

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Céadaoin, 25 Samhain 2015

Wednesday, 25 November 2015

The Joint Committee met at 10.30 a.m.

MEMBERS PRESENT:

Deputy Eric Byrne,	Senator Colm Burke,
Deputy Seán Crowe,	Senator Aideen Hayden,
Deputy Timmy Dooley,	Senator Terry Leyden,
Deputy Bernard J. Durkan,	Senator Catherine Noone,
Deputy John Halligan,	Senator Kathryn Reilly.
Deputy Derek Keating,	
Deputy Seán Kyne,	
Deputy Joe O'Reilly,	

DEPUTY DOMINIC HANNIGAN IN THE CHAIR.

UK Referendum on EU Membership: Discussion

Chairman: I ask everybody to turn off mobile phones. They cannot be put on silent mode because even on silent mode, they can affect the broadcasting equipment. I am told the meeting is being shown live on television, so we do not want any viewers having trouble hearing us. I thank everyone very much. We have received apologies from Deputy Derek Keating who hopes to join us later.

I am very pleased to welcome Professor Jonathan Faull, who is the director general of the task force for strategic issues related to the UK referendum. He will brief us on the current state of play. As we are all aware, Prime Minister David Cameron, recently at Chatham House set out the UK's reform agenda for its membership of the European Union. The UK will now begin discussions in earnest with the Commission so it is useful for us to hear from the Commission directly, in particular given that we recently carried out a report looking at the implications for Ireland. Members will remember that there were 24 specific recommendations within that report which no doubt Professor Faull is aware of. We hope we will have an opportunity to discuss some of those today and how the Commission might take on board those recommendations to make sure that Ireland's voice is heard in the negotiation process.

Before I ask Professor Faull to make his contribution, I remind members of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person or persons outside the Houses or an official either by name or in such a way as to make him or her identifiable. By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. If witnesses are directed by the Chairman 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. Witnesses 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 invite Professor Faull to make his opening remarks.

Professor Jonathan Faull: Thank you very much Chairman and good morning. It is a great honour for me to be here. I have a great deal of admiration for the work of the joint committee and the report it issued in June which has been studied very carefully. We are well aware of the considerable importance that Ireland attaches to these issues.

Where do we stand? The European Commission's view is, uncontroversially, that we want the United Kingdom to remain a member of the European Union. We believe that is best for the European Union and we believe that it is also best for the United Kingdom itself. We are, therefore, working to help respond to the concerns expressed by Prime Minister Cameron in his recent letter to the President of the European Council, Mr. Donald Tusk, and we are heavily engaged now, as the Chairman said, in a very serious process of discussions. We have recently completed a round of individual meetings with each of the other 27 member states, including of course this one and will have to come to a view pretty soon – in the next few days I think – as to whether the President of the European Council considers that there is sufficient hope for a satisfactory conclusion to a discussion in the European Council in December to schedule such a discussion in the European Council in December. That is only a few days away and, as I shall illustrate in a few minutes, there are still considerable difficulties around some of the issues un-

der discussion. A European Council meeting is scheduled in December and the next one scheduled after that will be in February. It is hoped that if it is not possible to reach final decisions in December then the period up to February will be used to resolve outstanding differences and the Council could reach its conclusions in February. When the British referendum takes place is, of course, a matter for the British Government. We do not know when that will happen. The Act providing for the referendum is still making its way through the British Parliament. All we can say is that we know, as does everyone else, that it has to take place by the end of 2017 but we do not know the exact date.

The implications for Ireland are considerable and the recent very good report on the matter raises a number of important issues in that regard. This is widely understood in Brussels and in all of the other member states. The outcome of the referendum will be an answer to the question, "Do you want to remain in the European Union?" and if the United Kingdom remains in the EU, as we hope will be the case, then the implications for Ireland are positive. Based on my understanding of the Irish position, the *status quo* will prevail and whatever reforms have been agreed between now and the referendum in the context of the British re-negotiations, the reformed European Union which the United Kingdom will have voted to remain in will not be in any way objectionable to Ireland.

