



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

TUAIRISC OIFIGIÚIL—*Neamhcheartaithe*
(OFFICIAL REPORT—*Unrevised*)

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DÁIL ÉIREANN

Dé hAoine, 27 Márta 2015

Friday, 27 March 2015

Chuaigh an Ceann Comhairle i gceannas ar 10 a.m.

Paidir.

Prayer.

High Pay and Wealth Commission Bill 2014: Second Stage [Private Members]

Deputy Thomas P. Broughan: I move: “That the Bill be now read a Second Time.”

I thank the Deputies who are present this morning. I welcome the opportunity to discuss the High Pay and Wealth Commission Bill on Second Stage. The Bill provides for the establishment of a high pay and wealth commission on a permanent basis in the Central Statistics Office to carry out research on levels of pay and wealth in the State, to inform public policy in order to promote a fair income distribution across society, and to provide for related matters.

I also welcome the establishment of the Low Pay Commission, which I hope will be on a statutory basis as soon as possible. I also hope that the new Low Pay Commission will quickly move the national minimum wage of €8.65 an hour to a national living wage which is calculated at €11.45 an hour.

The genesis of the High Pay and Wealth Commission Bill before us lies in my efforts and those of other Opposition Deputies in the 31st Dáil, many of whom are here this morning, to develop progressive budgetary policies to end cutbacks and austerity. Last October, I made an independent submission on taxation and spending measures which would have delivered a progressive balanced budget but during the preparation of those policies, I again noted a dearth of information across widespread areas of higher income and wealth distribution in Ireland. While there is long-standing useful information on much of public sector and social protection incomes, there are huge gaps and unknowns in the information on earned income and levels of wealth in the Irish economy. The Bill seeks to remove this serious drawback for future framers of public policy.

Over the decades, valiant efforts have been made to remedy this information deficit. Brian Nolan’s seminal work in 1991 for the Combat Poverty Agency entitled *The Wealth of Irish Households* was a benchmark study based on the ESRI’s 1987 Survey of Income Distribution, Poverty and Usage of State Services. Mr. Nolan’s work famously began, “little is known about the wealth of Irish households and the forms in which it is held” and made the critical observa-

tions that general surveys do not provide a reliable source on small subsets such as the top 1% of the population, and that the best-off households are less likely to respond to such surveys.

The key definitions under section 2 are of “high pay”, which is defined as “gross income from employment or other sources in excess of €80,000”, and “wealth” which is defined as “net wealth, which is the value of an individual’s gross stock of assets after the deduction of all debts and liabilities”. Since 1991 and up to very recently, the Irish public and policymakers have had to rely mainly on international studies and so-called rich lists to gain any insight into the levels of higher incomes and stocks of wealth. One such service is the Credit Suisse investment bank’s annual global wealth reports, and the Credit Suisse 2014 report puts Ireland into a list of countries with medium wealth inequality. That means the richest 10% of households, or the top decile, owns more than 50% of the nation’s wealth. According to Credit Suisse, Ireland’s top decile of households owned 58.2% of national wealth in 2000, 57.8% of that wealth in 2007 and still has a staggering 58.8% of national wealth in 2014.

The Irish public is also familiar with *The Sunday Times* rich list and *Forbes* magazine’s “world’s billionaires list”, where 1,826 billionaires, worth \$7.05 trillion are identified, and where most of the top 100 names have personal wealth greater than many countries’ gross national product. A few weeks ago in the *Sunday Independent*, Mr. Nick Webb produced that paper’s Irish “rich list” for 2015, with 300 billionaires and millionaires named having a total wealth of €84.4 billion, with a whopping increase in wealth of €13.65 billion over the past year. The top 20 has the usual super-rich personalities, including the Mistry family with €14.5 billion, Mr. Denis O’Brien with just under €6 billion-----

An Ceann Comhairle: The Deputy should refrain from naming people in the Chamber.

Deputy Thomas P. Broughan: -----Mr. Martin Naughton with €1.6 billion, Mr. Dermot Desmond with-----

An Ceann Comhairle: No. It is established practice that we do not name people in the Chamber.

Deputy Thomas P. Broughan: This is in the *Sunday Independent*.

An Ceann Comhairle: I do not care where it is. This Chamber has its own rules.

Deputy Thomas P. Broughan: U2 have €700 million.

An Ceann Comhairle: Please adhere to my ruling.

Deputy Thomas P. Broughan: It is public knowledge.

An Ceann Comhairle: It is not.

Deputy Thomas P. Broughan: I am seeking that-----

An Ceann Comhairle: There are rules in this House.

Deputy Thomas P. Broughan: That is what the Bill is about. We want to know what those people have in order to frame policy.

An Ceann Comhairle: There are other ways to find out. This is the national Parliament.

Deputy Thomas P. Broughan: Mr. Nick Webb, a journalist, tells us that the sources for these figures include stock market shares listed in Dublin, London and New York, as well as stakes in private companies and the most recent sets of accounts from Irish, UK and Northern Irish company offices. However, he concludes that financial digging can only uncover so much and that some people were excluded from the list because their finance or the finances of their companies were too opaque for us to accurately assess. We know now, thanks to Swiss leaks and Luxembourg leaks, that the information gathered may not necessarily show us the full, real picture of wealth. HSBC Swiss accounts were held by 353 clients associated with Ireland to the amount of around \$3.5 billion; of these 51% has an Irish passport or nationality. The Revenue Commissioners have recovered very little money from those accounts.

Those of us working closely with our constituents and listening to concerned Irish citizens know that inequality in Ireland is real; it is deepening in many areas and it is devastating for the majority of citizens in receipt of social welfare payments, in low-income employment and on zero hour contracts. The information gathered by the high pay and wealth commission I propose would further highlight the realities of wealth distribution in Ireland and allow for the Government to more appropriately address fiscal and economic policies.

The nine-person commission as proposed in the Bill will come within the established structure of the Central Statistics Office, with section 10 of the Statistics Act 1993 amended by inserting a new provision on a high pay and wealth commission. When I first prepared the Bill approximately two years ago, I considered amendments to the Companies Act and corporate governance but I eventually decided to go down the wealth commission route. The CSO has the expertise and skills to complete the specific functions proposed. Under Section 5, the commission will have a core role of regularly informing the public about levels of income and wealth across Irish society. Data collection and compilation of statistics on income and wealth will be the starting point. The commission's research will include best practice models of income distribution and try to determine appropriate structures in which the setting of executive high pay and other remuneration will be reformed. It will also have a role in developing more equitable fiscal and national economic policies.

In a very small way, this work has already begun, whereby the CSO is a member of the Household Finance and Consumption Network and carries out the household finance and consumption survey, which was published last month. However, this survey is limited to only 5,419 households out of 2 million and the usual problems persist with obtaining frank disclosure of income and assets by the very rich, whose instinct seems to be often to hide this income and wealth. There are 10,522 households that are contacted by the CSO. The Think-tank for Action on Social Change, TASC, released its research paper, *Cherishing All Equally: Economic Inequality in Ireland*, on 16 February this year and it highlights the growing inequalities in our country. We are at risk of reaching US levels of income inequality, with TASC's research indicating that Ireland is currently the "most unequal country in the EU ... before taxes and social welfare payments are included". Some commentators took much consolation in the fact that we are in the middle band of unequal countries, but these include many countries from the "accession of ten", where there is gross inequality.

The TASC report cogently notes that "the two poles of economic inequality are the concentration of income and wealth on the one hand and the number of people unable to meet their material needs on the other". TASC notes that "data on income distribution in Ireland is incomplete" but estimates that the top 1% of Irish income earners have 9% of gross income and the top 10% have 34% of gross income and, crucially, 42% to 58% of Ireland's wealth. That

indicates a need for the proposed commission. TASC concludes that gross income inequality in Ireland is the highest in the EU, while net income inequality in Ireland is close to the EU 28 average. It confirms the importance of progressive taxation and social protection. TASC also notes that while Revenue Commissioners data on income is an important source, it tends to act on “tax units” rather than individuals.

Many Deputies will be familiar also with the Pobal HP, or Haase and Pratschke, deprivation index, which clearly shows the geographical location of disadvantaged households in urban and rural Ireland. A recent Nevin Economic Research Institute, NERI, seminar analysed the changes in the composition of this index over time, including how some areas are very badly disadvantaged. Several OECD and World Bank reports also draw attention to a growing trend of income inequality across developed countries, including that entitled Trends in Income Inequality and its Impact in Economic Growth 2014, and many leading economists believe this growth in inequality undermines economic performance. Professor Joe Stiglitz, for example, argues that “ensuring those at the top pay their fair share of taxes - ending the special privileges of speculators, corporations and the rich - is both pragmatic and fair”. The economist, Professor Paul Krugman, refers to the Luxembourg Income Study, which shows that primary income and assets are very unequally distributed in nearly all countries. Various IMF studies have shown that reducing income inequality through redistributive methods does not hurt economic growth and actually helps it.

Just after this Bill was drafted I became aware of the work of Professor Thomas Piketty, entitled *Capital in the Twenty-First Century*, and I subsequently heard him outline its thesis at a TASC conference in Croke Park. I read the book last summer. Piketty builds on the research methodology of Simon Kuznets, an important economist in his field, to put the income distribution question back at the heart of economic analysis. Piketty uses a wide range of income tax, estate tax and national income and wealth data from the US, France, Sweden, Britain, Germany and other countries to produce capital to income ratios for each economy over the past 300 years. That demonstrates the sharp rise in wealth and income inequality since the 1970s, and it parallels what happened in the 19th century somewhat. He attributes ownership of 40% to 50% of national wealth by the top decile in the US after 2000 to the unprecedented rise in top managerial “compensation” - we remember how that was Dr. Tony O’Reilly’s favourite word - and to what he calls the “fundamental inequality formula of $r > g$ ”, where “ r ” is the average annual rate of return on capital expressed as a percentage of its total value and “ g ” is the growth rate of the economy. If “ $r > g$ ” for a period, there will be wealth accumulation, and people on the lower end of the income scale will find it really hard to survive. For Piketty, the solution to “the central contradiction of capitalism, $r > g$ ” is “a progressive annual tax on capital” or wealth.

The American labour movement journalist and professor, Sam Pizzigati, has long advocated the concept of a maximum wage. In the UK, the High Pay Centre, an independent think tank, has made important recommendations on how problems associated with high pay could be tackled. It was called the High Pay Commission and it is now funded by the non-governmental organisation sector. Australia had a public inquiry which we could have emulated into some of the outrageous pay levels it saw, and that reported in 2009.

This Bill refers to “anonymised information” in Section 6(1) but the most transparent societies in terms of income and wealth are clearly Sweden, Finland and Norway, the latter of which publishes every citizen’s income and tax details. Norway began this process in 1863 and its *skatteliste*, or tax list, includes everyone’s personal income, tax burden and where each citizen ranks on a list of national averages. Would it not be wonderful to have that in this country?

As Jan Omdahl of the *Dagbladet* newspaper wrote in 2007, is this not how a social democracy ought to work? Section 1 of the High Pay and Wealth Commission Bill cites the Title of the Act and states that it will come into operation six months after the Bill's passing. Section 2 provides for the interpretations while section 3 refers to the regulations which the Minister for Finance may infer and lay before each House of the Oireachtas. Section 4 states that the Minister shall instruct the director of the Central Statistics Office, within six months of commencement of the Act, to establish the commission as an executive office of the CSO. Section 5 outlines the three main functions of the commission and section 6 outlines the specific research project known as the "Executive Pay Project". Section 7 allows the Minister to confer additional functions on the commission after the order is passed by the Houses of the Oireachtas. Sections 8, 9 and 10 in Part 3 of Act refer to the composition, staffing and reporting of commission, while section 11 in Part 4 is the final section of the Act and provides for the amendment of section 10 of the Statistics Act, 1993 by way of adding a new subsection (4).

I am proposing in Section 6 that the High Pay and Wealth Commission will have a key role in beginning to address the problems associated with high pay, including very high levels of executive pay. Of particular importance is section 6(e) which deals with policy and legislative proposals in respect of bonuses payable to executives and the introduction of caps, timeframes and targets for such bonuses. I note that recently the chief executive of Bank of Ireland deferred some €150,000 of his €950,000 basic income, which was an interesting gesture. A crucial proposal is the development of pay ratios between persons receiving the highest and lowest levels of remuneration and other benefits across the economy, as provided for in section 6(f). The highest paid Irish executive, Owen Killian of Arysza earned €15.5 million in 2013 alone through remuneration and stock options.

An Ceann Comhairle: Excuse me, but the Deputy knows the rules of the House. Do not name people, please. It is not fair to the individual-----

Deputy Thomas P. Broughan: That is what this Bill is about. It is about naming people.

An Ceann Comhairle: I have to apply the rules of the House. The rules are that names should not be mentioned-----

Deputy Thomas P. Broughan: The rules are ridiculous.

An Ceann Comhairle: -----in this Chamber. Please adhere to them.

Deputy Thomas P. Broughan: Okay. According to Paul Sweeney in a recent article in *The Irish Times* entitled 'Super rich or super angry: where are you on Ireland's income pyramid?', it would take a person on the minimum wage 8,836 years to make what that gentleman makes in remuneration in just one year. Other incredible earnings disclosed by companies listed on the Stock Exchange in 2013 included €12.2 million for the chief executive of Tullow Oil, €7.32 million for the chief executive of Kerry Group and €6.98 million for the chief executive of Smurfit Kappa. Compare these outrageous, outlandish and disgraceful figures to the measly €17,542 per annum that a person on the minimum wage receives.

I am proposing that the executive pay project will seek to establish a process whereby excessively high pay can be addressed at a policy and even legislative level by these Houses. Again, generating accurate information on the extent and levels of pay will be a key starting point for the commission. We should not be closing our ears and getting upset when we hear these figures. This is reality out there in the economy, as the Ceann Comhairle knows very

well, given his business history. He knows a little about business, as do I. We need to know the facts. Actually, the working title for this Bill was “Paddy Likes to Know the Story”, which I believe is one of the Taoiseach’s favourite phrases. I am proposing that the commission will publish regular reports as part of this project and that it would prepare recommendations on the introduction of measures such as caps or pay ratios to halt the excessively high levels of pay awarded to executives, particularly in the private sector and to promote much fairer income levels for all workers and citizens.

I believe the establishment of the High Pay and Wealth Commission will be a very useful first step and a welcome addition to the economic research landscape. Its aim is to ensure that when Ministers come into this House they know what they are talking about in terms of income and taxation. That will allow us to have proper debates at budget time, rather than situations like we have just seen this morning where we are scared to talk about levels of income and wealth in this society.

An Ceann Comhairle: I protect the Deputy’s right to make any point he wishes. I only apply the rules in respect of naming people; that is all. The Deputy is quite entitled to make his points.

Deputy Thomas P. Broughan: We will have to change the rules.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Gerald Nash): At the outset I would like to acknowledge the Deputy’s consistent commitment in this area. The primary aim of his Bill is to establish on a permanent basis a High Pay and Wealth Commission within the existing structure of the Central Statistics Office. The main functions of this commission would be to research levels of pay and wealth in the State. Its research would promote a fair income distribution across the economy and inform public policy in determining rates and measures of taxation. It would carry out an equality audit of each budget, stand as a member of the European Household Finance and Consumption Network and would also have a specific remit to address the issue of high levels of executive pay.

There is one central reason the Government cannot support these proposals and I will deal with it shortly. Before that, however, it is timely to remind ourselves of both how the economy has been turned around, what the Government has done to protect the most vulnerable during the crisis and how it has brought forward measures to reduce inequality over that period.

The country has witnessed a paradigm shift in the economy over the past few months and significant changes are taking place at the level of both employment and unemployment. Unemployment has dropped by one third since 2012 and is now at its lowest level in six years. The ESRI is of the view that it will fall below 9% over the next 12 months. Almost 90,000 more people are at work since the launch of the first Action Plan for Jobs in 2012. This increase has been in full-time jobs rather than casual or temporary jobs, with full-time jobs accounting for 86% of the jobs growth. A full 29,100 net new jobs were created last year alone, most of them full-time jobs. Tax revenue has increased by €925 million, primarily as a result of the improving economy, while the social protection bill has fallen by €240 million in line with falling unemployment levels. These figures illustrate the success of the Government’s twin track approach of creating the conditions for job growth and helping people back to work.

The second element of Government’s strategy is to reduce taxation on low and middle incomes. In this context, 410,000 low paid workers have been removed from the USC charge

net over successive budgets. This policy of targeted tax reductions for workers will continue in the next budget. The third element of the Government's strategy is to introduce targeted welfare supports for people returning to work, particularly for the low-paid. From April, the Government will pay €30 a week to mothers or fathers returning to work from long-term unemployment for each child for the first year and €15 per week per child for the second year. As a package, the Government expects these measures to have a transformative effect on incentives to work and on the well-being of those at work, as well as having a significant positive impact on income distribution

Throughout the crisis, the Government has been committed to maintaining employment rights, protecting the most vulnerable workers and ensuring that in delivering a cohesive societal response, those who could carry the greatest burden did so and this process is continuing. The changes introduced in budget 2015 will be such that the top 1% of tax units by income will pay 20% of all income tax and USC collected in 2015, up from 19% last year. In contrast, the bottom 76% of income earners will pay only 21% of all income tax and USC collected.

