

SEANAD ÉIREANN

Dé Máirt, 16 Feabhra 2010.
Tuesday, 16 February 2010.

Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

Paidir.
Prayer.

Resignation of Member.

An Cathaoirleach: I wish to announce that I have received notice in writing from Senator Déirdre de Búrca of her resignation of membership of Seanad Éireann. I thank the Senator for her co-operation and assistance during her time as a Member of the House and wish her well for the future.

Business of Seanad.

An Cathaoirleach: I have received notice from Senator Paschal Donohoe that, on the motion for the Adjournment of the House today, he proposes to raise the following matter:

The need for the Minister for Education and Science to provide an update on his plans for the redevelopment of St. Laurence O'Toole national school, Dublin 1 and to outline the contact he has had with the Dublin Docklands Development Authority regarding this project.

I have also received notice from Senator Denis O'Donovan of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to confirm whether funding is in place for the Dunmanway regional water scheme and, if so, when work will commence in 2010.

I have also received notice from Senator Nicky McFadden of the following matter:

The need for the Minister for Health and Children to ensure women under 50 years will be covered by BreastCheck and able to avail of mammograms.

I have also received notice from Senator Joe O'Reilly of the following matter:

The need for the Minister for Education and Science to sanction the commencement of an extension to St. Mary's national school, Virginia, County Cavan.

I have also received notice from Senator Cecilia Keaveney of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to give an update on progressing sewerage schemes in Newtowncunningham and Moville, County Donegal, and the precise reasons for current delays on these vital schemes.

I have also received notice from Senator Liam Twomey of the following matter:

[An Cathaoirleach.]

The need for the Minister for Communications, Energy and National Resources to discuss the potential negative effects the 3% levy for the Broadcasting Commission of Ireland could have on jobs and the future viability of local radio stations across Ireland.

I have also received notice from Senator Jerry Buttimer of the following matter:

The need for the Minister for Communications, Energy and National Resources to make a statement on his plans and those of RTE for the future of the Vanbrugh Quartet which is based in Cork.

I regard the matters raised by Senators Donohoe, O'Donovan, McFadden, O'Reilly and Keaveney as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Donohoe, O'Donovan and McFadden and they will be taken at the conclusion of business. I regret I have had to rule out of order the matters raised by Senators Twomey and Buttimer as the Minister has no official responsibility in these matters. The other Senators may give notice on another day of the matters they wish to raise. I call the Leader of the House.

Senator Jerry Buttimer: On a point of order——

An Cathaoirleach: No, we are not discussing the matter.

Senator Jerry Buttimer: On a point of order——

An Cathaoirleach: It is not a point of order; it is a procedure. I call the Leader.

Senator Jerry Buttimer: Who has ministerial responsibility in the matter?

An Cathaoirleach: It is not a point of order.

Senator Jerry Buttimer: It is typical of the Government — it is passing the buck and taking no responsibility.

An Cathaoirleach: I call the Leader.

Senator Jerry Buttimer: The poor taxpayer is paying for it.

An Cathaoirleach: I ask the Senator to resume his seat.

Senator Jerry Buttimer: The poor taxpayer.

An Cathaoirleach: If the Senator does not resume his seat, I will ask him to leave the Chamber.

Senator Jerry Buttimer: It is a cod.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, Petroleum (Exploration and Extraction) Safety Bill 2010 — Report Stage, to be taken at the conclusion of the Order of Business and conclude not later than 4.30 p.m.; and No. 2, statements on proposed emergency funding for Greece, to be taken at the conclusion of No. 1 but not earlier than 4.30 p.m. and conclude not later than 6.30 p.m., on which spokespersons may speak for ten minutes and all other Senators for seven minutes and Senators may share time by agreement of the House,

with the Minister to be called upon ten minutes from the conclusion of the debate for closing comments and to take questions from spokespersons or leaders.

Senator Frances Fitzgerald: In recent weeks we have been asking for a debate on job creation. Because of a high profile discussion, Ryanair's influence and the anger of the 800 staff now unemployed as a result of what happened in SR Technics, it is very clear the Tánaiste has been forced to revisit her original approach and decision which I would describe as "hands-off". What concerns me is that we have heard about this case which has featured on the public airwaves but what about all the other redundancies announced and business failures? If there had been a more effective reaction by the agencies working under the Tánaiste's authority, we could have saved jobs instead of what we saw happen in recent months. I, therefore, propose an amendment to the Order of Business that the Minister come to the House to discuss the issue of job creation.

Senator Joe O'Toole: With the rapidity with which the Cathaoirleach is losing Members from all sides and parties, I wonder——

(Interruptions).

An Cathaoirleach: Senator O'Toole to continue, without interruption.

Senator Joe O'Toole: I had a discussion with Senator Quinn who is well experienced in the retail trade and we came to the conclusion that it might be useful if all newly elected Members had to wear security tabs in order that any time they went near the gate an alarm would alert the Opposition which could provide counselling etc.

An Cathaoirleach: I ask for questions to the Leader on the Order of Business.

Senator Joe O'Toole: Concerning the issue raised by Senator Fitzgerald, my simple view is that we should beware of Mr. Michael O'Leary bearing gifts.

Senator Eoghan Harris: Hear, hear.

Senator Joe O'Toole: Mr. O'Leary has managed successfully and with great aplomb to have both the Tánaiste and Deputy Enda Kenny jumping to his tune within 48 hours. It is a fair achievement. I am touched by his great concern for job creation in Ireland. I know all about it because in the past ten years I have spoken to people from Shannon, counties Kerry and Galway, Knock and Cork and heard how Mr. O'Leary played one body off against the other and continues to do so. The record should show that he was offered by Dublin Airport everything he received at Prestwick but that is not to say the Tánaiste handled the matter well. She walked straight into a trap. She should have been happy to meet Mr. O'Leary at Dublin Airport to secure the 500 jobs when he had them and give him whatever he was looking for. His idea seems to be that people can break contracts with Aer Lingus for the famous hangar No. 6. He can get everything he is looking for from the Dublin Airport Authority. That should be stated clearly, as should the fact that the Tánaiste just walked into Mr. O'Leary's trap. Mr. O'Leary now has the entire political system jumping to his tune. I do not believe we will ever see the jobs in question, no matter what he is given. I guarantee that the first item that will come up today in the discussions with him will be the same item that has come up at every airport in Europe to which he has brought the same proposal in the past two years, namely, how much will he get from us — the taxpayer — in order to create the jobs in question?

Senator Alex White: I have no objection to the House discussing the emergency funding for Greece today but in the current circumstances I would much prefer to discuss the position in

[Senator Alex White.]

Ireland. Given all the calls made on the Order of Business by Members on both sides of the House for debates to be held on issues of importance, I am curious to know why the Leader responded so quickly to the brief reference made by Senators Donohoe and Hanafin last week to Greece and why the matter is suddenly on the Order Paper today when there are so many other issues to be discussed. Senator Fitzgerald has mentioned that the issue of job creation requires to be debated. I wonder if this is intended to afford the Government an opportunity which it will grasp quickly to tell us that Ireland is not Greece. Presumably, that is the reason the subject is on the Order Paper today. I am surprised by this.

On a more agreeable note for Members on the opposite side, I ask the Leader to arrange as soon as possible a debate on the report published within the past hour on the constitutional amendment on children. I have been privileged to be a member of the Joint Committee on the Constitutional Amendment on Children for the past two and a half years, with Senators Fitzgerald, Corrigan and Feeney. The committee has produced three reports, the most important of which is being published today. It has the potential to alter radically the constitutional landscape of children's rights in this country. We should debate the report in the House at the earliest opportunity. I ask the Leader to place it on the agenda as soon as possible in order that we can elucidate and elaborate on what has been achieved at this important committee. The debate would also demonstrate the relevance, tenacity and commitment of politicians in the Houses on issues of concern and relevance to all citizens. Will the Leader arrange such a debate as soon as possible?

Senator Marc MacSharry: I agree with Senator O'Toole on the issue of employment raised in recent day by Mr. Michael O'Leary and Ryanair. Ryanair is very professional and good at coming forward with ideas when it has not succeeded in getting its own way. It suggests it could have done something if it had been allowed to do something else. There is a touch of the George Lee about it. Not to be facetious, it is like saying, "I could have solved all the problems of the world if the Fine Gael Party had allowed me to do it." I am sure that if employment can be created at Dublin Airport to replace that provided at SR Technics, it will be created. There is no better professional organisation in the world than the IDA, in conjunction with the Department of Enterprise, Trade and Employment, to achieve this and I am confident it will happen through ongoing negotiations. There are legal issues involved. If there is a contract in place in respect of hangar No. 6, it must stand. One cannot just say, "If you gave it to me, I could do this or that." That is hypothetical hyperbole.

