

DÁIL ÉIREANN

AN COMHCHOISTE UM EALAÍONA, OIDHREACTH, GNÓTHAÍ RÉIGIÚNACHA, TUAITHE AGUS GAELTACHTA

JOINT COMMITTEE ON ARTS, HERITAGE, REGIONAL, RURAL AND GAEL- TACHT AFFAIRS

Dé Céadaoin, 29 Márta 2017

Wednesday, 29 March 2017

The Joint Committee met at 2.10 p.m.

MEMBERS PRESENT:

Deputy Ciarán Cannon,	Senator Marie-Louise O'Donnell.
Deputy Michael Collins,	
Deputy Danny Healy-Rae,	
Deputy Niamh Smyth,	

In attendance: Senator Gerard P. Craughwell.

DEPUTY PEADAR TÓIBÍN IN THE CHAIR.

Business of Joint Committee

Chairman: I advise members of the committee to turn off their mobile phones as they interfere with the sound system and therefore their voices will not be caught properly by the broadcasting system. I have received apologies from na Teachtaí Martin Heydon and Éamon Ó Cuív. I propose that we go into private session to deal with a number of issues. Is that agreed? Agreed.

The joint committee went into private session at 2.25 p.m. and resumed in public session at 2.43 p.m.

Chairman: The committee has received correspondence from Mr. Bemis, who wishes to clarify the record of the discussion we had at the last meeting of the committee.

Clerk to the Committee: The following is a cover note from Mr. Terry Allen, principal officer in the National Monuments Service:

A chara,

Please see email below from Mr Gregg Bemis, the owner of the Lusitania, with regard to the Joint Committee's meeting on 1 March 2017 in relation to the protection of underwater archaeology and, in particular, the Lusitania.

You will note that Mr Bemis is anxious to have the official record corrected to remove any misapprehension that Mr Eoin McGarry was acting as his employee while diving on the Lusitania.

In the course of the hearing I did indeed indicate to the Committee my mistaken belief that Mr McGarry was involved in such a capacity. In light of Mr Bemis' email I would entirely accept that this was never the case.

I would appreciate any action you may be able to take in response to Mr Bemis' request. Please also accept my sincerest apologies for any inconvenience caused by this misunderstanding on my part.

The short e-mail from Mr. Bemis reads:

Attention Mr. Terry Allen: Thanks very much for sending me the transcript of your parliamentary hearing. There is one particular correction that I would appreciate your passing on for correction to the official records of the hearing. You referred, casually in passing, to Mr. Eoin McGarry as my employee. That is absolutely not the case. He has been a wonderful and valued partner in this heroic effort at research and recovery regarding the Lusitania but he has never been an employee. I hope this correction can be implemented.

Thank you. Gregg Bemis

Chairman: We will now go into private session while our guests for the next session join us. Is that agreed? Agreed.

The joint committee went into private session at 2.44 p.m. and resumed in public session at 2.46 p.m.

Border Counties: Discussion

Chairman: We are now going to consider the topic of the future of community, social and economic development and co-operation in Border counties with representatives of Border Communities Against Brexit and the Irish Small and Medium Enterprises Association, ISME. It should be noted that the committee invited the Confederation of British Industry in the North of Ireland to address us on this topic today, but the confederation has declined. I suggest that we send a letter to it asking it to come in future and leave our timetable open for it because I think its input would be very valuable in this regard. Is that agreed? Agreed.

I welcome the following witnesses to the meeting: Mr. John Sheridan and Mr. J.J. O'Hara, representing Border Communities Against Brexit, and Mr. Neil McDonnell, chief executive officer, representing ISME. Cuirim míle buíochas rompu as teacht isteach inniu.

Before we begin I would like to draw the witnesses' attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, they are protected by absolute privilege in respect of their evidence to this committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. I wish also to advise witnesses that the opening statement and other documents submitted to the committee may be published on the committee website after the meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I call on Border Communities Against Brexit to address the committee.

Mr. John Sheridan: I thank the Chairman and the committee for having us here. Brexit is a momentous occasion and I hope it will not be repeated anywhere else in Europe. The fastest way to do this is probably to introduce myself, as on the presentation, and Mr. O'Hara will probably do the same and then we will go straight into any questions the committee has.

As is in the presentation before members, my name is John Sheridan. I am a farmer on the very south-western corner of Fermanagh. Most of the farm is located in the International Geo Park, Marble Arch, which is jointly managed by Fermanagh-Omagh and Cavan district councils. It is the only one of its kind in the world. In the context of rural affairs, that geo-park accounts for approximately 30% of the tourist business in our area and directly employs approximately 70 people in our locality. Its significance, of course, is that the Border divides the geo-park between Fermanagh and Cavan.

