiate to ensure that the historical trade, travel and investment links between Ireland and Britain are retained in so far as possible after Brexit. We have the opportunity to attract increased foreign direct investment and we are in the unique position now of being the only English speaking country in the EU.

We also have a unique opportunity to hold a referendum on Irish unity and end the long partition of this island. The fact that the majority of citizens in the Six Counties, many of whom are Irish passport holders, voted to remain in the EU cannot be ignored by the Government. A referendum on Irish unity is the only mechanism by which the democratic mandate of the people of the Six Counties can be realised. Sinn Féin has a vision of all traditions on this island working together. There is no reason that this cannot happen. What we are hearing are misguided assumptions that it will not happen; it is like a self-fulfilling prophecy. Of course, it can happen. We have had almost 20 years of peace and great progress has been made. It is the only mechanism by which the entire island of Ireland can remain within the EU, something that is of clear economic and social benefit to all people on this island. The Irish Government must seize the opportunity and support our call for a Border poll on Irish unity.

**Minister for Social Protection (Deputy Leo Varadkar):** I am grateful for the opportunity to speak on this issue. It will be difficult to say everything I wish to say in five minutes, but I will endeavour to do so.

First, I regret but respect the result of the referendum in the United Kingdom last Thursday. However, I am deeply saddened for the young people who voted by a large majority to remain in the European Union, particularly those born after 1973 and 1992. They were born as European citizens and as such - and like all of us - they have the right to travel freely, work freely and study anywhere in the European Union from the Algarve to Lapland and from Athens to Galway. That right is now being taken away from them. I hope we can find a way for those young British people to retain their European citizenship, which was their birthright, in some form.

As Minister for Social Protection, I wish to offer words of reassurance to UK pensioners in Ireland, Irish pensioners in the UK, cross-Border workers, British residents in Ireland and Irish residents in Britain, many of whom are very confused and worried at present. Their pension and employment rights and their social insurance protections and obligations remain unchanged today and will remain unchanged until such time as there is a new agreement between the European Union and the United Kingdom and between the Republic of Ireland and the United Kingdom. They can be assured that this Government will work night and day to ensure that their rights are protected under the new arrangements.

For Ireland, the path ahead is uncertain and there will be difficulties. However, this is not the first time we have chosen a different course or been put on a different path from Britain's. It happened in 1922 when we became independent, in 1948 when we left the Commonwealth, in 1979 when we broke the link with sterling and in 2002 when we joined the euro and Britain did not. The Government's objective now must be threefold. First, we must put the interests of Ireland first. On some occasions, perhaps most, our interests are aligned with those of the United Kingdom but where they are not it is not our duty to fight England's battles for her. We must put the interests of Ireland first in the coming years and in the negotiation process. Second, we must speak for our citizens in Northern Ireland and in Britain. There are millions of them and only we can speak up for them. Third, we must work with the Northern Ireland Executive, as we have done for the past two decades, on areas of common interest such as cross-Border trade, travel, health, infrastructure, agriculture and social protection. We do not need a Border poll which, at present, would be unsuccessful and would not bring about Irish unity. Instead, it would bring about renewed division in Northern Ireland, which is the last thing we need now. We must build a unity of interest with the North, and with Unionists and Nationalists and Protestants and Catholic alike.

The European project was born out of war. It brought peace on our Continent after decades of war and violence. When communism collapsed and the Iron Curtain fell it ensured that eastern Europe became democratic and free and it was able to reunite not just Germany but also all of Europe. However, the memory of this has faded and populations across Europe in many ways do not love or respect the European project as they once did. We now have a duty to try to rebuild public confidence in, and support for, the European project and the European ideal.

Some people in recent days tried to denigrate and dismiss the people in Britain who voted to leave, as though they were somehow less educated, stupid, racist or had not really considered the matters before them. That might be true for some, but I do not believe it is true for all of them. There are genuine issues and people have genuine concerns about a lack of democracy in Europe, a loss of sovereignty and the effects of the Single Market, free trade and globalisation on people's living standards and conditions. We should not dismiss such things, and we should not be so complacent as to think that referendums in other European countries might not produce similar results. For that reason those of us who believe in, and are passionate about, Europe have a duty to try to reconnect with the European project and the European ideal and to make the case once again for Europe, for how it is for our benefit and for the benefits of European citizenship.

Some commentators in recent days have said that the UK referendum result marks the end of the European project. While I understand the disappointment that the result engenders and why this feeling arises, it need not be the case. As always, the future is in our hands. It is our duty now to translate confusion to clarity and out of chaos find opportunity. The European project and the European ideal, and Ireland's place at the heart of it, are worth fighting for. We should all be willing to fight for them in the years ahead.

**Deputy Eamon Scanlon:** I welcome the opportunity to speak about the result of the British referendum last Friday. After the shock, we are now facing the reality. The referendum campaign was very long and featured only extreme arguments on both sides. I cannot remember the seven concessions on reform issues the British Government negotiated at European Council level being debated in the campaign. As with all referendums, the issues debated were not connected to the question being posed. It was, however, only the third referendum ever held in the United Kingdom.

While they appear to be an exercise in true democracy, referendums can also cause considerable confusion. Notwithstanding this observation, people cast their votes and the result, while narrow and regrettable, must be respected. At the same time, calm heads are needed in response to the this result, the ramifications of which have been vibrating across Europe since Friday. I am sorry the British Prime Minister, David Cameron, announced his resignation because he was an ally and a friend of Ireland. I agree with his request that Article 50 of the Lisbon treaty should not kick in until his replacement is elected. This will allow all European Union member states to reflect and react in a way that will not make a volatile situation worse.

The British Labour Party has been in disarray since Friday and by 5.30 p.m. today, 32 of its spokespersons had resigned their posts in protest. Time will tell whether the result has ramifications for the Labour Party leader. Three out of four party members claim not to have known their party's position on the referendum before they voted on it.

The European Union needs to carefully manage this process and allow the British political system to respond domestically to a decision that has already hit hard the country's stock

exchange and the value of sterling. Already, global banks are threatening to leave London and relocate in other European capitals. This will result in thousands losing their jobs. When the outcome of the referendum was becoming clear early on Friday morning, it was obvious that Nigel Farage and Boris Johnson were shocked. It was as if they had not believed their Leave campaign would win and had been caught by surprise because neither of them could explain what would happen next. Boris Johnson still believed British citizens would have access to free travel across EU member states and the EU would not apply higher tariffs to trade with the United Kingdom. Unfortunately, neither belief is correct.

Leave campaigners did not think through the consequences of leaving the European Union. Once Article 50 has been invoked, a negotiating period of up to two years will commence, after which British citizens will no longer enjoy the rights they have now. For example, they will not have access to E112 cards for free medical care in EU countries. The United Kingdom will no longer be able to avail of the large sums the EU invests in farming and other sectors in the UK and Northern Ireland.

Within 24 hours of the result being announced, more than 2 million people had signed a petition to hold a second referendum. Such was the demand and panic that a British Government website collapsed.

As a Deputy elected for the Sligo-Leitrim constituency, I know only too well how the referendum result will impact on Border counties. In the short term, the decline in the value of sterling will result in a decrease in the number of visitors to counties Sligo and Leitrim during the forthcoming summer season. It also has the potential to seriously impact business across the Border. We do not yet know what type of border controls are envisaged for the 499 km Border between the Republic and the Six Counties. We must, therefore, make every effort directly with the British Government and our EU partners to ensure that any border controls that are re-introduced are not severe.