I ask the Leader to raise an issue with the Minister for Foreign Affairs. The murder of an alleged member of Hamas has taken place in Dubai and it has been alleged that three of the suspects carry Irish passports. Their pictures appear in the media in the Middle East today. The Department of Foreign Affairs has, through the British media, denied the existence of the people concerned. The Irish passports are counterfeit, but that message is not getting through to the United Arab Emirates and Dubai. It is important we get it across because the incident is having a serious impact on our image there. Our ambassador in Abu Dhabi needs to make it clear that the passports are false and that the people concerned are in no way connected with Ireland or Irish people. The United Arab Emirates is an important trading partner for us. Some of the media reports, in *Gulf News* for example, draw connections with Oliver North who used an Irish passport in 1986. I would appreciate it if the Leader raised the matter with the Minister as a matter of urgency.

Senator Liam Twomey: It is amazing that under legislation put through the House by the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, three radio stations across Ireland could end up being closed. The levy has already cost people their

jobs and works against small local radio stations. The cost of running the BCI is equivalent to the turnover of three local radio stations. I am flabbergasted to think the Minister has no responsibility to the House for the levy.

Senator Jerry Buttimer: Hear, hear.

Senator Liam Twomey: We should debate this issue. Given his rapid response to the crisis in Greece, I ask the Leader to also give a rapid response to the crisis faced by local radio stations as a result of a levy introduced by the Minister not so long ago. Like me, the Leader is aware of the benefits of local radio stations to local communities. We do not want to see two or three go out of business because of a levy which discriminates against smaller stations and which does not appear to have been fully thought through by the Minister. A statement requires to be made by the Minister in the House and an opportunity provided for us to discuss the matter.

Senator Terry Leyden: In case Senator Regan raises the matter regarding the Minister for Defence, Deputy Willie O’Dea —

An Cathaoirleach: There will be no discussion of that matter. The issue was settled in court. I want to hear questions to the Leader, not across the floor. I do not want a discussion on that matter.

Senator Terry Leyden: I was referring to the lead article in *The Irish Times* today which is rather derogatory.

An Cathaoirleach: We are on the Order of Business and taking questions to the Leader. Members must respect the fact that on the Order of Business there are questions to the Leader, to which he will reply in due course.

Senator Terry Leyden: I accept that.

An Cathaoirleach: I am not concerned about what is published in any newspaper.

Senator Terry Leyden: The editor, Ms Geraldine Kennedy, and Mr. Colm Keena should refer to the judgment issued on 31 July last year.

An Cathaoirleach: Senator, please. Did I ask you something?

Senator Terry Leyden: To be fair, it is an opportunity to raise the issue in the House.

An Cathaoirleach: We are taking questions to the Leader. I want no interruptions.

Senator Terry Leyden: I put a question to the Leader on the wider issue of the right of newspapers and their freedom to make statements in reference to a Member of this or the other House, when the judge, Mr. Justice Nial Fennelly, said the unilateral decision of a journalist—

An Cathaoirleach: Senator, please. That has all been decided.

Senator Terry Leyden: —to destroy evidence with the intent of depriving the court of jurisdiction had been designed to subvert the rule of law.

Senator David Norris: Out with him. Off with his head.

Senator Paul Coghlan: That might be a little extreme.

An Cathaoirleach: Senator, please. I call Senator Norris.

Senator Terry Leyden: Excuse me, I want to raise an issue with the Leader.

An Cathaoirleach: It should be for the Leader.

Senator Terry Leyden: Yes, we will leave the other matter aside for the moment. I ask the Leader to arrange a debate with the Minister for Finance on the national solidarity bond which is provided for in the Finance Bill and will be approved by the House and the national reconstruction bond which I advocated. This is a very exciting proposal. I ask for a debate in the House on the matter shortly because I would like to see the bond launched in New York, Washington, London, Paris and throughout the world on St. Patrick's Day.

An Cathaoirleach: The Senator's time is up. I call Senator Norris.

Senator Terry Leyden: I am trying to highlight the case.

Senator David Norris: The Senator should sit down and let me speak.

An Cathaoirleach: Senator Leyden's time is up.

Senator Terry Leyden: This is the only opportunity I will have to say a few words. Others have more chances than I do. Senator Norris always goes on for about ten minutes.

An Cathaoirleach: Is the Senator chairing the Seanad or am I?

Senator Terry Leyden: I am not; you are.

An Cathaoirleach: Then the Senator should resume his seat or leave the Chamber.

Senator Terry Leyden: My apologies.

Senator David Norris: Mr. Michael O'Leary is a very flamboyant, brilliant businessman. If he can create jobs in Ireland, everybody will welcome them. However, it seems more likely that he wants to play with Aer Lingus's toys and apparently he is in a temper because he cannot do so. The hangar he wants, hangar No. 6, has been specially designed to take wide-bodied, transatlantic aircraft which Mr. O'Leary does not possess. It makes me wonder, if he is so anxious to create jobs here, why he did not submit a tender when this first emerged. Thank God for independent radio, both RTE and Newstalk, on which there was commentary. If we had only seen what was carried in the newspapers and listened to politicians' reactions, we would have thought Mr. O'Leary was 100% right, but he obviously is not.

I ask the Leader for a debate on morality in public life.

Senator Eoghan Harris: Is that right?

Senator David Norris: Yes, I believe it is necessary. I was thinking, my dear Senator friend and colleague, of Albert Reynolds's little line that it was the little things that tripped one up. One could invert this and consider the whole question of proportionality and size, for example, the banks which are too big to fail and the little people who pay tax.

With regard to Greece, Goldman Sachs, an enormous company, is involved in servicing and offering the fraudulent loans that allowed the Greeks to knowingly mess around with the figures and so on.

Senator Terry Leyden: The Senator has taken more time than I did.

Senator David Norris: Do shut up, for goodness sake.

Senator Terry Leyden: That is most unparliamentary.

Senator David Norris: I could be a lot more unparliamentary.

An Cathaoirleach: I will ask Senator Leyden to leave the Chamber. It is not his business to interfere with other speakers.

Senator David Norris: On a final point — one must be delicate about these matters — the Irish bishops are in Rome to be reprimanded about the way in which sexual abuse was covered up and so on. The issue goes entirely to the top. How can they take any other lead?

An Cathaoirleach: Time, Senator.

Senator David Norris: For example, the Pope ought to answer questions about Maciel Degollado and the Legionaries of Christ——

An Cathaoirleach: Senator——

Senator David Norris: ——the man who escaped from Mexico, was pursued by the police and given sanctuary in the Vatican. These are very serious issues.

An Cathaoirleach: I call Senator Ó Murchú.

Senator David Norris: I, therefore, ask for a debate on public morality.

Senator Labhrás Ó Murchú: Le blianta anuas, bhí seachtain na Gaeilge againn gach mí Márta. Caithfidh mé a rá gur éirigh go hiontach leis. Tá sé fásta go mór anois. Beidh coicís na Gaeilge againn i mbliana, ag tosnú ar an 5ú Márta. Tá sé suimiúil gur daoine óga, sa chuid is mó, atá i mbun an chláir an-mhaith seo go háitiúil, go náisiúnta agus go hidirnáisiúnta. I hope that the Leader will ensure Seanad involvement in Irish language fortnight, previously known as Irish language week. I believe this would be welcomed by the mostly young people participating in and organising the events in this particularly comprehensive project at local, national and international level. It would do good to the heart of anyone with an interest in the Irish language to see the inspiring and imaginative programme of activities devised by these young people. I know that these young people will be watching the Houses of the Oireachtas closely to see how we respond to their work which will be evident not alone through the newspapers, on radio and on television but through organised activities. Last year, it was quite obvious the Irish language had been given a new profile. I know that every Member of this House is committed to the Irish language as evidenced in the debates on the legislation regarding the official status given to the Irish language in Europe and on so many other occasions. I believe Members would like to be part of this new progressive approach. I ask the Leader to consider this proposal. Irish language fortnight will commence on 5 March. This gives us an opportunity to provide leadership on this occasion.

Senator Dominic Hannigan: I thank the Leader for arranging a debate tomorrow on Northern Ireland. For his information, the new Leader of the SDLP, Ms Margaret Ritchie, will be in the building at the time and I suggest he extend an invitation to her to attend for at least part of that debate.

I am still waiting for a debate I requested some time ago about funding provided to Irish people living outside the State. Perhaps the Leader will, when arranging with the Minister for Communications, Energy and Natural Resources a debate on the issue of radio licences, extend

[Senator Dominic Hannigan.]

such debate to the issue of RTE services in Northern Ireland. Post-2012 many Irish citizens living in the North will not be able to view RTE as it is moving from an analogue to a digital platform, which, as I understand it, differs from the Northern Ireland platform.. It is unclear how people in the North will receive RTE television. We need to ensure our citizens in Northern Ireland can continue to freely avail of programmes involving hurling, football and culture post-2012, which is only two years away. Perhaps the Leader will, when arranging a debate on the issue of communications, ensure this issue is also on that agenda.