Historically, the distribution of income, even in good times, has ebbed and flowed depending on capital utilisation and the share of labour in productivity growth. Globally, we are in that part of the cycle where the gap is widening. Here, by contrast, many commentators have noted that the impact of the policy responses to the crisis was such that income inequality actually fell during the crisis and remains below the levels of the peak of the boom, particularly following the redistributive effects of Government tax and welfare policy decisions, as has been acknowledged in a recent TASC report, which Deputy Broughan identified earlier. An ESRI paper of last July indicated that this reduction in income inequality was brought about through progressive changes to the tax system and the preservation and improvement of welfare floors. Specifically, while the rise in numbers unemployed in the period to 2012 moved a lot of people downwards in terms of income distribution, the maintenance of the welfare floor, in spite of the crisis, provided significant support. At the same time, the wealth and income of high earners fell dramatically over the period. For example, data from the Revenue Commissioners for the years 2007 and 2011, the latest year available, shows that the number of taxpayers with incomes over €100,000 fell by 15% between 2007 and 2011 and the total income of those earning over €100,000 fell by 23% over the four years. Research produced by the ESRI for the Equality Authority indicated that there were no materially different impacts of budgets 2009-2013 on a gender basis. This reflects the fact that the taxation and welfare systems do not discriminate based on gender.

The data illustrates that the burden of taxation increases required to protect those on low incomes or none was placed on the shoulders of those who could it bear it most, even though many had seen their own incomes hit by the effects of the crisis. This was the correct policy choice. It was different from that adopted elsewhere in the EU and globally where, in many instances, income inequality has increased significantly over the period. Making work pay, enhancing dignity at work and reducing inequality are cornerstones of this Government's agenda and are at the very heart of what I am seeking to do in government.

Regarding pay negotiations generally, I should mention that last month I established the Low Pay Commission on an interim basis to examine and make recommendations annually on the national minimum wage, with a view to ensuring that it is adjusted incrementally over time, having regard to changes in earnings, productivity, overall competitiveness and the likely impact any adjustment will have on employment and unemployment levels. I expect to put the commission on a statutory footing within the next couple of months and to receive its first

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recommendation by mid-July. Last month I also commissioned a study to fill the gaps in our knowledge of the prevalence of zero-hour and low-hour contracts and their impact on Irish employees. I expect to have that report in the third quarter of this year.

The Government has also moved on a number of fronts in regard to wage setting mechanisms, more recently in approving legislation to provide for the return of registered employment agreements and their sectoral equivalents. This legislation will provide for the reintroduction of a mechanism for the registration of employment agreements governing terms and conditions in individual enterprises. I know Deputy Broughan will welcome that. This will enable workers and employers negotiate multi-annual pay rates and, for both sides, will bring budgetary and income certainty. The Bill will, separately, provide for a new statutory framework to replace the former sectoral REA system. Again, this will bring income certainty for the workers concerned. At the end of 2015, Cabinet approval was obtained to legislate for an improved framework for workers who seek to improve their terms and conditions where there are no arrangements to do this through collective bargaining. This legislation will mark the fulfilment of one of the most significant commitments in the programme for Government, which indicated that reform in this area was needed. I expect this legislation to be enacted this year.

Turning to Deputy Broughan's proposal, this is not a case where tweaking in committee could improve the measure. The single substantive proposal in the Bill is unacceptable because it would be wholly inappropriate to locate the body envisaged by the Deputy within the Central Statistics Office. As the Deputy must be aware, the CSO is committed to informing public debate through the provision of official statistics. The establishment of the proposed high pay commission as an office within the CSO would be entirely inconsistent with the mandate of the CSO as set out in the Statistics Act 1993. This Act charges the CSO with "the collection, compilation, extraction and dissemination for statistical purposes of information relating to economic, social and general activities and conditions in the State". That Act provides that the director general of the CSO shall have sole independent responsibility for the exercise of the functions of the CSO in deciding the statistical methodology and professional standards of the office, the content of statistical releases and publications, and the timing and methods of dissemination of statistics compiled by the office.

In addition, the first principal of the European statistics code of practice is that of professional independence. The code of practice makes a specific reference to statistical releases being clearly distinguished from political and policy statements. Official statistics, produced impartially and without bias, provide an essential underpinning for public debate. I am satisfied that the Bill would blur the lines between official statistics and policy and would as a result completely undermine the perception of independence of the CSO and its director general in the performance of their statutory mandate. The CSO's national employment survey already provides the best measure for assessing pay in the State. The 2011 data will be published in the near future, with data for the following years to be published shortly afterwards. One of the future objectives for the CSO is to publish the annual data within ten months of the close of year. This new method allows an annual publication of higher quality data with significantly reduced cost, and a considerable reduction in burden on respondents. However, there is all the difference in the world between publishing the data needed to inform debate, on the one hand, and taking part in or even leading that debate on the other. Quite simply, that is not a statistical function.

Both Deputy Broughan and I belong to a tradition that proclaims, "from each according to his ability, to each according to his needs". We believe in a progressive system of taxation

and the use of the tax and welfare systems, and other public spending programmes, so as to redistribute wealth. Both of us, and many others, will have noted the trends in income distribution and income differentials that developed during the boom. We are determined to ensure that the recovering economy will not be built on such unstable foundations and will demonstrate a more manifest commitment to fairness. However, in moving from the general disavowal of “down with this sort of thing” to a more specific proposal, Deputy Broughan has come up with a suggestion that falls short in many respects because it falls between so many different stools.

The Deputy points out in his explanatory memorandum that there was a high pay commission in the United Kingdom. This was an independent, non-governmental inquiry, organised by public-spirited private citizens, into high pay across the public and private sectors. Its report led to the establishment of the high pay centre, again an independent non-party think tank, focused on pay at the top of the income scale. While the high pay centre asserts that it is “resolutely independent and strictly non-partisan”, it does believe that policy and market failure in relation to pay at the top of companies has resulted in socially and economically damaging outcomes. It is a reforming, campaigning body. Public representatives in this jurisdiction would no doubt welcome the setting up of more think tanks, focused on various aspects of public policy and with various competing proposals for reform. I would also welcome such a development. What we would not do is confuse the role of a campaigning think tank with that of an independent State agency, in particular an agency whose critical functions, domestically and in our dealings with the European Union, require a strictly arms’ length relationship with Government and a complete removal from policy formation and party political interference.

Of course it is entirely legitimate that both policy makers and the public should have information about levels of wealth and income across society. We rightly expect that work to be done by the Central Statistics Office and by other agencies, including the Revenue Commissioners. Very few would argue that it is not legitimate to hope, as the Deputy puts it in his explanatory memorandum, that increased understanding and knowledge would “help to improve decision making and the development of fiscal and budgetary policy to ensure a fairer income distribution and address the ever growing levels of income inequality in our society”.

As the Minister responsible for setting up the low pay commission, I reject any effort, and I accept that this effort is not being made here, to make any facile comparison with that body, an entirely different body with a different remit. It is public policy to establish a statutory floor for pay, as everyone in this House accepts. The function of that commission will be to examine and make recommendations annually on the statutory minimum wage and it will look at other matters relating to low pay over the next period of time. It will also be required to ensure that its recommendations are evidence-based. Final decisions will be made by responsible Ministers. The low pay commission will not be seated in, or interfere with the independent working of, any other agency of the State.

If Deputy Broughan wants an independent repository of statistical information, he should call for that. If he wants an independent, non-governmental policy think tank, he should call for that. If he wants Government policy initiatives on the issue, that is the stuff of political debate in this House and elsewhere and he should call for that as well. What we cannot have is a proposal that ends up being none of these things because it tries to be all of them at once. I hope Deputy Broughan understands this point, and the manner in which it is being advanced. The CSO’s established professional independence and neutrality should not be used in a way that may confuse its functions. There is nothing independent or neutral about such concepts as “fair levels of remuneration”, “appropriate structures for the reform of pay”, or “best practice

models of income distribution". Put bluntly, assessing fair pay is an art not a science. It is the type of thing we should be doing in this House. Statisticians are no more competent to debate these issues than are staff nurses, teachers or stenographers.

Deputy Thomas P. Broughan: Why have economists then?

Deputy Gerald Nash: That is a good point. In fact, it is most properly the role of public representatives, such as Deputy Broughan, myself and others in this House, who are mandated to consider such things. In conclusion, I again commend Deputy Broughan for his underlying concern for addressing the issue of income inequality in society, a concern we both share. However, these issues demand serious assessment and serious proposals for reform. I accept that Deputy Broughan has tabled a proposal here today, but for the reasons outlined, Government will not be supporting this Bill.

Deputy Brendan Smith: I compliment Deputy Broughan on bringing forward this legislation. Over all his years in the Oireachtas, these are issues that he continually highlights and advocates very strongly. Fianna Fáil does not support the Bill, which would create a body with a remit to make regulatory recommendations on the awarding of executive pay and compensation, while introducing caps on remuneration for persons working in large companies or public companies. As a guiding principle, there should be a clear link between remuneration and performance. Notwithstanding this, we believe that such a bill if enacted would have a detrimental effect on retaining existing foreign direct investment, FDI, and attracting new companies to invest in Ireland, who rely on high net worth individuals in executive roles. It would impact not just on foreign direct investment, but also on the very valuable and too often underestimated home-grown enterprises.

In the course of my contribution, I will touch on the following four elements to outline our concerns: priority focus should be on the low paid and improving their job security; successful companies should retain the ability to reward high-performing staff; the threat this Bill poses to FDI; and the effect of regulating and capping executive remuneration on the tax contribution to State, which funds vital state services and welfare supports. Priority focus should be on low paid people and improving their job security. Fianna Fáil believes that the utmost priority should be given to supporting those on low and medium earnings who are finding it hard to make ends meet. This is set against the background of increased indirect taxes, charges, high rents and housing shortages as well as spiralling child care costs.

The Government has set up a low pay commission. The principal function of the commission will be to examine and make recommendations each year to the Minister on the national minimum wage. The independent body will perform an important function in applying an evidence-based approach to reviewing the national minimum wage. Fianna Fáil looks forward to making a detailed submission to the commission and commenting on the national minimum wage rate. We will not be found wanting in this regard.

The current industrial dispute at the country's largest indigenous retailer and the treatment of workers is totally unacceptable and illustrates the precarious position of those who are in part-time, temporary employment or on zero hour contracts. They have absolutely no security when it comes to hours or pay from week to week. The uncertainty around zero hour contracts prevents people from getting mortgages, entering rental agreements and being able to make financial commitments. It is a precarious position in which to place any worker. Many working families on low to medium wages are also struggling with high rents and spiralling child care

costs. It is these people for whom public policy instruments are needed the most to alleviate the day-to-day financial pressures.

Successful companies should retain the ability to reward high-performing staff. The conventional wisdom was that executive pay played a role in the international economic crisis by encouraging excessive risk-taking. Understandably and as a consequence there has been support for the idea that the basic executive pay model should be changed. However, according to the *Harvard Business Review*, legislating and regulating executive compensation has the capacity to do real damage. The research has shown that the traditional executive pay model of using cash and stock incentives continues to work for the vast majority of companies. It also motivates leaders to steer their companies towards high performance. The pay-for-performance model sets companies up to succeed and the research shows that high-performance company chief executives get increased pay and low-performance company chief executives get far less. That is the view of the *Harvard Business Review*. Furthermore, chief executive pay can be self-correcting. As a guiding principle and business reality there must be a clear link between remuneration and performance. If high net worth company executives are not performing, boards can change executive pay elements.

Linking remuneration and performance is key. For example, we believe that there is a need for executive pay, particularly in the commercial semi-state sector, to be reined in. There should more effective long-term incentives built in and they should be aligned to performance. In many instances the pay of senior executives in the commercial semi-State sector is far too high. The bonus culture that exists in some companies is unacceptable.

Regulating the awarding of executive pay and compensation would be a real threat to foreign direct investment in our country. Latest IDA Ireland figures indicate that such companies employ 174,488 people in this country. The following statistics show the major economic impact of such investment: some €124.5 billion in exports; €13 billion of purchases from Irish suppliers; €1.4 billion in research and development spend; €8.5 billion in payroll; and €2.8 billion of corporation tax to the national Exchequer.

Thankfully, many foreign direct investment companies have European headquarters centred in Ireland, such as Google and Microsoft. Such FDI companies depend on highly-skilled individuals to work in senior positions in high-pay executive roles. Ultimately, Ireland needs more high-skilled and highly-paid people working in the economy. I believe this Bill would likely act as a deterrent and put at risk the likelihood of such companies locating here. Proscribing that such companies should justify paying high net worth individuals would be a hazardous regulatory environment to operate in considering they employ almost 175,000 people. If the Bill were implemented, would these companies have to justify paying high net worth individuals?

It is not only foreign direct investment companies that we should be concerned with. I believe our indigenous successful companies would have similar concerns. Too often in this country in public commentary we ignore to a great extent our indigenous successful companies - small, medium and large - and the considerable success of many of those companies in the past 20 years in internationalising their enterprises. According to the World Bank's Doing Business report and IBM's annual Global Locations Trend report, Ireland is ranked highly for its business environment. Legislators should be mindful that we should not row back on the conditions that attract foreign direct investment and employment, given also the importance of such investment in creating down-stream activity in our economy. It is a reality that such investment will need high-paying executives to sustain their presence here.

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Regulating and capping executive remuneration would also affect the tax contribution made to the Exchequer. That helps to fund vital State services. High net worth individuals are rightly taxed on marginal rates and the premium universal social charge. These taxes and charges incurred are put back into the State or the Exchequer to help fund vital front-line State services, such as our schools hospitals and policing. In addition, taxes on high net worth individuals help to fund the social welfare system, which is vital for protecting the most vulnerable in our society. We all accept that more support is needed in this regard.

The Bill defines high executive pay as €80,000 and above. I will illustrate the total tax contribution of executive pay to the national exchequer. A person known as a high net worth individual on €100,000 gross pays 40% of total salary in taxes, PRSI and USC. For an individual on €200,000, fully 46% of total salary goes to the Exchequer. These examples clearly illustrate the major contribution that payroll taxes of such persons help in funding State services and social protection supports. We need a progressive taxation system and over the years we have developed one. Unfortunately, recent budgets have been regressive.

One instance of what annoys many of us relates to the lecturing from some of the so-called high net worth individuals. I remember, when I was a Minister some years ago, meeting the chief executives of several companies and their senior executives. They were lecturing us on the costs in the economy and the need to reduce costs, in particular, labour costs. I asked the people around the table who were lecturing those of us in the public sector what reduction in salary they had taken between 2008 and 2010. At least I got an honest answer. Each of them said they took no reduction, but they expected their workforce, the people on the assembly line and the floor who were doing the real graft to take it. They expected the Government to implement additional charges on those people. At least one thing I got out of that meeting was the truth from those people. They gave me an answer to the effect that, unfortunately, they had taken no reduction in their salaries.

Successful companies should be permitted to reward high-performing staff. Staff at all levels within a company should be properly rewarded. Further, highly-skilled employees should not be penalised for high productivity. I believe this Bill will place at risk the huge economic footprint of success companies, many of which have come to the country and many of which have grown indigenously in our country. It would put in danger some of the great investments and some of the successful job creation that they have provided.

For these reasons and for the other reasons outlined already, we do not support this proposed legislation. Having said that, I compliment Deputy Broughan. I said at the outset that since Deputy Shortall, Deputy Broughan and myself came to the House in 1992, I have listened on many occasions to Deputy Broughan advocate passionately and strongly for the need to ensure that people are properly remunerated, particularly those on lower incomes. I believe that the most pressing need is for the House to support those on low and medium earnings who are struggling to keep up with spiralling housing and child care costs and who are trapped in unsecure employment. This is where my party will be focusing in policy formulation. We look forward to engaging in putting forward ideas and policies that will help to bring solutions to the most pressing public policy challenges that affect all of us today.

Deputy Catherine Murphy: I thank Deputy Broughan for bringing forward this Bill and for the opportunity to contribute to the debate. We need to imagine the country in a different way. We need to have some sort of vision for the type of country we want to create. We are in re-building mode at the moment. We need to imagine a country with better health care

outcomes and lower levels of crime, one in which people feel safer and where there are higher levels of educational attainment. I believe we all aspire to that. The issue is how one achieves that. It can be done through developing good institutional systems and proper investment in services. Substantial research has been done in *The Spirit Level: Why More Equal Societies Almost Always Do Better*, the fruit of 20 years' analysis of equality around the world. The common denominator it found was that in countries where there are greater levels of income equality, there are greater benefits to society.

During the boom we often heard of people at chief executive level in the banks saying they would not get out of bed for less than €500,000. How often did we hear the argument that if one paid peanuts, one got monkeys? This Bill is not about begrudgery but about creating a better and more equal society. That can be achieved from the bottom up.