If, however, the United Kingdom votes to leave the EU, then we are in completely uncharted waters. This has never happened before and nobody knows the outcome of the negotiations, which would certainly follow a decision by a member state to leave the EU. Of course, we are aware of the particular concerns of Ireland in that regard but I do not wish to speculate about any of the details because I am unable to do so. We do not know how the United Kingdom's Government, the governments of the other 27 member states and the institutions of the European Union would set about crafting new relationships in that unfortunate eventuality. The voice of Ireland is being heard in London, Belfast, Cardiff and Edinburgh too. We have every reason to believe that the other European capitals are also well aware of the particular implications for this country of this debate because of Britain and Ireland's shared history and the existence of the land border between Ireland and Northern Ireland.

The British Prime Minister has set out in his letter four categories of issues that he wishes to be resolved. They are the relationship between the euro area countries and the non-euro area countries, sovereignty, competitiveness and welfare. I will take them one by one and try to explain how we see things developing. The relationship between the euro area countries and the non-euro area countries is one which has come to the fore, for obvious reasons, in the discussions on measures in response to the financial and economic crisis. In the building, for example, of the banking union, we have had to face what are often difficult, technical, political and legal issues about how we create mechanisms for banking union countries, which at present are just the euro area countries - other countries may join the banking union later - on the one hand, and those countries which retain their own national currencies on the other hand. We have found solutions throughout the difficult discussions on the banking union, for example, on reassuring the non-euro area countries that their interests will not be harmed by discrimination on grounds of location or currency and on the difficult technical issue of how we use the EU budget as a whole to deal with euro area-specific issues.

We have found solutions to those problems and it is not particularly difficult to distil them down into principles which can give the necessary reassurances to both sides that there is no reason why the banking union in the euro area cannot co-exist with the wider single market. The countries not using the common currency, the euro, are in different categories. There are

those countries which are preparing to join the euro or who want to join the euro as soon as they can and then there are two countries with rather different opt-outs, Denmark and the United Kingdom. The latter says that its Government's intention is not to join the euro or the banking union. We must look at all of those rather complex relationships and make the necessary arrangements so that all of the member states, whatever their status, feel comfortable in this new developing world.

On the question of sovereignty, there are two main issues under discussion. One is the notion of ever-closer union among the peoples of Europe, which is an expression found in today's EU treaties and which goes all the way back to the very first treaty of the European Economic Community, EEC, the Treaty of Rome. Indeed, it is to be found in the treaties of accession of new member states, including the United Kingdom, when they joined the European Union. That expression has always been understood generally as not having any particular legal effect in its own right, but as expressing an aspiration of co-operation among the peoples of Europe but not integration among governments and states of Europe. However, it has come to mean, in the British political debate, something rather different. I do not know how it is understood here but I hear from other member states that what is seen as an aspiration about co-operation between peoples is somehow understood differently in the UK, where it is interpreted as symbolising a move towards further integration. If that is true, and I have no reason to doubt the people who are telling us that, then as a matter of fact, it is understood in different ways in different places and that must be addressed. I hope that will be possible.

The second sovereignty issue, one no doubt close to the hearts of the members of this committee, as parliamentarians, is the role of national parliaments in the decision-making processes of the EU. As the committee will know, over the last few years in successive amendments, national parliaments have taken on a greater role in considering European Union business. My understanding is that the British Government would like to go a step further and give a further enhanced role to national parliaments, particularly in respect of subsidiarity issues. The idea is that if a number of national parliaments object to a particular proposal on the grounds of subsidiarity, something should happen. What that "something" is would be a matter for debate. Should it be stopped, for example, should further consideration be given and what further process should take place after such an event? That is a matter for further discussion and it is fair to say the United Kingdom was not alone in thinking that national parliaments could play a greater role without, of course, in any way undermining the particular institutional role of the European Parliament.