Senator Geraldine Feeney: I rise to support my colleague, Senator Alex White, in seeking a debate on a report which is hot off the press given it was only launched during the past hour. As Senator White correctly stated, it is a consensus report. It is the first time ever we have had all-party consensus on such an important topic as children's rights. The timing in this regard is correct in light of the Murphy, Ryan and Ferns reports and what has been going on in Rome in recent days.

It is rather sad that the bishops are coming home after only a day and half of deliberations to carry out their in Ash Wednesday duties. Ash Wednesday is not such a big day anymore in the calendar of the Church. In light of the terrible and horrific abuse meted out to young children at the hands of clerics, the least the bishops could have done was to have spent longer than a day and half discussing what has happened.

The report proposes that the State can for the first time ever intervene where children have been let down by their parents and that children who are, or will be in the future, in long-term fostering can now be considered for adoption. Also, for the first time ever the wording, "That the State will cherish all children equally", will be used. I always thought that "equally" was at the end of that sentence, but it never was. Now, for the first time, we will have the words stating that: "The State will cherish all children equally". For the first time ever we are going to try to give a voice to children on children's matters.

Senator Paul Coghlan: I hope the Tánaiste's meeting with Ryanair will secure 300 aircraft maintenance jobs at Dublin Airport and, I hope also, without Michael O'Leary pulling the wool over her eyes. Will the Tánaiste also do something constructive about the serious concerns of Irish suppliers who are being asked for six figure sums to have their goods stocked on the shelves of multiples which are dominating the supermarket sector? What is she doing about fair play and honest competition in the grocery market? This shows the need more than ever for people to shop locally and support their local retail outlets. It is the Tánaiste's job to ensure a level playing field in that market. As I understand it, competition law prohibits the demanding of sizeable figures so that suppliers' goods can be stocked, advertised or displayed. What is the Competition Authority doing about it? I want to hear the Leader's view on this matter. What is the Tánaiste doing about this? She should be on top of the situation, but clearly she is not. I second the amendment to the Order of Business proposed by Senator Frances Fitzgerald on a related matter.

Senator Paschal Mooney: I share Senator Hannigan's concern about the two issues he has raised. I certainly support him on the second one concerning the Irish diaspora. Perhaps the Leader will have an opportunity to reply to Senator Hannigan. A decision has already been agreed between the Minister, Deputy Eamon Ryan, and his opposite number in the UK that on the occasion of the digital transfer in 2012, not only will RTE television be available throughout those parts of Northern Ireland where it is currently available, but it will also be extended

throughout the entire territory. This decision was taken recently and was widely reported at the time.

Senator Dominic Hannigan: Yes, but there is no technical explanation of how it will work. That is the issue.

Senator Paschal Mooney: In the context of the digital turnover, RTE will be available for viewing all over Northern Ireland. This should be welcomed by all sides of the House because it is an issue that has been to the forefront of North-South relations. It is quite astonishing in this day and age — perhaps this is what Senator Hannigan was referring to — that there are large segments, especially in the greater Belfast area, where RTE television is not available. That leads to a great deal of misunderstanding and misconceptions about both sides of the island.

I strongly support Senator Hannigan's second point. It is vital that this House should be informed regularly of the amount of taxpayers' money provided each year for the Irish diaspora. It is for essential work in helping elderly Irish people who have given so much to this country and whose remittances in the past contributed significantly to this country's wealth. Now, in the twilight of their lives, it is right and proper that every Irish Government, of whatever political complexion, should ensure they are acknowledged worldwide. Between €12 million and €15 million is provided each year to the Irish abroad, with the bulk of it — roughly two thirds — going to the UK, and the remainder going to the United States, Canada, Australia and New Zealand. It is important that this House should have a regular debate on the diaspora and particularly on the question of where such money is being spent. It is being spent wisely, well and independently of the Government. I welcome what Senator Hannigan has raised and hope that the Leader will respond favourably.

Senator Joe O'Reilly: Ba mhaith liom aontú leis an Seanadóir Ó Murchú mar gheall ar seachtain na Gaeilge. Ba chóir dúinn cabhair a thabhairt don iarracht sin, agus páirt a ghlacadh ann. Aontaím go mór go bhfuil sé riachtanach go dtiocfadh ceannairí an tSeanaid le chéile agus rud éigin a eagrú ionas go mbeimid páirteach i seachtain na Gaeilge

Yesterday, I met a family of somebody who lost their job at SR Technics. It brought home to me the human reality of a 28 year old man with a mortgage. It is a great trauma for the family and for him personally. For that reason I have the simple view that the Tánaiste should have checked out the colour of Mr. Michael O'Leary's money in the first instance. I accept he engages in these publicity stunts; I am well aware of all that. However, the colour of his money should have been checked and bureaucracy should have been cast aside to meet the man. It is what had to happen today. For the sake of those 1,100 workers I hope we can retrieve some of the jobs and I hope that is the outcome of today's meeting. It is incumbent on all of us to work towards that. Having met that family yesterday and heard of the great impact on them, one could not but feel for them. Urgent action is required. I support the call for a debate, which I hope will simply be accepted unanimously.

Today the Royal College of Physicians has highlighted that C. diff and MRSA are not being properly monitored in nursing homes. We recently had a debate on nursing home inspection. More needs to be done on monitoring infections in them and training the staff to deal with them. There needs to be laboratory back-up to assess them.

Lastly——

An Cathaoirleach: The Senator's time is up.

Senator Joe O'Reilly: —they say that coming events cast their shadows before them. I draw Senators' attention to a young man in the Gallery listening very attentively to today's business.

An Cathaoirleach: The Senator should not mind who is in the Gallery now.

Senator Joe O'Reilly: I refer to young Mr. Patrick Wilson.

Senator Niall Ó Brocháin: I ask the Leader for a debate on public transport in rural areas. I have been made aware of the great difficulties getting around rural areas. It has been brought to my attention that there are many instances of bus companies in particular that would like to provide rural transport but have major difficulties with licensing. There is a centralised licensing authority. I am aware that there are difficulties in many parts of the country. In this time of difficult employment it is important that we allow as much employment as possible in all parts of the country. The Minister for Transport should be invited to the House to discuss the provision of better public transport in rural areas. There are many parts of the country where it is simply not possible to get adequate public transport, which we need to improve.

Senator Rónán Mullen: I congratulate the Oireachtas Joint Committee on the Constitutional Amendment on Children on its good work. It is incumbent on us to have a debate very soon on what the committee has proposed in the light of the Government's earlier proposal. This highlights a very important issue. This report should not simply disappear into the Civil Service somewhere and reappear as a referendum proposal. The matter needs to be discussed in detail by all Members of the Oireachtas. While there is considerable good in what is proposed, I do not believe the committee has got there completely. For example, I would have concerns about the deletion of the reference to the family, in particular. There are other issues regarding acknowledging the role of biological parents that need to be reviewed. However, that is for another day when we have the substantive discussion.

I disagree with Senator Feeny in one respect. The Proclamation of 1916 referred to "cherishing all the children of the nation equally". Of course it is a reference to children regardless of their age; it is all the children of the nation. I do not regard myself of a child of the State as this committee seems to be proposing. It is important to focus on protecting all children within the State, which would extend our responsibilities in ways that would touch on issues relating to, for example, immigration and other vulnerable children in the State. There is a lot done, but more to do. The important thing now is to have an early and substantive debate in both Houses of the Oireachtas to build on the good work the committee has done.

Senator Ivor Callely: I support the call for a debate on Government policy and strategy on the aviation industry. I believe there may be some unfair practices in the industry, such as certain companies operating within tax free zones while others do not qualify and some aviation companies engaging employees in Ireland but placing them on a UK payroll. However, Ireland is held in high regard throughout the world in matters relating to aviation. We have a proven track record in leasing, engineering, maintenance and aviation college. North Dublin, where I have strong roots, is a natural hub which carries a particular incentive to attract aviation from throughout the world, which we enjoyed before and I believe we can enjoy again. When we look at competition throughout the world as we talk of the smart economy while being aware we have lost jobs even to Third World countries in this area, we have highly qualified people who meet the need. We need to review current Government policy and strategy and see where we are in relation to aviation. Is Shannon offering something more than north Dublin, for example? Can we do something that will be seen as Government policy and in the event, sell it to the world at large?

Senator Paschal Donohoe: I support the request by Senator Hannigan for a debate on emigration. I want to address in particular the attitude and views the Tánaiste has in this regard in light of comments she made on the BBC last night. Speaking about Irish people who are going abroad, she said in that debate, “There are people who have greater acumen academically, and there are people who have found work in other parts of the world, and that is not a bad thing”.