Since the Good Friday Agreement, people have worked hard to create a seamless approach to business across the two jurisdictions, particularly in farming, agrifood and other trade sectors. We have secured co-operation in the North-South bodies and have tried to amalgamate trade missions. The Fianna Fáil Party has supported lower corporation tax for Northern Ireland in order that the island can be marketed as one for trade purposes. This would benefit people living in the Border counties. We remember all too well the Border controls of the past and how they impacted on our island's psyche and on those living close to the Border on either side. We must not return to those dark days, nor must we speak opportunistically about a cross-Border poll until the bread and butter issues of the Brexit decision are worked out as painlessly as possible for the people of this island. The turnout last Thursday in the North was 63% and people there voted to remain in the European Union but must abide by the overall result, which is not lost on any of us.

We must also maintain is the common travel area which has been in place since Independence. I have no doubt the Irish and British Governments will continue this mutually beneficial arrangement. Common sense must prevail because the common travel area is an important feature of the close relationship between our two countries, which has had long-established benefits, particularly for tourism. This issue must be a key priority when Ireland is involved in negotiating new terms for the European Union's relationship with the United Kingdom.

It is important that all stakeholders are included in these negotiations. The agriculture sec-

tor, industry, manufacturing and politicians on both sides of the Border must work together to try to resolve this very difficult issue.

Minister for Jobs, Enterprise and Innovation (Deputy Mary Mitchell O'Connor): I welcome the opportunity to speak on the topic as I want enterprise to respond with confidence to the sort of challenges thrown up by the United Kingdom's referendum on European Union membership. Work has been ongoing in my Department and its agencies in preparation for the Leave outcome. I will give Deputies an insight into the actions I will take.

While the market has been in some turmoil in terms of movement in currencies and share values, it is important that we are able to separate short-run impacts from longer-term issues and avoid anything that amplifies current uncertainty. Things are uncertain and may remain so for some years. As such, we must accept the current position as the new normal. As part of my contingency plans, immediately after the Cabinet meeting on Friday morning last, I convened a meeting of the chief executive officers of IDA Ireland and Enterprise Ireland and officials to oversee the management of our response and the messaging to business both overseas and domestically. I asked the agencies to communicate directly with their clients. In addition to writing to their clients, there have been multiple contacts between senior business clients and Enterprise Ireland and IDA Ireland today. Enterprise Ireland also set up a call line to provide assistance to clients. We must convey our genuine confidence in our ability to continue to compete for and win international investment.

Similarly, we have every reason to believe we can continue to increase exports and market share. I will continue to meet the enterprise agencies to lead the co-ordination of our response to challenges as they emerge. It is clear that currency movements present a significant challenge for exporters. Obviously, this is not a new challenge. We have lived with currency volatility over the years and many companies have hedging strategies to cope with currency changes. Many also have sourcing strategies to source imports from euro areas. What is not clear is the ultimate extent or duration of the currency swings. However, my Department has been working to develop a pilot scheme to improve access to working capital for exporters with the Strategic Banking Corporation of Ireland, Enterprise Ireland and the Department of Finance. I hope this scheme will be deployed as soon as possible. I have asked the agencies to keep the issue of currency volatility under review and I remain open to consider any effective proposals they may make.

While we are aware that we have a serious market exposure to the United Kingdom, as a result of our determined effort to assist companies to diversify into new markets, Enterprise Ireland clients have reduced the proportion of exported goods and services going to the UK from 45% to 37% in 2015. I have asked Enterprise Ireland to accelerate the finalisation of its plans for increasing the number of trade missions in the European Union to include Germany, France and Scandinavia and to intensify our programme of missions in non-EU markets. I am also initiating a review of the overseas footprint of Enterprise Ireland and IDA Ireland to ensure we are fully prepared to support business in finding new markets and investment. In tandem with this, I will lead a trade mission to the UK with aviation companies in early July. As Britain will remain a key market for us, we must retain our focus on its potential, even as we seek to diversify to other markets. In tandem, I am leading a trade mission to the UK with aviation companies in early July, because the UK will remain a key market for us and we need to retain our focus on its potential, even as we seek to diversify to other markets.

Clearly, IDA Ireland has engaged in extensive planning for today's situation. It can provide

assurance to overseas clients of our continued commitment to EU membership, the soundness of the economy and the consistency of our fiscal strategy, including our position on corporation tax.

Importantly, we are signalling that we remain open for business. I do not believe we will suddenly see a rash of investment decisions. Instead, major investors will reflect before they react. However, we are so well positioned in terms of attracting inward investment that we can only expect to benefit in the context of the UK's exit from the EU.

We do not know what new relationship the UK will seek with the Union and we cannot know how long that will take to be put in place.

**Acting Chairman (Deputy Eugene Murphy):** Thank you, Minister. I have to move on to the next speaker.

Deputy Mary Mitchell O'Connor: Can I finish?

**Acting Chairman (Deputy Eugene Murphy):** You are gone way over time and there are many speakers. I will give you one minute to conclude.

**Deputy Mary Mitchell O'Connor:** The Government has already signalled its willingness to be constructive in working with the UK and our EU partners and institutions to try to facilitate a fair and balanced outcome to both sets of negotiations.

Since coming to office some weeks ago I have met my UK ministerial counterparts in the areas of trade and the Single Market and competitiveness, Lord Price and Baroness Neville-Rolfe, respectively. A senior delegation of trade and Single Market officials from my Department will meet their counterparts on Friday in London to review developments.

Deputy Peter Fitzpatrick: I welcome the opportunity to speak in this important debate. There is no doubt that the UK decision to leave the EU will have major consequences for those of us in Ireland and the rest of the EU. As a representative of the Border county of Louth, I am aware more than most of the immediate challenges facing us. Over the course of the weekend I spoke to many constituents and business people who are concerned about the fallout from the UK withdrawal from the EU. In the Border region of Louth and in Border towns like Dundalk the immediate danger is the fall in the value of sterling. This will affect the retailers and business people all along the Border in the short term. This is not the first time those of us in Dundalk have faced the challenge of weak sterling. We have survived weak sterling before and we will survive weak sterling now and in future. I believe there was too much scaremongering and people playing political games for their own gain following last week's events.

Let us be clear. The UK made the decision to leave the EU as a result of an internal Tory feud. David Cameron took a reckless decision and has now paid the price. We must not be drawn into internal Tory Party politics. We must not allow ourselves to become in any way uncertain about our future in the EU. We are proud members of the EU. That is where our future lies. We are committed to the EU, the Single Market, the euro and our low corporation tax rate. I agree with the Taoiseach in that we must support the UK in its negotiations with the EU but we must protect our interests as well. During the UK negotiations with the EU, we must ensure that the EU recognises the unique relationship between the UK and Ireland. Our relationship must be protected. We must also realise that the UK will look after its own interests first and foremost. For our part, we must protect and secure ongoing free movement of people, trade

and capital between the two countries. We must also protect the 200,000 jobs that rely directly on our trade with the UK. We must protect the Northern Ireland peace process and all the good work that has been achieved during the past two decades. We must ensure that the thousands of cross-Border workers maintain their current rights.

If the UK exit from the EU is handled properly, it will offer great opportunities for Ireland. It should not, however, be used as an opportunity to play party politics, as demonstrated by Sinn Féin and its call for a Border poll. This is simply a political stunt and should be seen as such. It is typical of the type of political games played by Sinn Féin and others daily. This type of populist politics was played out in the EU referendum. It was interesting to note what happened on Friday when it became clear that the exit side had won. Almost immediately, those on the Leave side started pulling back on the promises they had made during the referendum campaign. That is typical of populist politics. They promised the moon and the stars but they could not deliver on any of their false promises. I urge people to remember this whenever they are listening to the populist claims of parties like Sinn Féin and others.