The third basket of issues concerns competitiveness and what the British Government wants to see. Prime Minister Cameron's letter sets this out. It indicates the British Government wants to see a greater focus on efforts to boost competitiveness, growth and employment creation in the European Union. That is a very widely shared view and something that the European Commission believes is already happening. There is no doubt it could be done even more effectively than it is now and what we are doing must be explained very clearly. The new Commission under President Jean-Claude Juncker has made it clear that it wants to concentrate on the essential matters; we say "big on the big things and small on the small things". It is about doing everything we can to get growth and jobs back into the European economy by focusing on the various tools at our disposal, making the Single Market a reality and making good, effective and fair trade agreements. It is generally about taking measures to ensure that our companies, particularly the small and medium-sized companies sector, will not be overly burdened by regulation and are enabled to become more competitive.

The fourth issue and no doubt the most controversial in our discussion so far is what the British Prime Minister's letter calls immigration and we think of as raising issues of free movement and the relationship between free movement and welfare systems between member states of the European Union. As is well known, the United Kingdom - although not alone in this - has seen a large and essentially unpredicted influx of people from other member states in the past decade or so. The British Government has identified certain incentives that it believes may be acting as an artificial pull factor for such an influx of workers using their free movement rights as citizens of the European Union. The British Government wants to alter the incentive effect that some aspects of its social security system seem to create. It is controversial because the mechanism identified both in the Conservative Party's manifesto before the last general election and in Mr. Cameron's letter is a four-year delay in eligibility for certain in-work social security benefits. There is the challenge of how to reconcile that sort of measure with the fundamental principle that in the European Union, workers should not be discriminated against on grounds of nationality within our Single Market. I do not hide from the committee that this is not easy and it is controversial; unsurprisingly, it is the issue that many other national delegations raised with us when we met. I hope our colleagues in London are working very hard to try to find solutions. It is the most difficult technical, legal and, perhaps, political example of the problems we face.

I hope all of this will be resolved. The European Council is the forum in which this will be decided, so the Heads of State or Government of our member states will come together in a summit and reach decisions that will enable Mr. Cameron to go home and start the campaign for the referendum. That will take place and we hope it will have a positive outcome.

Chairman: A number of members wish to contribute so I ask them to limit contributions to two minutes. In that way, we can give everybody a chance. I will kick off and try to keep within the two minutes.

I thank Professor Faull for his comments. He mentioned our report. I welcome that the Commission is engaging on this and my understanding is that this is the first time the Commission has publicly engaged with a committee process. We very much welcome that and appreciate the delegation taking the time to be here. I come from the north east of this country and we are particularly concerned about a potential exit of Britain from the European Union. We have seen the benefits of the peace process and that is one of the reasons we heard from experts about the potential impact. Our report contains four recommendations relating to the North, with three being bilateral recommendations between ourselves and the UK, whereby we need to put in place funding for the European bodies that might be abolished. We have a proposal to ensure the impact on agriculture and tourism is taken into account. We also have a proposal on the future role of the Irish Government in the negotiations. What role does Professor Faull envisage the Irish Government having in these negotiations, specifically relating to Northern Ireland?

A second question relates to a potential exit. We asked our Minister recently what plans the Irish Government has for a potential exit and whether there is a plan B. What is the Commission doing with respect to contingency planning? Does it have a plan B in place so that if a referendum leads to a British withdrawal, the Commission will be in a position to act?

Senator Terry Leyden: I welcome Professor Faull to our meeting and I am delighted he decided to appear before an Oireachtas joint committee. It is very encouraging and his position is interesting. There will certainly be no misunderstanding of Professor Faull's knowledge of Britain and its role in the European Union. That is helpful, to say the least, as he knows the nuances and background of what has arisen in the context of the British idea of having a refer-

endum. It will be a once-off and it will not happen too often.

The points made by Prime Minister Cameron are not all that unreasonable. They are manageable within the European Union. We have faced major crises in the past with respect to different issues and treaties. With the connections with colleagues and the European Council, there will be a positive outcome, which is very important.