Since when has it been a good thing to be exporting our best and brightest who possess an education that we have paid for, and who want to work at home? She went on to say: “Some of them, fine, want to enjoy themselves. That is what young people are entitled to do.” I challenge the Tánaiste to go to any of these airports from which our young people are leaving and find those who are enjoying themselves, as they leave the country in which they were born and for whom emigration is an “entitlement”. She concluded by saying, “We have a lot of people, young people, who have decided they will go to other parts of the world to gain experience”.

These young people are not deciding. The decision has been made for them. At a time when I hear people talk about the role of the Tánaiste in relation to the discussion that is taking place today with Ryanair, these comments on emigration show me the attitude she and her Department have towards our young people. Emigration is not an entitlement, it is not enjoyment. It is about the fact that we have 20,000 young people under the age of 25 signing on for the dole in Dublin, and two thirds of young people are signing on in Limerick. The Tánaiste believes that emigration is a legitimate response for dealing with those people. It is a catastrophe, not a policy.

Senator Ann Ormonde: I support the call for a debate on an Oireachtas committee on how we protect children in the future. Noting many of the points raised, it is a very big issue because it concerns the role of the family. It also needs to take into account today’s society and how we should go about this. There are also questions in relation to adoption and fostering as well as many other areas. By all accounts the document on how we protect our children is very good. I have not read it yet since it just been published, but I believe it justifies an early debate on this question.

An issue close to my heart is the role of the VECs in education, and how local democracy can be strengthened. It worries me that we may be rationalising some of the VECs. I identified the concept that the Minister for Education and Science, Deputy Batt O’Keeffe, is talking about. Having said that, a debate is called for before final decisions are made on the rationalisation of VECs. I should like to see their role enhanced if we are talking about local democracy, and seeking to decentralise so that education becomes part of the community and how best it might be served in this regard. This calls for a debate as well before any decisions are made by the Minister in relation to finalising plans on whether to rationalise or enhance the role of smaller VECs in another way to ensure education is not neglected.

Senator Ivana Bacik: On a personal note, I wish former Senator Deirdre de Búrca well. I am sorry she felt the need to resign rather than follow the example of colleagues such as Bronwen Maher and cross the House to join the Labour Party group.

Senator Alex White: Hear, hear.

An Cathaoirleach: Questions to the Leader, please.

Senator Ivana Bacik: If Senators Ó Broilcháin and Boyle feel lonely, there will always be a place for them over here.

An Cathaoirleach: Questions to the Leader, please.

Senator Ivana Bacik: Like Senators Alex White, Feeney and others, I call for a debate on the report of the Joint Committee on the Constitutional Amendment on Children. Having had only a brief opportunity to examine it, it is to be welcomed. It is well considered and thorough and the wording recommended seems to strike a fair balance. As Senator Feeney stated, it is welcome to see the report recommend a provision which would cherish the children of the State equally. That is very important, particularly given the finding that certain children are discriminated against. There are two categories of children. Currently, in our laws there is discrimination between marital children and non-marital children. This must be changed as a matter of urgency. It is also welcome to see that the best interests of the child would now be placed, constitutionally, as the paramount consideration in any dispute. As someone who practises and has dealt with some very difficult cases in the child care courts, I am delighted to see the proposed provisions would allow long-term foster parents to be in a position to adopt children. It would vindicate the rights of the children concerned to have their relationship with their foster parents recognised.

In that context, I call for a debate on education. It is welcome that the committee recommends retaining the current provision on education to the effect that the State shall not oblige parents, in violation of conscience and lawful preference, to send their children to schools established by the State or a particular type of school. We need a debate on parental choice in education as a matter of urgency, particularly in the light of the Minister's decision yesterday to recognise seven new schools, including three VEC and two Catholic schools. From where is the Minister receiving the criteria to be used in granting recognition? There is a growing demand from parents for multi-denominational schools, particularly in Dublin 6 and Dublin 8, but also throughout the country. That is where the future lies.

Senator Cecilia Keaveney: I recognise that today the Minister for Education and Science has allocated €579 million for the school buildings programme. I welcome, in particular, the fact that in my own area three schools in Letterkenny will benefit. Sometimes we hammer someone for what is not taking place, but we must recognise the great support this €579 million will provide for the construction industry.

While I accept that we will hold a debate on Northern Ireland tomorrow, I call for a regular debate every quarter on the North. In this way we could clarify many issues, including, for example, the one raised by Senator Hannigan about what will happen when digital television services are introduced. My understanding is that the Minister for Communications, Energy and Natural Resources, Deputy Ryan, has been working with his Northern counterpart to introduce a solution, whereby RTE will be carried on Northern platforms. I call for what is missing in my area to be dealt with on a reciprocal basis. The signal received in County Donegal is mainly received from Limavady. I spoke with someone recently who told me that the signal was so bad that the cows in "Emmerdale" were appearing on "Coronation Street". There is an issue to be dealt with in this regard.

I commend Senator Quinn for his contribution last week to a North-South business platform on Dawson Street. We need more of this and more of what is being done on a cross-Border basis. It should not only be shared among ourselves but also by business people in order that everyone is united and driving forward. There are a lot of people and a lot of wheels but we do not have enough opportunities. The allocation of eight or ten minutes tomorrow will not be enough to scratch the surface. While I accept it is important that a debate will take place, we must have such a debate on a regular basis because there is a good deal happening. However, many other things must happen. We have the power to co-ordinate and convey some of this information.

An Cathaoirleach: Time is passing and there is a large number of Members who wish to speak. I will try to take first the Members who were in the House from the start of the Order of Business.

Senator Eoghan Harris: In the great Tipperary amhrán mór, Slievenamon, there is the line “...mar sheolfaí aoireacht bó gan aoire”, which translates roughly as: “We were driven along the roads of Slievenamon like a herd without a herdsman”. I fear this is how the political process is being driven by sections of the media, particularly the broadcast shock-jock section. It is time we had a debate on broadcasting and politics. The political process in a recession is very vulnerable to being degraded by that form of fascism called poujadism, which involves instant populist demands for action. I saw a couple of examples in recent weeks. Consider the business of the head shops, for instance. There were calls on Joe Duffy’s “Liveline” to close them down. Head shops have caused the collapse of the heroin and cocaine trades in Dublin and of the lucrative Real IRA trade. This is why the Real IRA is shooting head shop owners. There are two sides to every question. Politics puts a brake on the kind of populism to which I refer and results in debate on the two sides. However, that debate did not take place regarding head shops or the George Lee debacle. The politicians were being told they should accept the Messiah who will shake them all up.

We are told that, because of a recession, we must listen to Michael O’Leary lecture the Tánaiste. I hold no brief for the Tánaiste — she is not very competent in her job — but she is the Tánaiste. No businessman or buccaneer should have the right to bully or browbeat anybody into a new favourable situation. Senators should have a bit of respect for themselves, given that they are not up for election as are Members of the Dáil, and start putting brakes on the kind of instant shock-jock, Rush Limbaugh populism that is disgracing and denigrating Irish politics.

Senator Eugene Regan: Can I correct the record of the House? I spoke on 2 February about the Minister for Defence.

Senator Jim Walsh: The Senator is out of order.

Senator Eugene Regan: I said that when the journalist’s tape of the interview——

Senator Jim Walsh: The Senator is out of order.

Senator Eugene Regan: ——in regard to his false statement about ownership of a brothel——

Senator Jim Walsh: That is out of order.

Senator Eugene Regan: I have an obligation to correct the record.

An Cathaoirleach: There is no obligation. What I am seeking from Members is questions to the Leader.

Senator Eugene Regan: I have an obligation to correct the record.

An Cathaoirleach: No.

Senator Eugene Regan: I am entitled to make a statement and ask the Leader a question.

Senator Jim Walsh: That is out of order.

An Cathaoirleach: Not on the Order of Business. Senators are free to make statements outside the House.

Senator Eugene Regan: I have a question for the Leader. There was a reference to the Minister for Defence making his statement regarding an apology to the court.

Senator Jim Walsh: Out of order.

An Cathaoirleach: Please, Senator.

Senator Eugene Regan: The Minister for Defence made no apology to the High Court.

An Cathaoirleach: I ask the Senator to resume his seat. He is totally out of order.

Senator Eugene Regan: In December, when the Minister slid this through the court and there was a settlement, there was no apology to the court for the false and misleading statement.

An Cathaoirleach: I ask the Senator to resume his seat. He is out of order making statements like that.

Senator Eugene Regan: I ask the Leader to comment on this——

Senator Donie Cassidy: I heard nothing.

Senator Eugene Regan: ——and indicate his position on the matter.

Senator Terry Leyden: Those in glass houses should not throw stones.