As I have already said, I strongly believe that the UK exit from the EU will offer many long-term opportunities for us. For example, at present the UK is the largest recipient of foreign direct investment in the EU. Currently, the UK receives over €35 billion per year in foreign direct investment. To put this in context, Ireland receives a little over €5 billion. Now we have a fantastic opportunity to bring more foreign direct investment to Ireland. Up until now these companies had a choice between Ireland and the UK. With the UK leaving the EU, we will now be the only English-speaking country in the EU and we must take advantage of this. News reports are already coming in of multinational companies that are considering relocating their headquarters away from the UK. I urge IDA Ireland to immediately put in place an action plan to contact every potential foreign direct investor and outline the advantages of investing in Ireland.

Reference has been made to border controls. I have heard many reports of the type of Border we may see in future. I urge people not to panic and to look at the borders already in place in countries like Switzerland, Norway and Monaco. Although inconvenient, these borders are not an obstacle to travel or trade.

There is no doubt that the events of the past week are going to have a profound effect on us. Our relationship with the UK is going to change forever. Doing business in the UK will be more difficult in future. Border regions and towns like my town, Dundalk, are going to face many difficult challenges in the short term. The weakness of sterling will pose many difficulties for our retailers and businesses. As I have already said, we have overcome these challenges in the past and we will overcome them in future. There will be new opportunities for us as a result of the new make-up of the EU. There will be new opportunities to entice international firms and businesses to relocate to Ireland. There will be new opportunities to sell Ireland as a feasible alternative to the UK. We must exploit these opportunities and ensure that as a country we continue to prosper as a fully committed member of the EU.

**Deputy Michael Moynihan:** I welcome the opportunity to speak in the debate. Let us consider the various news reports throughout the world not only from the island of Ireland or the island of Britain but from throughout the world. Brexit is the No. 1 item in the news. A raft of issues arise. Among the raft of fears is the concern for self-preservation in terms of our island and the industry that depends on exports to the UK. Numerous concerns have been raised in this regard. Concerns have been raised for the agriculture industry as well as small indigenous

industries exporting to the UK. How will the changes manifest themselves in the short term, medium term and long term?

Then there is the question of the future of Europe, how Europe will adapt to what happened last Thursday in the United Kingdom and how Europe needs to change. There has been much discussion from various contributors during the debate on the question of why the British people decided to exit Europe. Let us consider the pros of what Europe has done. We need to go back to the start to understand. The European Union came together immediately after the savagery of the Second World War. We are coming up to the centenary. This has been flagged in various television programmes. "Nationwide" is beginning a series on 100 years on from the Somme. The savagery throughout Europe during the First World War and Second World War was extraordinary. The European Union came together to ensure that we would have a peaceful Europe. As the memories of the terrible atrocities that happened during the Second World War fade we may have come to believe that the European Union has outgrown its usefulness. Unfortunately, however, that is not the case. Now, more than ever, we need a fundamental strong Europe. We need a Europe that takes into consideration each member state and the contribution that each member state makes to people and to a larger Europe.

Let us consider the overall context. Two dates in particular are relevant. The first is 1929 when the Wall Street crash occurred. In turn, this led to the onslaught of the Great Depression throughout the 1930s. How did that affect people? There were bread lines not only in the United States but in England too right up until 1937 and 1938.

### 7 o'clock

Many historians would argue that it was the onset of war that brought us out of that Great Depression. The point I am making is that extremism developed during the 1930s as a result of the 1929 Wall Street crash. If one looks at what is happening today throughout the world, with extremism and looking inward and protecting oneself, there is a huge parallel with what happened in the 1930s and after the financial collapse of 2008.

We heard politicians here today talk about the populist rhetoric of people such as Boris Johnson. After the 2008 crash, populism featured and it was suggested that there was an easy and quick solution to what had happened. Throughout the European Union, as well as throughout the island of Ireland and elsewhere, we need to ensure we do not play to fears or concerns. We should not close ourselves off.

One of the greatest feats of modern times was that in the 1930s when the rest of Europe was going down the fascist route and huge crowds were following that ideology, Ireland wrote its own democratic Constitution, now one of the oldest democratic constitutions in Europe and we have to be true to that. We also have to be true to the people we represent and address the fundamental concerns that exist. We have to challenge Europe. The overall concept is very good for the entire European Union as I consider it. There is a lot of stuff that comes in that we have to accept for the greater good. There is a lot of bureaucracy and red tape that is, I suppose, gold-plated when it comes to member states but it has to be challenged as well.

The world seems to be going down the extremism route as it did in the 1930s after the last great economic crash. We have heard many excellent speeches today, particularly that given by our leader, Deputy Micheál Martin, on how Europe has to be maintained as a strong entity. I recently met a person in Brussels. We were talking about the monstrosity of bureaucracy. That

person made the point that it was better than killing each other. The Union was born out of the two World Wars and it has served us well. We need to ensure we do not talk it down. We must ensure that our interest as an island nation, both North and South, is best protected within the Union.

**Deputy Bernard J. Durkan:** I am delighted to have an opportunity to speak on this hugely important issue. It is amazing to see how things have unfolded in recent days. We have gone from a position whereby everyone in our neighbouring island was being advised there was nothing to fear, that everything would be okay for two years at least and there would be no consequences in the immediate aftermath. Of course, that is not true. The markets have now shown clearly what happens in a situation such as this.

There was a hankering for going back to the way we were. There was an element in the debate that took place in the UK and other European countries - even on occasion in this country - of going back to where we were and re-establishing what was the case in times gone by. We should be very careful when we want to go back there because, as the previous speaker just alluded to, where we were in the 1930s and into the 1940s was not a very nice place to be. It came about as a result of a rejection of what was referred to at that time as the elitism of traditional governments, establishment parties and austerity. All these phrases were used in the 1930s, word-for-word exactly as they have been used in recent years in this House as well as in others across Europe.

If Europe is heading down that road, it should take a deep breath. By Europe I mean each of the member states within the Union - all of the public representatives elected within the Union's member states as well.

Many years ago John Donne wrote:

No man is an island,

Entire of itself.

Every man is a piece of the continent,

A part of the main.

Importantly - he must have been thinking of this situation - he continued:

If a clod be washed away by the sea,

Europe is the less.

He finished by saying:

And therefore never send to know for whom the bell tolls;

It tolls for thee.

I would hope there is a lesson to be learnt from the events of the past week. The lesson is one of deep and careful thought; no jumping to conclusions; no seeking of political advantage; no opportunism; and no condemnation of those who appear to have made this mistake, which may be the first of many mistakes. It is now a time for deep and careful thought.

From our point of view there are consequences, much more serious than we have seen unfold just yet. However, it is our duty as democrats and as Europeans to offer support to our near neighbours; support to our friends in Northern Ireland; support to the people of Scotland; and support to those who stand for democracy, have shown they can work democracy and have stood by it at its most challenged times. We need to do all those things once again now. If we have to go through the lesson of the 1930s all over again, it is a very high price to pay. While we in this country are not without fault, how many times in recent years have we blamed every negative thing that happened in the country on the bureaucracy in Brussels? It cannot always be that. We never mentioned in the same breath the benefits gained.

While some may rejoice at the situation now presenting, I would hope they do not do so for long. We need to remember what happened in the 1930s when the hard right and the hard left eventually came together in common cause. What were they called in one case? It was called National Socialism, well mentioned in the annals at the time.

