

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Céadaoin, 4 Iúil 2018

Wednesday, 4 July 2018

Tháinig an Comhchoiste le chéile ag 2 p.m.

The Joint Committee met at 2 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Bernard J. Durkan,	Paul Coghlan,
Mattie McGrath,	Gerard P. Craughwell,
Frank O'Rourke.	Terry Leyden.

Teachta / Deputy Michael Healy-Rae sa Chathaoir / in the Chair.

The joint committee met in private session until 2.30 p.m., suspended at 2.30 p.m. and resumed in public session at 3 p.m.

Austrian Presidency of the Council of the European Union: Discussion

Chairman: I wish to explain to the ambassador and the people in the Gallery the reason there are so few members present. It is due to the fact that a vote has just been called in the Seanad and some members have had to rush off. Other members are involved in votes at various committees so they will come in and out of the meeting.

I remind members to ensure their mobile phones are switched off. I am very grateful that the Ambassador of Austria, Dr. Helmut Freudenschuss, is with us today. We are very pleased to have this engagement with him at a very important time. We congratulate Austria on assuming the Presidency of the Council of the European Union on Sunday last. We are delighted to have the ambassador with us today. The Presidency is an important role. As I stated previously to the ambassador and others, we appreciate the role played by ambassadors and the engagement they have with the committee. We believe it to be very important and we take it very seriously.

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 House or an official either by name or in such a way as to make him or her identifiable.

I draw the attention of witnesses to the fact that 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. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a 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 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 the ambassador to make his opening statement.

H.E. Dr. Helmut Freudenschuss: Thank you, Chairman, for your kind words. I will start by paraphrasing what President Juncker said in the Dáil a couple of weeks ago. If my speech is a bit slurred it is not because I am drunk, it is because I have a problem with my gums, but I would prefer to be drunk.

My diplomatic career has lasted almost 40 years but today is the first time I have been invited to address parliamentarians. That is an honour which I appreciate, but also a challenge to which I will attempt to rise. I am not sure whether it is still politically correct to quote Woody Allen but he once famously said 90% of success is just showing up, so here I am, and so is my deputy, Ms Stephanie Winckler. I remember very well the first Austrian Presidency in 1998, just three years after we joined the European Union. I was then in charge of helping to co-ordinate Austria's participation in the Common Foreign and Security Policy. It was all very exciting. During Austria's second Presidency in 2006, I was ambassador to South Africa, which was demanding but less exciting. Then came the Lisbon treaty of 2009, which brought a permanent President of the European Council, a High Representative for Foreign Policy and a strengthening of the role of the European Parliament, all of which led to a reduction of the responsibilities

and possibilities of the Presidency. Now we are entering into our third Presidency.

Contrary to some of my esteemed colleagues who have appeared here, I do not propose to go into great detail today because I would prefer to listen to the comments of members and, if possible, to try to answer some of their questions. Austria views her role as Presidency primarily as a mutual broker and attaches great importance to the unity of the European Union. This applies in particular to the major challenge of concluding the Brexit negotiations, despite the fact that the Presidency has no direct role in them. It will also be in line with our traditional role as a bridge builder that we will approach the negotiations on the multi-annual financial framework post 2020. This task will not be an easy one, especially since Austria has already declared that we do not want to pay more than we do now.

I will now move to our priorities. We have chosen the motto, A Europe that Protects, for our Presidency, and we want to give substance to this slogan in three areas. The first is security and the fight against illegal migration, which can only be effective if we act jointly. At the centre of these efforts is a reform of the common European asylum system, which is certainly not an easy task, and the strengthening of Frontex, the European Border and Coast Guard Agency, with up to 10,000 personnel by 2020 compared with the current strength of 1,500. We should also work more closely with third countries to provide assistance to those in need of protection before they enter the European Union and in order to ensure effective return policies. Last week's European Council called for regional disembarkation platforms outside the European Union and four controlled centres inside EU member states. However, it remains to be seen how that can be achieved.

Another complication is the plan by the CDU and CSU parties in Germany to establish so-called transit centres near the border with Austria and to send back those already registered elsewhere or those who are not entitled to asylum. We are awaiting more clarification from our German colleagues and we will take the matter from there.

The second area where we want to give meat or substance to a Europe that protects is securing prosperity and competitiveness - that is a tongue-twister - through digitalisation, which means, *inter alia*, completing the digital Single Market and modernising public administration.

Members will not like the next bit, but I have to say it. The Austrian Presidency will also aim to continue the work on the taxation of the digital economy to ensure that profits are taxed in the country in which they are generated.