I welcome the Bill's measures that provide a means of capturing information on pay levels which can then inform public policy, including how we budget. It is a well constructed Bill and Deputy Broughan's thoughtful contributions are to be welcomed. Income inequality in Ireland is a real issue. Before taxes and redistributive measures kick in, we have the highest income inequality in the entire OECD, the Organisation for Economic Co-operation and Development, ahead of the US and the UK, two traditional liberal market economies. Dealing with income inequality should be at the heart of what the Government does, particularly in a Republic where every citizen should have an equal chance of having a good outcome in their lives. Sharing the common wealth should be part of this.

A recent report done by TASC, the Think-tank for Action on Social Change, on income inequality showed a very interesting set of figures. The top 1% of Ireland own 12% of the national income, a percentage which has doubled since 1975. The bottom 90% fell from 72% of the national income to 64% in that time. In 2009, the average annual income of a person in the top 1% was €444,000, 13 times the average income. In 1975, the top 1% of income was only six times greater. Inequality is growing and this will not produce the kind of society to which we aspire. We know the key determining factors which arise from and contribute to poverty are cyclical. The Government should be attempting to break that cycle. It is not just about low pay. There is another strand to this and it is about income inequality.

When one examines the issue of crime in the US, 25% of the world's prison population is located there while its total population is 5% of the world's population. While there are many good things about the US, the greatest levels of income inequality are prevalent there too. We should take a lesson from this. Research suggests people, such as those with disabilities, are far likelier to challenge and overcome any inherent discrimination which exists if there is a stable opportunity system. One has to reduce the obstacles to ensure greater levels of income equality.

The Central Statistics Office, CSO, may not be the best place to locate this proposed commission. However, the Bill's general principles are absolutely important. It is a pity it is being dealt with on a Friday morning and not enough attention is being paid to it in this Chamber. It has the potential at least to give us the information to feed into the kind of policymaking that would change society. When chief executives of multinational companies look at locating in Ireland, they ask if the education system and health care are good, if it is safe to live here and so forth. That all feeds into this Bill's principles. It would not put people off to move gradually towards a point where one gets a more equal society. There is no real people or worker flight from the Nordic countries which have the most equal income levels. Driving society by greed does not actually benefit it.

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Deputy Róisín Shortall: I commend my colleague, Deputy Broughan, on the work he has done on this Bill. He has devoted his political career to fighting for fairness and greater equality. This Bill is a natural follow-on from that. The contribution of the Minister of State, Deputy Nash, was disappointing to say the least. The Bill's purpose is to shine a light on what is actually happening in the area of income as we have little information on it. It was interesting that the Minister of State concentrated on his initiative on fair pay. This Bill, however, deals with the much wider issue and the other side of that coin. I very much welcome what the Minister of State is doing with the low-pay commission. I hope it will result in an increase in the minimum wage and move towards a policy for a living wage.

The other side of that is who pays for it. We cannot have that open debate unless we know who is earning what and who owns what. That is one of the main purposes of this Bill. There is a significant dearth of basic information as to who owns what and who earns what. This Bill has the potential to shine a light on that. As citizens, we should all be entitled to have that basic information. Unfortunately, we are being denied that. It is hard to see any justification for that. Why is it we should not have that entitlement to know who owns the wealth in the country and what are the relative levels of pay?

We know the gap between rich and poor is widening, a point the Minister of State disputed. Within companies, the gap between those on lowest pay and highest pay is widening generally as well. This widening gap is leading to growing levels of dissatisfaction among the public.

11 o'clock

It is important that people would have a greater understanding of what is happening in the country in terms of income and wealth, if we are all in this together, which was the mantra that was used during the recession. We saw during that very difficult period that the mantra did not hold true. Going forward, we should be in a position where the highest level of information on wealth is available to everybody. That is one of the primary aims of the Bill and it is one worth supporting.

Having the level of information sought by the Bill available would allow for a proper and open debate on budgetary matters. The Government promised an open budgetary process but, unfortunately, that has not happened. We are continuing with the charade of the budget being kept top secret until the day it is announced, which is nonsense. The lead-in to the budgetary process should be much longer. The fullest amount of information should be available to people in order to consider the options in terms of crafting the budget. We cannot do that in any kind of meaningful way unless the basic information is available. It is frustrating for Members of this House to ask questions of the Department of Finance and to get back replies to the effect that the information is not available, that an unwarranted amount of time would be required to produce the information or the information is not collected in that format. One cannot but think that unless there is very clear direction on providing all of the budgetary information and all of the data on budgetary measures that we cannot have a full and proper debate on the matter.

Sometimes I come to the conclusion that particular information is not available because nobody wants us to know who is benefiting from previous budgetary measures. That is very much the case in relation to pensions, for example. I refer to the tax relief that has traditionally been available to high rollers for pension pots. It seems incredible that we had a situation up to very recently where very wealthy individuals could accumulate huge pension pots funded largely by taxpayers and we did not have information on how much that was costing the State.

We were operating on the basis of estimates.

The smoke and mirrors in terms of the impacts of budgets and what is intended in finance Bills is undoubtedly designed to keep people in the dark about levels of income in this country and who is benefitting from budgetary measures. It is not acceptable that there is a fog over the entire area. We should be entitled to know who is benefitting. Following on from that I wish to address the high level of lobbying that goes on in respect of the budget and the finance Bill. Again, it is very much a grey area. We are not clear on it. Those who can best afford to do so, can bring in very powerful lobbyists to act on their behalf to ensure they get a bigger slice of the cake than anybody else. I would have thought the Government might have done something about that.

A number of speakers referred to a potential situation arising from what Deputy Broughan has proposed whereby, for example, people coming to this country with foreign direct investment companies may have their incomes impacted on and that it would have a negative effect on the country. I do not buy that for a moment. For a start, the special assignee relief programme, SARP, is in place to facilitate such people. Another point is that people who come to live in this country make the decision based on a series of factors apart from income. They base their decision on the quality of life in this country. There is not much quality of life if there are huge gaps between rich and poor because there is all the dissatisfaction and unrest that goes with that. Equally, one does not have a very good quality of life if there is not adequate investment in education, transport and health services among others. Social cohesion, good quality of life, fairness and equality are factors that very much play on people's minds when they are thinking about coming to live in this country, especially if they are coming with their families. It is very simplistic to make that argument.

I was interested to note that the Ceann Comhairle criticised Deputy Broughan for naming people who are the high earners in this country. He did not accuse anyone, he merely made a statement of fact. It is interesting that the Ceann Comhairle jumped in so quickly to stop him doing that. I was also interested in the response of the Minister of State, Deputy Gerald Nash, and the title of his speech. He stated fair pay is a political not a statistical issue, but one cannot have a fair regime without good statistics. That is the whole point of the Bill. Unless one has the facts, one is in the dark. That would seem to be the case given the figures the Minister of State quoted in his speech, which are simply not accurate. I ask him to correct the record in that regard. He made the point that the number of people earning more than €100,000 has reduced. That happened during the recession, under the previous Government. The move towards a more progressive tax system also happened during the term of the previous Government.

If one looks at the up-to-date figures on the different levels of income earned, 150,000 people earn in excess of €100,000. The number is increasing. The trend is going in the wrong direction, contrary to the Minister of State's claim. Recent figures also show that approximately 368,000 people on incomes under €9,000 a year gained nothing from the previous budget. If the Minister of State does not believe me, I invite him to look at the social impact assessment produced by the Department of Social Protection on the main welfare and tax measures for 2015. A bar chart in the document shows clearly that in last year's budget the bottom and top quintiles were affected to the greatest extent. I urge the Minister of State to look at the statistics, in spite of all the claims he made on this year's budget. We need statistics if we are to have an honest debate. The claim was not made by Deputy Broughan or me, it was made by the ESRI. The data clearly show that the top quintile benefited to the greatest extent and the bottom quintile benefited to the least extent from the measures introduced by the Government in

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the recent budget. The data are going in the reverse direction to that claimed by the Minister of State. I urge him to face up to the reality of the effects of the budget in terms of achieving any level of fairness or equality in this country. It is important that we have the facts. In order that we are not talking in the dark, but about the facts, it is important that Deputy Broughan's Bill is introduced. The greater the light shone on what is happening in this country and the level of income and wealth inequality the better as far as I am concerned, and the better help that is to achieving some level of fairness.

Deputy Finian McGrath: I am grateful for the opportunity to speak on this very important piece of legislation. I warmly welcome the High Pay and Wealth Commission Bill. I commend Deputy Broughan on introducing the Bill to the House. I will always work with someone who believes in fair play, proper wages and conditions and also to do something about inequality in society, in particular in the constituency Deputy Broughan and I share – Dublin Bay North. The people of Coolock, Artane, Darndale, Clonshaugh, Marino, Clontarf, Raheny and Howth all believe in the principles of social justice. It is very important that we agree with that approach.

The reason I support the legislation is because it is progressive. It is sensible, has a great sense of social justice and deals with the issue of inequality.

There seems to be something wrong in modern Irish politics when politicians in mainstream parties are almost afraid to talk about wealth and inequality. It is as if one was doing something wrong if one raised the fact that somebody has too much money. It is important that this voice is heard. There are elements in the establishment, the mainstream parties and wider society who want to frighten the bunnies and those of us who campaign for equality. We have a rich list in this country that is reported upon by the media and treated as a sensationalist story where people are named. There should be something more constant about the rich list. There should be ongoing professional and common sense information about this.

Even if one is not on the left or has no sense of social justice, one can see that the OECD, the World Bank, the IMF and TASC have said recently that gross income inequality is growing and that this has been identified as a serious impediment to future economic growth. That is the key issue. Removing inequality is good for the economy even if one has no sense of social justice and it is important that we say that. We have seen economic crashes before such as that of 1929 but the common thread is they were always preceded by a significant level of inequality. That is historic fact so there is a red light there. If we do not want to repeat the mistakes of the past, we should deal with this issue.

I hear some Ministers and Members on the Government side talk about the horrific situation on the ground in Greece, the amount of suffering being experienced, unemployment and runs on the banks yet, Greece is being rounded on by certain quarters in Europe. We should be siding with the people of Greece and should not take any lectures from big countries like Germany. Germany defaulted unilaterally in the 1930s and received massive debt relief in 1953. Poland had large debts written off in 1989. They are lecturing the Greeks today. Greece is a broken country but all of the EU should help. We need a collective response, not isolation. Ganging up on the Greek people, including workers and the unemployed, is totally unacceptable and unjust.

It is constantly said that there is not enough money in the country to look after these issues and deal with low pay. According to the Department of Finance, whose financial reports are not written in Havana, the top 1% of earners, who number 21,650, have an annual gross income of €8.7 billion. Tell that to the Dunnes Stores workers. Top earners earn on average €403,703

per annum, which is more than ten times the average industrial wage. Let us take a few bob off those people and give it to people who deserve it. According to the Revenue Commissioners, corporate profits have increased, with gross trade profits increasing from €70.8 billion in 2010 to €73.8 billion in 2011. We must be brave and not run away from the issue of wealth, profits and top earners because we seem to be afraid to challenge these people.

The primary aim of the Bill is to establish a high pay and wealth commission which will have a specific role in informing the public about levels of wealth and incomes in Irish society. This is the kernel of the argument. It should not be up to the sensationalist newspapers to do this. The commission will build on the work being done by the CSO in carrying out the European household finance and consumption survey for the European Central Bank. The Bill is being proposed in response to the growing dissatisfaction with income inequality in Ireland and other Western developed economies. It is proposed to facilitate a greater understanding among the general public and policy makers. These are very practical and sensible measures if we are serious about doing something about inequality.

The proposal to establish a high pay and wealth commission will ensure that the information will be gathered by an entity with the tools that are necessary to develop appropriate fiscal and budgetary policy recommendations to Government, Opposition Deputies and the public. Again, this is a sensible proposal. When one digs down into the legislation, one sees its common-sense approach. Dig down further and one will see that section 6 sets out nine specific functions of the high pay and wealth commission in respect of executive pay, including the commission's engagement in a research project to be known as the "executive pay project". This is an examination of levels of income and other benefits awarded to executive members of staff in large public and private companies. One can compare that to what we heard last week in the Dáil when we met the Dunnes Stores workers who came in and talked about their zero hours contracts, pay and working conditions. The Minister of State has a special interest in this area and I acknowledge that he is making some effort in respect of it. There is huge gap in the market and section 6 contains ways of highlighting it.

Given that we are coming out of a crisis, we need to see secure hours, incomes and jobs; fair pay; and the right to representation by a trade union. I appeal to the management of Dunnes Stores, which made a profit last year in the region of €400 million, to show some common sense, listen to its staff and come into the real world. It is the staff that has helped it make that profit of €400 million.

I welcome this legislation. We need to face up to the fact that there is wealth in our society and that 31% of the population and 37% of children suffer deprivation. We need to do something about that. I also welcome the fact that we have had this debate today because many people outside Leinster House say that we do not have these kind of debates. It is a pity that more Deputies were not in the House to contribute to it because we must do something about gross inequality in Irish society. Now is the time to do it if we are reforming the system after the horrific economic crash. There is huge potential to do it. I commend Deputy Broughan for bringing this legislation before the House.

Deputy Martin Ferris: I welcome Deputy Broughan's Bill and commend him for bringing it forward. It is a very modest proposal to establish within the CSO a body to gather information on high pay and wealth. I am sure it will be met with ridicule by some and angry outbursts by others. The reaction tells us more about those people than it does about this sensible suggestion. Very soon, people across this State will receive bills for their water, regardless of whether they

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are liable or not. We tax the family home, pints of beer, septic tanks, cars we need to get to work and almost all services we use every day. Yet, the mere suggestion of collecting information to give us a better idea of how much wealth is in the country ruffles feathers, and I wonder why.

During the years of the financial crisis caused by very wealthy people being very greedy, there has been a shift from regressive taxes to regressive flat taxes. The USC, in its initial form, was as regressive as taxes get and the water tax is a perfect example of a tax that saves the rich money by shifting the bill onto the lower paid. Although there have always been alternatives to regressive taxes, the Government is not interested in them. A wealth tax is a good idea that will work. Although some like to think Sinn Féin has abandoned the idea, we have not. It has been part of our alternative budget each year and will be a policy of ours when in government. A third rate of tax for those earning more than €100,000 per year is a sensible policy that would create a fairer, more sustainable tax system. For the avoidance of doubt, a couple of people who each earn less than €100,000, but earn €100,000 between them, would not be liable for this tax.

Many people here and abroad thrive on the fear of a progressive tax system, and the reason is obvious. They profit on a tax system in which profit and wealth are allowed to mount while the little man and woman on the street are taxed at every point of his or her day. I can see no reason the Government would object to the Bill. Statistics, information and economic data have been gathered. The question is whether we get the full picture or are happy to limp along ignoring very important data about how much wealth is in the country. There are difficulties in calculating how much the top 1% or 10% own, given that surveys that deal with such a small group can be skewed and people can ignore such surveys.

The Bill would also monitor executive pay. If anybody wonders why this is necessary, they need look no further than our banking sector. The Government paid Mercer for a shiny report on bankers' pay and the bankers agreed to cut the wage bill. However, they did not cut their salaries but the number of workers and their conditions. Recently, there has been speculation, following a suggestion by my colleague, Deputy Pearse Doherty, that an independent body be established to cost alternative budget proposals. We fully support the idea, which would remove much of the ill-informed comments that accompany progressive suggestions each year. The Government's support of the Bill would be welcome as a sign, as we move towards a more mature debate, on the sort of tax policy we want.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Gerald Nash): I acknowledge the Members' contributions and thank Deputy Broughan for raising this important issue. We have had a very well-informed debate on this and related issues, which Deputy Broughan has consistently raised throughout his political career, as Deputy Shortall said. The Bill is well intentioned. It is critical for social cohesion that income and wealth distribution is not skewed to the extent we see in far too many societies. The concept of the Bill and what it seeks to achieve are valid. This approach has been central to the Government's approach during this term. Its success is witnessed by the fact that, thanks to social transfers, as identified by many think tanks including TASC, progressive taxation measures and maintaining income floors, the gap has narrowed during recent years. Like many in the House this morning, I want the gap to narrow further.

As I detailed in my opening remarks, there is a danger that the Bill, if enacted, would have unintended consequences such as fatally undermining the independence of the CSO, and this cannot happen. Much of what is in the Bill is already provided for in data monitoring and through the Government's policy, framing and implementation approach, for example the *ex*

post and proposed *ex ante* social impact assessment of the budget each year, the commitment to require all public bodies to take due note of equality and human rights in carrying out their functions, and the requirement that all Government decisions examine their likely impact on equality issues generally and on persons at risk of poverty or social exclusion.

Deputy Broughan referred to TASC and the ESRI, directly quoting TASC's statement that Ireland is one of the most unequal countries in the EU in terms of income but it is important that we include the following line, "before taxes and social welfare payments are included". We can see the very clear distributional benefits of a progressive tax system that addresses the sense of inequality, and the resourcing of a strong, robust and very effective social welfare system recognised as such by national and international commentators in terms of assisting people in difficult circumstances and ensuring those who have the most contribute the most to the State supports and services that are disproportionately depended on by people in lower income brackets and who are dependent on social welfare.