**Deputy Billy Kelleher:** The Blueshirts.

**Deputy Bernard J. Durkan:** In actual fact it was not the Blueshirts. We will not go down that road. If the Deputies want a history lesson in that area, I can give them that too.

**Deputy Michael Moynihan:** Please do.

**Deputy Bernard J. Durkan:** I was not around at that time.

The salutary lesson to be learnt from there is horrific. By proceeding in that direction, two groups that had nothing in common with each other, other than to take over and seek to gain advantage from the situation that prevailed at a time of economic distress, moved forward in common cause.

I hope we learn the lesson from this shock, as it is likely to be for us. We need to remember that it is not the European Union as a Union that dictates things; it is individual member states that decide to go their own way. How could it be possible to allow a situation to develop whereby each member state, as a member of the Union, demanded to impose more of their will on the Union? It cannot happen that way - not with 27 or 28 member states, not with ten member states, not even with two member states. We hope the lesson has been learnt.

**Deputy Margaret Murphy O'Mahony:** As I did not get the opportunity before now, I take a few seconds to remember Jo Cox, MP. I pass on my sympathies to her family and her party. Although I was never lucky enough to have met Ms Cox, I have listened many times to her maiden speech in Parliament and was hugely impressed by her down-to-earth attitude and her conviction to her beliefs. God rest her soul.

Being addicted anyway to any form of election or referendum, but more especially now in my new role as Teachta Dála nua Fhianna Fáil do Chorcaigh Thiar-Theas, I had taken a deep interest in this campaign, hoping that the British people would vote to remain in the EU. The advantages of remaining, too many to discuss in this time slot, far outweighed the advantages of exiting the EU. I stayed up into the small hours of Friday morning and on going to bed believed that the Remain side would be victorious. I was devastated when I woke up to the news of the actual result.

I am from the constituency of beautiful Cork South-West, a constituency heavily dependent

on tourism, exporting and farming. Britain leaving the EU could have a big effect on the people in my constituency. If sterling is weak, it will be expensive for UK visitors to take a break in west Cork. The latter has been a popular location for British people to take a break in because of its proximity to Cork Airport, its location on the Wild Atlantic Way, its beautiful scenery and the reputation of its people for being friendly. However, I fear that tourist numbers will decrease as sterling weakens. The UK accounts for approximately 40% of our overseas visitors and is our largest source of inbound tourists.

If sterling remains weak, exports to the UK will be more expensive and less competitive, but it will be cheaper for us to import goods. This will make it harder for us to compete. Britain is the first export market our small companies enter. Many people in Cork South-West depend on farming. Some 52% of Irish beef goes to the UK at present. Some 60% of Irish cheese exports go to the UK and 84% of Irish poultry goes to the UK. If sterling remains weak, this will have disastrous consequences for farming in Cork South-West.

Britain joined the EU in 1973 and held a referendum on whether it should stay in the Union in 1975. I am disappointed that the British people have not shown the same foresight in 2016 that they showed 41 years ago. I want to take issue with those Members of the House who have claimed that the result of the Brexit referendum was a victory for the working class in Britain. It is far from a victory for the working class in Britain or, indeed, in Ireland. This is far from a workers' revolution. It will not empower workers anywhere. Brexit was propelled by the same vague anti-immigrant sentiment that motivates a great deal of hatred around the world.

While the exact implications of Britain's departure from the EU remain unknown, economists are saying it is not good for England and we are bound to suffer here as a result. UK shares have remained uneasy in the wake of the vote. It is extremely important for us to remain calm. The Government's main task now is to minimise the effect of Britain's exit from the EU on Ireland. My party and I will support the Government fully in this task. While I respect democracy, I believe the British people have made a huge mistake for themselves and for us here in Ireland. We need to send a clear message that we want to remain in the EU.

Minister for Finance (Deputy Michael Noonan): I join colleagues in expressing disappointment at the outcome of the UK referendum. The UK has been a valued ally for Ireland within the European Union. However, the UK electorate has spoken and we must fully respect its decision. It is important to remember that we are at the start of a process. The UK remains a full member of the EU and this will continue to be the case until the arrangements for its withdrawal have been completed. As the Taoiseach said, there will be no immediate change in the free flow of people, goods and services between our islands.

As Minister for Finance, I assure the House I will be working to ensure that throughout this process, we will seek to support the continuation of the important and mutually beneficial economic ties that exist between the UK and Ireland. I assure Deputies that officials in the Department of Finance have been actively preparing for the outcome of the referendum over a considerable period, for example, by developing the Government's contingency framework. A summary of the key actions arising from this was published last Friday. As part of the planning process, the Department of Finance has been liaising closely with the Central Bank and the National Treasury Management Agency, both of which have been preparing for this outcome and closely monitoring developments. This close engagement will continue.

When I spoke to the Governor of the Central Bank on Friday morning, he advised me that

the Central Bank is confident that the appropriate contingency measures are in place to address any immediate issues of financial stability that may arise. As part of the euro system and the Single Supervisory Mechanism, the Central Bank is closely monitoring the market impact and banking sector and will liaise closely with the Department of Finance again in the coming days. When I spoke with the chief executive of the National Treasury Management Agency on Friday morning, he confirmed that the agency has prepared for this eventuality, that it is well funded for this year and that its debt dynamics are improving. We are also engaging closely with the EU and international partners to ensure short-term volatility in the markets is closely managed.

In terms of the budgetary process, the national economic dialogue is being held in Dublin Castle this week. A number of colleagues in the House will have participated in the first session of the dialogue today. Unsurprisingly, the outcome of the UK referendum was a key discussion point this morning when the landscape for budget 2017 was debated. While it was not our preference, the outcome of the referendum is one we have planned and prepared for. The summer economic statement set out a macroeconomic assessment of the impact of a UK decision to leave the EU. We know the decision that has been made will have an adverse impact on the growth outlook. Our initial estimate, based on the assessment in the summer economic statement, is for reduced growth of approximately 0.5% for 2017. The fiscal space of just under €1 billion for 2017 set out in the summer economic statement is not expected to change very much because the factors used to calculate it are largely fixed at this stage.

The estimates of fiscal space for 2018 and beyond depend on the impact on our macroeconomic and fiscal position. At this point, it is far too early to speculate on potential impacts. The Department of Finance will produce its next official forecasts for the budget in October. These will contain updated estimates of economic growth, public finances and the fiscal space. It is worth pointing out that the fiscal rules focus on the structural, or real, state of the public finances, but also contain specific smoothing mechanisms so that expenditure should be insulated to a reasonable degree from the effects of the cycle and from one-off volatility. Our proven track record is evidenced by the fact that on Friday, immediately after the UK vote, one of the main credit rating agencies, Standard & Poor's, said that the UK's vote to leave the European Union "does not immediately affect" Ireland's A credit rating. It noted that it expects "the Irish economy to stay resilient enough to withstand the negative impact of the Brexit".

As the Taoiseach noted on Friday, it is important to reiterate that Ireland's future lies within the European Union. We will continue to work with our EU partners to develop and implement policies that will deliver jobs, stability and growth for our citizens. Of course, we will also continue to work to maintain our excellent bilateral relationships with the UK.

**Deputy Jim O'Callaghan:** As the Acting Chairman, Deputy Durkan, will be well aware, for centuries the history of this island has been dominated and overshadowed by its relationship with the neighbouring island. For most of that time, the relationship was poisoned because of colonialism and oppression. Fortunately, the past 100 years have been different and there have been great improvements in that relationship. Independence has enabled this country to become more than a mere provincial backwater of the United Kingdom. Despite those improvements, in the years after Independence the Irish people never fully achieved their potential. Economically, we still lived in the shadow of our dominant neighbour. That changed when the people voted in June 1972 for Ireland to become a member state of the then European Economic Community.