The third area is stability in the European neighbourhood. Building on the excellent work of the Bulgarian Presidency and the European Commission's enlargement strategy of February 2018, we will advocate for a concrete EU perspective for all western Balkan or south-eastern European states.

Finally, we look forward to the report and recommendations of the task force on subsidiarity, which is supposed to be published in the course of this month, and we plan to hold a high level conference on subsidiarity in November of this year. I thank members for their attention.

Chairman: I thank the ambassador very much for being here. I neglected to welcome the ambassador's deputy and his wife. I thank them for coming here today. We very much appreciate the ambassador's presence before the committee.

Deputy Bernard J. Durkan: Like the Chairman, I welcome the ambassador and wish him and his country well during the Presidency. We are familiar with each other from having been

on the European circuit over the years. We have even been known to cross one another's paths on the football circuit from time to time. All of the times in Europe have been trying times, none more so than the present time. The issues the ambassador has raised are testing but Brexit is the big one because Europe cannot be the same again after Brexit. We will never know what it will be like in the future. We hear people say they want to go back to the good old days. It is not clear which of the good old days are being referred to but I presume it is the first half of the 20th century. I am not certain to which part of those good old days we want to go back. When I say "we", some other countries in Europe, not necessarily only the British, have also expressed thoughts along those lines.

We in this country are very committed to the European Union. The most recent opinion poll showed 92% of Irish people were committed to the EU, which is the highest or second highest in the European Union. The EU is of great importance to smaller countries, which never really emerged from the economic shadows until the European Union became a reality. The secret of their success is that in the EU they became independent and protected and there were no trade barriers or other barriers. There are some people in Europe who want closer co-operation and some people who want less co-operation. My question, in circumstances in which we set out to pursue the views of each individual state on the extent to which they want to be able to determine future policy in Europe, is how we are to get 27 member states to have a uniform opinion. That is a contradictory and impossible objective.

Be that as it may, there are considerable grounds for believing we have been successful. As the ambassador knows, we have a peace process in Northern Ireland, which continues to be helped by the European Union. It came at the end of 30 years of guerilla warfare, during which time many thousands of lives were lost and great division occurred on the island of Ireland. These generally faded away into insignificance as the island became one economic entity. Taxation operated in terms of a single economy from the point of view of being part of the European Union and no border existed. This has become a challenge for us insofar as a return to the old days would have a serious and negative economic impact on the country. This is one of the issues on which Ireland has taken a very strong line with respect to Brexit and will continue to do so. I compliment the European institutions, Mr. Michel Barnier and all of those involved in the Brexit negotiations on the manner in which they have conducted those negotiations on behalf of the European Union.

We have no antipathy towards the United Kingdom. The UK took the decision to leave the European Union. Sadly, some of the information made available to British people before they made that decision was inaccurate. Some of the people who conveyed those inaccuracies to the public had been committed to undermining the European Union during their entire time in the European Parliament. We are now in a position in which we have to live with whatever decisions are made. We will make the best of this and continue to make a strong contribution to the European Union and its ideals.

I remind people of the vision of Europe held by the founding fathers - Schuman, Adenauer, Monnet and others. In the Europe they envisaged at that time they saw an alternative to the chaos and destruction of the first 50 years of the 20th century. They were right and will be proven to be right. As I said the other day, the European Union was the biggest single peace process the world has ever known. Some 550 million people are involved in a commitment to each other, to peace and to prosperity. It is a commitment never known before in the history of Europe. We have done very well. The challenge for the future is to continue on the route or path laid down by Europe's founding fathers. It is up to ourselves. If we want to nitpick and go

back to where we were, we know where that will lead. History has repeated itself many times and unfortunately will continue to do so.

I hope that, under the guidance of the Austrian Presidency, we will progress and perhaps the UK will have second thoughts. Perhaps at some stage in the not too distant future the UK will decide Brexit was not a good idea and will revisit the issue. That would be the best outcome. The worst outcome would be a harsh Brexit that leads to a trade war in which countries, big and small, and their populations suffer. Employment would also suffer and economies would suffer to such an extent that it would be patently obvious to all that the decisions made by some people were not in the interests of the people.

We keep in mind the need for enlargement of the European Union. The western Balkans come to mind. The area has always been one of contention in the past for one reason or another. We must keep that in mind and we must be supportive of the thrust of European unity for as long as it takes.