Deputy Róisín Shortall: That is not what the budget is doing.

Deputy Gerald Nash: Deputy Brendan Smith recognised that the Government's focus is very much on creating jobs and wealth and ensuring the wealth created is distributed fairly by the tax and social welfare systems and various other Government interventions. It is about trying to support as many people on low and middle incomes as we can to ensure we have the type of cohesive society to which I aspire, and to which Deputies Broughan and Shortall aspire. I welcome the commitment of Deputies Smith and Shortall to the Low Pay Commission, which is a very important public policy intervention in low pay and income distribution.

The key cause of inequality is the lack of access to meaningful, decent and sustainable jobs. While more needs to be done, there are positive developments in this direction. Unemployment has fallen by one third since 2012 and is at its lowest level in six years. The ESRI is of the view that it will drop below 9% over the next 12 months. The Government is reducing the tax burden on low and middle incomes. Some 410,000 low paid workers have already been removed from the USC over successive budgets and the policy of targeted reductions for workers will continue in the next budget. We have clearly committed to addressing low pay issues. On taking office, we have restored the national minimum wage from €7.65 to €8.65 and I have established the Low Pay Commission to further assess it. My ambition is that the national minimum wage would be progressively increased over time and to make recommendations on what the rate should be. We will receive those recommendations in the middle of the year.

In working its way through the crisis and moving to a position in which people are looking to the future with hope, the Government has been consistently committed to maintaining people in employment, growing jobs, maintaining employment rights and protecting the most vulnerable workers in our society, ensuring we can deliver a cohesive societal response to the unprecedented crisis we experienced in recent years and ensuring those at the top of our income scales carry the burden in as effective a way as possible. I assure the House that the Government will continue to be committed to doing this.

Deputy Róisín Shortall: The Government is doing the opposite.

Deputy Thomas P. Broughan: I thank the Minister, Deputy Shortall and the other Deputies for their contributions here. I hope we will move forward with the approach advocated in the Bill. Given that we desperately need an approach along these lines, it is disappointing that

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the Government is not accepting the legislation. The High Pay and Wealth Commission Bill is about transparency and full information on high pay and levels of net wealth. During the 27th Dáil, the first Dáil of which I was a Member, the then Labour Party leader, Dick Spring, often spoke to the parliamentary party about the tough budgetary choices Ireland still faced because of the limited scope for taxation at the relatively low levels of higher income and wealth as indicated to him and the Government by reports from the Revenue Commissioners. I felt instinctively at that time, however, that the party leader, Dick Spring, was misinformed. It was after all in the period between two extraordinary tax amnesties and before the astonishing revelations of the DIRT, Ansbacher, Flood, Mahon and Moriarty inquiries and scandals. Those amnesties and revelations showed clearly that the savage cuts of the Haughey-MacSharry-O'Malley Governments, which Dick Spring ferociously opposed, were unnecessary as were the later penny-pinching budgets of Bertie Ahern and Ruairí Quinn in the mid-1990s. In the present era of continuing brutal austerity, the Noonan-Howlin fiscal juggernaut has refused to examine the scope for larger contributions to the national budget from the higher paid and those with significant wealth.

The first step, of course, is at least to find out the levels of higher income and wealth. That is why I referred to the Bill on First Stage as the "Paddy and Patricia like to know the story" Bill. Many surveys in Ireland and the UK have shown that people generally have not got a clue about high incomes and levels of wealth. The majority of people on much lower incomes just do not realise the levels of wealth and income in this country and in others. Deputies are included, of course, under the high pay definition of this Bill and the public is already familiar with Deputies' levels of assets and economic interests from the annual publication of our statements of registrable interests. In the past, I have called for similar statements to include all journalists and commentators on national affairs. But in fact, even anonymised as is provided for in this Bill, the fullest information on all higher incomes and wealth levels should be available to citizens and policy makers.

The Minister of State indicated that a key problem he saw with the Bill was locating it within the CSO. However, we are always constrained on these Friday morning debates because we cannot bring in legislation that will incur a charge on the Exchequer. I looked at different methods of obtaining this vital statistical information. There is also the whole mantra around Revenue. Every time I asked the Minister for Finance, Deputy Noonan, for reports on the HSBC scandal, for example, and asked him detailed questions on Revenue, all we got were very general, vague answers.

During the preparation of the Bill, I examined two main approaches to obtaining information. These were changes to Irish and EU company law and corporate governance on the one hand and on the other, the creation of a high pay and wealth commission. Regulatory changes introduced in 2013 under the UK Companies Act 2006 apply to all large and medium sized companies and groups and require that directors' remuneration reports must compare on a percentage basis the salary and bonuses of executives with those of their average employee. This legislation does not include executives' long term incentive plans, LTIPs, however. As the Minister of State is aware, that is usually the largest single component of executive pay in large companies. In late 2013, the US Securities and Exchange Commission also required US companies under the Dodd-Frank law of 2010 to disclose how full CEO salaries compare to those of their median worker. In the EU, Commissioner Barnier spoke about a directive in 2015 making disclosure of the remuneration policy of companies mandatory.

The broad second approach, and that which I have followed in this Bill, is to establish a

high pay and wealth advisory body on a permanent basis. In the UK, such a body, the High Pay Commission, was established by Compass with the support of the Joseph Rowntree Charitable Trust and it showed clear evidence of runaway executive salaries over the past 30 years. Under section 25 of the Statistics Act 1993, the Taoiseach may issue an order compelling the CSO to conduct a survey and compelling enterprises in particular categories which are listed in that order to respond to the survey. We clearly do have the power to obtain this information on a statistical basis. Under the amended section 10 of the Statistics Act 1993, in this Bill, the high pay and wealth commission is placed within the Central Statistics Office. The commission and CSO will also have access to data on executive level pay in reports of listed companies, in surveys from private consultancies like Mercer and IBEC and from the Revenue Commissioners, which could be used anonymously for the purpose of the commission.

In my first speech, I referred to the TASC report, *Cherishing all equally: Economic inequality in Ireland*, and to its crucial insights into the level of income and wealth inequality in this country. The publication of the CSO's first household finance and consumption survey on 29 January also adds significantly to our knowledge of Irish income and wealth. That survey was based on 5,419 relevant respondent households, out of 10,522 surveyed, and showed that 71% of all households which replied own their main residence, 10.8% own land and 13.8% own other property. Households in the bottom two deciles of income distribution have 11.4% of net wealth compared to nearly 40% for the top two deciles. A total of 56.8% of the households that replied have some form of debt - the fifth highest in the euro zone - with a median value of debt of €63,000 for indebted households. While this survey is a snapshot of households at one period, it again highlights the inequalities in Irish wealth distribution. The role for the commission as proposed in this Bill would have a much broader reach effectively detailing the income and wealth of every adult Irish person.

The reaction of many media commentators, of course, is to question or try to rubbish the implications of the information provided by research bodies like TASC, NERI and the CSO. Chris Johns asserts that the inequality debate is "one of the worst instances of statistical abuse since Pythagoras" and identifies a "thinly hidden agenda" to target the richest 1%. Dan O'Brien, in his typical manner, declares that "claims of Ireland being very unequal are utter bunkum". My former colleague, Deputy Joanna Tuffy, also took a rather complacent view of the levels of inequality in Ireland and the devastating impacts of her Government's austerity policies in a February article in *The Irish Times*.

We know of course from the brilliant study of the Irish newspapers and broadcast media by Julien Mercille, *The Political Economy and Media Coverage of the European Economic Crisis: The Case of Ireland*, with which the Acting Chairman may be familiar, how profoundly journalists of the right-wing dominated newspapers and media ignored and greatly benefited from the massive property bubble from 2000 to 2007. Indeed, Dr. Mercille was in this House just a few days ago. Those media outlets strongly backed the blanket guarantee and the horrendous austerity policies which still accompany it. The same newspapers and journalists rarely, if ever, mention the huge information deficit regarding high income and wealth.

Section 5(2)(d) of the Bill requires the commission to carry out an equality audit of each national budget and based on this independent assessment to make recommendations about the manner in which a fair distribution of wealth and income in Irish society can be ensured when making budgetary adjustments. This section is in response to the longstanding criticism of the brief equality and poverty impact sections in budget day papers which of course are not equality audits at all. Particularly critical is the equality budgeting campaign, a broad coalition of trade

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unions, NGOs and citizens which was founded in July 2012 due to the increases in inequality and poverty, and which I hope the Minister of State will support through the final budget of this Government.

All of the research so far points to dangerous levels of inequality in Irish society. The Government has insisted on continuous austerity measures to target the most vulnerable in Irish society, as Deputy Shortall has shown, pushing those who did not cause the crash and recession into poverty, negative equity and national debt. The recent European Commission annual report on Ireland showed that we have the highest proportion of jobless households in the EU and very clearly points the finger at the high cost of child care. Our two-tier healthcare sector is also highlighted in the report.

One other area I wish to bring to the Minister of State's attention, which I believe will also increase inequality over the next couple of years, is the commencement of the huge operation of quantitative easing, QE, by Mario Draghi and the ECB. From this month, the ECB is making monthly purchases worth €60 billion of public and private assets including government bonds, asset backed securities and covered bonds. The aim is to bring inflation back to the ECB's official target of below, but close to, 2% and the QE purchases should total €1.08 trillion by September 2016. Approximately 80% of the new purchases, of course, are the responsibility of national central banks. It is feared, however, that most of the new money will be tied up in the eurozone's banking, financial and corporate sectors rather than trickling down. This is happening on the Minister of State's watch - quantitative easing may well make the inequality worse because the money is going to stay with those bankers with their bonuses. Yesterday we read about a basic salary of €1 million in Bank of Ireland, which we still partly own and have propped up for some time. There has been no debate and the Minister for Finance is not interested in talking to me about quantitative easing and the impact it may have on inequality.

Public policy from this Oireachtas should, at all costs, seek to avoid this dangerous growth of inequality and the economic conditions promoting inequality. As a further major tool towards this outcome I again commend the High Pay and Wealth Commission Bill to the House.

I thank the Library and Research Service of the Houses of the Oireachtas and in particular Dr. Catherine Lynch for their outstanding assistance in the preparation of this Bill in late 2013 and early 2014. Solicitor, Dr. Brian Hunt, also did excellent work in drafting the Bill for the Library and Research Service. My former parliamentary assistant, Ms Aisling Dillon, and my current parliamentary assistant, Ms Bernadette Grogan, who also did a terrific job in preparing and presenting this High Pay and Wealth Commission Bill.

Question put.

Acting Chairman (Deputy Derek Keating): In accordance with Standing Order 117(1A), the division is postponed until immediately following the Order of Business on Tuesday next, 31 March 2015. I thank all Deputies for their contributions.

Deputy Mick Wallace: We should have the division now.

Deputy Sean Sherlock: I have to get back down to Cork.

An Bille um an gCearthrú Leasú is Tríocha ar an mBunreacht (Síocháin agus Neodracht) 2014: An Dara Céim [Comhaltaí Príobháideacha]

Thirty-fourth Amendment of the Constitution (Peace and Neutrality) Bill 2014: Second Stage [Private Members]

Deputy Mick Wallace: Tairgim: “Go léifear an Bille an Dara hUair anois.”

I move: “That the Bill be now read a Second Time.”

I wish to begin by thanking Dr. Ed Horgan and Mr. John Lannon of Shannonwatch, who have been involved in a long-running campaign to have neutrality enshrined in the Constitution and to have Ireland promote peace rather than facilitate a war effort. The amount of time they have put into that campaign beggars belief. Both men have been doing something very positive for this country for a long period.

Since 1939, successive governments have continually declared that Ireland is a neutral state, subject to the rules and obligations applicable to such states under international law. In recent years the current Government has attempted to redefine neutrality in order to justify its entanglement in military alliances such as the NATO Partnership for Peace, PfP, and European Union battle groups under the Common Foreign and Security Policy, CFSP. However, the rules are clearly defined in Article 2 to The Hague Convention, which states that “Belligerents are forbidden to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power.” Since October 2001, successive governments have allowed over 2.5 million armed US-NATO troops and large quantities of war materials to pass through Shannon airport on their way to and from the Afghan and Iraq wars, in clear contravention of the customary international laws on neutrality.

Earlier this month, the Minister for Defence, Deputy Coveney, stated, “While Ireland is committed to a policy of military neutrality, we need to be clear that Ireland is not ideologically neutral. Political neutrality in international affairs has never been part of Ireland’s foreign policy tradition”. This statement came directly after the Minister reaffirmed the Government’s commitment to Article 29.1 of the Constitution, which states, “Ireland affirms its devotion to the ideal of peace and friendly co-operation amongst nations founded on international justice and morality.” It is crystal clear that Article 29.1 of the Constitution states that Ireland is devoted to the ideal of peace, friendly co-operation, international justice and morality. It is also crystal clear that these are ideological and political concepts in and of themselves. The Minister holds that we are committed to the political concept of neutrality in one breath, while in the next he states that we are not, and never have been, “ideologically or politically neutral”. There is only one type of neutrality covered by international laws on neutrality and that is military neutrality. The concepts of political and ideological neutrality simply do not apply.

The concept of ideological neutrality, while nonsensical, is a new phenomenon. It has only been referred to in the Dáil on three occasions in the context of the concept of neutrality as regards international warfare. It was first mentioned in passing by former Minister and Deputy, Pat Carey, in 2004 and then once by the Minister for Foreign Affairs, Deputy Charles Flanagan, last year and again by the Minister for Defence, Deputy Coveney, this month. Never has this new concept been defined, yet the aforementioned Ministers, in their clamour to legitimise and

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justify our taking sides in international acts of aggression, both state that Ireland is not, and never has been, politically or ideologically neutral.

There is no concrete and clear commitment to neutrality in the Constitution. For far too long, this Government and others which preceded it have used this lack of clarity to lie to the Irish people and this House about where we stand. The Ministers for Defence and Foreign Affairs and Trade, Deputies Coveney and Flanagan, have even gone so far as to invent an entirely new category of neutrality that has no place, meaning or purchase, anywhere in international law. This behaviour is entirely consistent with the lie that made Ireland a belligerent in the Iraq war in 2003, while still claiming the status of a neutral country. In March 2003, Bertie Ahern, the then Head of Government, lied to this House and the Irish people, when he argued that facilitating the use of Shannon for the then illegal invasion of Iraq was “not of sufficient degree or substance to constitute participating in the war”. He also said that “The provision of facilities does not make Ireland a member of a military coalition”. These statements, and many more that were made on 20 March 2003, were outright lies. On reading the transcript of the argument put forward by the then Taoiseach, one would not know whether to laugh or cry. It is a heady mixture of false prophecies-----

Acting Chairman (Deputy Derek Keating): I apologise for intervening but I am obliged to inform the Deputy that he cannot state that the comments in question were lies.

Deputy Mick Wallace: That is fine. I will say instead that the then Taoiseach was being economical with the truth. So, he engaged in fear-mongering, provided misinformation and was economical with the truth.

The statements to which I refer were untrue because at base they rode roughshod over a series of very straightforward laws by which Ireland is bound. According to customary international law - namely, the Hague Convention on Respecting the Rights and Duties of Neutral Powers and Persons in Case of War on Land of 1907 - a power that claims to be neutral is forbidden to allow belligerents “to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power”. The law is unequivocal. We were not, as former Taoiseach Bertie Ahern claimed, non-participants in the Iraq war - and we are not today - or militarily neutral. We are belligerents and, as long as Shannon remains a forward military base for the US war machine, we will remain belligerents in an endless and senseless war that has led to deaths of over 1 million civilians and served solely to line the pockets of the arms industry, which has developed into one of the most powerful and influential entities in the world. The Hague Convention on 1907 is customary international law, and customary international laws are unusually strong, binding, and cannot be abrogated or disobeyed by states, regardless of whether or not they have ratified them.

The motion presented to the House in 2003 by former Taoiseach Bertie Ahern stated:

That Dáil Éireann, noting the imminence of military action by a United States led coalition against Iraq:

- reaffirms Ireland’s commitment to the United Nations as the guarantor of collective global security and as the appropriate forum for the resolution of disputes threatening international peace and security ...

This completely ignores the fact that the UN Secretary General had stated that the Iraq war was contrary to the UN Charter. The motion to which I refer also stated that Dáil Éireann

“condemns the continued refusal of the Government of Iraq over a period of 12 years to comply with its obligation to disarm as imposed by numerous resolutions of the United Nations Security Council, most recently in Resolution 1441”. In 2003, the US wanted Iraq to surrender its weapons of mass destruction but as matters turned out Iraq did not have any such weapons. History has borne that out. The Dáil motion of 2003 was, therefore, based on a number of false premises. The motion in question also went on to state that Dáil Éireann “expresses its earnest hope that military action, should it occur, will be of short duration and that loss of life and destruction will be kept to a minimum”. This was an echo of what happened at the outbreak of the First World War in 1914, when everyone was informed that the conflict would be over by Christmas. The motion of March 2003 also states that Dáil Éireann “declares its commitment to the sovereignty, independence and territorial integrity of Iraq”. How is it possible to invade and destroy a country while at the same time respecting its sovereignty and independence? It is not possible.