This country has prospered enormously as a result of its membership of the European Union.

Notwithstanding the flaws and failings in a project of such magnitude, since we joined the EU we have made progress as a people. Our country and its people have attained a better quality of life. Workers' rights have been protected through the introduction of European employment legislation. The structures of the State have been modernised to the extent that we are now recognised as a fully independent and equal member of the Union. As we joined the EEC on the same day as the UK, the progress of both countries in certain areas has been quite similar during the past 44 years. We have advanced to being a modern, successful and independent country that attracts foreign investment, encourages domestic enterprise and provides social protection for those who need it. As a result of the UK's vote to leave the EU, this country has a very important decision to make. Do we revert to aligning our destiny with the fortunes and future of our large neighbour or do we align ourselves with the future of the EU? I believe we must align ourselves with the latter. If we are ambiguous about where our future lies - if we, out of fear, decide to manoeuvre ourselves closer to the British model - we will regress economically, culturally and intellectually as a country. We will become a province once again, rather than a nation once again.

While I note and welcome the Taoiseach's statement that Ireland's national interest is our primary goal, we need to be very clear about what our national interest entails. The choice facing this country is in many respects similar to the choice that faced the British people last Thursday. We can either turn our back on a European project that, although it has its faults, has changed the politics of this Continent for the better over the past 50 years. Alternatively, we can seek to emulate the narrow nationalism and insularity at the core of the Leave campaign in Britain.

The result of last week's vote has particular consequences for Ireland because of our proximity to the UK. The absurdity of seeking to set up barriers on borders between European countries is exposed when one looks at Northern Ireland. We must assert unambiguously that this State will not tolerate the erection of a Donald Trump-like Border or controls between the two jurisdictions on this island.

The vote in the North was revelatory and different. In fact, for the first time many of the voters in Northern Ireland decided to vote not on the basis of their religious identity but, instead, on the basis of what they thought was best for them, their families and the North. The significance of the Northern vote has evaded many people, including Sinn Féin. On an issue which affected the constitutional position of Northern Ireland, people of a Unionist persuasion voted in significant numbers to remain unified, not just with the South but with all of Europe. Those of us who aspire to Irish unity recognise that this unity can only be achieved through cooperation and harmony and through our joint membership of the European Union. A significant percentage of the Unionist population recognises that. However, by immediately calling for a Border poll, people have diminished the significance of the vote that took place in Northern Ireland by seeking to frame the result in the traditional orthodoxy of northern politics. Sometimes sophistication is required in politics rather than orthodoxy.

Britain has taken a regressive step but such a step is not surprising considering the negative coverage given to the European Union by the British media and politicians over the past 30 years. The suggestion that Britain is not independent is simply nonsensical. It is a sign of independence that if a country wishes to leave the European Union, it can. It is a voluntary arrangement.

The British vote teaches us many lessons, two of which I want to identify. First, there is a

noticeable shortage of serious English political figures at the highest level of British politics. Unfortunately, many of the significant political figures in Britain today regard politics as a game and as a means of achieving schoolboy ambitions against rivals who have similarly held views on politics. Brendan Behan reminded us about how "on the playing fields of Eton, we still do thrilling things". It now appears that on the playing fields of Eton, they also do silly things.

The second lesson is to beware of populists. The debate in Britain was won because of the self-interested and self-promoting advocacy of populist commentators who, not long ago, had transformed themselves into politicians. People need to realise that politicians who promote simple solutions, who condemn their opponents, who refer to unelected elites and who seek to castigate their political opponents for treason or dishonesty are politicians who peddle in populism, fear and false hope. Voters need to see through that type of populist politics. Unfortunately, it is too late for the people of Britain. It is important in this country, however, we see through that populism.

**Deputy John Paul Phelan:** It is difficult to know where to start in this debate about what happened last week because there was a sense among most analysts and pundits, as well as politicians across these islands and further afield, that the British people would do what was perceived to be the right thing in the end. They did not, however. There was some evidence from the markets and other sources that the result might have been different. It was clear, however, from when the first results came in from Newcastle and Sunderland that the exit side of the argument was going to win the referendum campaign when the count was finally completed in the early hours of Friday morning.

It is also apparent since that night that no real effort was put in on the part of the exit campaign as to what would happen if it were victorious. This begs the question of many of those exit campaigners involved on the British Government side if they wanted a successful outcome at all. There has been little by way of evidence that they have any strategy as to how matters may progress from here.

There are several possible outcomes. One which has been floated, and one with which we would be familiar on this side of the Irish Sea, is that there might be a second referendum. The second, which is more likely, is that a political stalemate will ensue for some time. The outgoing British Prime Minister has indicated he will not activate Article 50 of the Treaty on European Union for the next few months, while other heads of European institutions, as well as European Heads of State and the European Union, have indicated they wish the process to begin quickly.

It cannot begin quickly, however, because of the unique constitutional position in the UK, whereby agreement has to be garnered from the Parliaments in Scotland and Northern Ireland. There the results of the referendum were very different from the results in England and Wales. What we have seen emerge is a strange coalition between communities in England, in particular, which would be viewed as being disaffected, having suffered significantly and economically since the late 1980s and the early 1990s, and a group of people, who could be best described as little Englanders and who have a nostalgic view of the days of empire and Britain's place in the world, which does not seem to have changed much over the past 200 years. Like many Members, I have family and friends living across the United Kingdom. It is worth pointing out there was an undercurrent of racial tension in much of the exit campaign, which has not been mentioned much. It was a factor which seemed to have a significant impact on how many people voted.

It was also interesting that, in the immediate aftermath of the referendum itself, a significant number of people expressed the view that they did not believe that exit would win and their vote would not count. This is a relic of the fact that the British system has many safe parliamentary seats where votes do not tend to count. However, in a referendum campaign, as we know in this country, every vote is counted.

We need to ensure from an Irish perspective that we act in our own national interest. My lifetime has largely coincided with Britain's and our membership of the European Union. That membership has ensured that our utter economic dependence on the United Kingdom, until we joined the European Union, has been broken. That is not to say we should cut off her nose to spite our face just because the British appear to have done so last week. We have significant businesses, as well as businesses of all sizes, which depend on the British market for exports. It is imperative this market be kept open.

Ireland also has the issue of having a land border with the UK and the impact of this referendum on that remains unclear. I was struck yesterday as I watched the European championship match by a tweet of the Daniel Patrick Moynihan quote in which he famously said, "To be Irish is to know that in the end the world will break your heart." I suppose to be Irish is to know that, in the end, the British will quite often break one's heart. It seems nothing much has changed in that regard.

**Deputy Martin Kenny:** I also want to express my condolences to the family of Jo Cox who was murdered last week in England. It was a terrible tragedy which overshadows the tragedy of the Brexit.

The Brexit vote in Britain signifies a great negativity towards the EU in Britain. It should send a message to all EU Governments as to how they operate and conduct all EU affairs. Economically, Brexit has the potential to be a complete disaster. We are where we are, however. Now we have to ensure this decision by the British electorate does not adversely affect Ireland, North or South. We particularly want to ensure that our huge agrifood export trade with Britain is not affected negatively and cross-Border trade is protected in this new scenario.