There is no such thing as a soft border and any level of borderisation will be a hard border by stealth, thereby putting a fragile peace process at risk. At risk also are our markets for beef and lamb in the red meat industry, which we farm. The land is all in a special area of conservation, a European designation of the highest order. There is also concern about the loss of funding to our schools and colleges, effects on our European health cards and free skies agreement, as well as the creation of an "us and them" factor throughout Europe. This could be the beginning of a slippery slope towards the division of Europe and we all know this is the longest period of

peace that Europe has ever had.

This will ruin rural communities in my mind and those in our grouping, Border Communities Against Brexit. It will harm our heritage so through Border Communities Against Brexit we call for the Good Friday Agreement to be properly addressed and implemented. We are convinced we have a right to a special designated status for the economy of the island of Ireland without affecting its Constitution.

Mr. John James O'Hara: I run a tourism and technology business and our main business is a bed-and-breakfast and holiday village. We do tours from Ireland and Scotland. Tourism Ireland sells the whole of Ireland as a united product. We see a huge problem coming down the road as to who will fund Tourism Ireland. It came from the Good Friday Agreement to sell the island of Ireland as a product on the international stage. As a tourism business in Leitrim, we work closely with that body on an international basis. When selling a tourism product, one needs a two-year lead time. When funding was cut in 2008, 2010 was the worst year for tourism numbers. We need to know who will be funding Tourism Ireland on an international stage and how we will sell Ireland. Will it be marketed as half in the European Union and half outside of it? A tourist looks at a tourism product over a two-year period, identifying the product and developing a budget before visiting. We see massive problems coming down the road for our business.

Tourism Ireland has cut its forecasted percentage by 6% and we can respect why it has done so. This is a main product for rural Ireland along the Wild Atlantic Way. We sat here before discussing tourism policy in trying to get the Wild Atlantic Way up and running four or five years ago. We now have a very good product, with the Wild Atlantic Way on the west coast and Ireland's Ancient East on the east coast. The product now takes in the entirety of Ireland. A tourist might come to Dublin, Shannon, Knock or Belfast but takes in the entirety of Ireland. As a small business approximately six miles outside Sligo, we see tourists as a major rural commodity. People staying with us eat in the local village and drink in the local pub.

We have approximately ten staff and the business developed from nothing. The other part of our business is technology and how we sell a product internationally. We attended meetings in Italy earlier this year and the issue arose. People asked if this would be a safe part of the world. It is the reality and the question must be asked of whether people see the Troubles returning along the Border. People want to come to a very safe area and they do not want to come where there could be trouble, especially if the product is on an international market.

Mr. Neil McDonnell: I do not intend to read our very short presentation to the committee as only some issues in it are different from the concerns we expressed in other committees. Our Brexit concerns are pretty consistent across the economy. With a particular relevance to this committee we noted first the community programmes available to people in the Border area that are EU-funded. We have asked whether there will be a commitment from Dublin and London to continue funding those community programmes in the absence of EU funding for them on the Northern Ireland side.

We also make the point that the levels of deprivation are known to be higher in the Border, midlands and west region, and the greatest protection against deprivation is a job. The greatest threat is economic. Notwithstanding what the committee heard about hard borders - it goes without saying that a hard Border would have a significantly negative effect - soft borders can be put in place with excessive administration, taxes and tariffs.

The next point is not part of our submitted presentation because we only completed the results of an ISME survey on the likely impact of Brexit yesterday. I have sent a copy to the committee. Of course, it is not possible to get material, accurate information on the effects of Brexit because we do not know what Brexit will look like. It is possible to ask firms and small and medium enterprises to establish their exposure to Brexit, which we did through six very simple questions to which we had a very high response rate. Of note to the committee is that while most companies did not forecast a reduction in headcount, 17% of companies did so. Most companies had no plans to relocate their business into the UK as a result of Brexit but 11% of member companies did. We see that as a significant number given the sectoral breakout of our companies.

There is another sensitive topic not in our paper. I am aware that many committee members, as part of the Oireachtas and individual parties, have made public utterances in support of special economic zone status for Northern Ireland. We are all in favour of that but we must impress on members that in order to avoid social dumping in this jurisdiction, it is important from an employment law perspective that Northern Ireland workers are either in or out; they cannot be a little bit of both. Employers in the North cannot have an *à la carte* approach to what set of employment standards they will follow. It is not in the interests of employers or employees for this to be the case. Therefore, it is very important that in service industries, for example, there is a clear understanding about whether the working time directive would continue to apply to workers who could ply their trade on both sides of the Border. I am very happy to take any questions.

Chairman: B'fhéidir go tosnóidh mé, más féidir. This is probably the biggest decision made affecting the island of Ireland for 30 to 40 years since our entry to the European Economic Community, as was the European Union. It is a decision into which we had no real input except for influencing people in Europe. I suppose we do not have a good record of that in this country, considering what happened with the banking crisis. As mentioned earlier, it also guts the Good Friday Agreement and that nascent all-Ireland economy which had started to develop over recent years. It creates a man-made barrier to the movement of people, goods and services. In a way the Border is already a man-made periphery. It has the effect of creating peripheries where none should exist. This will accentuate this periphery in a big way.