It beggars belief that the motion to which I refer passed muster on the day it was debated. The motion goes on to say that Dáil Éireann “welcomes the arrangements put in place by the Government to ensure that Ireland will be able to contribute rapidly to the humanitarian effort in Iraq”. As it turned out, Ireland played no part in the humanitarian relief effort in Iraq. The motion further stated that Dáil Éireann “recalls the long-standing arrangements for the over-flight and landing in Ireland of US military and civilian aircraft” but it did not indicate that up until 1999, any US troops who passed through Shannon were either going on holiday or travelling to air bases in Germany. However, all of that changed with the invasion of Kosovo, Afghanistan in 2001 and Iraq in 2003.

The 1907 Hague convention is customary international law. Such laws are unusually strong and binding and cannot be abrogated or disobeyed by states regardless of whether they have ratified them. Although Ireland has not ratified the convention, two weeks after the then Taoiseach was deceptive to the House in March 2003, a High Court judgment in *Horgan v. An Taoiseach & Ors.* stated that Ireland was in breach of Hague Convention V by allowing US troops to use Shannon Airport on their way to and from the war in Iraq. The ruling from Mr. Justice Kearns read: “The court is prepared to hold therefore that there is an identifiable rule of customary law in relation to the status of neutrality whereunder a neutral state may not permit the movement of large numbers of troops or munitions of one belligerent State through its territory en route to a theatre of war with another.” This judgment effectively declared that Ireland, as a self-declared neutral state, was - it still is - in breach of its international law obligations.

Since the judgment, Ministers have argued that Irish neutrality is defined either as military neutrality or non-belligerence and that Ireland is not politically neutral. Based on the work of experts in the field, these arguments do not stand up. International law experts Professor L. F. L. Oppenheim and Sir Hersch Lauterpacht stated: “[A]ll States which do not expressly declare the contrary by word or action are supposed to be neutral, and the rights and duties arising from neutrality come into existence, and remain in existence, through the mere fact of a State taking up an attitude of impartiality, in not being drawn into the war by the belligerents.” According to another expert, Professor Michael Bothe, neutrality is defined in international law as the status of a state that is not participating in an armed conflict between other states and “is incompatible with this conflict-restraining function of neutrality that states should try to evade their duties flowing from their neutral status by styling themselves non-belligerents”.

Mr. Justice Kearns ruled that he was not going to act to address this breach of international law on neutrality on the arguably dubious grounds of the separation of powers between the Ex-

ective and the Judiciary. The Government was never held to account for misleading the Dáil and the people.

On the matter of the Lisbon treaty, which has been incorporated into Irish law, the Government in June 2009 attempted to clarify its meaning by stating: “The Lisbon Treaty does not affect or prejudice Ireland’s traditional policy of military neutrality.” However, the concept of military neutrality is not defined in legislation and the current interpretation is in contravention of the legal concept of neutrality as outlined in the Hague convention.

Ireland does not have a policy of neutrality anymore. Active neutrality embodies a commitment to the legal definition of neutrality as described by Hague Convention V and to the following values and foreign policy goals - peace promotion, non-aggression, the primacy of the UN and the confinement of state military activity to UN peacekeeping, not being involved in wars, impartiality and maintaining Ireland’s independence, identity and independent foreign policy decision making. These differ from the concept of military neutrality that has allowed us to facilitate the movement of munitions and millions of armed troops who are engaged in invasion and occupation through Shannon Airport. What is most infuriating is that, since Mr. Justice Kearns ruled that the Government was in clear breach of international laws on neutrality, more than 2 million additional US troops and vast quantities of arms and munitions have passed through Shannon Airport. The Governments since 2003 have consistently been acting in breach of the High Court finding while illegitimately claiming military neutrality.

The aim of the Bill is to put an end to this dishonesty and illegality by strengthening the position on neutrality in the Constitution while eradicating the ambiguity that has thus far allowed the Government and courts to misrepresent Ireland’s place and standing in international relations. The Bill’s function is to take back the powers that have been abused by successive Governments and the courts since 2003, and for the people of Ireland to take back from the Government the power to allow the US the use of Shannon Airport as a military air base and the unfettered use of our airspace for military aeroplanes on the way to a warfront and to send Irish people to unjustified wars. We can only do this by enshrining neutrality in our Constitution.

Trying to get an honest debate and clarity from the Government has been a difficult fight for the years we have been in the Dáil. There is nothing but confusion. Four Departments are involved. They kick responsibility from one to the other. As the dogs in the street know and, when published, a recent court judgment in Ennis will bear out, heavy armaments are passing through Shannon Airport on the way to warfronts where more than 1 million innocent people have died. We have facilitated that and should be ashamed.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): I thank Deputy Wallace for introducing this Bill. I have the honour of setting out the Government’s position on it. This is the second time in three weeks that the House has debated a proposal to amend the Constitution by inserting provisions concerning military neutrality. I will focus on the broader issue of military neutrality before turning to the specific proposals in Deputy Wallace’s Bill.

As has been stated in the House many times, including three weeks ago, the Government is committed to the long-standing policy of military neutrality, which enjoys widespread public support. The Government’s commitment was publicly re-confirmed in the major statement of foreign policy priorities that it published in January, entitled “The Global Island: Ireland’s Foreign Policy for a Changing World”. The statement sets out a comprehensive series of policy

priorities concerning Ireland's future in a rapidly changing world, including securing our nation's prosperity, active engagement in the EU, promoting peace and reconciliation on this island, engaging with our diaspora, providing travel documents and assistance for our citizens when travelling abroad and promoting our values. It is on this last point that I wish to focus.

As the statement makes clear, "Article 29 of the Constitution sets out the principles that guide Ireland's conduct of its international relations". These principles include "the ideals of peace and friendly co-operation amongst nations" and "the principle of the pacific settlement of international disputes". It further confirms that our foreign policy is deeply anchored in the values set out in the Constitution. The statement reconfirms that our policy of military neutrality remains a core element of Irish foreign policy. In line with this policy, we are not members of any military alliance and have no plans to join any. However, military neutrality does not mean that we take an insular view or isolate ourselves from the world. We are conscious of our duty and responsibility to do what we can to prevent and alleviate the suffering of others. In line with the Constitution, we take seriously our obligation to work towards the pacific settlement of international disputes. Moreover, our export-oriented economy relies on a stable rules-based international system for the trade, investment and tourism flows on which the prosperity of our people depends. The Government, therefore, believes in active global engagement and in contributing to international efforts to secure similar peace and prosperity in other parts of this interconnected world. We do this through policies aimed at combating poverty and hunger, principally through the Government's Irish Aid programme; advancing human rights; promoting disarmament; and working through the UN, the EU and with our international partners to promote international peace and stability.

The contribution made by Irish troops to peacekeeping missions is at the heart of our strategy. Thousands of men and women have made an invaluable contribution to keeping the peace in countries ravaged by years of conflict.

12 o'clock

Our troops have a distinguished track record and a well-deserved international reputation earned over many decades. To meet the growing demand for peace operations, the UN has increasingly turned to regional organisations such as the EU, the African Union and NATO to manage operations on its behalf and under its authority. Ireland has actively contributed to the shaping of the EU's Common Security and Defence Policy, CSDP, which equips the Union to take on crisis management operations outside the EU in accordance with the principles of the UN Charter.

The operation of the CSDP is entirely consistent with Irish foreign policy traditions and principles. It is guided by a comprehensive approach which seeks to tackle the underlying causes as well as the manifestations of conflict. The EU now has a wide range of competences equipping it to make a significant contribution to peace support operations by drawing on a mix of economic development, trade, mediation, rule of law and peace support instruments. The EU has deployed more than 30 military and civilian operations since 2002. Members of the Defence Forces have participated in some of these missions. However, the majority of missions are civilian in nature and involve the deployment of police officers and civilian experts.

These EU missions are externally focused and designed to contribute to international peace and security. They are not related to internal EU security or territorial defence. They rely on contributions made by the sovereign decisions of individual member states. In Ireland's case,

Defence Forces deployments are, and will continue to be, governed by the triple lock mechanism which is set out in legislation.

Lest there be any lingering concerns arising from recent comments in the course of an interview by the President of the European Commission, Mr. Jean Claude Juncker, I want to make clear that there is no European army, nor is there any basis for one. The protocol on the concerns of the Irish people to the Treaty of Lisbon, which is annexed to the Treaty on the European Union, makes clear that the treaty does not affect or prejudice our military neutrality. The protocol also states that the treaty does not provide for the creation of a European army. The treaty itself states that there will be no common defence unless the European Council unanimously so decides and Article 29.4.9 prohibits Irish participation in such a common defence.

Before turning to the Bill proposed by Deputy Wallace, I want to refer briefly to the issue of the use of Shannon Airport by the US. This is a long-standing practice which has been in place for over 50 years. We have never withdrawn or suspended the use of facilities at Shannon at any stage during that period. Ireland has not entered into a military alliance with the US or with any other country or organisation. Permitting the use of Shannon by the US does not challenge this position in any way and successive Governments have considered that this is compatible with our policy of military neutrality.

Let me turn to the Bill proposed by Deputy Wallace. The Bill proposes that the Constitution should be amended to require adherence to the provisions of the 1907 Hague Convention (V), respecting the rights and duties of neutral powers and persons in case of war on land. I will quote the exact Schedule proposed to be inserted into the Constitution:

Ireland's neutral status shall be affirmed by adherence to the provisions of the 1907 Hague Convention (V) Respecting the Rights and Duties of Neutral Powers and Persons in Case of War on Land.

As Deputy Wallace will be aware, this was one of 13 conventions adopted on 18 October 1907 at the conclusion of the second Hague Peace Conference. The convention was a product of a historical context which concerned the sovereign right of states to wage war. This right had for centuries been regarded as a legitimate instrument of a state's national policy. The law of neutrality represented a logical accompaniment to the sovereign right of states to wage war. In other words, states which did not wish to be considered as participants in a war had the legal right to insist on respect for their rights as neutral parties and as neutral parties had to comply with certain legal obligations under the convention.

However, just two decades later, the right to wage war was relinquished by practically all states under the 1928 General Treaty for the Renunciation of War. William T. Cosgrave, acting on behalf of the then Irish Free State, was among the original signatories to the treaty which declared that the contracting parties condemn recourse to war and renounce it as an instrument of national policy in their relations with one another. The treaty further stated that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be shall never be sought except by pacific means.

The prohibition on war was reinforced with the adoption in 1945 of the Charter of the United Nations. Article 2(3) of the charter requires all members to settle their disputes by peaceful means. Under Article 2(4), UN members "shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any

states, or in any other manner inconsistent with the purposes of the United Nations.” Whereas the 1907 convention was designed to allow neutral states to stay out of a war, it has largely been superseded by the Charter of the United Nations which sets out a framework of internationally accepted principles concerning collective security. The old distinction between belligerents and neutrals is no longer relevant as war is prohibited by international law.

Under the UN Charter the use of force is permitted only in individual or collective self defence or where authorised by the Security Council in order to maintain or restore international peace and security. Where the Security Council authorises measures, including military action, to restore international peace and security, member states not participating in those measures are nevertheless obliged under Article 2(5) to “give the United Nations every assistance in any action it takes” in accordance with the Charter. UN member states may also be required to implement sanctions imposed by the Security Council against a state. Thus it may no longer be possible for a UN member state to remain neutral in the manner prescribed by the 1907 convention.

Furthermore, the 1907 convention applies to the waging of war, which is an armed conflict between states, but it does not apply to conflicts within a state or to conflict between states and non-state actors which represent the vast majority of modern armed conflicts. It refers to the passage of troops over land or by sea, but because it is a product of its time it makes no reference to modern modes of transport, including air travel, or to new developments in technology.

The 1907 Hague Convention should be regarded as a product of its time. Just 33 countries are state parties to the convention, with just two of these ratifying the convention after the 1928 general treaty came into force, which were Ethiopia in 1935 and Belarus in 1962. Ireland fully subscribes to the provisions of the 1928 general treaty and the UN Charter. The Government sees little point in ratifying a convention which has its roots in a right to wage war which, as I have outlined, is now prohibited by international law. With the adoption of the UN Charter, it is far from clear how it applies in the modern world.

The case for ratifying the convention is weak, but the case for including a reference to it in the Constitution, to bind the State by its provisions, is weaker still. Three weeks ago, the Government rejected the case for inserting provisions on neutrality into the Constitution. The Minister of State at the Department of Foreign Affairs, Deputy Jimmy Deenihan, noted that the objectives of the Private Members’ Bill proposed by Deputy Seán Crowe were well intentioned but that to insert those provisions into the Constitution was neither necessary nor desirable. Those arguments apply equally to this Bill.

As I said in my opening remarks, there has been a long-standing commitment by successive Governments to the policy of military neutrality. This Government remains fully committed to this policy and has reaffirmed the commitment in the global island policy. Article 29(2) of the Constitution confirms Ireland’s adherence to the principle of the peaceful settlement of international disputes and it prohibits participation in any EU common defence. Ireland’s policy on military neutrality was acknowledged and protected in the legal guarantees obtained in the context of ratification of the Lisbon Treaty.

In addition to all these important provisions, the conditions which must be satisfied to permit Irish participation in overseas military operations are set out in legislation under the triple lock mechanism. In view of these provisions, the Government does not consider that a constitutional provision on neutrality is required. I would be concerned about the potential implications

of a constitutional provision that requires the State to act in keeping with a convention which has in large measure been overtaken by developments in international law and which may even be inconsistent with the UN Charter. I do not think that this House would wish Ireland to find itself in a position where it must refuse to take part in a UN-mandated peace operation or must refuse to implement sanctions approved by the Security Council because the Constitution had been amended in such a way that we had to act in the manner in which a neutral state would have done at a time of war in 1907.

I do not believe that this House would support a provision which potentially might tie the Government's hands and prevent it from taking a public position on incidents of gross violations of human rights or the commission of war crimes that may occur during a conflict because it is required under the Constitution to adhere to a strictly neutral position as set out in the Hague Convention.

The world has moved on since 1907. We no longer live in an era of belligerents adhering to an outmoded law on the right to wage war. We live in the modern world, a world in which we and most other states regard the United Nations as the forum within which disputes should be settled, and the UN Charter as the set of principles to which all states should adhere. We must look to the future and it is on that basis that the Government is not accepting the Bill.

Deputy Clare Daly: As I listened to the Minister of State, I heard him basically parrot out the same line that I recall hearing from his colleague, the Minister for Defence, Deputy Coveney, three weeks ago. The meaning of the words spoken by the Minister of State is at enormous variance with the reality on the ground. What he stated in the concluding paragraph of his speech takes the biscuit. The idea that he would object to this Bill on the grounds that he is worried it will tie hands of the Government and prevent it from speaking out against war crimes, etc., beggars belief. Those in Government have some neck when the Taoiseach exchanges the shamrock with probably the biggest war criminal on the planet and does not bat an eyelid; when they stand before the United Nations Committee against Torture and the United Nations Human Rights Committee; and when the European Parliament has said that this State may have facilitated in the area of renditions and so on and they have not listened to it and have not put in place the measures it asked to be put in place in order for us to be human rights compliant. Yet, the Minister of State has come in here and used that argument against the Bill. It has become symptomatic of this Government's approach of saying one thing and the reality being something entirely different.

I welcome this legislation. It is necessary in order to be in keeping with the overwhelming belief of the public that we would be neutral, and neutral in the real meaning of the modern world that we live in, which means peacekeeping, in which some Irish troops are already very involved. It also means, as Deputy Wallace said, impartiality which we most certainly are not at present. It means developing an independent foreign policy in an active and positive way with an emphasis on human rights, not being a lap-dog of the United States and NATO.

I tabled a written parliamentary question to the Minister for Foreign Affairs and Trade earlier this week asking whether he was satisfied with the legislative position that we have now, if it was in keeping with international laws governing neutrality and if it was sufficiently robust. By way of reply I was given the usual waffle, as outlined by Deputy Wallace earlier, about our neutrality being characterised by non-participation in military alliances. That is not all that neutrality is. We may not actively send troops as combatants but that is not enough in terms of being neutral. It is clear by the actions of this Government, like its predecessors, that we are

complicit in war activities, as promoted primarily by the United States and NATO.