We have already worked towards a voluntary all-Ireland label for agri-produce. We must ensure the Minister for Agriculture, Food and the Marine and the European Commissioner for agriculture push forward with this voluntary all-island label for farmers north and south of the Border. We need a commitment from the Government to ensure sustainable family farm incomes are kept up. We must ensure large quantities of our dairy produce move back and forward across the Border. We have to ensure the compatibility of regulations and standards at all stages of the production process continues, so there is a level playing field for dairy farmers on both sides of the Border. I suggest that the Minister for Agriculture, Food and the Marine urgently call a meeting of the beef forum to address the uncertainty that this development will cause in our beef markets. A large amount of our beef goes across the Irish Sea. Farmers and our food industry are very concerned about the impact of sterling valuations and, in the longer term, tariffs, animal health requirements and competition from outside the EU negatively affecting our farming industry.

There must be co-operation between both Governments and the Northern Executive to maintain and improve the relationship that exists between North and South and the European Union, and the people of the North must be kept in mind when we are negotiating in these institutions. It is true that in time this process may lead to a referendum on Irish unity, but for

now it will take the form of ensuring that the Ministers in the North can deal directly with the institutions in their own right.

Sinn Féin is no fan of unquestioning membership of the EU, and the party has been consistent in its criticism of the Government for being the voice of the EU here at home instead of being the voice of Ireland in the EU. Reform of the EU has been necessary for decades, but it is not just the EU that needs changing. We also need to change the attitude of our Government, which seems to think that, having sent representatives to Brussels, they can come back and tell us what the EU wants us to do. Never was that point so well illustrated as when we saw the Taoiseach say that he would not look for a write-down of the huge debt with which we were lumbered.

The EU can only proceed at the pace sanctioned by the democratic will of the people. The distance that has developed between the institutions and the people of Europe is not just an English thing or a Welsh thing; it is a European thing. The widening gap between the people and the EU has left space for the right wing to grow and prosper. It was not only racist and backward people who voted for England to get out of the EU, but the vacuum in leadership has allowed the likes of Boris Johnson and Nigel Farage to come to the fore. It is frightening to think that Donald Trump could be the President of the United States and Boris Johnson Prime Minister of Britain. It is also a frightening prospect that at a time when the policies of the big powers are driving people out of their homes in the Middle East and into Europe, the right wing and its ideology based on hatred and greed is coming to the fore more and more.

Our small business sector is also in turmoil at the prospect of border controls and tariffs having an impact on our exporting businesses. Currency fluctuations may move profitable enterprises, many of which are scattered throughout rural Ireland, into the loss-making bracket. They may require financial support to survive and to continue to provide employment and export their products. I suggest that the Taoiseach, when he goes this week to the EU, seek access to additional funds from the European Commission to sustain our agriculture and exporting businesses, as they will undoubtedly need support through the period ahead. England and Wales have decided to exit, Scotland wants to stay and the North wants to stay. That is the democratic mandate of the people. This is the difficulty that we all have to face today and in the future. We need a plan but we also need to put a fund in place. Many businesses in Ireland will be affected negatively by the impact of Brexit and the Government needs to seek additional supports from the EU to sustain them, because we are in a particularly dangerous position.

Minister for Public Expenditure and Reform (Deputy Paschal Donohoe): On Friday morning, I received a text at approximately 4.45 a.m with the result. I got up when I received the information, but I was not surprised, given the results that had been coming in the previous night. Like many other people who are interested in the matter, I watched the news and then daily life had to begin. I walked into my son's room to get him ready for a day in school. As I helped him get ready, it dawned on me that the political freedoms I have enjoyed and had assumed would be passed to the next generation are now in doubt as a result of the vote. That kind of assumption about the freedoms we all earned and have at times taken for granted is now fracturing. This must harden the resolve of all of us in this House, both in government and outside it, to reattach ourselves to the principles of the European Union, what it means and what it can mean for Ireland in the future.

An assumption that has been articulated during the debate which concerns me is that the future faced by the European Union is one of the current European Union minus the United

Kingdom. In fact, that is just one of many scenarios that could unfold in the coming years and beyond. What we are now seeing happening in the United Kingdom following the result of the exercise of the democratic right of its people is something that may have consequences for the foundations and structure of the European Union for decades to come. This risk is something that must make all of us rethink how we think about Europe now and in the future.

I listened with great interest to what Deputy Martin Kenny said and I understand the case he is making regarding the need for a fund for Ireland to deal with many of the legitimate concerns he articulated. I hope Deputy Kenny accepts that I make this point in a non-partisan manner, but what I am struck by is that his party, Sinn Féin, has campaigned against the European Union for many decades and championed-----

# **Deputy Martin Kenny:** The treaties.

**Deputy Paschal Donohoe:** No; it has campaigned against the European Union. I have been in this Chamber and heard Sinn Féin Deputies describe the European Union in terms which would of course cause doubts, and I accept their democratic right to do so. However, we should not be surprised, after decades of comments on this project in what were at times exceptionally negative terms, that that would have consequences in terms of how people feel about the European Union in the here and now. The treaties that Sinn Féin and others campaigned against are the very treaties that they want Northern Ireland and that I want Ireland and Northern Ireland to be party to. I make the point in the spirit of our need to understand that the cumulative effect of decades of such comments, sometimes made in the heat of political debate, as well as decisions that were many times wrong - although I wish it were otherwise - have all combined to create an environment in which the political well of public opinion that the European Union depends on is now at the very least muddied, and we know it could go well beyond that. There is a need for all Members of the House to look at the principles and the vision that led to the foundation of the European Union and ask, through that prism, how we can stand over and rebuild what is now there, because the need has never been greater.

I will conclude by confirming two matters. The first is that the budgetary assumptions that have underpinned the budgets for 2016 and 2017 will not change as a result of this vote. However, there will be bigger effects in the future that could well have an effect. This is something the Government has already acknowleged. The second point with which I wish to conclude is that we have seen people on the far left blame much of what is wrong with the European Union on the role of elites and we now see people on the far right blame much of what is wrong in the European Union on immigration. The common casualty in both narratives is Europe and the European Union. It appears to me that it is now brave to be moderate when it comes to causes such as this one. We all need to articulate that moderation more as well as the values of compromise and consensus. In doing that, we must ensure not to shy away from acknowledging the huge value of a European Union that now faces as many threats as it does opportunities.

**Deputy Jack Chambers:** The events of the past few days have been deeply disappointing and, on a personal level as someone who has lived my whole life with Ireland as a member of the European Union, I feel particularly disappointed for the young people in Britain whose future is now shrouded in such uncertainty. It is truly saddening to see a vote driven in so many ways by a campaign based on fear, hatred, misconceptions and, ultimately, the projection of blame on some of the most vulnerable in society. These are the very people the EU was set up to help and protect and for whom it was to provide opportunities.

It is imperative we now use this time to undergo serious introspection and examine what we need to do here to ensure we are not the ones who pay the price for Britain's decision to exit the EU. Brexit has the potential, if we do not act properly and decisively, to destabilise our economy. The ESRI has calculated that our bilateral trade with Britain could fall by up to 20% and there could be a possible fall in our GDP by 0.5% to 1.2%, based on our treasury estimates. Such a change would greatly affect our fiscal space for the years ahead. As with so much of this, a lot of it is speculation and guesswork.

We just do not know what is coming around the corner but we need to be prepared. This is why we need to examine every facet of our industrial, economic and agricultural policies among other areas. We have to ask ourselves whether we need to rejig things to respond most effectively to these seismic events. I am not calling for knee-jerk reaction; I am saying we need to take a considered and careful look at everything we do. This approach must be led from the top, from the Taoiseach, the Government and the Parliament. We must all be united and constructive in our approach to this. The consequences of us not responding properly are too severe, particularly as the economy continues to recover and gather pace.