I was glad the ambassador brought up the issue of digital taxation because I also have a view on it. I do not disagree with him. Taxation should occur in the countries in which the profit is made, not in some other country. I resent that Ireland is deemed to be liable for the collection of taxation for the countries in which the profit was made. That is a matter for the individual member states. While it is being approached by the European Union at the moment under the heading of state aid, that is tendentious as far as we are concerned. The theory that somebody will give us €19 billion or €13 billion of a windfall is grand thinking, but that is as far as it goes. It is like the Tobin tax. It is great if everybody does it, but if one country decides on its own to have a capital transaction tax or something like that, nobody will transact any capital in that country if other countries are free of that particular entrapment.

I wish Austria well in the course of its Presidency of the Council. I hope that the end of this year will see a better outcome for Brexit than appears will be the case at present. We hope Austria's influence in the centre of Europe will be sufficient to convince all of our colleagues that together we stand and divided we fall.

Senator Gerard P. Craughwell: I am terribly sorry that I was not here for the ambassador's presentation. Unfortunately, the madness of Parliament as we come towards the holidays, with votes and so on, played a part. I am sure the ambassador is well aware of what goes on.

H.E. Dr. Helmut Freudenthuss: The Senator did not miss much.

Senator Gerard P. Craughwell: I appreciate him coming here and I wish Austria well with the Presidency as it takes on the onerous task of managing European affairs for the next six months. I note in the ambassador's presentation that he raised migration, which is an issue that interests me and to which I try to refer every time I get an opportunity. I regard migration as more important and pressing than Brexit because it has the capacity to break our Union and to bring it to its knees in a very short space of time if we do not take it on as a collective. That means less in the way of barbed wire and borders and more in the way of co-operation as we go forward. That is not to say that I am advocating an open door policy for anybody who wants to come. We have to manage what is happening. We have to take the traffickers out of the equation. It is wrong in every sense of the word that traffickers can make money out of human misery.

When I went to Sicily we found that 93% of those who had landed could not reasonably

have been classified as refugees and should more reasonably have been classified as economic migrants. Europe has to have a place for economic migrants. It has to have a place where we can upskill people from Third World countries and send them back home to improve their own economies. I am not advocating an attack on the human rights of people. I am advocating that as a Union we recognise our moral responsibilities. The current plan of having disembarkation stations on the north African coast is doomed before it starts. I am not sure how we will manage it but the middle of the Mediterranean is not the place. I have huge issues with where we are going on that.

Allied with the migration issue is the issue of what I would term as soft terrorism. From my observations in Italy, people arriving at a refugee or migrant station can declare they are anybody they want to be and can adopt an entirely new persona. They can leave their past and their history behind them. It is understandable that in some cases that will be the case. People depart at speed sometimes to save their own lives. We will have to find a better way of categorising people and establishing some sort of background on where they came from. It is a serious challenge for the Austrian Presidency of the European Union as we go forward. To a certain degree, the migration crisis has become slightly more controlled than it was but we still have a long way to go.

I would like to see policies developed or at least commenced under the Austrian Presidency so that we offer training, upskilling and repatriation and encourage the corporate world to invest in these countries. They are all prepared to invest. There are several examples in Ireland of footloose companies that pulled out, leaving 1,000 people unemployed in Ireland, and moved to places like China, Morocco and other places where they could get cheap labour. The polo shirt or pair of runners one buys on the high street is no cheaper as a result of these companies moving to cheaper labour sources. Clearly, there are supernormal profits being made by these companies. I note the ambassador's interest in taxation. I always love when foreign diplomats come here and have great interest in taxation just like we Irish do. Maybe we should be looking at the corporate world to get some of the taxation from it.

There are many other issues we will have an opportunity to discuss over the next six months but I wish the ambassador well. Leaving Brexit aside, which we always talk about in this room and I am sure Deputy Durkan has mentioned it many times, and although it is a huge issue, there are other problems that are much deeper and have the capacity to do far more damage. I wish the ambassador well and I look forward to the policies coming forward.

I am sorry again for being late.

Senator Terry Leyden: Like my colleague, I had to vote in the Seanad. I welcome the ambassador, his colleague and other officials and representatives of other embassies in Ireland.

I will represent the committee on Monday in Vienna at the COSAC meeting. I will be fully briefed on the priorities of the Austrian Presidency of the Council of the European Union. That is the first item on the agenda. Ms Karoline Edtstadler, State Secretary at the Federal Ministry of the Interior will be there. I look forward to going to Vienna again. It is a beautiful city. I have been there before.

The ambassador is very experienced and is coming at a very crucial time. He has long experience of the Presidency of the Council of the European Union, so he will be in a very good position to assist and guide us in the very difficult waters we will be travelling through.