I want to focus on that situation and to give a few examples because we are not neutral despite what the Government says. The WikiLeaks cables, which were released in 2010, provide graphic information about the role of Shannon Airport and how important the Americans view it - the Americans who advertise, in their opinion, that Ireland is part of the “coalition of the willing”, as they call them. I will give a few examples of the cables from the American authorities. A cable in June 2004 states, “Shannon Airport ... is an important gateway for US commercial and military travel. We have a long-standing arrangement with the ... [Government of Ireland] whereby US military aircraft land and refuel at Shannon, *en route* to the Gulf ... [and] Afghanistan”. That is an entirely different arrangement from the arrangement that existed in the past when US troops were garrisoned in the likes of Germany and occasionally went on their holidays. We have the transit of almost two aircraft per day, even now, landing at Shannon. We know that last year, 606 exemptions were sought to land civilian aircraft at Shannon and for them to have permission to have weapons on them. We are told the Irish Government gives that permission on the basis that the weaponry is in the hold but we know from evidence given by airport workers, and by Dr. Tom Clonan, that quite often those munitions are on the aircraft in direct contradiction to what are the supposed conditions.

We know that last year 741 permissions were sought for foreign aircraft to land or overfly our air space, almost two a day, the overwhelming bulk of them generally from the United States. We are supposed to believe that those aircraft are unarmed and that they carry no arms, weapons or explosives, and are not involved in any intelligence gathering or military activities. Those are the only criteria under which they are allowed land here. That is laughable. There is no other reason that explains such a large transit other than the fact that they are in transition, probably primarily and tragically to the Middle East because we know that is what the US uses them for.

In another cable in 2006, the US authorities said, “Shannon ... [remains] a key transition point for US troops and material bound for [the] theatres ... [of] global war on terror”. In 2008, they said that the US Government appreciates Ireland’s steadfast support in permitting US military transit which backstops US actions in the Gulf. We also know from the few accidents that have happened that they carry weaponry and that they are in breach of our neutrality, and the Government is facilitating that. Even in the lifetime of this Government, we had the accident where a 30 mm cannon was found to have been on display when the aircraft landed in Shannon. That was in 2012 or 2013.

We know that the Minister for Foreign Affairs and Trade had to come into the House on 2 December last year to correct the Dáil record because on four occasions I had asked him about a Hercules C-130 which had landed in Shannon on 30 September last year. We were particularly concerned about this aircraft because it was operated by a reserve marine corps squadron who had been very active in Libya and Iraq. On four occasions we were told that the aircraft was not there. Then the Minister, Deputy Flanagan, had to come in and tell us that actually it was there and that they were sorry about that but the Department had got the wrong information from the Shannon Airport Authority. Why was the Shannon Airport Authority giving the Department of Foreign Affairs and Trade the information when it is supposed to authorise the permission in the first instance?

We had an incident at the end of last month where a very serious type of aircraft an EC-130 Hercules, which is entirely different from the normal Hercules aircraft, landed - it was supposed

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edly an emergency landing - on 28 February. We were told by the Minister that permission had been sought to land a different aircraft but that this one happened to arrive. It was not that it was unannounced. Permission had been sought for a normal Hercules to land on that day. It is beyond belief that we have caught out yet another administrative error in this scenario. The type of aircraft that landed then is called an “airborne tactical weapon system”. It could not possibly be anything other than involved in war, yet our Government says that we are neutral.

Deputy Wallace is right in that what we have had is a sleight of hand between four Departments and rank hypocrisy to allow a scenario go on when we know that more than 2.5 million troops - almost half of the troops that landed and ended up in Iraq and Afghanistan - transited through this country on their way to war. These are very important issues. In discussions earlier in the week the Government agreed with us that Libya and Syria are now places of enduring horror almost without end. The countries have been annihilated and the states are not functioning. There are millions of refugees and hundreds of thousands of people have been slaughtered and there is no end in sight. Not only this, but these actions have facilitated the growth of ISIS and destabilisation of the entire region. Irish people do not want to be part of this, but the reality is that we are by allowing Shannon Airport to be used in this way.

The Government can talk about triple locks and the authority of the Dáil, but as Deputy Wallace explained this has been used to carry out a sleight of hand and undermine the wishes of the Irish people in this regard and therefore I fully support the Bill. It is absolutely necessary to be in accordance with the wishes of the Irish people and, critically, for us to adhere to our human rights obligations on a global scale and to be to the forefront of peacekeeping and active neutrality, and the proud tradition we had as an independent sovereign nation with an independent foreign policy and not one which slavishly follows the wishes of the United Nations and NATO.

Deputy Brendan Smith: We are debating neutrality in the Chamber for the second time in eight sitting days. While this Bill is different from what was debated three weeks ago, it too seeks to enshrine neutrality in Bunreacht na hÉireann. In his introductory remarks Deputy Wallace referred to the Hague Convention. My understanding from the limited research I have been able to undertake on this very important issue is that the first occasion when rules and modalities regarding the pursuit of war were discussed was at the Brussels conference of 1874. These were later enacted by the Hague conferences of 1899 and 1907. These latter conferences migrated into the various Hague Conventions. Arising from the Hague Conventions, detailed rules on neutrality, that is relations between belligerents on the one side and third states on the other, were laid down.

Prior to 1945, and most especially at the time of the enactment of the Hague Convention of 1907, the practice of the declaration of war was pre-eminent, and the Minister of State, Deputy Sherlock, referred to this earlier. These declarations of war by state parties allowed states that wished to be deemed neutral the opportunity to declare so. The official international protocol for declaring war was defined in the Hague Convention (III) of 1907 and termed the agreed procedure for the opening of hostilities. It codifies the international actions a country should perform before opening hostilities, in particular in Articles 1 and 2.

The United States Congress has the power under the United States Constitution to declare war. However, neither the United States Congress nor United States law stipulates what format a declaration of war must take. The last occasion on which the United States formally declared war was in 1942. The military campaigns waged in recent decades, particularly in Iraq and Afghanistan which necessitated troop movements through Shannon Airport, were initiated under

the authority of the President of the United States without formal approval of Congress. These actions, and others such as the earlier participation in the Korean War in the 1950s, were initiated based on the authority vested in the passing of resolutions by the Security Council of the United Nations.

Since 1945, developments in international law such as the Charter of the United Nations, which prohibits the threat and use of force in international conflicts, have made declarations of war largely obsolete in international relations. However, the central tenet of the Hague Convention (V) of 1907 remains extant and Article 2(4) of the United Nations Charter is important. However, in recent decades Article 2(4) has been sidelined or overlooked frequently when the resolve of the international community of states deemed that the urgent requirement of humanitarian intervention in inter and intra state conflicts overrides the requirements of Article 2(4).

Deputy Wallace selectively quoted from the Hague Convention of 1907 in validating the proposal before us seeking a referendum to enshrine neutrality in the Constitution. His position is advanced by invoking the requirements of Article 2 of the convention. However, contemporaneously one needs to note particularly the content of Articles 6 and 7 of the convention, which refer to the obligations and responsibilities of belligerent and neutral powers.

I repeat what I said three weeks ago, that Fianna Fáil is steadfast in its support of Ireland's policy of military neutrality. It is a policy which we have followed, in and out of government, and it has as a key defining characteristic non-membership of military alliances. This policy of military neutrality has been complemented by strong support for international co-operation for peace and stability. This has been demonstrated in Ireland's participation in UN-mandated peacekeeping operations. Those of us who live in counties and towns which until recently had a good military tradition are very proud of the men and women of Óglaigh na hÉireann who have done us proud in their peacekeeping duties abroad.

Several Defence Acts passed by the Oireachtas mean that Ireland only takes part in missions which are unequivocally authorised by the United Nations and on the basis of a sovereign decision by Government, subject to the approval of Dail Éireann. Furthermore, Article 29 Bunreacht na hÉireann confirms Ireland's devotion to the ideal of peace and friendly co-operation among nations founded on international justice and morality. Article 29 also upholds our observance of the principle of peaceful resolution of international disputes. We do not endorse an isolationist position that could isolate us from friendly nations and partners in Europe and across the Atlantic. Fianna Fáil believes we must take what is positive in this country's tradition and develop it. We have our own distinctive tradition of neutrality and we should be proud of it, and we should use it when we debate European common security and foreign policy. The comments of the recently installed President of the European Commission, Mr. Juncker, on the possibility of the formation of a European army were reprehensible.

Deputy Thomas P. Broughan: Hear, hear.

Deputy Brendan Smith: It is absolutely reprehensible that a person in that position would make such comments. At every opportunity available to any of us as elected representatives, particularly those in the Government, we should remind him those comments are reprehensible.

Since the 1930s and 1940s, we have never sought to have the type of neutrality that, for example, Belgium had before 1914, for the very good reason that it proved not to be worth the paper on which it was written. We already have strong provisions that protect our position. The

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second Nice treaty referendum introduced a provision in Bunreacht na hÉireann affirming that Ireland could not partake in common defence without further amendment to the Constitution. This gave constitutional effect to the solemn commitment in the national declaration by Ireland at Seville that a referendum would be held in Ireland on the adoption of a decision taken by the EU to move to a common defence. The Seville declaration clarified there was nothing in the treaty of Nice or previous treaties that posed a threat to Ireland's traditional policy of military neutrality.

For Ireland to join a common defence, the people would first have to vote to delete or amend this constitutional prohibition. At the Seville summit in June 2002, the State secured the agreement of our EU partners to declarations that reflect Ireland's position on military neutrality and European Security and Defence policy. Two declarations were included in the Nice treaty to underline the Irish position. The national declaration by Ireland states (i) Ireland is not party to any mutual defence commitment; (ii) Ireland is not party to any plans to develop a European army; and (iii) Ireland will take a sovereign decision, on a case-by-case basis, on whether the Defence Forces should participate in humanitarian or crisis management tasks undertaken by the EU, based on the triple lock of UN mandate, a Government decision and approval by Dáil Éireann.

The declaration of the European Council at the time confirmed that Ireland's policy of military neutrality is in full conformity with the treaties, on which the European Union is based, including the treaty of Nice, and there is no obligation arising from the treaties which would or could oblige Ireland to depart from that policy.

These are solemn political declarations of a formal kind which are deposited at the United Nations. We stand by these declarations and we also stand by the triple lock.

Ireland has always conferred fundamental importance on the United Nations since we joined more than 58 years ago, and working with other UN members we have supported international action in areas such as disarmament, peacekeeping, development and human rights. We are strong and committed supporters of collective security through the United Nations. This has been the stated policy of both our party and of many Governments over the past 58 years. Alongside this, we have endorsed and supported the primary role of the United Nations Security Council in the maintenance of international peace and security in accordance with the charter of the United Nations. This emphasis on the UN is not one we should lightly discard. Although we are conscious of the opposition to the triple lock from some military and political commentators, we believe there is overwhelming public support for the mechanism, and we strongly support it. The legitimacy conferred by a UN mission bolsters the safety and security of our Defence Forces when they participate in peacekeeping missions. No mission will be without risk but the absence of the blue hat would heighten that risk.

The United Nations needs restructuring and it is not as effective as we all want it to be. There is a need for completely new architecture with regard to participation and the right of veto in the UN Security Council, as well as the automatic inclusion of some member states on that council. Since its establishment, the body has not reflected the political developments of the past number of decades, with some continents now much more powerful than they were at the post-war configuration of the United Nations.

Whereas neutrality was the given policy of successive Governments prior to World War II, it was that conflict that put it to the test. In 1940, the then Taoiseach, Deputy Éamon de Valera,

told this House:

we have chosen the policy of neutrality ... because we believed that it was the right policy for our people. It is the policy which has been accepted, not merely by this House, but by our people as a whole, and nobody who realises what modern war means, and what it means particularly for those who have not sufficient air defences, will have the slightest doubt that that policy was the right one, apart altogether from any questions of sympathy on one side or the other.

He went on to say with regard to the United Nations:

It is the small nations particularly that should welcome an organisation which is intended to give collective security. But the small nations, just like the big ones, will, if they become members of such an organisation, have to be really loyal members of it. They will have to make up their minds that the obligations which are necessary, if the organisation is to be successful, will be fulfilled and carried out.

Our neutrality from 1939 to 1945 was feasible only because we had regained control of the treaty ports from Britain in 1938. When discussing this in the Dáil in the immediate aftermath of securing the return of those ports, de Valera quite rightly emphasised sovereignty rather than neutrality. As has been pointed out in this House before, the war from 1939 to 1945 showed clearly that military neutrality by itself is not sufficient to maintain conditions of peace. It is important that we recognise the importance of neutrality in our country over the years. On behalf of my party, I reiterate that the people are sovereign in this country. Bunreacht na hÉireann provided for the sovereignty to reside in our people through our electoral system and that is where sovereignty should remain.

Deputy Finian McGrath: I thank the Cathaoirleach for the opportunity to speak to this very important legislation and I welcome the Thirty-fourth Amendment of the Constitution (Peace and Neutrality) Bill. As well as having the broader debate on neutrality, we can consider the tone and content of the legislation, which is basically about saving lives and preventing the death and destruction of people throughout the world. That is why this legislation should be taken very seriously.

I warmly welcome the debate, and we have also had a recent debate on similar legislation. I commend my colleague, Deputy Mick Wallace, for bringing this back to the political agenda today. As I stated, this is about saving lives and being constructive. It is also about highlighting the hypocrisy of many in this country when it comes to the word “neutrality”. I have had to sit here this morning and listen to some very windy speeches about this issue. Many of those who are claiming to support neutrality do not do so deep down. They are constantly looking over their shoulder at the US and the European Union in developing our views on foreign policy matters. It is important to say that in this broader debate.

Many people on the “pro-war” or other side of neutrality often try to dismiss those of us who wish to support the principle of neutrality or an independent line as “sitting on the fence” with issues. Being neutral does not equate to sitting on the fence with regard to international conflicts: instead, it is about getting involved with conflict resolution, peacekeeping and humanitarian issues. It is the real, constructive and assertive policy of neutrality which should always be at the core of our international and foreign policy. This is what applies for the vast majority of Irish people. Sadly, there are people in the Government and in some of the other

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major parties who have a sneaking regard and want to get rid of neutrality and tip the cap to other big international countries in these issues. I will address those later but this neutrality Bill is about saving lives.

There is a rump in the European Union that wants a European army, and that cannot be denied. There is also a rump in Irish society that is banging down the door to get into bed with those people. That is also a political reality. The people in question may argue they are not an aggressive group but they turn up at meetings of the Oireachtas justice committees with reports of “battle groups”. They do not speak of peacekeeping but instead the battle group exemplifies the jargon coming from the European Union. We need to resist those people. There is a NATO wing in the current Government, with a rump in the Cabinet and among backbenchers that would have us in NATO tomorrow morning. They think NATO is the greatest thing since the sliced pan. Those of us who support Deputy Wallace’s legislation need to put away some political differences and unite on this Bill, as it reflects the historical view of the Irish people.

A number of my colleagues have mentioned the United Nations and I commend that body for its magnificent work. I specifically commend our troops and family members, who have served in the Lebanon and other countries in very difficult missions. The theme is conflict resolution and peacekeeping, which is about trying to save human lives and humanitarianism. That is not aggressive action. I agree that the UN as it stands is out of date and we must modernise and reform it. We also must ensure it can get the backing and reform which we all support. There is much support for that type of policy in international issues.

We saw the scandal of the Iraq war, which brought out thousands of Irish people, including me, to the streets in protest. That was one of the biggest marches in Ireland and almost as big as those which have protested the water tax. The people expressed their opinion about the war in Iraq. It was a criminal act and thousands of innocent people were slaughtered. Now look at the state of the Middle East and the fingerprints all over that crisis. Even last night, the British Labour Party leader, Mr. Ed Miliband, accepted that the country made a major error of judgment with the war in Iraq. As far as I am concerned, it was a criminal act. There is also the issue of Palestine. The Irish people have historically sided with the Palestinian people and we must continue pushing that agenda. The Palestinians need our support for that independent state because there has been a massive swing to the right in the recent Israeli elections. That has led to concerns for many Irish people.

The big issue with which Deputy Wallace has been involved recently is that of Shannon Airport and the facilitation of those on their way to a war zone. That is not positive neutrality. There is an element of economic bullying on the part of the USA and other countries. Why can we not stand up for ourselves and say that while we can disagree with countries on their foreign policies, we can still work with them on trade and other issues? When it comes to Shannon Airport, there is a hidden agenda and one will regularly hear Government backbenchers ask about the jobs in Shannon, Limerick and Clare. That is the constant refrain, which amounts to economic bullying. The facilities at Shannon are being used as part of the preparation for entering a war zone. It is important that we highlight this fact and are honest about it, which does not amount to being anti-American. We should be honest and straight and promote our neutrality in a positive way.

I am also sick and tired of those who come into this House and describe those of us who are in favour of neutrality as isolationists. I am not an isolationist but an internationalist when it comes to conflicts. However, I am not an imperialist and would never support imperialism or

the slaughter of innocent people. A class A example of this relates to our policy on Cuba. We have taken a different line to the USA with regard to Cuba but recent developments indicate that the Americans are changing their Cuban policy now. President Obama has accepted that US sanctions and the years of torturing the people of Cuba must come to an end. Ireland has stood its ground on Cuba and I am glad to see that we have developed more economic ties with that country recently.