Will Professor Faull remind the negotiators of the effect if Britain withdraws? For example, it could affect US-European Union negotiations on treaties and exports from the United Kingdom to the rest of Europe. There would also be implications for the car industry and financial services in London, as well as the strength of sterling compared with the euro. There are many issues that are not necessarily evident on the negotiating side from Mr. Cameron and I hope they will be reminded of the position. Of course, we would be most directly affected and our position would have to be fully taken into account as working and long-standing members of the European Union. I have a certain sympathy for Mr. Cameron on the points he made regarding how European legislation is transposed into the laws of member states. Far too many statutory instruments are implemented here without proper debate in the Dáil or Seanad.

Deputy Bernard J. Durkan: It is difficult to cover this subject in the two minutes allocated but I will do my best. On the question of eurozone versus non-eurozone countries and the relationship they expect to have in the future, we should be moving towards a situation where all countries within the European Union use the euro. I have always held the view that it is not feasible or sustainable to have that division there. With the passage of time, I am further convinced of it.

In regard to national parliaments versus the EU, we have spoken about this issue on numerous occasions. I have yet to find the person who can tell me how national parliamentary policy, when superimposed on the EU, is going to be accepted by all member states. Each parliament has its own priorities and shopping list. I would love to hear how it is intended to marry the wish lists of national parliaments with the requirements of the European institutions.

I will not refer to competitiveness because I expect it to be covered by colleagues. In regard to the UK and its welfare system, I cannot understand the argument that is being made. If we compare our welfare system with that of the UK, we do not come off all that badly. It is at least as good as the neighbouring system. There may have been a misunderstanding somewhere along the line but I do not think this is to do with welfare. People who converge on the more developed countries within the EU do so for economic reasons which are not beyond explanation. People from this country have done the same and will continue to do so. If freedom of movement is to mean something, then the presumption must be there that people will move freely to achieve a better result economically for themselves.

We all know the consequences of a British exit from the EU. It will not be good for the Union. If some member states come to the conclusion that we will get along fine without the UK, they will be wrong. Brexit would be the beginning of the end, the beginning of the break-up of the EU and the ending of a project we have come to appreciate over 50 years. It will be a very sad and bad day if that happens.

Deputy Timmy Dooley: I welcome Professor Faull. The problem for the European Union is that, on one hand, it cannot be seen to give Britain too much. The UK must be given enough to encourage its people to vote to stay in the Union. On the other hand, however, if too much is ceded, there is a danger that other member states will try for the same. The Commission must

attempt to marry those two considerations. I do not see how we can change the fundamental pillar of EU membership that is the concept and practice of the free movement of peoples within the Union and the expectation of a uniformity of application in respect of workers' rights. Ireland is a small country and we have managed that well. When ten new member states joined the EU in 2004, we were one of the few countries not to impose any restrictions on persons from those states coming here. That was not universally welcomed by the population but we did it. It could be argued, of course, that it led subsequently to difficulties for us as we faced severe economic challenges. The point is that there are both gains and losses in being a member of the Union. For me, the gains far outweigh any potential losses.

We must move relatively quickly in this negotiation process so that the question can be put to the British people as soon as possible. It is at that point in the course of the referendum campaign that voters, when all the aspects of membership of the Union are put starkly to them, will make up their minds. Professor Faull is aware of the decisions we have had to take in the past in respect of the failure to pass certain treaties and so on. When the politics was stripped away and those who have a real stake in society, whether they be employers, support organisations or other groups, got to have their say, it gelled with voters. I have great faith in the capacity of the British people over time to see the benefits they gain from membership of the EU.

Deputy Eric Byrne: I thank Professor Faull for his presentation. As colleagues noted, we have debated this issue in great depth here at the committee. The collective conclusion of those debates was that Ireland will suffer terribly if the UK decides to pull out of Europe. We also discovered from our academic and financial advisers that Britain, equally, would suffer terribly. It is saddening that the UK is considering a withdrawal from the EU at a time of great crisis not just in Europe but throughout the world. There is a greater case to be made for unity as against individual nations taking sovereignty to the degree to which Britain is taking it.