I looked at the attendance list for the COSAC meeting. I hope the United Kingdom is not pulling out prematurely from participation in the European Union. Will the ambassador confirm that? He might not have the list but I do not see any attendees from the House of Commons or the House of Lords. It will be very disappointing. I was hoping to meet our colleagues there. Maybe the list has not been finalised. I am not quite sure about it but from the list that was circulated I cannot see the participation of the United Kingdom. The COSAC meeting is a great opportunity to meet and discuss the future with our colleagues from the United Kingdom even though we are not negotiators. Mr. Barnier is negotiating on behalf of the European Union and Mr. David Davis is in charge for the United Kingdom. I am subject to correction. My view of it was cursory. It has happened before. During the previous Presidency there were no representatives of the United Kingdom Government there. I hope it is the case that they have not finalised their numbers yet. Normally there would be embassy representatives there too.

The next six months will be crucial. There will be a crucial meeting in Chequers on Friday. We hope the British Government will come up with very reasonable requests in the negotiations. We do not want to go through the process but we are very concerned because there will be collateral damage as a result of what is happening at the moment. As an island off an island off mainland Europe, we are the most affected. I will not go into that detail. We will discuss it on Monday in Vienna.

I welcome the ambassador to the meeting and thank him for coming. I am sure we will have other dialogue in the next six months of the Presidency. I have no doubt Austria will take a very practical approach to the Brexit negotiations to assist us in our situation. The ambassador will be able to convey to Vienna the reality on the ground. The ambassador has experience of the Northern Ireland situation, the Border, the 500 km and the 300 openings. There is no better man to represent the views of Ireland to the Austrian Government than the ambassador.

Chairman: With regard to the Brexit negotiations, how does the ambassador plan to assist and put his shoulder to the wheel to give momentum and support to the negotiations over the next days, week and months? Migration has become a big challenge since the European Council meeting last week. Does the ambassador believe an agreement, understanding or some better way forward can be found during the Austrian Presidency? It is vital. It is something that comes up as a serious problem at different times. For once and for all there has to be a sound and sensible solution to the migration problem and to controlling and containing it and having a solution that is acceptable to everybody. I am interested in the ambassador's views on that.

In planning for enlargement, does the ambassador believe there will be an agreement reached during the Austrian Presidency with regard to the future enlargement of the EU and the issues, complications, debating and negotiations that will have to take place in advance of anything like that? Does the ambassador see agreement being reached? I am very interested. I like to see people doing their work and plotting and planning their work. I have been going through the ambassador's work programme for the six months of the Austrian Presidency. It is certainly an impressive document by any stretch of the imagination and one that shows the ambassador will hit the ground running. The programme of work is very impressive. I am also very interested in the planned conference on subsidiarity. Does the ambassador think he will be inviting representatives from national parliaments to attend that conference? It is an important issue. How many players will be invited to give their views and considerations from their experience of the issue?

Austria is very like Ireland. It is a medium-sized country. How will medium-sized countries like Austria and Ireland fare in areas such as trade, tourism and agriculture after Brexit?

Will we survive the knock of Brexit? Will we continue to grow as we have done in the past 40 years? Austria and Ireland have changed and evolved a great deal in 40 years. How does the ambassador predict we will fare in the 40 years post Brexit? I ask him to reply to my questions and those of my colleagues at his convenience.

H.E. Dr. Helmut Freudenschuss: I thank Deputy Durkan and the Senators for their kind words. I am not familiar with the meeting Senator Leyden will attend in Vienna and, therefore, I do not know who will participate.

Senator Terry Leyden: I referred to a meeting of the chair or vice chairs of all of the European affairs committees of the European Union, which is known as COSAC. Meetings will take place on Sunday evening and Monday next. I have a list of all of the participants from 27 countries. I am amazed that the United Kingdom, which will not leave the European Union until March 2019, has chosen not to nominate anybody to attend the COSAC meeting. This is a very strange move.

H.E. Dr. Helmut Freudenschuss: Today is Wednesday and the UK has until the weekend to nominate someone.

Senator Terry Leyden: Maybe so.

H.E. Dr. Helmut Freudenschuss: Senator Craughwell mentioned migration, as I did in my introductory statement. I should have mentioned, also in partial reply to the remarks made by the Chairman, that Austria's Federal Chancellor Kurz will visit Dublin on Sunday to meet the Taoiseach. It is the Chancellor's first visit outside of Austria since the country took over the Presidency, which shows the excellent and close relationship he and the Taoiseach have. After he meets the Taoiseach on Sunday he will travel to the Border on Monday to see the situation there at first hand. I am sure the Taoiseach will use the opportunity to explain Ireland's position in more detail. I am sure the Chancellor, in turn, will inform the Taoiseach how he intends to proceed, especially on the tricky issue of migration, and follow up on last week's European Council meeting which addressed the issue of disembarkation platforms. The Senator's question on whether the platforms will ever be established is a good one because so far no north African country has agreed to them.