The triple-lock has been much discussed and is crucial in the context of this debate about the integrity of our neutrality. I know plenty of people in this House, some of whom sit at the Cabinet table, who would drop the triple lock in the morning if they could and we need to keep an eye on that. In the run-up to the centenary of 1916, it is important that we identify with this legislation. Next year we will be honouring the men and women who participated in the 1916 Rising. They would want an independent foreign policy and would be supportive of this legislation. There is another event from 1916 that is very upsetting and while I have no problem with people commemorating their dead, I do have a problem with people glorifying war. The Battle of the Somme, for example, which happened in 1916, for many people symbolises the true horror of warfare. By the end of that battle, the British had 420,000 casualties, including nearly 60,000 on the first day alone. The French lost 200,000 men and the Germans lost nearly 500,000 men. That is what happened at the Battle of the Somme. Let us commemorate the dead but let us not glorify war. I mention the Battle of the Somme today because it is relevant to the debate on this legislation, which is pro-peace, anti-war and which puts forward a constructive policy on neutrality

Deputy Thomas P. Broughan: I am pleased to support Deputy Wallace in this Second Stage debate on the Thirty-fourth Amendment of the Constitution (Peace and Neutrality) Bill 2014, which seeks to affirm Ireland's neutral status by adherence to the provisions of the 1907 Hague Convention (V), Respecting the Rights and Duties of Neutral Powers and Persons in Case of War on Land. It is a very basic public policy requirement for the management of the foreign affairs of this State. I was also glad to support recently the Neutrality Bill put forward by Deputy Seán Crowe. That Bill was voted down by the Government and I hope the same fate does not befall Deputy Wallace's Bill today. Since we discussed Deputy Crowe's Private Member's Bill, we have heard the President of the European Commission calling for the development of a European army to be specifically directed against Russia. That was followed up by comments from the German defence Minister, Ms Ursula von der Leyen, to the effect that our future as Europeans would include a European army. Elements of the German media, like *Welt am Sonntag*, have argued that a European army is a European vision whose time has come. We have a lot of movement on that front on the one hand, while on the other hand we can see that the crazy war crimes of the Iraq adventure by George Bush and Tony Blair have resulted in the US, Britain and other countries, including Ireland, being dragged into the horrendous situations in Iraq, Syria, Libya and more recently, Yemen. A focus of this has been the rise in Sunni-inspired extremism, largely motivated by the medieval regime of Saudi Arabia and similar states. In Yemen today we see that struggle bringing desolation and horror to the people of the cities of the Yemeni Republic, as Shia and Sunni sectarianism is acted out.

Almost 12 years ago I supported, along with my then Labour Party colleagues, a Neutrality Bill proposed by the Sinn Féin party which called for the principle of neutrality to be inserted into the Irish Constitution. Deputy Wallace's Bill goes further and provides that our neutral status shall be affirmed by adherence to the provisions of the 1907 Hague Convention (V), Respecting the Rights and Duties of Neutral Powers and Persons in Case of War on Land. The

enactment of this Bill would mean that neutrality would be enshrined in our Constitution by way of referendum and only a referendum of our citizens could reverse that. It would no longer be, as so many previous Ministers have said, including the former Leader of the Labour Party, Deputy Gilmore, simply a matter of policy.

The Minister of State referred to the evolution of the Hague principles. If one looks back to the 19th century, one sees that there was a very well thought-out effort by those who wanted to have a peaceful world to produce international legislation which would protect neutral states and, as far as possible, move towards banning war outright. These efforts can be seen in the Geneva Convention in 1864 through to the Brussels Declaration in 1874. At around the time of the development of the Geneva Convention, the Lieber Code, which later became part of the Hague Convention (V), was signed by US President Abraham Lincoln in the context of hostilities during the American Civil War. The first Hague Convention was signed in 1899 and the second in 1907. They were intended to be international treaties outlining the laws on wars and war crimes.

The Hague Convention (V), which Deputy Wallace is trying to insert into our Constitution through this Bill, reads very forcefully to the current generation. Article 1 holds that “The territory of neutral Powers is inviolable”, while Article 2 holds that “Belligerents are forbidden to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power”. Article 5 holds that “A neutral Power must not allow any of the acts referred to in Articles 2 to 4 to occur on its territory”. The convention has enormous relevance and it is astonishing that this country does not adhere to it. The Minister of State has not given an acceptable explanation as to why that is the case today and why we cannot simply proceed with Deputy Wallace’s very thoughtful legislation and put it to the people.

The efforts of those who wanted to promote peace in the 19th and early 20th centuries were devastated by the epoch of the two world wars. Some 80 million people were slaughtered. Only in recent days people may have read about the devastation that was wreaked on the women of Germany by the brutal and savage behaviour of some of the allied troops invading from the western side. We have known for many years about the devastation that was wreaked on the women of Germany in particular by troops who arrived from the eastern side and obviously terrible crimes had been committed by the fascist regime, but it is astonishing that we are still hearing about the terrible reverberations of the horrors inflicted in the period of the First and Second World Wars and how ordinary men and women suffered so desperately. Clearly, this convention was completely obliterated from point of view of the innocent Belgian population when Germany invaded Belgium.

The Nuremberg trials codified that the Hague convention must be followed by countries, regardless of whether they had signed it. It is striking that the Minister makes that point about the 33 countries. Deputy Wallace specifically links Ireland’s neutrality to Hague Convention (V), relating to the rights and duties of neutral powers. Under the convention Ireland would be protected from the acts of belligerents, who would be forbidden to move troops or convoys across the territory. The various chapters and articles of the convention outline very comprehensively what Ireland’s neutrality would entail. In an answer in 2013 to a parliamentary question from Deputy Thomas Pringle, the then Minister for Foreign Affairs and Trade and leader of the Labour Party, Deputy Gilmore, stated that Ireland is not a party to the Hague Convention (V) and that there were no plans for it to become one. He went on to say that military neutrality would remain a linchpin of our foreign policy for the foreseeable future.

The reality is, as Deputies Wallace and Daly have graphically outlined in relation to the use of Shannon, that neutrality has been compromised very severely and very seriously. It is no longer sufficient just to trust the Government of the day to deliver that policy of neutrality. It is the wish of the Irish people. I paid tribute before to the Trojan work of a colleague of ours, Mr. Roger Cole, and the PANA organisation and the campaign PANA has waged over almost 20 years to have a piece of legislation like Deputy Wallace's inserted into the Constitution. I said during the debate on Deputy Crowe's Bill that I think we are coming closer to that time now and that the aim of PANA will be realised.

I mentioned in a speech a few weeks ago the attachment of the Irish nation to neutrality, given our history. The founder of the socialist and social democratic tradition in our country, James Connolly, was a ferocious opponent of the lunacy that led to the First World War and to the European elites consigning 80 million people to death and desolation. On Sunday week, we will hopefully be able to salute the successors of Óglaigh na hÉireann on the 99th anniversary of the Easter Rising. In many ways, one can look on that historic event as a ferocious determination to break away from the militarism of the British empire and its determination to prevent a viable independent sovereign state emerging on this island. The Bill before us is part of the architecture that Ireland needs to have. In that context, I warmly congratulate Deputy Wallace and hope to vote for the Bill whenever I get a chance.

Deputy Richard Boyd Barrett: I commend Deputy Wallace on bringing this Bill forward. I also commend some of the people who have been campaigning for years on the issue of neutrality, trying to safeguard it and to campaign against the steady erosion of that neutrality and the stealth push by the political establishment in this country to involve us in military adventures, primarily those headed by the United States and Britain, over recent years. The people who deserve our tribute include Roger Cole from the Peace and Neutrality Alliance, whom Deputy Broughan has already mentioned, and Edward Horgan, who is in the Visitors Gallery, and John Landon. They have done fantastic work at Shannon in exposing our continued complicity with the US war machine at Shannon Airport. It is also worth mentioning John de Courcy Ireland, the anniversary of whose death will be next year. He was one of the founders of CND and was an absolutely fantastic campaigner for our neutrality right up until his death. He was involved in the protests against the Iraq war and every other military adventure or war that took place during his lifetime.

The Government's rejection of this Bill and its excuses for it are nothing short of pathetic. The claim that trying to enshrine our neutrality with reference to the Hague Convention is outmoded and not relevant to the modern situation because of the UN is preposterous given that the two worst examples of militarism that we have seen in recent years, the US-led wars in Afghanistan and Iraq, happened, with our complicity at Shannon Airport, outside the remit of the United Nations initially, at least. The idea that members of the United Nations do not engage in unilateral military action and the use of force to pursue political goals is nonsense. It is despicable that the Irish State was complicit in that slaughter.

I was involved in organising the 100,000-strong demonstration back in 2003. We predicted that the US-led war in Iraq would lead to about 50,000 deaths. We were described as scare-mongers by the media and Government at the time and by the cheerleaders of US military action. In the event, about 1 million Iraqis died directly or indirectly as a consequence of the US military invasion. It says everything about our complicity in that invasion that the road between Baghdad airport and the city of Baghdad, where US troops were transported into Baghdad, was called "Route Irish". Everybody in Iraq, in the US military and everywhere else knew that

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Shannon was key to the logistical infrastructure required for the United States to wage a war that literally bombed Iraq back into the Stone Age. I hear the nauseating hypocrisy of people rightly condemning ISIS, but forgetting to mention that ISIS would not exist were it not for US aggression and the destruction the US-led coalition inflicted on the people of Iraq now spreading into Syria, devastating it and dragging it back to the Stone Age. Some of the most ancient civilisations in the world have been utterly devastated as a result of US-led military aggression and we continue to be complicit because our trade, economic, business and political relationship with the United States is more important to us than human rights, defending peace and trying to ensure a world without war and conflict, which were the founding principles of this State, or at least of the revolutionaries who fought for the independence of this State.

1 o'clock

It is where the notion of neutrality came from in Ireland, precisely because we had raised a war of independence against empires who were involved in brutal military aggression that brought Europe to the brink of collapse at the turn of the century. It was against this background that the Hague Convention was developed.

Neutrality should not be simply about the minimum requirements of the Hague Convention, that is, not logistically supporting military action. Rather it should be in line with the anti-imperialist tradition of this country and the progressive revolutionary tradition that brought this State into being. It should also be about having an ethical foreign policy. In his speech, the Minister of State alluded to being concerned about the human rights of others, peace and stability as well as fairness and justice throughout the world. One example that reveals everything about the callous lack of concern of this Government for those things, including the human rights of our own citizens, is the case of Ibrahim Halawa. He is going on trial in Egypt on Sunday and faces possible execution by the military junta that has hijacked the Arab spring and is now in power. Essentially, a new Mubarak regime is back in power in Egypt. It is passing mass death sentences against political opponents. One of these is an Irish citizen, Ibrahim Halawa. I have just come from a press conference with Ibrahim's sisters. They pointed out how he has been tortured viciously and cruelly by that regime and the fact that the Irish Government has stalled, dragged its feet and has refused to come out in a clear and unequivocal way to demand that Ibrahim should be released and that the regime that is supposedly putting him on trial is not capable of delivering any kind of fairness or justice either to its citizens or to one of our citizens, Ibrahim Halawa, whose life is threatened. He is on trial on Sunday and he could have an execution sentence passed against him simply for being involved in peaceful protests against the Egyptian regime.

I appeal to the Minister of State and to the Taoiseach, if he is listening to the debate. Why has the Taoiseach not come out publicly and forcefully, demand that this Irish citizen should be released from imprisonment, that the show trial and trumped-up charges which have been imposed on him should be lifted and that he should be released? Why has the Taoiseach not done that? Then, I thought about beef and the fact that in December of last year the Minister for Agriculture, Food and the Marine, Deputy Coveney, announced that live meat exports were resuming to Egypt and indeed to Libya, another prize regime involved in the most brutal suppression of its citizens. I wonder whether that is the reason. Of course that was the reason we never said a word of criticism against Saddam Hussein or his brutal dictatorship, because Larry Goodman was selling rotten beef to the rotten regime of Saddam Hussein. Probably, Larry Goodman is involved in selling beef. I am unsure whether it is rotten but it is certainly going to a rotten regime in Egypt, which is brutally suppressing civil rights and persecuting and crush-

ing any dissent. Yet, one of our citizens is there facing possible execution in a country where justice is not possible.

What is the official position of the Irish Government? It is to say that this citizen should have a fair trial. Yet, Amnesty International, every human rights organisation in the world and most governments in the world have acknowledged that there is no possibility of a fair trial for anyone in Egypt, whether for its citizens or any other citizens. The country is run by a military junta engaged in brutal suppression, executions and shootings on a daily basis of their political opponents as well as in the torture of thousands of people who are currently in prison simply for uttering criticism of the regime. One of our citizens is there. If Ibrahim Halawa, an Irish citizen born in this country, had the name Paddy Murphy, would the Taoiseach have made a statement to the effect that he should be released immediately? Of course he would. Yet, we have not had any public approbation or any forceful statement from the Taoiseach. I appeal to the Minister of State and the Taoiseach to make such a statement before Sunday. They should demand of the Egyptian regime that it release Ibrahim Halawa and stop the brutal suppression of human rights that the Al-Sisi dictatorship - effectively that is what is in place now - is inflicting on its own citizens.

Deputy Maureen O’Sullivan: There is a simple question at the heart of what we are debating today with Deputy Wallace’s Bill, that is, whether we are neutral. Ostensibly, we are neutral. We are neutral in theory but there are questions about whether we are neutral in practice. Yet, we claim to be proud of our neutrality. If we are serious about our neutrality and about protecting it, then there should be a resounding vote next Tuesday in support of accepting Deputy Wallace’s Bill. I live in hope.

Let us consider the Hague Convention of 18 October 1907. Article 2 of the convention deals with the rights and duties of neutral powers, which is central to what is being discussed. It states, “Belligerents are forbidden to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power”. The Minister of State said that the Hague Convention of 1907 should be regarded as a product of its time. I believe neutrality is not a product of its time. Neutrality is neutrality regardless of what time we are discussing.

The Hague Convention is a serious matter when we consider the way in which Shannon Airport is being used or, I should say, abused. The Government’s argument is always that because weapons of war or materials of war do not cross Shannon, we are not in breach of our neutrality. However, military craft are top-secret and they only stop for a short time to refuel. Although the Customs and Revenue have the right to search all vessels and aircraft in the Irish Sovereign State, exactly how many times has this happened?

Leaving the munitions and weapons of war argument aside, it is clear that facilitating troop movements is not in accordance with a neutral nation. We have a rather woolly definition of neutrality. It is almost as if we are making it up as we go along. Is our neutrality dependent on who is asking about it? I would hold that it should be the same whether it was Russia, China or any other country. Our neutrality is far more important.

Let us go back in history. When the treaty negotiations were going on in London, those in the Irish delegation brought with them terms on our neutrality, including terms to the effect that Ireland was a neutral State, that the integrity and inviolability of Irish territory would be protected and that there would not be permission for any action to be taken inconsistent with the obligations of preserving neutrality, integrity and the inviolability of Ireland. James Connolly

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was one of the leaders of the Irish Neutrality League in 1914.

What is happening now in Shannon Airport is reminiscent of what happened in Ireland during the Second World War. We were neutral. I believe it was part of showing our sovereignty but, no doubt, there was preferential treatment of one side. Allied force troops who crash-landed on Irish territory were able to rejoin their units in the United Kingdom via Northern Ireland, whereas German troops were detained in the Curragh until the war ended. We know that weather reports from our Atlantic weather stations in Connemara were given to allied forces but not German forces. The Army intelligence section regularly held meetings with British counterparts about security. Due to fear of invasion, our Army grew during the early part of the war. Most of the weapons were purchased from allied powers in return for information on the movements of German ships off the coast.

All of that undermined our neutrality. I realise there was a moral argument in terms of what Hitler was doing, the Holocaust and the treatment of minority groups in the countries that Germany controlled. However, we are either neutral or we are not. I do not think that preferential treatment was equally balanced when President de Valera offered condolences to the German authorities on the death of Hitler. Some historians will argue that the theory behind this was that it was the Government's policy to maintain our uncompromising neutrality for the fledgling Irish State. In fairness, the State did what it could to prevent Irish men and women in Northern Ireland from being conscripted.

It is interesting to note that at the end of the war Mr. Churchill taunted Ireland for remaining aloof from the Second World War. De Valera acknowledged that Churchill resisted the temptation to violate Irish neutrality. I am unsure whether that would have continued if England's survival had been at stake. Therefore, we had our own version of neutrality during the Second World War. It seems we have our own version of neutrality today as well.

If we are serious about neutrality then Deputy Wallace's Bill will be supported. It would set down a principle, notably in respect of the Hague Convention, on what constitutes neutrality. It would give statutory definition to what is now a rather loose term. At the moment, it is generally a matter of Government policy rather than a requirement of our law or Constitution, apart from one exception, the clause in Article 29.4.9o of the Constitution which states: "The State shall not adopt a decision taken by the European Council to establish a common defence pursuant to Article 42 of the Treaty on European Union where that common defence would include the State."