The document Prime Minister Cameron gave to Mr. Tusk is very valuable because it tells us the issues that are of most interest to the UK. We have no problem with some of them, such as measures to combat fraud, sham marriages and other peripheral stuff. I foresee no problem with negotiations on those proposals. However, we have a fundamental problem with the proposals the UK is making in regard to welfare. I would argue strongly that Ireland's welfare system is superior to that of the UK but there is no argument being made here - certainly no argument based on fact - that welfare is the attraction for people coming to our country. To dismiss the 300,000 migrants coming to Britain as welfare tourists is fundamentally wrong. The UK will have to explain to Europe and the world how it proposes to discriminate against those who might be deemed to be welfare migrants as opposed to the doctors, architects, lawyers and so on it wishes to welcome. How will that differentiation be managed?

The argument for controlling the movement of EU citizens between member states requires significant elaboration. One might understand the desire to control the numbers coming in from outside the Union but when it comes to internal movement, the UK is on very dodgy ground.

Deputy John Halligan: I welcome Professor Faull and thank him for his contribution. We all are aware of the negative impact a UK exit from the European Union would have on the Irish economy, particularly the agricultural, food and drinks industries. The worst-case prediction is that it would affect our GDP by up to 3.1%, with the figure being 1.1% in a best-case scenario. There is no doubt it would have a detrimental effect on this country. Ireland is the only member state which has a border with the UK, which has its own particular consequences.

Many of us have travelled to Britain to meet members of the Government and Opposition

there. I attended such meetings as part of a delegation representing European socialists. What we saw clearly is that there is a continuous opposition to the EU within the Conservative Party irrespective of what negotiations are actually taking place in Europe. Many of those people just want out and that is it. It was extraordinarily interesting to discover there are elements within the British Labour Party who are likewise sceptical about remaining in Europe, even if they do not voice that scepticism openly.

Reading the British newspapers, one gets the impression that for the people of Britain, this is really all about freedom of movement. The ordinary man in the street seems to be expressing the view that there are too many people from other countries living in Britain and that is the fault of the UK's EU membership. Even though that is a falsity, the fact remains that it will be extremely difficult to convince the British public otherwise. When the three main parties remain divided on the issue - not to mention the position promoted by UKIP, which polled quite well in the last election but did not get the seat numbers reflective of that - and the public is inclined towards the simplistic view that the UK should get out of Europe because of the apparent consequences of freedom of movement, it seems clear there are real dangers in terms of the outcome of the referendum.

Deputy Seán Crowe: I approach this debate from the perspective that we need serious and radical democratic reform within Europe. Only a fool would suggest we did not need to strengthen the accountability and transparency of European institutions. We also need to be honest about the mistakes and failings which have led to a growing number of people across Europe being alienated from the institutions of the European Union. Starting from that basis, I note that Professor Faull said at the start of his contribution that there was a clear understanding within member states of the difficulties facing Ireland in relation to the British exit. Has the Irish dimension been formally discussed at any level? How have the member states actually reacted to the negotiations so far? Are people up for discussing the serious issues I have outlined that the British Government has lumped in with its concerns as well? Is there a view across Europe that the British have gone too far? I met Alex Salmond, the leader of the SNP in Westminster, and we spoke about the free travel between Ireland and Britain. How significant is the fact that it pre-dates both of our countries' European Union membership? Ireland has concerns about that free travel. When will the negotiations finish? There was talk at one stage of December, but I do not think that is going to happen. There are issues around migrants and welfare reform and there has been an awful branding of people as "welfare tourists". Does the British Government have figures to back its argument on this up?

Chairman: There are quite a few questions. See how you get on with them, Professor Faull.

Professor Jonathan Faull: I thank all the members. I confirm that this is the first time I have spoken to a parliamentary committee. Even though this is at a, frankly, delicate stage and there are lots of things, as the members will see in a moment, on which I simply cannot answer, I thought it was right to come here first because we acknowledge that Ireland has a very specific and important stake in the outcome of these discussions. To make a few general remarks first, I am not here as a Brit. I happen to be a Brit, but I am also a European Commission official. Certainly, I do not represent the British Government. When I say "we" and "our" occasionally, it is because it is an easy way to explain things. However, I am a European civil servant. My job is to try to understand what Mr. David Cameron wants and to help craft the appropriate responses. That means a great deal of legal analytical work and a great deal of discussion with the other member states on what they, who are the ones who will ultimately have to decide, can agree with the UK. What all this means for the referendum campaign is a second and completely