Senator Feargal Quinn: The Legal Services Ombudsman Act 2009 was signed into law by President McAleese on 10 March 2009, almost 12 months ago. The position of legal services ombudsman has not yet been established. During the debate on the legislation, the Minister for Justice, Equality and Law Reform, Deputy Dermot Ahern, stated the Legal Services Ombudsman Bill 2008 strengthens the mechanisms for dealing with complaints against both solicitors and barristers and that the Bill will establish a legal services ombudsman who “will oversee the handling by the Law Society and the Bar Council of three classes of complaint against solicitors and barristers, namely inadequate services, excessive fees and misconduct”. I mention this because at least one citizen approached me who was delighted when the legislation was passed. The citizen appeared to have had a very sound grievance. Despite this, 11 months later and almost 12, nothing has happened. Can the Leader find out what is happening in this area? What is delaying the legislation which was passed in the House and signed by the President last March? It is quite urgent.

Since I became a Member many years ago, I discovered there seems to be a difference between the meaning of “urgency” in State organisations and its meaning outside of them. There seems to be a delay in completing work that may not seem important at the time but which is regarded as quite important to some citizens. In this case, what is to be done is of great import to quite a number of citizens.

Senator Dan Boyle: In making my remarks, I do not wish in any sense to respond to a political jibe. I am unfamiliar with the protocol in this instance because it is usually the case that a Senator is recognised only after shuffling off his or her mortal coil. However, I wanted to express my thanks to my colleague, former Senator de Búrca, for her active participation in the life of this House for the past two and a half years. While I do not agree with her manner of leaving or her motivation for doing so, it is important, both as a friend and as a colleague, that her contribution to this House be recognised because it was positive. I wish her well in her future endeavours. For my part, my movement to whatever seat or whatever side of the House will be painfully slow.

Senator Jerry Buttimer: Senator Boyle is at home where he is.

An Cathaoirleach: No interruption.

Senator Ivana Bacik: Do not rule it out.

Senator Dan Boyle: I wish to put that on the record.

I support the call by Senator MacSharry to raise with the Minister for Foreign Affairs the incident whereby the security forces of another country have falsely used Irish passports and to afford the Minister an opportunity to make a statement before the House because of the devaluing of Irish passports when they are used in such activities. It is important this House takes an opportunity to listen to such a contribution and to respond appropriately.

Senator Nicky McFadden: While I share Senator Harris's view on the media, today I regretfully must criticise the Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Coughlan, on yet another totally separate issue. I am not being either fanatical or controversial. I am merely representing two constituents who visited my office yesterday who both were made redundant on 18 November last and who have no sign or wind of ever receiving their redundancy payments. According to the Tánaiste's website — it is her responsibility and the buck stops with her — redundancy payments will be paid within six to eight weeks. When I telephoned the Department I was told it will be the middle of July before these persons receive their redundancy payments. That is outrageous. This gentleman has been to the bank and tried to freeze his mortgage, and he has been told he cannot. We have bailed out the banks with NAMA. On two accounts, I am livid. It is about morality and how we are representing people. Is this Government able to represent the people, care for them and look after them? I want the Leader to bring the Minister in here to answer both of these questions, especially the one on the website. I want a clear and definitive answer as to when these persons will be paid their redundancy. They cannot live. They do not have food for the table.

Senator Jerry Buttimer: I join Senator Harris in asking for a debate on the media. The way in which the media have failed to portray political life in this country is appalling, in particular, for example, the vilification of Deputy Kenny.

I also join with Senator Donohoe in asking for a debate on emigration. Does the Leader agree with the Tánaiste that to emigrate is a source of fun and adventure? I hope he will disagree profoundly with her. Forced emigration is neither welcome nor an adventure nor fun for the many thousands of young people who have been forced to leave these shores. It is about time we had a real debate on this. Whatever about the Tánaiste, her remarkable performance over the past couple of days has shown that she is part of a Government that is aloof and detached from reality.

I preface my final question by saying that I fully accept the Cathaoirleach's ruling on my Adjournment debate matter prior to the Order of Business and I do not take umbrage with him, lest he think I do. I ask the Leader where lies responsibility for the HSE, the Broadcasting Commission of Ireland, RTE, the NRA and many other semi-State organisations. In this House, we elected representatives have no recourse to these organisations, the Minister has no responsibility and the Government is not in this House called to account. Wherein lies responsibility for these organisations?

An Cathaoirleach: Legislation has decided where responsibility lies.

Senator Jerry Buttimer: I understand that, but I am asking the Leader. I am merely posing the question. To where have we recourse to get answers from these bodies?

Senator Maurice Cummins: I join other Senators in calling for a debate on jobs and unemployment. There is a need for the Tánaiste and Minister for Enterprise, Trade and Employment to come to the House so we can ascertain what plan, if any, she has in place to tackle unemployment. She has presided over a situation where there are 437,000 people unemployed. According to FÁS, a further 87,000 people will become unemployed this year. She is clearly not up to the job and should go at this stage. There is also a need for a complete overhaul of the operations of FÁS and of the Department of Social and Family Affairs to retrain and re-skill the unemployed adequately and to provide stronger incentives to the unemployed to retrain and re-enter the jobs market. These are the subjects we should be discussing in this House, not Greece or other simple problems that exist. We must discuss our people, jobs, the fact that 437,000 are unemployed and how we can tackle and overcome that problem. We should discuss this subject day after day and not have to ask for debates on the issue week after week and receive no response from the other side. This House will become irrelevant if we do not discuss the problems of the day. I ask the Leader to invite the Tánaiste and Minister for Enterprise, Trade and Employment to the House to debate these issues with us in an effort to try to resolve them.

Senator Camillus Glynn: Ba mhaith liom aontú go hiomlán leis an méid a dúirt an Seanadóir Ó Murchú mar gheall ar coicís na Gaeilge. Beidh clár ar siúl ar fud na hÉireann agus ar fud an domhain. Tá súil agam go mbeidh sé ar chumas an Tí aitheantas a thabhairt do teanga dúchais na tíre i rith na coicíse. Mar sin, tá mé dóchasach go gcuirfí leathlá ar fáil le haghaidh ráitis ar coicís na Gaeilge.

On another matter, I warmly welcome the building programme outlined by the Minister for Education and Science, Deputy Batt O’Keeffe, especially as it applies to Rathwire school, St. Columba’s College in Killucan and Loreto College, Mullingar. It is great news in the current difficult times.

Senator Ciaran Cannon: While I support wholeheartedly the call from Senator Ó Brolcháin for a debate on the dearth of public transport for people living in rural Ireland, he should first direct his attention to the existing rural transport services being capably provided by the rural transport initiative. That scheme is constantly under threat. We are not even sure whether the schemes in place at present that serve rural areas, and predominantly elderly people living in those areas, are secure. The first area we should focus on is ensuring the retention of those services.

I wish to raise the capital sports grants allocation scheme which has been on pause for almost two years. A few weeks ago the House debated the new child care legislation on Second Stage and many Members quite correctly pointed to the benefit of early intervention in ensuring young people do not end up in a situation where they must be taken into care by the State. Part of the early intervention mentioned by a number of Senators was access for young people to proper sporting facilities in every community, both urban and rural. The sports grants scheme was doing incredibly valuable work in that regard but was simply suspended without any reason, other than what I consider to be the spurious suggestion that there was to be a re-evaluation of the scheme and its effectiveness. I do not believe that was the case.

The national lottery continues to make a profit of approximately €250 million per annum. Where is that money going now? Is it being stockpiled until the scheme is reinstated or is it being spent in other areas by the Exchequer? The national lottery scheme must continue to operate in an honest manner. The people who subscribe to the national lottery do so on the basis that their money is being spent on such facilities. I ask the Leader to arrange a debate on this issue and to try to establish, as quickly as possible, when the scheme is likely to be reinstated.

An Cathaoirleach: Three more Members have indicated that they wish to speak. If Senator Corrigan is brief, I might be able to include them.

Senator Maria Corrigan: I support the calls of Senators Ormonde and Bacik, among others, for a debate on the substantive report from the Oireachtas joint committee on the proposed constitutional referendum on the rights of the child. The committee put an enormous amount of work over a long period into this document. It is quite complex and the committee was very conscious of the sensitivities it might generate. It was also very determined that we should avoid a situation whereby the referendum would become about the rights of the family versus the rights of the child. For this reason will the Leader schedule, as soon as possible, a debate which would allow all Members to contribute on this substantive issue? Senators should read the report in depth prior to making comments because we run the risk of a throwaway harmless comment being latched on to by members of the public who will give a skewed view of what is proposed in the referendum.

Senator Mullen commented earlier that it would be better to refer to children within the State rather than of the State. That was not possible for very clear reasons. He also spoke about the issues it raises in connection with the family. The committee made it clear in the report that in the vast majority of cases it believed the best interests of the child are served within the family. It behoves all Members to read the report with deep consideration prior to commenting on it. I hope the Leader will facilitate an early debate on it.