The last Red C poll showed massive support for maintaining a policy of neutrality with 78% in favour, a statistic that holds across different age groups and demographic indices. The use of Shannon Airport by US forces, the Government's prevarication over investigations regarding this, the way in which questions about Shannon are answered or not answered, particularly concerning rendition flights transiting through the airport, as well as reports from Amnesty International, the Council of Europe, the UN Committee against Torture leads to the conclusion that Ireland is not maintaining a neutral stance. The US has been taking advantage of Irish airspace which means that Ireland is complicit in war crimes and the atrocity that is Guantanamo Bay. As the Irish Government is very critical and pursuing the hooded man issue, how can we stand by and facilitate what is happening in Guantanamo Bay if the exact type of torture methods are used there?

Ireland is on the United Nations Human Rights Council and respected when it comes to

human rights. Our NGOs are to the fore in conflict and post-conflict countries. I know from chairing the Association of European Parliamentarians with Africa, AWEPA, here and engaging with African parliamentarians that we are very much respected. However, we are risking that in the way we are allowing Shannon to be used. We could be a significant player against terrorism and in challenging the atrocities of Islamic State, IS, and other warlords if we were strictly neutral. We do not want to be seen to be a puppet of American or Russian or any other country aggression or imperialism. I am critical of American and Russian foreign policy but it does not make me anti-American or anti-Russian. We should never have allowed Shannon to be used as a military base, irrespective of our relationship with the US. It should never have gone on so long because it is undermining our role in human rights, humanitarian and development aid.

It is vital we include a constitutional provision on the neutrality because it will preclude future Governments from abrogating their responsibilities and commitment to neutrality. If neutrality is constitutionally enshrined as this Bill proposes, then the State will be in a stronger position as a voice of humanity and reason, as well as a supporter of peace not war. The Minister of State claimed putting this into the Constitution is neither necessary nor desirable and the Government remains fully committed. He made the point that we no longer live in an era of belligerence adhering to an outmoded law on the right to wage war but live in a modern world in which we and most other States regard the United Nations as the forum within which disputes to be settled. If all that were true, we would not have had a Bosnian situation, genocide in Rwanda or what is happening now in Syria, Afghanistan, Iraq, Libya, the Congo and South Sudan. We have seen that the United Nations has failed in many situations.

Deputy Sean Sherlock: I was referring to the 1907 convention, so the Deputy should not forget the historical narrative.

An Ceann Comhairle: The Minister of State will have an opportunity to reply.

Deputy Maureen O’Sullivan: It was very difficult to listen to the Minister of State suggesting things are done differently now. We are losing our respectability because of the way in which we have allowed Shannon to be used which is undermining our neutrality.

Deputy Peadar Tóibín: Ar an gcéad dul síos, ba mhaith liom mo mhíle buíochas a ghabháil leis an Teachta Wallace as ucht na reachtaíochta seo a thabhairt os comhair na Dála. Ba mhaith liom a rá freisin go mbeidh Sinn Féin ag tabhairt tacaíochta don Bhille seo ar an Dara Céim.

This is the second neutrality Bill to come before the Dáil this month. My colleague, Deputy Seán Crowe, brought forward a Bill to enshrine neutrality in the constitution on 6 March. This Bill was regrettably and shamefully voted down by Labour, Fianna Fáil, and Fine Gael. This is unsurprising as they have been part of successive Governments which have undermined Irish neutrality and sold it off piece by piece. This Bill is similar in that it calls for a referendum on neutrality, albeit this one is focused on ensuring Ireland’s neutrality status adheres to the section (V) of the 1907 Hague Convention. A referendum on neutrality would be hugely beneficial and worthwhile because Ireland has *à la carte* neutrality.

In fact, Fine Gael’s Deputy Eoghan Murphy, during the debate on Deputy Seán Crowe’s Bill said: “Ireland is not a neutral State and never has been”. Many on the Government’s benches are NATO-philes and would have us in NATO in the morning if they had the opportunity. Successive Governments have repeatedly stated Ireland is a neutral State but from the point of view of Irish law neutrality has no operational parameters or any necessary legal status. Accordingly,

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Sinn Féin appeals once again to the Government to allow a neutrality Bill to pass Second Stage and to begin to openly and honestly debate Ireland's policy of neutrality.

A referendum would bring greater clarity to this State's neutrality policy which has become blurred, distorted, and riddled with doublespeak. The biggest damage to a debate is when people mutate words so they no longer have their original meaning.

The Government's Green Paper on Defence wrongly suggests that Irish neutrality has its origins in the Second World War. In fact, the Irish impulse to neutrality well predates this. Sinn Féin's support for neutrality is a product of a developed and coherent Irish republican position stretching back over 200 years when Wolfe Tone called for Irish neutrality in the face of an impending war between Britain and Spain in the 1790s. In 1914, James Connolly also founded the Irish Neutrality League and the women activists of Cumann Na mBan republished Wolfe Tone's *Spanish War* pamphlet in 1915.

In the Department of Foreign Affairs most recent 57-page policy paper, *The Global Island*, neutrality is only mentioned twice. The Hague Peace Conference agreed the substance of neutrality and it is basically captured in first two articles of the convention. These read:

Article 1: The territory of neutral Powers is inviolable.

Article 2: Belligerents are forbidden to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power.

Yet since the creation of this State, Governments have chosen to focus the requirement of Irish neutrality on not being an active participant in belligerent military alliances. However, a Fianna Fáil led Government signed Ireland up to NATO's ironically named Partnership for Peace, PfP, which is generally seen as a stepping stone to full NATO membership. NATO is without doubt one of the most hostile military alliances Ireland could join. A Fianna Fáil Government put us half way there without asking the people. Decisions like this should not be left solely in the hands of a Government but come directly from the people.

While Bunreacht na hÉireann contains a rhetorical commitment to the ideals of peace, friendly co-operation and pacific settlement in Article 29, nothing in this obliges Ireland to be neutral or prohibits the Government of the day from departing from that policy. All we have in place is the triple lock which grants some democratic oversight to the deployment of Irish troops abroad. It basically amounts to a voluntary alienation of that power of military deployment to the UN Security Council which is highly politicised and undemocratic.

Successive Governments have also ignored the issue of helping a belligerent country to wage war. Austria refused landing facilities to the United States during the Iraq war on the grounds that this was incompatible with its policy of neutrality. Our Government did so without a second thought and despite the fact over 100,000 people marched on the streets of this city to oppose the war.

The recent and ongoing court case of Deputies Wallace and Clare Daly, have exposed how Shannon Airport is used by the US military in complete contradiction to these Hague convention articles. Evidence given during their cases by military experts, clearly details how foreign militaries transport weaponry on aircrafts going through Shannon and that the civilian airport has become a virtual forward airbase of the US military. We are not talking about isolationism, we are talking about positive neutrality. We live in a world where half the population lives in

poverty, where one person in eight is suffering from malnutrition, and where poverty kills approximately 19 people every minute of every day of every month. At the same time US\$1,738 billion is spent globally on military expenditure. There must be something wrong with that. Greater military expenditure is definitely not the solution to ensure we live in a safer and more equal world. Instead, we need to challenge the very structures that cause poverty, food insecurity, and conflict. Neutrality is not some attempt to abstain from international affairs. To so do would be the wrong thing from a moral standpoint and in every other way. The positive neutrality we support calls for a redoubling of our efforts to focus on working with countries to implement global targets on issues such as poverty reduction, hunger, land rights, climate change, citizen participation, economic equality and governmental accountability. It is only through progress on those fronts, rather than an increase in military spending, that we will make the world a better and safer place.

The Government should allow this Bill to pass Second Stage. In refusing to do so, it is killing the debate on this very important issue. It is long past the time that power was handed back to Irish people to decide on the country's future and whether neutrality should be part of that core policy. It is also long past time that we handed back to the people the opportunity for them to define neutrality, rather than for the Government to mutate the wording. Bunreacht na hÉireann is the people's document, and we should let them decide if they want it amended on this hugely important issue.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Sean Sherlock): Many points have been raised that to be frank and respectful are extraneous to the Bill at hand. In the short time available to me, with due respect to Deputy Wallace, I propose to respond to the Bill itself. I will leave it to the historians to testify to the verbosity and veracity of some of the points that have been made by Members opposite. It has been an interesting debate with some very lively contributions. I sincerely thank Deputy Wallace for introducing the Bill. Three weeks ago, the Government made clear in relation to a separate Private Members' Bill that it did not consider it necessary or desirable to incorporate provisions on neutrality into the Constitution. This House debated and subsequently voted against the Bill. My view and that of the Government is that was the correct decision.

The conclusion that the proposed legislation in this area is unnecessary and undesirable applies even more strongly to the Bill before us today. This is a Bill which serves no useful purpose in the modern era. Some of the sentences that were parsed from the speech I made earlier have been used out of context. I would welcome a future opportunity to elaborate on that but my time today is restricted. The 1907 convention must be considered in the grand historical context and that is what is pertinent to the Bill and the wording that is proposed in terms of the change to the Constitution. The Bill is not necessary because the Government remains committed to the policy of military neutrality followed by successive Governments over decades. The commitment has been reconfirmed in the Global Island review which states: "Our policy of military neutrality remains a core element of Irish foreign policy." It may only be referred to twice but it is there and it is inherent within Government policy. The Bill is also unnecessary given that the Constitution already commits Ireland to "the ideal of peace and friendly cooperation amongst nations" and to "the principle of the pacific settlement of international disputes."

The strict conditions under which our Defence Force personnel may be deployed overseas are set out in legislation. Our neutrality is also fully respected by the EU treaties and confirmed by the protocol on the concerns of the Irish people to the Treaty of Lisbon. Some of the Members opposite must reflect on their position in regard to that same treaty when it was put before

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the people. The Government is of the view that as well as being unnecessary, incorporation of the proposed amendment into the Constitution would not be desirable. Deputy Wallace's Bill would have us insert into the Constitution a binding reference to a convention concluded more than a century ago. This is a convention ratified by just 33 countries, 13 of them members of NATO.

Deputy Clare Daly: That is insane.

Deputy Sean Sherlock: No country has ratified the convention for more than 50 years. I say that for the benefit of Deputy Clare Daly. I repeat that this is a convention ratified by 33 countries, 13 of them members of NATO. The Deputy may say that we are parroting - to use her phrase - words that were used three weeks ago, but I respectfully submit to this House that the message is still the same and it is no less potent by its repetition. I wish to inform Deputy Clare Daly, through the Chair, that no country has ratified the convention for more than 50 years and only three have ratified it since the conclusion of the First World War. I speak specifically and respectfully to Deputy Wallace's Bill in response. One could ask why that is so. It is because the convention is no longer relevant to the contemporary world. It has been made redundant by subsequent legal agreements, namely, by the General Treaty of 1928 and by the UN Charter of 1945.

Regardless of all of the issues that are honestly submitted by Members opposite in regard to issues of neutrality - I refer to issues relating to Palestine, Cuba and whether Cabinet members are for or against NATO - and again in the context of the Bill before the House, we respond accordingly and efficiently to what has been raised in the provisions in the proposed Bills. The Government believes in a modern constitution for a modern Ireland that takes an active role in a modern world. We see no point in according constitutional status to a convention which is no longer relevant; which in large measure has been overtaken by developments in international law; which refers to telegraph and telephone cables and to the erection of wireless telegraphy stations; and which has not attracted a single new adherent in more than half a century. I realise that my time is up. While the Government does not support the Bill, that is not to say that we do not respect the spirit in which the Bill has been introduced. We believe the aim of it, which is to seek to instil within the Constitution the 1907 Hague Convention, is not the pertinent way to deal with the entirety of the issue of neutrality.

An Ceann Comhairle: I call Deputy Wallace. He has up to ten minutes.

Deputy Mick Wallace: Could I have an hour?

An Ceann Comhairle: The Deputy has ten minutes.

Deputy Mick Wallace: I thank the Minister of State for his reply. The Government does not wish to put any form of neutrality legislation into the Constitution.

Deputy Sean Sherlock: Deputy Wallace should deal with his Bill.

Deputy Mick Wallace: I did not interfere with the Minister of State's contribution.

Deputy Sean Sherlock: I am sorry, a Cheann Comhairle.

Deputy Mick Wallace: The Minister of State has been rubbishing the Hague Convention-----

Deputy Sean Sherlock: I am not rubbishing it.

Deputy Mick Wallace: -----on the basis that no one has signed up to it for 50 years, but what he forgets is that the Hague Convention is part of customary international law on neutrality. It has been updated by other measures such as the UN charter, but even Judge Kearns accepted the fact in 2003 that the Hague Convention was still a key element of international law on neutrality. He also accepted that we were not militarily neutral. Does the Minister of State realise that if we were signed up to the Hague Convention it would not have been possible for us to allow Shannon Airport to be used as a US military air base and to be used by the US for the bombing of Afghanistan and Iraq in particular and many wars since then?

Let us talk about countries that are neutral because we are not neutral. The Government should start to tell the truth in that regard. Austria and Switzerland are neutral. They do not allow the Americans to fly over their country with arms. It is not allowed because they are neutral and we are not.

I wish to respond to some of the other points made by the Minister of State. He said neutrality is a core element of Irish foreign policy. If we were neutral we would not take sides, but we take sides all the time. I heard the Minister for Defence say in here that we need an honest debate on this issue. He is right. We do need this debate. I think the Minister, a staunch neo-liberal, would be in favour of the Government getting off the neutrality fence it seems to think it is on and admitting that it is not neutral because it is not. The Government says it promotes disarmament. Any country that promotes disarmament would not allow the US military to bring arms through our country. How is that promoting disarmament? The Government says it promotes international peace. If we allow someone to land in Shannon, bring guns through our country, refuel there, go on to a war situation, drop bombs on people and kill a million civilians in a 13-year period, I do not understand how that is promoting international peace because war never promotes peace. It does other things. It promotes the arms industry, which is making an absolute fortune out of US foreign policy. Deputy Tóibín mentioned the fact that the US is spending something like \$189 billion per annum on arms. There is a good reason for that. We should just take a look at who paid for President Obama's election campaign. A person does not get elected for nothing in the US. It costs over \$1 billion. President Obama did not have the money himself so he got help from people and he must help them back. The arms industry is one of those donors and has become more and more powerful over time.

The Minister of State said that the world has moved on given that the Hague Convention dates from 1907. He is right. The world has moved on. On 5 September 1945, a journalist called Wilfred Burchett reported from Hiroshima. He warned that he had just witnessed an act of premeditated mass murder on an epic scale which had launched a new era of terror. How prophetic his words were. It has continued to get worse. The world has moved on but it has moved in the wrong direction. What is happening on this planet today is too bad. It is too bad that we have played a part in a million people dying in the Middle East in the past 13 years. We have played a part in that. It just beggars belief that we do not care more about the effects of what we have allowed to happen on our soil and through our airspace.

The current mayhem in Syria comes from the Shia-Sunni civil war that resulted from the Iraq invasion. The Shia and the Sunni have lived together in Iraq for a long time. They have always had their differences but they were not eating each other alive and chopping each other's heads off. They are doing so now. We argued in here in 2011 about the decision by NATO, which is an organisation designed to defend countries in Europe from Russia, to bomb the liv-

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ing daylight's out of Libya, a country in Africa. What did NATO do to the place? It destroyed it and this Government supported it. It argued in favour of it in here, as did Fianna Fáil. It beggars belief. It was gas listening to the Fianna Fáil Deputy today saying that it was reprehensible that someone should consider having a European army. I am not interested in having a European army either. I am not interested in any armies. Was it not reprehensible for Fianna Fáil to justify us helping the Americans in 2003 to invade Iraq? It said nobody opposed it. France opposed the invasion of Iraq and Austria and Switzerland did not help in the way we did. Was that reprehensible? Was what we signed off on in Libya reprehensible? NATO has become an imperial force, not a defence force. There is nothing to defend anymore. Russia is not going to attack Europe. It is just crazy. Ireland is in a unique position. We are a small island in the Atlantic and are not on the European mainland. We do not have to be part of a coalition in case Europe is attacked. We could not do anything about it anyway. We are different. It is just crazy.

Deputy Boyd Barrett spoke about Ibrahim Halawa. It is very significant that we have not been more vocal on the issue. I am sure something is being done behind the scenes but we are too quiet about it. Egypt is guilty of huge human rights abuses but the US has continued to give it arms. It says it promotes democracy. It approved and helped to put down the protest in Bahrain and has approved the attack by Saudi Arabia on Yemen. The Americans pick and choose what suits them and there is no fairness and zero justice involved.

The sad part for us is that we are complicit. If the Government thinks the Irish people would not be as interested in a referendum on neutrality in Ireland as they might be in a referendum on what age the President should be, I beg to differ. I find that incredible. The Irish people genuinely believe that Ireland does not want to be part of any war. By allowing Shannon to be used as a US military base, we are complicit in war and war crimes. It is not what the Irish people want.

Cuireadh an cheist.

Question put.

An Ceann Comhairle: In accordance with Standing Order 117(1A), the division is postponed until immediately after the Order of Business on Tuesday, 31 March 2015.

The Dáil adjourned at 1.40 p.m. until 2 p.m. on Tuesday, 31 March 2015.