separate issue. Who knows to what extent whatever happens in these negotiations will have an impact on the way the men and women of Britain vote? No one can tell. To what extent some of the issues the committee members raised, including the City of London, sterling, exports and agreements with the United States of America, will play a role is not something anyone knows at the moment. I would be surprised if they were not mentioned and debated in the campaign which is barely beginning now, but they are not matters on which we are negotiating with the British Government. They are not matters that Mr. Cameron wants to see Brussels reacting to immediately, as he set out in his letter, other than under the general notion of competitiveness where, no doubt, he wants to see more effective trade agreements.

What is the role of the Irish Government in the negotiations now? The members should ask the Irish Government. Like all other member states, it is involved in the discussions in Brussels which have taken place and which will continue to take place in the run-up to the European Council meeting on 17 and 18 December 2015. It will be involved in such subsequent meetings as may be necessary. I talk to Irish officials. I did so just this morning before coming here. There is a regular round of contacts in Brussels and I am sure Irish Ministers and diplomats all over Europe are talking to their counterparts in other countries and leaving them in no doubt of the importance Ireland attaches to this issue. Everybody understands that instinctively, but it also needs to be brought home to them precisely what it means for the Border, the Border regions on both sides and, more generally, for Anglo-Irish relations.

Do we have a plan B or contingency plan? No. There is no speculation or consideration about the outcome of a referendum which has not even been called yet and on which the campaign has barely begun. We hope the outcome will be that the United Kingdom remains in the EU and therefore the EU remains united. To those committee members who mentioned the other huge crisis facing us, I come from a city which is still largely in lock-down because of a very serious terrorist threat. We all know the major challenges facing Europe politically, economically and in security terms and we certainly believe the unity of Europe is very important at this moment.

Somebody said that all member states should be in the eurozone. I think it was Deputy Durkan. The treaty says very clearly that the euro is a currency of the European Union but as a matter of fact we know that some member states do not have it as their currency. We also know that they are not obliged to have the euro as their currency. The United Kingdom and Denmark have legal opt-outs of slightly different kinds, but they both have them. It is fair to say that the relationship between eurozone and non-eurozone countries is a genuine issue and it will not disappear overnight through everybody joining the euro. That is simply not the world we live in. In the Single Market and on this island we have to live with that reality and make sensible arrangements for doing so.

The challenge for national parliaments in working together is a considerable one. National parliaments have their domestic role and there are several ways they can feed into European business by controlling their own executives but also by taking positions in co-operation with other national parliaments. How that is organised is largely a matter for the committee members and their colleagues but it is an area of considerable importance. We are talking not so much about whether a particular policy choice is a good one; subsidiarity is much more fundamental. Whether a particular issue is best dealt with at national or at European level is an issue that is often very important and people have different views. I agree that national parliaments are very well placed to have strong views on the subject and should share those views with colleagues in other places and bring them to bear on the Brussels process. That is the general

idea. How it is organised-----

Chairman: I have to interrupt Professor Faull to note that a vote has been called in the Dáil. I note that quite a few Senators are here so I propose to continue on. I will sit this out. I would appreciate if members could return as soon as the vote is over. The Official Report of today's meeting will be online presently, so members who are not here when Professor Faull replies to their questions can check it later.

Professor Jonathan Faull: Democracy in action.

Several members asked how much of an incentive the welfare system is and to what extent welfare systems create a pull factor. It is hard to determine precisely what causes individuals to move in search of work or to take up a job offer from one country to another. The availability of work is obviously important. Our shared language must play a role too because we speak the language which most other Europeans today learn as a second language or want to improve their proficiency in. We have wonderful weather in our countries and so forth. There are many factors which go into the decision to emigrate, which is not an easy one. Ireland knows very well how much turmoil and upheaval emigration can cause. For people to take that step, the question is to what extent does the welfare system in the host country play a role. There are some data on it. The British Government has put forward some data on this too. For us, it is simply a matter of fact that this is what the British Government wants to discuss. Therefore, we are discussing it. All other European Union member states have to proceed on that basis. This is what Mr. Cameron has said he wants to change and what the other European Union leaders, collectively, have to decide is acceptable. It is also complicated by the fact that the British welfare system, domestically, is undergoing a process of reform. We are not quite sure precisely what the criteria would be to whom a particular measure would apply.