An Cathaoirleach: We have gone over time. I apologise to the other three Senators who indicated their wish to speak and are unable to contribute. I will call them first in the morning. I call on the Leader to reply.

Senator Donie Cassidy: Senators Fitzgerald, O'Toole, Alex White, MacSharry, Norris, Coghlan, O'Reilly, Callely, Donohoe and Cummins called for a debate on job creation and the situation in SR Technics. Over the past ten or 11 years the Government created 700,000 jobs. That is a fact, and it should be acknowledged. There is a global downturn and Ireland is no different from any other country of similar size. It has been hit severely and that is the reason the number of unemployed has increased. With regard to the call for a further debate on job creation, I have no difficulty with arranging it but I earnestly ask Senators who have made these requests to be present for the debate and to make a contribution when the Tánaiste is in the House.

The big benefit with regard to the 300 jobs at Dublin Airport being discussed by the Tánaiste, departmental officials, the IDA, Enterprise Ireland, Michael O'Leary and the Ryanair team is that, as Senators correctly pointed out today, there is a highly qualified group of people available for those jobs. No training will be necessary. All the expertise and skills are available in abundance and have been for the past 15 years or so. I wish everybody concerned well and hope that common sense will prevail in order that these jobs can be recreated at Dublin Airport. If further staff are required, there is a qualified group of people available and ready to start work immediately.

Senators Alex White, Feeney, Mullen, Ormonde, Bacik and Corrigan called for an urgent debate on the report of the Joint Committee on the Constitutional Amendment on Children. I have no difficulty with arranging such a debate and will inform the House tomorrow of a date. It is my wish that it will take place within the next two weeks.

Senators MacSharry and Boyle asked that the Minister for Foreign Affairs be invited to the House for a debate on the Middle East and counterfeit Irish passports. This is a serious challenge to the reputation of our country and its citizens. I will arrange to hold that debate at the earliest opportunity.

[Senator Donie Cassidy.]

Senators Twomey, Norris, Hannigan, Mooney and Keaveney sought an urgent debate on local radio, the media in general and the changes that will take place in 2012 due to digital broadcasting. The cost of local radio, as was outlined to the House, is prohibitive to small local radio stations. I would like to think there will be an appeal mechanism whereby inability to pay will be considered, and if such a measure is not in place the Bill should revisit both Houses in order that an amendment can be made. The current success of communications is in local radio. It brings communities together and relays their achievements. In terms of volunteers and volunteerism we must support all local radio in this regard. I have no difficulty in allocating time for a debate on this issue.

Senator Leyden referred to articles in the media, on which I have no difficulty having a debate.

Senators Hannigan and Donohoe called for a debate on emigration, which can be discussed when the Tánaiste is again present in the House.

Senators Norris and Ormonde called for a debate on morality and morality in public life, which is a very worthwhile suggestion and I will do everything I can to facilitate it.

Senators Ó Murchú, Reilly and Glynn called for the House to acknowledge and participate in the Irish language fortnight which starts on 5 March. I have no difficulty in having a debate on the Irish language prior to St. Patrick's Day. It is very timely and I will facilitate it in two weeks' time, which will be the first week of the events which are taking place. I congratulate all young people, as Senator Ó Murchú said, for their achievements, endeavour and total commitment to the Irish language.

Senator Coghlan again outlined to the House the issue of fair play in the grocery market. He participated in the review of the groceries order during the last Dáil term as a member of the Joint Committee on Enterprise, Trade and Employment. This issue should be dealt with as a matter of urgency at its meeting today and I strongly suggest the Senator bring it to the attention of the Chairman to see what further progress we can make in this area. It is an extremely difficult area and one at which politicians will again have to have a serious look in terms of the issues outlined by Senator Coghlan.

Senator Hannigan welcomed the debate on Northern Ireland tomorrow, and I look forward to the full and total support of all parties in the House for the debate. It would be very timely if the new leader of the SDLP Ms Margaret Ritchie, MLA, was present for part of the debate. We would welcome her to the Distinguished Visitors Gallery.

Senator Reilly referred to the RSA and its proper monitoring. I agree with his sentiments and support him in his call for such a debate.

Senators Ó Brolcháin and Cannon called for a debate on rural transport. As they come from Galway it is timely that they support the Minister, Deputy Ó Cuív, who has been a champion of rural transport and independent rural bus operators, as was outlined to the House by Senator Ó Brolcháin. I have no difficulty having a debate on this matter. Senator Cannon might discuss the matter with the leader of Fine Gael, as it will have Private Members' time next week. This is a very important topic to bring to the attention of the House. We could discuss it, tease it out and see what can be done, as a matter of urgency, for independent private bus operators who can extend the areas of the existing rural transport scheme.

Senators Ormond and Bacik called for a debate on and the roll of VECs. I gave a commitment to House on this matter and to ask the Minister, Deputy O'Keeffe, to come before the House to debate the issue. I welcome the announcement by the Minister today of €579 million in funding for 52 school building projects, which will be moved to tender and construction and

will create 23,500 school places in 20 new schools and 32 extended and refurbished schools. At primary level over 14,500 pupils will get primary school places as a result of this announcement. It is to be very much welcomed in extremely difficult financial times.

Senators Harris and Buttimer called for a debate on broadcasting, politics and the challenging issue of the media being in a sensational race to the bottom. Politicians are striving to keep the confidence of the people and to try to assist them in every way possible. However, the media, members of which are receiving large salaries for their endeavours, are doing the complete opposite. Public service broadcasting, in particular, has a major responsibility in playing its part in assisting the 437,000 people who are unemployed or those currently on the margins. What programming is uplifting in that area? The chairman of the RTE board and the director general of RTE have major responsibility for this area. It is about time we started telling the Irish people the positives and the negatives which are coming out day after day. The advice given by an experienced person such as Senator Harris to the House has to be taken with the utmost seriousness. I will allocate half a day at the earliest possible time for a debate on this to allow Senator Harris and all other Senators to lead the Upper House in order that we can have an upper media as we have an Upper House in Parliament.

Senator Quinn referred to legal services and the Ombudsman (Amendment) Bill which passed both Houses but has not yet been enacted. I will make inquiries and revert to him.

Senator Boyle joined the Cathaoirleach in thanking former Senator Déirdre de Búrca for her contribution. I wish her all the luck in the world in whatever direction she takes. She has a lot of ability and I wish her well in her future role.

Senator McFadden referred to a constituent in Longford-Westmeath who was made redundant on 18 November and will not receive redundancy payments until the middle of the year. It is very difficult to know how anyone can survive for seven or eight months in such a situation. It is unfair. It is bad enough to lose one's employment. This is an area in which we can all play a part in terms of parliamentary parties. We will bring the issue to the attention of the Fianna Fáil parliamentary party meeting next week to see what we can achieve. I will discuss it with the Minister concerned. It is unacceptable. It is a matter of urgency and we will treat it as such.

Senator Cannon inquired when sports capital grants will be re-introduced. They have been a huge success and have transformed our sporting facilities. Massive amounts of money have been given to projects across the country. I support him in this call. My guess is that it will be 2012 because the economic situation at the current time, as we all know, is difficult. There is a large amount of money waiting to be claimed by projects which have qualified. A number of projects have work in progress or the work has been completed.

An Cathaoirleach: Senator Fitzgerald has proposed an amendment to the Order of Business: "That statements on job creation be taken today". Is the amendment being pressed?

Senator Frances Fitzgerald: Yes.

Amendment put.

The Seanad divided: Tá, 25; Níl, 29.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Cannon, Ciaran.
Coffey, Paudie.

Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.
McCarthy, Michael.

Tá—*continued*

McFadden, Nicky.
Mullen, Rónán.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Prendergast, Phil.

Quinn, Feargal.
Regan, Eugene.
Ross, Shane.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carroll, James.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Ellis, John.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Harris, Eoghan.
Keaveney, Cecilia.
Leyden, Terry.

MacSharry, Marc.
Mooney, Paschal.
Ó Brolcháin, Niall.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Bradford and Maurice Cummins; Níl, Senators Camillus Glynn and Diarmuid Wilson.

An Cathaoirleach: I wish to inform the House that arising from an inadvertent casting of a vote on the “Níl” side by Senator Harris, the result of the division as shown on the display board has been amended, with the agreement of the tellers for both sides. The amended result will appear in the Journal of Proceedings: Tá, 25; Níl, 29.

Amendment declared lost.

Order of Business agreed to.

Petroleum (Exploration and Extraction) Safety Bill 2010: Report and Final Stages.

An Leas-Chathaoirleach: I welcome the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan. Before we commence, I remind Senators that they may speak only once on Report Stage, except for the proposer of an amendment who may reply to the discussion on the amendment. Also, on Report Stage each amendment must be seconded.