I remember a couple of years ago, we did work with the Northern Ireland Independent Retail Association, NIIRTA, and Retail Excellence Ireland. In one sector of enterprise, what they called "tourism shopping", where people were coming to the island of Ireland and going to the two different jurisdictions, they reckoned there was a potential increase of around €700 million. Opportunities like that, which were just waiting for the right development, are now off the table with these changes.

If the UK decides to include the North of Ireland in these changes to the movement of people, it will be detrimental to people travelling across the Border. An example might be people from Poland or Latvia who moved to Ireland and decide to move North but are prevented from so doing. The only solution to that scenario would be if the movement of people Border was moved to the Irish Sea. In other words, people from the island of Ireland moving to Britain would be subject to the checks Britain believes necessary with regard to the control of immigrants, etc. What do the representatives from Border Communities against Brexit and ISME think?

Mr. John James O'Hara: There are 277 Border crossings. As the Chairman said, it would be best to move the Border to the Irish Sea. The Chairman is talking about small roads and even highways. We are talking about local people. We have held different events across the Border

and a number of people have told us that their farm is half in the North and half in the South. There are more than 30 houses which are half in the North and half in the South. It can be seen on Google maps, where a line goes straight through people's houses. Where do their houses stand in terms of the Border? It has to come down to real people. Many people travel north and south for work. I do not think we are getting the message across of people, such as a farmer who has to transport a round bale from Kiltyclogher in Leitrim two miles down the road but if there is a Border, he will have to transport it 11 miles. That is the reality of it.

Some of us are in business and some in farming but for people on the ground the reality of Brexit has started. I am in farming and last October-November in the local marts the price of cattle was down €150 to €200 a head because of the currency fluctuation with the buyer coming in from Fermanagh and Armagh. Take the example of a local farmer who has ten cattle. He is down €2,000 or €2,500. The reality of that is that he is down the equivalent of a couple of mortgage payments over the course of the year. Border Communities Against Brexit is talking about real people on the ground. We are the businesses and people who are already being hit financially by Brexit.

Chairman: People were calling for two steps to alleviate this. One is that the North might have special designation. Indeed, the Dáil passed a motion that the Government should work for that. Is Mr. O'Hara aware of any efforts on the Government's part to seek what was mandated democratically?

Mr. John Sheridan: By this Government?

Chairman: Yes.

Mr. John Sheridan: I have not seen it moved forward. The Taoiseach, Deputy Enda Kenny, said there would be no hard border but just this week we saw customs officials examining where checkpoints could possibly be located. Are we to wake up one morning, see the bulldozer outside and still be placated by being told that bulldozer is not going to do anything in respect of a Border checkpoint? Some people have suggested that instead of it being along the Border, a zone or a line, that a Border clearance centre could be, say, two, three or five miles in, but that is all borderisation by stealth. I agree fully with what the Chairman said. The Border needs to be moved to the Irish Sea and the island needs to be one economy that works together as a proper integrated economy. It is already very much integrated in agriculture. We see the problems when people talk about social dumping. It does not work like that when one has a Border or two different regions.

The Chairman also mentioned foreign workers coming in. My colleague, Mr. O'Hara, mentioned that there were over 270 Border crossings on about 330 miles of Border, about one every mile. How can anyone effectively make that happen? It is nonsense.

Chairman: Does Mr. Sheridan believe it would have been useful for the Government to sit down with the British to draw up something like a memorandum of understanding to at least set out the two Governments' goals prior to any EU negotiations so that we would have publicly set out our objectives in partnership beforehand?

Mr. John Sheridan: Even more so, the Governments have a responsibility to sit down and do that under the Good Friday Agreement. It is a tripartite Agreement that involves Dublin, Westminster and Europe. It looks as though they are all going to sit down together now. The Chairman is right that the Government and Westminster need to sit down and work out how to

handle it.

Chairman: Mr. McDonnell said that 17% of businesses sought to change headcounts and 11% said they would possibly change location. That is startling information, especially given that he probably represents the sector of Irish enterprise which is most exposed to this particular issue. We hear that exports to Britain have reduced considerably in percentage terms over the last number of years. If the multinationals are stripped out, and focus on the indigenous sector where most of the employment lies, that figure is far higher.

Mr. Neil McDonnell: That is correct. We think our survey underestimates the Brexit effect because we are disproportionately represented in services, financial and insurance. They made up 68% of the respondents to this survey. The CSO tells us that they only make up 54% of the active enterprises in the economy. We also believe that services, financial and insurance, will be overall affected less than industry, construction and distribution.

Chairman: There has been much talk about Government agencies such as Enterprise Ireland, the local enterprise offices and so on using their energies to ameliorate the potential threats posed to the types of businesses ISME represents. Is that Mr. McDonnell's belief or could the Government do more?