Chairman: The abolition of tax credits could affect everybody and, in that way, it would not be discriminatory, for example.

Professor Jonathan Faull: I do not want to speculate on what might happen. I know the British Chancellor of the Exchequer is delivering his autumn statement this afternoon. Against that background of reform of the domestic welfare system, one now has this European issue. Discrimination is obviously at the heart of the problem it causes for the European Union to treat people differently in the Single Market. We will have to look at that carefully.

As some members said, this, of course, feeds into the timing question. The European Council will meet on 17 December, roughly 20 days away. Is it possible to conclude these discussions, at least between civil servants, so that prime ministers and presidents can have a detailed substantive discussion in a few weeks' time? It is not impossible but given the complexity of some of these issues and the relatively recent date on which the United Kingdom Prime Minister sent his letter to Mr. Donald Tusk, President of the European Council, it is not going to be easy. We will see where we are before the European Council meets on 17 December. If there are papers to be written, they have to be given to prime ministers in advance so they can study and analyse them to come ready for a serious debate. If that is not possible, we will go into next year. The next scheduled European Council is in February. That gives us a few more weeks to work on these very tricky issues.

As to when the negotiations will finish, they will finish when they finish and we find mutually acceptable ways to resolve these problems. It is not for me to answer whether the United Kingdom has gone too far or not far enough. People will have political views on that. I am not

a politician. What I know is what Mr. Cameron has written down in his letter. That is what we have to engage with.

The Irish position is pretty well-known in the capitals around Europe. I am sure Irish diplomats, officials and Ministers are losing no opportunity to make that clear. There is considerable understanding, therefore, of the Irish position because of its geography, history and economic ties with the United Kingdom. The Irish dimension is clearly under discussion and understood. The very effective Irish Civil Service is very busy doing that.

It is certainly not for me to comment on whether a Brexit would be the beginning of the end, as Deputy Durkan said in rather apocalyptic terms. I hope it does not happen. We are working hard to ensure it does not happen. However, there is no doubt that a Brexit would have considerable consequences for the Continent and our Union. Some of those are perhaps predictable, while some of them will be unpredictable and, therefore, unpredicted, as Europe reacts to this new and unprecedented development. Our outlook on all of this is that we have Mr. Cameron's proposals. We are discussing them in enormous detail in Brussels with each of the other 27 member states and other European institutions. A real negotiation has started but it is only recently started. Mr. Cameron's letter was dated 10 November. There were all sorts of exploratory talks before that. Now, we are in serious and earnest negotiations. The stakes are high for us all and we will try our best to ensure we resolve this problem as soon as possible.

Senator Aideen Hayden: It really boils down to the issue of ever-closer union. The committee has had interaction over the years with different EU presidencies and strong views have been expressed by some countries about the importance of ever-closer union. None of us disagrees with the idea that we need to be more democratically accountable to the individual peoples and that parliaments need to have a greater role. How does Professor Jonathan Faull see Britain's negotiations in this ever-closer union dimension?

Professor Jonathan Faull: The expression of ever-closer union has been in the treaty since the beginning. It is ever-closer union among the peoples. It is not never-ending integration between states and governments. It seems to be understood differently in different places. The reality of today's Europe is, as we know it, different member states are doing different things. Some are in the euro, some are not. Some are in Schengen, some are not. The United Kingdom has quite a catalogue of protocols, declarations and opt-outs which have co-existed quite happily with the language of ever-closer union among the peoples of Europe remaining in the treaty.