Government amendment No. 1:

In page 7, line 20, to delete “granted” and substitute “issued”.

Amendment agreed to.

An Leas-Chathaoirleach: Amendments Nos. 2 and 3 are related and will be discussed together. Is that agreed? Agreed.

Senator Michael McCarthy: I move amendment No. 2:

In page 8, line 38, to delete “sub sea” and substitute “subsea”.

This amendment is self-explanatory and seeks to delete the words “sub sea” and use the composite word “subsea”. I have had protracted negotiations with a retired English teacher at Trinity College and his colleague from the INTO on this matter. On Committee Stage we pointed this out, but the Minister did not agree. In recent years many aspects of the alphabet and words——

An Leas-Chathaoirleach: Is this relevant to the amendment?

Senator Michael McCarthy: It is. They are open to abuse. It would be unfortunate if, at senior Government level, we were to start abusing the alphabet. On Second Stage I suggested the word “sub” should be followed by a hyphen, but the Minister did not accept this. The alternative is that it should be a compound word, which is what we now suggest. The Minister took the same approach with the word “subsoil” on page 8, line 14.

Senator Joe O’Toole: I second the amendment. I ask the Minister to reconsider on the issue that arose on Committee Stage. I confess an interest in the matter, as for many years I have been a member of the protect the hyphen society. I am one of those who regrets the dilution and misuse of the hyphen which is vanishing. I have looked at the issue in terms of the point made by Senator McCarthy. “Sub” is definitely a prefix and usually followed by a hyphen, although one can use it to form words such as “subsoil” as mentioned. Its use in English in both ways is correct. To call a draw in the matter and keep everybody happy, will the Minister accept an amendment to the amendment to use the word “sub-sea”? It is appropriate to keep the English language intact and maintain its integrity. It is also important that there be a clear understanding of what it is we are about. Acceptance of the amendment would indicate the Minister’s flexibility and openness to deal with issues. I appeal to him to accept an amendment to the amendment to use the word “sub-sea”.

An Leas-Chathaoirleach: As the Senator knows, he cannot propose an amendment to an amendment at this stage.

Senator Joe O’Toole: I can request the Minister to consider an amendment to an amendment. I believe he is at least considering my request.

Senator David Norris: While this is not something that should hold us for a great length of time, I wonder whether the Minister has carried out research to find out if he has contributed a new word to the English language. I have never come across the word “subsea” before, although I have come across “subsoil”. In any case, it is a bastardisation of two languages, English and Latin, and is neither one nor the other. Why this devotion to Latin? As “sub” means “under”, why not just use the word “undersea”?

Senator Feargal Quinn: Why not “submarine”?

Senator David Norris: That might be misconstrued. While it is not worth wasting much time on, I am curious to know if this is a word or if it has been recently coined by the Minister, or what is the difficulty.

Deputy Eamon Ryan: I wish we had James Joyce to help us. He would have made great play out of this. I intend to accept the Labour Party amendments for the sake of consistency in the use of technical language. There may well be a debate on the use of a hyphen, the Latin origins or on whether the word is correct. However, the intent is clear. The advice I have received is that accepting the amendments will lead to the use of proper and consistent technical language. As such, I am happy to accept them.

Senator Michael McCarthy: I thank the Minister for showing flexibility and my colleagues on the Independent benches for their unfailing support.

Amendment agreed to.

Senator Michael McCarthy: I move amendment No. 3:

In page 8, line 41, to delete “sub sea” and substitute “subsea”.

Senator Joe O’Toole: I second the amendment.

Amendment agreed to.

Government amendment No. 4:

In page 14, lines 36 and 37, to delete all words from and including “given” in line 36 down to and including “subsection (1)” in line 37 and substitute “under this section”.

Deputy Eamon Ryan: The purpose of this amendment is to ensure all ministerial directions issued to the CER pursuant to section 13J of the Bill will be published in *Iris Oifigiúil*.

Senator Paschal Donohoe: I welcome the amendment which I hope follows on from the earlier debates we had on the need to make this body as transparent as possible to ensure there will be confidence among all those who will depend on this body to work well and in a just manner.

Deputy Eamon Ryan: It was following the Senator’s contribution on Committee Stage that we considered some of these amendments.

Amendment agreed to.

An Leas-Chathaoirleach: Amendments Nos. 5 and 9 are related and may be discussed together. Is that agreed? Agreed.

Government amendment No. 5:

In page 21, between lines 32 and 33, to insert the following:

“(10) The Commission shall, as soon as practicable after the issue of a safety permit to a petroleum undertaking, ensure that a copy of that permit is published in the prescribed manner.”.

Deputy Eamon Ryan: I indicated on Committee Stage that I would bring forward amendments to increase public access to information relevant to the safety compliance of petroleum undertakings. As part of this process, amendment No. 5 inserts a new provision in section 13P to require the CER to publish safety permits once such permits have been issued to petroleum undertakings. This will ensure the public will have sight of the permit that will allow petroleum undertakings to carry on a designated activity and any conditions imposed by the permit.

Amendment No. 9 which inserts a new section 13AC in Bill also has its origins in the Committee Stage debate and further increases the level of public access to documentation relevant to the safety assessment process. This new provision which is modelled on the system operated by the Health and Safety Authority in discharge of its obligations with respect to occupational safety requires petroleum undertakings which have been issued with a safety permit to make their approved safety case available to members of the public on request. Petroleum under-

takings will be permitted to limit public access to information relating to industrial, commercial or personal confidentiality, public security and national defence. However, all of the data contained in the safety case which, in fact, constitutes the safety management system to be operated by the petroleum undertaking will be accessible to members of the public. In line with other access to information legislation, petroleum undertakings will also be allowed to charge a reasonable fee for making such information available. Notwithstanding this, it should be noted that access to information can only be limited with the written consent of the CER and determination of a reasonable charge will be subject to direction by the commission. This will make the regulatory authority the final arbiter in each respect.

I do not propose to accept amendment No. 1 to amendment No. 9, proposed by Senators Donohoe and Cummins, because the Bill does not actually provide for an application to the CER for a safety permit. The process envisaged by the Bill is that petroleum undertakings will submit a safety case in respect of a single designated petroleum activity or a range of designated petroleum activities to the CER. The safety case is, in effect, a demonstration of the petroleum undertaking's proposed safety management systems in accordance with the requirements of the safety framework and the safety case guidelines relevant to the activity or activities in question. Should the commission be satisfied that the requirements of both the safety framework and the safety case guidelines have been met to the desired standard, it will issue a safety permit, subject to whatever conditions it considers appropriate. The safety permit which signals approval of the safety case will allow the petroleum undertaking to legally carry on a designated petroleum activity in accordance with the approved safety case and subject to any conditions attached to the safety permit. The amendments I propose will provide a basis for access to both the safety permit and the safety case the permit is approving.

Senator Feargal Quinn: I am very happy with the proposed amendment. The words that concern me somewhat are "as soon as practicable after the issue of a safety permit". When I came into the House 16 or 17 years ago, I discovered there was a different attitude towards the passage of time in the State apparatus. Very often, terms used in business indicated a much greater sense of urgency to get things done. In the first five or six years I was in the House I suggested amendments to practically every Bill, particularly in regard to the publication of accounts, to seek to have inserted words such as "not later than...". In those days terms such as "as soon as practicable" were common but I attempted to have deadlines inserted. The issue does not arise in this case but I make the point to remind those who create legislation to recognise that it is useful to include a timescale, for example, "not later than two months", to make sure things happen. I suggest its inclusion in this instance to ensure we will focus more attention on the timeline rather than just leave the provision open, as inferred by the term "as soon as practicable". While I am happy to accept the amendment, I hope the matter will receive attention in the future.

Senator Paschal Donohoe: I thank the Minister for making these changes to the Bill. They will improve it because, as I said, they will make the operation of the body more transparent.

I may have missed some of the points outlined by the Minister. The purpose of my amendment and that of the Government amendment is to make more transparent what is happening in the process as opposed to its outcome. The Government amendment will improve the level of transparency at the end of the process by allowing the safety case to be published, or at least that is my understanding of the amendment. What I am trying to get at in my amendment is the question of whether anything can be done to improve the level of transparency during the process in order that the public would have an opportunity to see what it was the company seeking support was stating about the operation of the enterprise or activity. The comparison I would draw is with the planning process, in which the public has the opportunity to see the

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material as it works its way through the planning process, as opposed to seeing it only at the very end of the process when the result is published. While I may have misunderstood the Minister's point — if I have, he can clarify it — I want to find a way of improving the ability of the public to see what is happening in the process and understand the case being made to the commission, as opposed to just being able to see the outcome and result at the end of that process.

Deputy Eamon Ryan: I take the point made by Senator Quinn on the need for speed and timelines. I will check the legal position around what those wordings mean and come back to the Deputy on the matter.