Mr. Neil McDonnell: It is not unique to this committee but we have argued for some time that while IDA Ireland does an excellent job of attracting large foreign enterprises to Ireland, and Enterprise Ireland works really well with what it would refer to as its client companies among the high-tech, export-oriented sectors, I have heard estimates from very reputable bodies such as the Strategic Banking Corporation of Ireland that 600,000 of the 900,000 people working in active SMEs are not catered for by an industrial body that is tailored to indigenous enterprise. Given what is occurring because of Brexit as well as the potential rise of protectionism in the US, which perversely has a greater effect on our large enterprises, we understand they have a larger dollar exposure than the SME sector. Now is the time for a fundamental reappraisal of our indigenous industry. We believe that we need a dedicated body to do that or we need our own version of Enterprise Ireland, EI. We are not prescriptive, but we need that.

Chairman: Do the local enterprise offices not function in that space?

Mr. Neil McDonnell: Yes, they do, on a local basis, but that is the issue. There is nobody in charge on a strategic level of assisting small businesses. Some of the best material on this, from a small and medium enterprise, SME, perspective, comes from our own stock exchange, where the current chief executive says that tax policy and industrial policy in this State encourages SMEs or the owners of SMEs to sale, not scale. We need to scale if people are serious about increasing the levels of domestic employment in secure domestic businesses. Other countries are much better at scale than we are. We are getting that wrong.

The free movement question the Chairman asked my colleagues relates to one of the four freedoms. I have to make a clear distinction between that and whatever might happen for free movement of goods and services. It is a logical conclusion that, unless the UK Border Force moves into the Border counties and unless our immigration service takes up positions opposite it, the only logical way to maintain freedom of movement on the island is for border control to move to the points of embarkation in Great Britain. That was the precedent established during the war, as I am sure everyone in here knows. I appreciate that there are political considerations on that north of the Border, but I do not see why that would be the case again in the new dispensation.

Chairman: This is my final question to both organisations. There is a view that the customs union may be up for renegotiation. While the current customs union will not exist as it stands, there may be deviations from it. If Britain left the customs union but remained in the customs union for agriculture, that would significantly alleviate our exposure to Brexit. That would be the most exposed indigenous sector. Has either of the witnesses' organisations given much thought to how that could be done? Have they engaged with any of the State representatives? I know there have been quite a few conferences around the State where the Government has been collecting the perspectives of local organisations. Have the witnesses thought about or engaged with it yet?

Mr. John Sheridan: Can that happen if there is a change in UK customs? If Britain is outside Europe, then there will be tariffs above 50% on beef and lamb. There is going to be huge disparity if there is not a common denominator between the two. If that disparity exists, it is going to put up barriers. I would have thought that would still be an encumbrance on the South trying to get its beef into Britain. How would that work?

Chairman: My understanding is that there are countries that are not in the Single Market but are in the customs union, and *vice versa*. There are countries that are in a customs union for sectors, but not for all their different products. There are no tariffs and the country remains in the same regulatory space, etc., for the particular sectors in which it is in a customs union. For example, I understand that Norway is able to sell its fish within the European Union in the European Union's customs union space, etc., and therefore it does not have barriers to it in the fishing space.

Mr. John Sheridan: It has not been looked into. It opens up many possibilities. It leads back to a question of who does the certification on the product. It leads back to a question of whether there is going to be a system where farmers are paid basic payment in Europe in one part of Ireland while they can still trade agriculturally in the other part, but the same supports are not there for the directives according to which they must produce. That would probably create a bigger minefield.

On the 17% of companies forecasting job losses and the 11% planning to potentially relocate, one of the biggest pharmaceutical companies in the North, with 700 to 1,000 jobs, has already got a foothold in the South. The reason it is doing that is that if it is sitting in the North and out of Europe, then it cannot give that European certification and standard that its customers require. If it cannot do that, and if there are then checks on the product as it crosses either a visible Border or whatever else, then that could affect its vacuum packing, its refrigeration and its time limit in getting to the customer. The customer would quite likely then go ahead and say that it is not working. The company would have to move the whole production unit into the South and into Europe to keep that business.

On the same token, when "customs union" is said versus "free market", one has to remember that the EU has to protect its markets. How would the customs union agreement in one place and a free market in another work? How would the Chinese feel about Northern milk coming down into the South to be processed and put into baby food powder and then sent back to China? What would it have to say about that? Customers could be lost all over the place. I think it would be haywire.

On this migration of people over a porous Border, the farm I am on is now part of the geopark. It is part of what is called a "stairway to heaven". There is a stairway the whole way up to the international Border. At present, 24,000 people walk that stairway each year. That stairway

goes up onto the international Border that covers five, seven, eight miles of mountain and heath. Who is going to know who is walking up or down those stairs? Is there going to be a customs post or immigration check at the end of that walk? After that, there are 330 more walks.