Again, however, political facts are what they are. The Chancellor of the Exchequer, Mr. Osborne, made a speech in Berlin recently where he said frankly that we have come to understand this term differently in Britain from most of the rest of Europe. It has come to symbolise for some in Britain a never-ending, relentless move towards further integration, so they say they want that issue addressed. Can it be addressed in a way that allows other countries to continue to understand it in a way with which they are comfortable? I do not believe that is impossible. That is one of the challenges facing us. It is not an expression that has legal effects on its own, and it is not a basis for European legislation.

The finest bit of ever-closer union I have seen recently was the football crowd in Wembley Stadium singing the *La Marseillaise* the other day. This was an example of people understanding that they have a common destiny and face common challenges. It was not about committee meetings and regulations in Brussels. Whether it is a different understanding or a misunderstanding, it is a fact and we have to deal with it. I believe we can find ways of doing so.

BUSINESS OF JOINT COMMITTEE

Senator Aideen Hayden: I apologise, as I must leave to attend business in the Seanad.

Chairman: I thank Professor Faull for his engagement, which has been very useful, and for answering our questions so comprehensively. We wish him well with the negotiations and remain hopeful of a successful conclusion. I thank the witnesses for appearing before us.

The joint committee went into private session at 11.35 a.m and resumed in public session at noon.

Business of Joint Committee

Chairman: For the information of members who may not have been present for the CO-SAC contribution, it was agreed that Deputy Dooley will speak on the digital agenda on the afternoon of the Monday and Senator Aideen Hayden will speak on migration on the morning of that day. The clerk will discuss and liaise with the Deputy and Senator on briefing notes. We will return directly to Dublin from Luxembourg on Tuesday morning. On a small but important housekeeping point, it should be noted that there are no shops within a 20 minute radius of the hotel. If members need any personal items - deodorant is very popular these days - they will need to buy them beforehand and ensure they bring everything they need with them.

Transatlantic Trade and Investment Partnership: Motion

Senator Kathryn Reilly: I move:

That the Committee on European Union Affairs

- withdraw the political contribution on the Transatlantic Trade and Investment Partnership, TTIP, as the process from which it has been drafted is significantly incomplete, is based solely on evidence given to only three committees, which exposes the committee to censure from stakeholders and citizens who are already deeply concerned regarding the secretive nature of the TTIP negotiations and believe that concerns raised are not being dealt with;

- commence with the process agreed to in May 2015, which included the holding of hearings to examine in full the identified policy areas of the trade agreement for consideration across the six Oireachtas joint committees, namely:

- European Union Affairs;
- Jobs, Enterprise and Innovation;
- Agriculture, Food and the Marine;
- Finance and Public Expenditure and Reform;
- Justice, Defence and Equality; and
- Foreign Affairs and Trade

- prepare a comprehensive political contribution on completion of the agreed process

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

by all six committees that adequately reflects the comprehensive examination members have undertaken in their consideration of the Transatlantic Trade and Investment Partnership trade agreement, an agreement that is unprecedented in its scale and depth.

Question put.

The Committee divided: Tá, 3; Níl, 10.	
Tá;	Níl;
Crowe, Seán.	Burke, Colm.
Halligan, John.	Byrne, Eric.
Reilly, Kathryn.	Dooley, Timmy.
	Durkan, Bernard J.
	Hannigan, Dominic.
	Hayden, Aideen.
	Keating, Derek.
	Kyne, Seán.
	Noone, Catherine.
	O'Reilly, Joe.

Question declared lost.

Chairman: As agreed by the joint committee on 21 October, the political contribution will be laid before the Houses and submitted to the relevant Ministers and European Union institutions. Tomorrow, at 2 p.m., the French ambassador will appear before us to discuss the recent atrocities in Paris. That meeting will be followed at 3 p.m. with a meeting with the Commissioner for Agriculture and Rural Development, Mr. Phil Hogan, to discuss the annual work programme of the Commission for next year. I expect the possibility of a British exit from the EU or “Brexit” will feature heavily in that discussion. Proceedings should conclude by 4.30 p.m.

The joint committee adjourned at 12.05 p.m. until 2 p.m. on Thursday, 26 November 2015.