On this island, we are in a unique position. I have been deeply disappointed, but not surprised, by the response from Sinn Féin. Now is a time for careful and considered debate, not rash knee-jerk reactions, but Sinn Féin simply could not resist and could not help itself in its snap calls for a Border poll. Part of me thinks that Deputy Gerry Adams, based on his statement, and Jeremy Corbyn, based on what he said before the referendum, are very similar and maybe deep down they both secretly wanted a Brexit. The calls for a Border poll were opportunistic and cynical. It is no surprise Sinn Féin is using this occasion to batter the EU, as is its wont, with classic negative commentary. I appeal to it and to all Deputies to focus on the values and ideals of what the European Community stands for, what it can offer and what people want it to deliver.

We need to accept that for whatever reasons, 17 million people in Britain voted to leave the EU. In this current crisis, and taking into account the British result, there is a need for reflection by all European countries and people regarding the disenfranchisement that exists and the disillusionment that many citizens feel with the EU. I fully and truly believe in the European project as a process of peace and co-operation, and I know it can deliver economic and social opportunities for all citizens. However, we must recognise there is a democratic deficit that requires reform. There are decision-making powers which are excessively concentrated in a European elite. Eurocrats need to be levelled with democracy.

Let us take the European Parliament. It is the only true and direct democratic Chamber of the collective European people. With treaty changes it has been granted more decision-making powers but in some cases it merely provides a democratic slant to an undemocratic system. Now is a time for Ireland to lead a process of reform within Europe to deliver greater outcomes for all citizens. It is worrying to see a number of foreign Ministers from the central European economies meeting together in advance of the European Council meeting with no consultation or engagement from peripheral countries such as Ireland.

I fear there will be excessive input from these countries which have different interests to Ireland regarding Brexit. From their perspective, the incentive is to force other countries to shy away from exiting the European project. This might result in a negotiated exit that is contrary to Ireland's interests. We must ensure we are central to these negotiations and utilise all diplomatic potential. The consequences for Ireland in terms of trade, travel, peace and future

prosperity make this negotiation period crucial in our national interest. We must also advocate for reform in Europe to empower the democratic institution that is the European Parliament to make citizens more involved and to give greater democratic ownership of decision-making competencies.

Acting Chairman (Deputy Bernard J. Durkan): Thank you, Deputy.

**Deputy Jack Chambers:** I will conclude now.

Acting Chairman (Deputy Bernard J. Durkan): I want to try to squeeze in the last two or three speakers.

**Deputy Jack Chambers:** We have pooled our sovereignty over time, but it is important that we democratise the core of the European Union so we can dilute the worrying anti-European sentiment that is apparent in many member states. It has been stated that when people work together it can show them that beyond their differences and geographical boundaries lies a common interest.

Acting Chairman (Deputy Bernard J. Durkan): Thank you, Deputy.

**Deputy Jack Chambers:** I will conclude now.

Acting Chairman (Deputy Bernard J. Durkan): I know. We will not get them in otherwise.

**Deputy Jack Chambers:** One sentence.

Acting Chairman (Deputy Bernard J. Durkan): Go on.

**Deputy Jack Chambers:** That common and shared European interest needs to be retained and nurtured for citizens-----

Acting Chairman (Deputy Bernard J. Durkan): Thank you, Deputy.

**Deputy Jack Chambers:** -----so the Brexit of today is not replicated by other countries throughout the Union. Monnet said that there is no future for the people of Europe other than in union. This is the same today.

Minister of State at the Department of Finance (Deputy Eoghan Murphy): I am sorry I was not here for more of this important debate, but I was participating in the National Economic Dialogue in Dublin Castle. I have heard and read some very considered and worthwhile contributions throughout the course of the day. This issue was very much a part of the discussions at the National Economic Dialogue, where the theme was growth towards a just society. We cannot grow towards a just society unless we are all growing together and unless everyone is sharing in that growth. We cannot have a just society if it is not also perceived to be just.

An important lesson we must take from the Brexit vote, and the state of UK politics more generally, is that in everything we do and in every decision we make we must seek to address those imbalances in our economy and our society which have persisted for far too long. They were there in the boom times and not addressed then, and they are with us still. They have been joined by new problems and inequalities.

The distance between politics and people is growing, and not just with regard to politicians,

but also those in positions of authority. This manifests itself today in some very worrying trends for political debate, in how political debate has become more divisive and in how the authority which facts hold is too readily dismissed. We saw in the UK debate a leading exit campaigner stated "people in this country have had enough of experts", and this was accepted as a legitimate position to take when confronted with uncomfortable truths. Without some shared truths in the centre, our political and social contract will not hold.

Here, we have a duty to protect our discourse, to agree on and protect facts and sources of authority before we then disagree on policy, but even this is not simple. It is almost impossible if people do not feel they have a legitimate, meaningful and respected stake in the future of this country, and not just the future of Ireland but the future of the European Union. The Union has some questions to ask itself in this regard.

The decision made last Thursday by a majority of the UK electorate will leave a lasting legacy, and its impact on the future of these islands will emerge over the coming months and years. Our task now is to help shape that legacy in a way which protects Irish interests. In this regard I will very briefly outline some of the work in the financial services sector for which I have responsibility. The IDA's mandate is to maximise investment for Ireland and nothing has changed in this regard. Last week, the IDA's chief executive, Martin Shanahan, stated his agency will liaise directly with its more than 1,200 client companies and potential investors over the coming weeks to work with them on the implications of the vote. I have met some of these companies and industry representatives in recent weeks.

New opportunities may arise for Ireland in certain sectors, many of which already form part of Ireland's international financial services marketing strategy. We will continue to implement our clear strategy for driving growth in the financial services sector and we will maximise any opportunities that might arise. The Government's international financial services strategy, IFS 2020, is a framework in which public and private stakeholders will work to ensure the further growth and development of the sector in Ireland. The sector now employs about 38,000 people across more than 400 companies, with 10,000 of these employed outside Dublin. At our recent quarterly meeting on the 2020 strategy, we discussed Brexit and its possible implications. I travelled to London as part of our contingency planning in advance of the vote, to better understand the challenges we now face.

This is not the outcome that we wanted, but our strategy is robust and we will work to the new challenges and opportunities presented. The strategy seeks to ensure that we protect the progress that has been made, but also develop further as we recognise that we cannot stand still. The fact that Ireland will be the only English-speaking country among those EU members committed to continuing in the Union, and a member of the eurozone, is a very attractive proposition. In terms of vision for the strategy, we want Ireland to be recognised as a global location of choice for specialised international financial services, building on our strengths in talent, technology, innovation and excellent client service, while focusing on capturing new opportunities in a changing market and embracing the highest forms of governance.

The strategy places an emphasis on aligning and co-ordinating the marketing and branding of the IFS sector and utilising the embassy and consulate network in targeting regions. Significant progress has been made regarding the 2016 action plan for IFS 2020. The launch of an IFS banner brand which the IDA and Enterprise Ireland will continue to roll out at home and abroad as part of the strategy is one such successful measure. That brand will allow the financial services sector to promote the opportunities Ireland has to offer. We will be marketing that brand

vigorously over the next 12 months in Asia, America and elsewhere. The second annual European Financial Forum will be held in Dublin on 24 January 2017. That event will build on the success of last year as a platform to engage leaders from both the public and private spheres in discussions and debate. The forum will also help to showcase Ireland's international financial services, IFS, environment to an international audience and to highlight the Irish Government's commitment to the development of IFS. While themes are still being developed, the recent decision by the UK should serve to make this forum very popular.