Mr. Neil McDonnell: The Chairman's colleagues on the Joint Committee on Jobs, Enterprise and Innovation answered that and gave a very short guide to the World Trade Organization, WTO, rules. All but one category of trade attracting a tariff in excess of 10% are food categories. The people that will have to be asked the Chairman's question are not in this jurisdiction. He heard the question from a farmer. When it comes down to adjudication on these matters, if it is going to be within the customs union, it is subject to the adjudication of the European Court of Justice, ECJ. It would appear that the UK has set its face against the adjudication of the ECJ. It has traditionally had a cheap food policy and maybe it will decide that it will accept jurisdiction in certain categories for these very reasons. That is not going to be within our immediate gift here.

Mr. John Sheridan: I am sorry to interject but the obvious point in this regard is that if that happens and if Britain goes back to the cheap food policy it has historically always followed, it could go back to taking in Brazilian beef although I think that could take a while. If that Brazilian beef then filtrates into Southern Ireland and then on into Europe, the whole market and trust is going to be wiped out. How is that going to work? Haywire.

Deputy Danny Healy-Rae: I welcome the witnesses.

Usually we ask questions and expect to get answers, but I can see the witnesses are asking as many questions as I am going to ask because we are in total limbo. I cannot give them answers. When they speak of Brazilian beef coming into England, if there is some deal done between England and Brazil, what is to stop it coming into the North of Ireland? If one does not have some kind of border control, it will be down here, down as far as Kerry where I come from, overnight. Whether hard border or soft border, I cannot see but that there will be a border. There will have to be control, customs and all that goes with it. The South of Ireland is in Europe and all the Europeans have direct access to the South of Ireland. England voted for Brexit because they wanted to keep out a certain amount of those immigrants or whatever. Surely they will not accept that the immigrants whom they do not want to come into their country would be allowed in here to the South of Ireland and walk up over the Border into the United Kingdom. We are all in cloud cuckoo land if we do not realise that will be the case if it goes through. I, for one, hope that Brexit does not go through or that England will pull back at the last minute or whatever, if they do not get the deal that they want or that they think they may get, but I suppose there is no hope of that. It is very serious, especially for farmers and those in rural areas. It may, as IBEC told us, help places like Dublin or the large urban areas but it will hurt us in the regions. Down in the distant districts, we are already struggling with infrastructure being one of the main issues. It is serious and it is impossible to contemplate what will be the outcome. If, as I believe, England voted to get out of Europe mostly because of immigration reasons, can they explain to me that there will not be a border to stop those who come to Ireland from going to the North of Ireland? What other way will there be? One could say it is fine to let England itself maintain the Border if it wants to but that could work against us if we do not have officials there to stop what we do not want coming in by way of agricultural or whatever produce from other parts of the world.

Mr. John James O'Hara: I will answer one point. The reality is the North did not vote for Brexit. Some 470,000 did not vote for Brexit. They wanted to remain in Europe. The reality is one should respect the remain vote. These are people on the ground every day. They want to

be able to travel nice and free through both jurisdictions. To clarify something, the Six Counties did not vote for Brexit. If we have a border, it should be on the Irish Sea. It should not be any place within Ireland.

There has been a lot of work done over the past three years for an all-island beef food product label between both councils. As a tourism product, Ireland has to be sold as one product. It cannot be sold as two separate food products in any respect from any different part of it. Let us look forward and say that Ireland is a small island in a big wide world. As we are marketing tourism - here is a distinct point we came across - we are setting up agents through the United States as a tour company. We went across different parts of the United States and they did not know where Ireland was. The reality is this is a small island and to be cut in two is not an option. It is something that we need to move forward. We need to bring both communities together to try and bring that forward.

Deputy Danny Healy-Rae: I thank Mr. O'Hara for that. That is what I wish for. We can ask the British Prime Minister, Mrs. Theresa May, to give back the Six Counties and make it part of the Thirty-two Counties again but, like the late Mrs. Margaret Thatcher previously, she will say, "Out, out, out." I cannot see how Mrs. May will agree to that.

Mr. John Sheridan: With the greatest respect, under the Good Friday Agreement, which did not exist in the late Mrs. Thatcher's time, the North is entitled to self-determination. As I stated already, it is the responsibility of Dublin, Europe and Westminster to ensure the Good Friday Agreement is fully implemented. The Secretary of State for Exiting the European Union, Mr. David Davis, MP, the chief negotiator on Brexit, has said that Westminster is quite happy if the North votes for self-determination to become part of Ireland and that is their right, and it will also be their right to automatically remain in Europe whatever time that would happen if it happened. He said that only yesterday.

Senator Marie-Louise O'Donnell: I have a question. It is difficult to argue this because one is in the realms of Peter Pan and fantasy all rolled into one. What should we be doing that we are not doing? That is the first question. Today and next week, what should we be doing? Has there ever been a precedent for borders in the middle of the sea? That is what they are suggesting. It is a good suggestion, that one push the border out or push it back to the British. Has that ever happened previously? Is there anything going on at present that we do not know about? It is a case of business education, exports and imports. It is enormous. It is lifestyle that we are talking about here, not only export and import. They mentioned something about companies now moving into the South. We are aware of people looking for passports and dual citizenship. Is there anything going on that we do not know about?