I can answer the Chairman's question on whether enlargement is possible during Austrian's Presidency of the European Union with an emphatic "No". We would be happy to reach agreement on starting negotiations with a couple of countries. Serbia, Albania and northern Macedonia spring to mind but we are a long way from a concrete enlargement.

The Chairman suggested that parliamentarians should be invited to the high-level conference on subsidiarity. I will, if I may, pass on his very good suggestion to Vienna. Subsidiarity is a question for parliamentarians as well as members of governments.

The Chairman asked whether medium-sized countries will survive Brexit. We will survive Brexit but not all medium-sized countries are in the same boat. Certainly, the consequences of a hard Brexit would be more severe for people in Ireland than for us in Austria. I imagine Austria would be in big trouble if Germany were to leave the EU. Ireland and Austria are in a similar position but not an identical one.

The Chairman asked me to predict what will be the position in the European Union and Europe in the next 40 years. If I knew I would be a rich man. Unfortunately, I do not know and I will not dare to make a prediction.

Chairman: I thank the ambassador for his replies and call Senator Craughwell.

Senator Gerard P. Craughwell: It is vitally important that parliamentarians attend the conference on subsidiarity. As I indicated to Mr. Timmermans at a conference some months ago, we must also extend the hand of the European Union to the regions or local authorities because there is a tendency to deal with national parliaments only. The problem is that the Union has difficulty in connecting with citizens. The closest we can get to citizens is through regional or local authorities. Representatives of local and regional authorities should be invited to attend the conference, even if it is only a token number.

Members of the European Commission have visited the Oireachtas. Civil servants who work for the Commission should engage directly with local authorities in order that we bring all elected representatives into the family that is the Union we are trying to strengthen. We have a great deal of work to do to strengthen it. My colleague, Deputy Durkan, is probably the most committed European I know. I would love to see the same level of commitment shown across the country. We must turn the corner and stop blaming Brussels for all of the wrongs and having national parliaments take a bow for all of the nice things.

Deputy Bernard J. Durkan: My comments will be on the same theme as those of Senator Craughwell. Rampant nationalism is the enemy of co-existence. Europe has learned that lesson in the past and I hope that we, as European citizens, never have to learn that lesson again.

Interestingly, I proposed that we establish outposts in north Africa to assess immigrants when Ms Mogherini was appointed High Representative of the Union for Foreign Affairs and Security Policy five or six years ago. I am glad my proposal has come back into vogue again. I hope it works because it will eliminate the trafficking of people and criminality and assess whether people are travelling for other purposes.

I would like to make a point that was made numerous times by the late Peter Sutherland, a former European Commissioner. He always advised us to think about the reasons people choose to migrate. Sometimes they leave due to the breakout of war or to avoid starvation. We now have what are described as economic emigrants. Citizens of every country in Europe were economic emigrants at one time or another. Many Europeans emigrated to the United States of America, which is having its own problems with immigration at present.

We must keep in mind that, regardless of what walls we build, what travel restrictions we impose and what laws we make, if there is a growing economy or economic abundance on one side of a wall and starvation and deprivation on the other side, they will have no effect because people will be driven to emigrate. I agree with my colleague all European countries, not only front-line countries, must take specific responsibility and try to ensure prosperity is extended outside the borders of Europe in a way that caters for the people who are concerned about their future in their home countries.

H.E. Dr. Helmut Freudenschuss: I have nothing to add and I completely subscribe to what the Senators said.

Chairman: On behalf of members of the committee, I thank the ambassador for taking time to be with us here today. He said this was the first time he had appeared at a meeting of Members of the Oireachtas. He did very well and he has no need to fear meeting parliamentarians in future. Again, I thank him for his engagement and I am sure he knows we appreciate his time. As I have always stated, he is very welcome to engage with us at any level and at any time. We

JEUA

are a very open committee and members are delighted to engage with him and his colleagues. We will support Austria's Presidency of the EU in every way we possibly can for the next six months and beyond. I want to say a special word of thanks to his wife, who was good enough and kind enough to be here today.

The joint committee adjourned at 3.40 p.m. until 3.30 p.m. on Wednesday, 26 September 2018.