The IFS 2020 strategy is a flexible and dynamic strategy and the next action plan will aim to contribute to the progress we have made and to maintain our momentum into 2017. As with the 2016 action plan, the 2017 plan will be finalised following consultation with relevant stakeholders. In short, Ireland's advantages for inward investment remain intact despite the outcome of the vote last week.

For now, I believe it is worth reiterating the comments of the Taoiseach which underlined that the UK has not left the EU for now. Until it does so following the Article 50 negotiations, it remains a full member with its existing rights and obligations. There will be no immediate change to the free flow of people, goods and services between our islands.

Acting Chairman (Deputy Bernard J. Durkan): We are not going to conclude this debate tonight. I call on the next speaker, Deputy Billy Kelleher. Deputy James Lawless is present in the House and is the next speaker on the list after Deputy Kelleher.

**Deputy Billy Kelleher:** I quote Mr. Winston Churchill: "To build may have to be the slow and laborious task of years. To destroy can be the thoughtless act of a single day." Last Thursday, in those terms, that quote is something that could come true. When we look at the European project and what it was established for and the success to date in achieving peace across a Continent that has warred between various powers for over a century, we see an indication of its success.

I believe Europe today is under threat. It is under threat from those on the left and those on the right who, very often and for different reasons, combine around a common cause. For example, in the context of austerity, many people attacked the EU for imposing austerity in certain member states. There is no doubt that it did. Ireland itself was one of those countries that suffered in terms of the imposition of austerity on the people with regard to the banking debt. What people fail to realise is that the UK itself is not a member of the eurozone. It did not experience the same level of austerity that was imposed on other nations because it was outside of the eurozone. Many of the decisions that were made in terms of cuts to budgets and public services were as a direct result of Conservative Governments in the UK. I believe we have to be very conscious when loosely throwing words and slogans about austerity around the place that we decipher the myths from the reality. There is no way that one can blame the EU project for the impact of cuts in services in Newcastle, Sunderland, parts of the valleys in Wales and right across the UK.

The success of the European project can be shown by the fact that people in war-torn parts of Syria see Europe as a beacon. They see it as a place in which they can seek refuge, support and services and from which they can hopefully return home at a later stage. The European project has singularly been a huge success and sends a strong light across the rest of the world. When nationalism is parked up and states come together to co-operate, pool their resources and skills and work together in harmony and peace for the betterment of their people, it can be a

success. I believe that any casual assessment of the European project since its inception would show that it has been a success.

Workers have been the greatest beneficiaries of the European project. Most of the health and safety and employment rights and most of the legislation that national parliaments have passed over the last 20 years have been at the prompting of the EU. It has forced national governments to accept that workers have a fundamental right to basic levels of pay and protection, both in terms of remuneration and health and safety. We have very casually brushed those successes aside because we may not be happy with a certain decision that the EU has foisted on an individual country. Overall, the project itself has been very successful.

There has been a huge failing in an EU context in the democratic deficit that is often high-lighted. Very often people raise it as a problem, but just as often they do not come up with any solutions to address it. Equally, member states are slow to praise the EU and quick to castigate it. Any time there is an unpopular decision, be it in this House or in any national parliament across the EU when the EU directives are being implemented, we blame the EU itself. Member states and member governments have an uncanny knack of doing that. At the same time, the overarching principles of the EU have served us well.

I regret hugely the decision of the UK to vote to leave. When it is broken down into the member nations, Wales and England were the two countries that rejected membership of the EU. There is no doubt that there is a certain element of nationalistic pique in the decision that was made. We have to deal with what has been thrown up in terms of what we must do as a country. This is no time, as the leader of the party pointed out, to give England a bloody nose. We as a nation have huge obligations to the people in Northern Ireland and across Europe to ensure that whatever decisions are arrived at in negotiations, we must try to accommodate those who live on this island to ensure that there is no hard border and no imposition of customs, securities and tariffs that could impact the daily lives of people North and South.

The EU has been a great supporter of the peace process in Northern Ireland. We owe it to ourselves, to the people in the North and, just as importantly, to Europe itself, to ensure that it has the capacity and the wherewithal to withstand this potential threat both in the context of Brexit as well as in the broader issue of threats from the left and the right, who seek to bring it down and revert to a nationalistic Europe, something that served nobody well over the past 100 years.

**Deputy James Lawless:** I am conscious of time. I wish to make some brief observations.

Acting Chairman (Deputy Bernard J. Durkan): You have about three minutes.

**Deputy James Lawless:** I will be succinct. The referendum is a blunt instrument at the best of times. In this country, we have seen how divisive referendum campaigns can be. I think we have learned something from them in this country. If we look at the UK result, one of the points made in the immediate aftermath was about the veracity of some of the claims made by the Leave side, in particular. We have learned in this jurisdiction to use the Referendum Commission, which at least poses a test for factual claims made during a referendum campaign.

Another problem with the referendum is the binary nature of it. It is a question of "in" or "out". There is no plan C. I wonder had there been an option to reform the EU on the ballot, if it would have gone through. It reminds me of the Seanad abolition referendum campaign. The question was whether one wanted to abolish the Seanad or keep it. Reform of the Seanad was

not on the table. The binary nature of these decisions can be unhelpful when trying to reach some kind of political consensus.

In this country, we deeply regret the outcome. It is patently a bad result for Ireland, the UK, Europe and the world. However, we have to recognise the legitimate mandate of the democratic will of the British people. It was by a small margin, but nonetheless, 17 million people voted to leave.

I believe the EU has a fundamental problem. It needs to reconnect with its citizenry. It has invested in the regions on the periphery but it has not communicated that investment. In recent times - austerity and other recent difficulties have been mentioned - it has dealt a raw deal to certain countries, including our own country during the bailout and subsequent negotiations with the bondholders, etc. Very little flexibility was shown to Ireland and to other smaller member states. In Italy, we saw a situation in which the Prime Minister was effectively imposed. We have seen other examples elsewhere. These were unhelpful, as indeed was the decision of the six founding countries to get together last weekend. That did not send a message of inclusiveness to the other nation states remaining within the EU. Europe needs to reflect on that itself and consider how it goes about it.

We must look at the political malaise. When effectively the entire establishment of a country is in favour of something and the people still reject it, we must ask questions about the democratic deficit and political engagement. We have seen it happen in this country on other issues as well.

On a more positive and practical note, while we have to deal with this regrettable result, we must also deal with the consequences. It has been speculated and suggested that many firms may turn their gaze towards Ireland to relocate, increase investment or move firms and FDI to this jurisdiction. This is to be welcomed. It is not opportunistic to express this. It is simply responsible. When one's boat is being rocked by a wave from offshore, one does not worry where it comes from but rather takes steps to steady one's own ship.

The IDA, Enterprise Ireland and similar agencies must be tasked and resourced to have immediate plans in place to cater for these expressions of interest.

**Acting Chairman (Deputy Bernard J. Durkan):** I am sorry to intervene, but I must ask the Deputy to move the adjournment of the House and of this debate. The Deputy will have a couple of minutes to contribute on the next occasion.

**Deputy James Lawless:** In conclusion, we need to resource these agencies and be prepared to accept economic investments if they are relocating. It is the responsible thing to do to resource these agencies appropriately.

The Dáil adjourned at 8 p.m. until 2 p.m. on Tuesday, 28 June 2016.