Returning to the North, are we suggesting that a united Ireland is the only realistic way forward? In one way, "It is the economy, stupid." Where do we find the €9 billion - which will rise to €12 billion by 2020 - cost of Northern Ireland for this idea that we would become united for the sake of the European cohort and then possibly remain disunited? I do not see how that can happen unless one is talking about a united Ireland. Then that raises the question of the Border poll and where that sits.

What the witnesses are saying is most sensible but I cannot see it. It is fitting a template on something to suit something else. Then, where does that leave Scotland? Is Scotland not in the same category? It is also on the same land mass as England. Scotland shares the same Brexit border there.

Mr. John Sheridan: With the greatest of respect, I note Scotland has a problem but we have enough to deal with at home at the present time.

Senator Marie-Louise O'Donnell: I am merely making a comparison.

Chairman: The Senator might ask Mr. Sheridan.

Senator Marie-Louise O'Donnell: I am not asking Mr. Sheridan to argue. I am merely making the comparison that he was making.

Mr. John Sheridan: We would say there already is an all-island economy. The committee has heard Mr. Neil McDonnell state one needs economy of scale now.

Senator Marie-Louise O'Donnell: But not an all-island-----

Chairman: Through the Chair.

Mr. John Sheridan: We have an all-island economy in milk. On the island, milk is completely integrated. Agriculture is very close to it.

This is a white page. Nobody knows. There are no rules withstanding this. Border Communities Against Brexit has never stated necessarily that it is looking for a united Ireland. The organisation is saying it is looking for a one-island economy and to leave the constitution with Westminster the way it is for the time being. At the minute, it is to look after the economy of this island and ensure that it is not ravaged economically, particularly the North, because the North would be sitting between two stools. Does that answer the question?

Senator Marie-Louise O'Donnell: It does. It is an interesting concept but it is a difficult one.

Can Mr. Sheridan go back about the border at the sea? Will he answer that? Would he also answer is there anything going on that we do not know about, not in a sinister but in a clever way?

Mr. John James O'Hara: To respond to the comments about a united Ireland, we are looking for the conversation to be moved forward. Tourism Ireland came out of the Good Friday Agreement. I think all of us here, even a Kerryman, would respect what Tourism Ireland has done. Tourism in the North is up 26%; tourism in Leitrim increased by 14% last year. The past five years have seen a year-on-year increase in our tourism product. Tourism Ireland is one example of a body that has worked very well selling a product on an all-island basis. We are a small island so we must seek to move the conversation forward. It might take three, four or five years, but under the Good Friday Agreement we have one example that has worked very well. Why not consider a food label next and move that forward? It is a question of taking the matter at different stages to move it forward.

Leitrim Tourism Network, one body we set up, is about bringing businesses together. As we see it, the main thing is to get a conversation going. In our paper, which we have here and will give to the committee, we examine Irish Network. The idea of this is to work it out county by county on a 32-county basis. We started examining this project two years ago, even before Brexit was talked about. We did the tests in Leitrim Tourism Network. We sell different products together. I brought the committee a brochure, in case the members do not know where Leitrim is, to make sure we can get them there. The idea of it is that the conversations of all communities must be considered and taken on board. There will be many disagreements and

agreements, but we are already working together along the Border counties. Leitrim Tourism Network works with tourism in the North. We move people to the Giant's Causeway and right into Scotland. We sell Scotland tours. I will show the committee a brochure on this. We sell Ireland-Scotland tours together because we identified a market about six years ago of people coming here for six to eight days and spending six to eight days in Scotland. In such cases it is natural to travel right around. We must examine what we have already done, move forward and try to take the next step.

Mr. Neil McDonnell: I reiterate to Senator O'Donnell that I understand that the Border did move to English, Scottish and Welsh seaports for the duration of the Second World War, from 1939 to 1946 even. This caused some consternation in parts of the community north of the Border but that was how it was done, so there is a precedent for it. Furthermore, short of unity, as Mr. Sheridan has mentioned, there are many imaginative solutions in this regard - I appreciate, for jurisdictions that are smaller than the North - such as in Greenland, the Isle of Man and Jersey. They have special status and recognition within the EU although they are not technically within the EU. On the flip side, people who have been to Cyprus may be familiar with the British sovereign base areas, which I understand, subject to confirmation, are British eurozone territories simply because they are located in Cyprus. We are only limited by our imagination and determination to put in place a solution.

Senator Marie-Louise O'Donnell: I do not mean to create limitations; it was just a platform for hearing what the witnesses have to say. What they are saying is very refreshing and chaotic in its creativity, and they are quite right that we must find ways around the issue. There is cross-Border co-operation even in health, the arts, culture and tourism - and milk. Starting with milk, even if one knew nothing, one could see this co-operation every day of one's life in what one eats and drinks. I also see it in education all the time. I therefore agree with the witnesses. It is just that we do not hear enough of people like them speaking publicly with creative solutions.

Mr. John James O'Hara: Senator O'Donnell referred to health. Sligo University Hospital and Altnagelvin Area Hospital work very closely together. Even the ambulance services work very closely together. It depends on whoever is on site first. There are many such precedents we can work off, and they work well. As a small island, we should be able to move forward.

Mr. John Sheridan: On that point, Sligo Institute of Technology along with the county council through its sporting centre and green energy were going to go forward and offer a link into the accident and emergency unit in Enniskillen and have that completely integrated. Energy is something we never even touched on. One thing must be kept in mind: this is a food island. Kerry chose this place to establish its centre of excellence with 1,000 jobs, each with a six-figure salary, and it did not do so just on a whim. This is why a sea border is needed. It must be protected from diseases such as foot and mouth disease and bovine spongiform encephalopathy, BSE. Ireland must protect the food niche for which it is known. After all, the Chinese Minister with responsibility for the environment was shot because she let melamine into the milk. Some 25% of the world's baby food is produced by five of the main processing companies on this island with Irish milk from Irish cows fed on Irish grass both North and South. Why would one want to ruin that, the tourist product, the health product and the whole lot?

Chairman: I wish to make a few points. The all-Ireland energy market Mr. Sheridan mentioned is one of those really positively integrated markets. If Brexit proceeds as the worst case scenario, the home market, to a certain extent, will reduce by approximately 30% to small businesses, and it is on the island of Ireland that small businesses first find their feet before even

thinking of exporting or delivering to other markets.

The €12 billion Senator O'Donnell mentioned is a very, let us say, disagreed with figure in that it includes money that goes from the North into the British defence budget. For example, it includes money spent by the Northern population on Trident, etc. In addition, corporations that function in the North pay their taxes not in Belfast, but in London. For example, none of the corporation tax generated in the North of Ireland is included in that €12 billion, so that figure would be far lower if issues such as Trident, British defence and corporation taxes were taken out.

I think the key issue for people is that if there is regulation divergence North and South, it kills the ability to develop an all-Ireland market. I was lucky enough to be the rapporteur for the enterprise committee's report on the all-Ireland economy last year. I met with 100 different organisations. ISME and the CBI in the North were involved, as were different community organisations. All those organisations said that if one plans, funds and delivers together, one reaps economies of scale and improves the level of quality for people, and this is what is being threatened. My fear in this regard is that it is happening on our island but we seem to have no influence over it whatsoever. That is the most frustrating element of it. We probably disagree with the politics of it, but I believe that one of the necessities is for this Government and this State to fight for that special category status. They were mandated to do so by this Oireachtas. There is also an onus on us to negotiate with the British at some level, as the Spanish seem to be doing regarding Gibraltar, to set out our stall at least before the full negotiations get into swing in the European Union. Do the witnesses have any comments to make on those points? I apologise - was Deputy Smyth looking to come in?

Deputy Niamh Smyth: Yes. Excuse me, but I had to leave. I am delighted to see Mr. McDonnell, Mr. Sheridan and Mr. O'Hara here. As a Deputy representing Cavan-Monaghan, I know exactly what they are talking about. I feel so passionately about it. I am delighted to see them raising the concerns they have because on the ground it is exactly as they have put it. The European funding we have had over the past-----

Chairman: I ask Deputy Smyth to turn off her phone.

Deputy Niamh Smyth: Is that mine?

Senator Marie-Louise O'Donnell: There should be absolutely no technology in here-----

Deputy Niamh Smyth: It is not mine.

Senator Marie-Louise O'Donnell: -----bar our mouths.

Deputy Niamh Smyth: We have had European funding coming into towns such as Castleblayney, Clones and Ballybay. Those towns have been decimated over the years and they are just getting back on their feet and just beginning to see economic advancement. What might it mean for people on the ground and local authorities not to have EU funding? We know what PEACE funding has meant for cross-Border projects and community centres. We would not have basic things like playgrounds in our Border counties if this funding had not been available. I ask Mr. McDonnell to tease out the notion of social dumping, to which he alluded when he spoke about employers in the North of Ireland.

Mr. Neil McDonnell: The Chair spoke about the possibility of special economic status or a special zone being designated north of the Border. We would need to define that when we

get into the social chapter. If the British Government goes down the so-called “bill of rights” route, as it is suggesting it will do, will it lead to a deterioration in the standards of employment of workers? I will give a simple example from within the tourism industry here. Bus drivers, bar workers and restaurant workers on this side of the Border are subject to a 48-hour average working week, or a maximum of 60 hours in any one week. If they are going to be subject to competition from workers two miles away who are no longer bound by those rules, that will have implications for the cost structure, which is already under pressure. We have the second highest minimum wage in Europe. We have gone relatively far away from the North of Ireland because of the deterioration in the price of sterling. The gap has already widened from a wage perspective. Theresa May has said she will strengthen workers’ rights. I will believe it when I see it. If the average working week increases to 50, 55 or 60 hours, the difference in the cost base of businesses that are very close together will stretch considerably.

Deputy Niamh Smyth: Mr. O’Hara spoke earlier about the agrifood sector, which plays a significant part in our economy in locations like Lakeland Dairies, Lough Egish, Bailieborough and Killeshandra. As we know, various stages of production take place on either side of the Border. Gallons of milk are going from one side of the Border to the other. As it stands, one does not know when one crosses the Border. If there is a change to a visible and tangible hard Border, who knows what that might mean for a company like Lakeland Dairies? It could wipe out my constituency and the whole Border region.

Mr. John Sheridan: Such companies would have to be given time to build processing facilities on both sides of the Border. It would make a mockery of the whole thing to need to have a processing facility for the milk in the North and a processing facility for the milk in the South. Certification issues would have to be dealt with to ensure customers accept milk from the North in the first place. The whole thing might end up with companies deciding to leave producers with milk they do not need. The main thing for them would be to keep their customers. Between 30% and 40% of the North’s milk is going south. Some 30% of the North’s lamb - 100,000 lambs a day - goes south. I will put this in perspective. I am involved in red meat production. There are over 1 million suckler cows in the South and 260,000 or 270,000 suckler cows in the North. The North’s gross agricultural output is up to £5 billion, whereas gross agricultural output in the South is over €30 billion. We have one marketing body - the LMC, which does not really have an office outside the North - whereas Bord Bia has offices in 28 countries around the world. This is about the synergies of economies of scale and working together. As someone who has lived on the Border all my life - I have probably spent as much time in the South as I have in the North - I truly believe it would be a shame to allow Brexit, which is being triggered today, to ruin this country.

Deputy Niamh Smyth: Absolutely. It is soul-destroying to think this will happen, especially as we have come so far.

Mr. John Sheridan: So far.

Deputy Niamh Smyth: Counties Cavan and Monaghan are unrecognisable compared to when I was a child. Nobody lived or worked in some towns because there was no purpose to doing so. There was nothing to keep us there. They are just getting on their feet. Certain towns and villages still have a long way to go. This could wipe us out.

Mr. John Sheridan: Yes.

Deputy Niamh Smyth: A special case has to be made for the Border counties.

Mr. John Sheridan: It is unfortunate that this is happening at a time when we have such a lifestyle, such quality food and so many comforts, especially by comparison with other parts of the world that are in a forlorn state. Maybe I am speaking more widely and going off the subject to a certain extent by mentioning that when we look across the rest of the world, we see wars, refugees and people dying on boats at sea. It is sad that we cannot work it out.

Mr. John James O'Hara: The reality is that we are going to go back 25 years. As we see it, our friends, cousins and neighbours are only down the road from us. We live just ten miles from the Border. The reality is that we have to work with everyone on an ongoing basis to make sure we do not go back 25 years. We had to go through checkpoints when we were growing up. As we were involved in meat processing, we used to go over and back to Monaghan all the time. We used to be stopped at checkpoints so that our lorries could be checked. We went through all of that. The reality is that going back to the Border again and, as Mr. Sheridan said, going away from the peaceful way of life we have at the moment will bring trouble. We made that very clear when we were in Brussels. This reality must be accepted. We want to see our economy moving forward peacefully. When the world youth conference was held in Dublin approximately three years ago, it did a project involving people in different age groups with ten-year gaps between them. The same questions were asked of the 20 year olds and the 70 year olds. When they were asked about the North-South Troubles, the 20 year olds spoke about how technology moves forward and the 70 year olds spoke about what they went through during the Troubles. Young people have moved forward. Belfast, Derry and Sligo are vibrant places. The movement of people is great to see. Border Communities Against Brexit is trying to move the conversation forward in the way I have outlined.

Chairman: I thank the witnesses for taking the time to come to Dublin to discuss this issue at today's meeting. This committee and the other committees are hoping to get an opportunity to develop a joint cross-committee report on foot of our meetings and discussions with interested parties. We will seek to ensure the information the witnesses have delivered to us today will be part of that. We hope the voice of the Oireachtas, as expressed in the final report, will influence the direction the Government takes as it gets involved with our European partners in the negotiations.

Mr. John Sheridan: Fermanagh and Omagh District Council has already produced an economic report on the dangers Brexit will impose on the council area. On behalf of Mr. O'Hara, Mr. McDonnell and myself, I thank this committee for its work and its vision in trying to show why common sense has to prevail with regard to Brexit.

Chairman: I thank the witnesses again. Go raibh míle maith agaibh go léir.

The joint committee adjourned at 3.50 p.m. until 2.15 p.m. on Thursday, 6 April 2017.