Senator Donohoe's interpretation that publication is at the end of rather than in the middle of the process is correct. The reason for this is I am informed because this process from a safety perspective is very iterative. It is a negotiated series of discussions involving examination of a range of quite complex interconnected variables. The job of the safety officers is to get the most satisfactory outcome from this iterative process, which must fit within the framework put in place. I understand it is not a process which is equivalent to the planning process. A planning application is fairly clear and simple in terms of what is being sought and amendments in this regard can be reasonably and clearly shown. I understand the progression of a safety case is iterative. We could not find an international example where that process is carried out in a public way. I am informed it would take away from the effectiveness or ability of the officers to do their work if the approach adopted at every stage of what are complex negotiations had to be published along the way.

While I understand the Senator's instincts, we have at least moved in the direction of ensuring that any outcome in terms of the permit and safety case behind it is publicly available.

Senator Paschal Donohoe: I thank the Minister for confirming my understanding of the matter and I take his point in that regard. However, while I understand the case he has made I believe the Bill is flawed in this regard.

The Minister has far more experience of this area than do I in terms of what happened in Mayo and the controversy in that regard. Let us consider the position had this system been in place when those difficulties arose and since then in regard to the application. People outside the system who have a strong interest in the outcome of a project and who do not have an opportunity to understand or have an input into the case being made by the different parties will make the point that the process is secretive and non-transparent. I referred earlier to the planning process which while complicated allows public access at clear stages. Regardless of how big or complicated the planning application there is a point at which requests for further information are made, the reasons for which are clearly outlined and the information with which the developer responds is clearly outlined. This type of approach is used in respect of huge planning applications.

I believe we should try to find a mid-point in this process at which the public could have an opportunity to state its view in terms of what is happening and to make input if they so wish. Otherwise, I fear this body which is meant to improve confidence could at some point be charged with being secretive because the public is not permitted to see the valuation and submissions being made in the process. While Fine Gael supports the Bill and welcomes the improvements made, it is vital we improve not alone transparency at the end of the process but at some mid-point of it so people can understand what is happening and have an opportunity to make an input if they so wish.

Deputy Eamon Ryan: There is and must be room for public scrutiny and engagement in the key safety issues involved in any project. As I stated earlier this is a complex process given the variety of consenting and permitting processes in place, such as in the project referred to by the Senator where safety issues proved problematic. There is in any such application an environmental impact statement which includes a quantitative risk analysis process which goes to public hearing and is open to people scrutiny, questioning and debate.

On the point in regard to the safety case and the resulting permit, I am informed that going in at a mid-point or any point of the process would make it difficult for safety officers to do the work they need to do to ensure the safest possible outcome. There is not a point where one can freeze this process in time and then move on to the next stage of the application. As I stated, this process involves ongoing negotiation and working matters out in different ways to the satisfaction of the safety officer. I am informed to put this in published form would result in the safety officers not being able to do their job as effectively as possible.

I believe the amendments we have made are proper to any such safety case. Also, the resulting permit will be published, which is most important. This allows people to understand the standards involved and the operational arrangements agreed.

Amendment agreed to.

An Leas-Chathaoirleach: Amendment No. 6 arises out of Committee proceedings. Amendments Nos. 7 and 8 are related and amendments Nos. 6 to 8, inclusive, will be discussed together by agreement. Is that agreed? Agreed.

Senator Michael McCarthy: I move amendment No. 6:

In page 25, line 35, to delete “certificate” and substitute “warrant”.

I raised this issue on Committee Stage. While I do not want to test the Minister’s generosity perhaps he will consider accepting this amendment. The appointment of an authorised officer is a well established, understood and familiar legal term. There is in my view no particular rationale in terms of the introduction of the new concept of “certificate” in terms of such appointment.

The Minister has stated that “certificate” is a more current reference. However, this runs the risk of inconsistency in terminology, a point well made by the Minister in respect of amendments Nos. 2 and 3. This could be change for change sake. It is hoped the Minister will look favourably on this amendment.

Senator Paschal Donohoe: I second the amendment.

Deputy Eamon Ryan: As I stated on Committee Stage, the Parliamentary Counsel’s office has confirmed that there is no legal difference between the terms “certificate” and “warrant”. Given “certificate” is the more current term, I do not propose to accept these amendments.

Senator Michael McCarthy: As the Minister has already accepted earlier amendments I will not push this one. I thank him for his time.

Amendment, by leave, withdrawn.

Amendments Nos. 7 and 8 not moved.

Amendment No. 1 to amendment No. 9 not moved.

Government amendment No. 9:

In page 36, to delete line 40 and substitute the following:

“evidence.

13AC.—(1) A petroleum undertaking that has been issued with a safety permit shall make available a copy of the approved safety case to which that permit relates to any member of the public who requests it.

(2) Notwithstanding subsection (1), the obligation to make available a copy of an approved safety case does not extend to releasing any content of an approved safety case that relates to matters of industrial, commercial or personal confidentiality, public security or national defence.

(3) Where a petroleum undertaking proposes to omit any content of an approved safety case which relates to the matters referred to in subsection (2), it shall obtain the prior written consent of the Commission.

(4) (a) A petroleum undertaking that makes available a copy of an approved safety case is entitled to charge the person who requests it a fee in respect of the making available of that copy, provided that the amount charged by the undertaking does not exceed an amount which is reasonable having regard to the cost of making it available.

(b) For the purposes of paragraph (a), the Commission may give the petroleum undertaking such direction as it considers appropriate in relation to what is a reasonable fee.”.

Amendment agreed to.

Bill, as amended, received for final consideration.

An Leas-Chathaoirleach: When is it proposed to take Final Stage?

Senator Jim Walsh: Now.

Question proposed: “That the Bill do now pass.”

Senator Jim Walsh: I thank the Minister who has again on this occasion shown a propensity to listen to debate in this House and to take on board amendments where he believes there is justification for them. That shows the importance of both Houses and, in our case, the important contribution the Seanad sometimes makes to legislation. I thank the Minister for that. Not every Minister is quite as disposed as he is to taking on board sensible amendments.

Senator Paschal Donohoe: I thank the Minister for his participation in this debate and his willingness to take on board points made by Opposition Senators. I also thank his staff for their courtesy in meeting us and giving us an opportunity to understand the Bill better and for answering our questions. This is good legislation, which will make an important contribution to this area. I have flagged my one concern about it, so the Minister might bear that in mind in future. The Minister has either acted on all the other points made by Opposition Members, or has given a good explanation as to why he should not do so.

Senator Feargal Quinn: I also thank the Minister. The debate on Second Stage was very interesting. What pleased me most was the grasp the Minister and his team had of the Bill’s technicalities, as well as the Minister’s willingness to consider the various points made. It is a hugely beneficial and competent Bill, which will achieve its objectives.

Senator Michael McCarthy: I thank the Minister and his officials for their time and input in allowing us to understand this legislation better following its publication. I sincerely thank the Minister for accepting amendments Nos. 2 and 3.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I thank Senators for their comments. Senators and Deputies have a common interest in protecting the public good. In many instances, that can be done by encouraging economic development, but in other instances it is done by protecting public safety. I listened to any amendments and suggestions in that regard, recognising that this is a complex and difficult matter. We must try to get it right on the public's behalf. I am glad therefore that we were able to agree on substantial amendments. That is always the right approach. Certain high profile, major projects, such as the Corrib gas project, have run into real difficulties, first and foremost for the local community and, indeed, for others involved, including developers and public servants. It has not been satisfactory for anyone. One of our jobs is to try to get our safety regulation permitting right so it is safe and the processes are clear and easy to follow for all concerned. That is what we are attempting to do with this legislation, so I very much appreciate the Senators' assistance in getting it right.

Question put and agreed to.

Proposed Emergency Funding to Greece: Statements.

An Leas-Chathaoirleach: I welcome the Minister of State, Deputy Mansergh.

Minister of State at the Department of Finance (Deputy Martin Mansergh): For the information of the House, copies of my speech will be ready in about ten minutes, before I have finished speaking.

I can think of few more topical and important subjects to be discussing today on the economic front. Following the meeting of the European Council on 11 February, the heads of state and government issued a statement supporting and defending the integrity and cohesion of the euro area against a background of the recent global economic and financial crisis. In the context of difficulties related to the budgetary and economic position of Greece, they stated that euro-area member states will take determined and co-ordinated action, if needed, to safeguard financial stability in the euro area as a whole. This statement sent an important signal to the public and to the markets.

There has been considerable concern and extensive media comment regarding the position of Greece and possible spillover effects across the euro and EU areas. Last week's European Council made clear its full support for the efforts of the Greek Government and its commitment to do whatever is necessary, including adopting additional measures to those already announced, to ensure the ambitious targets set out in the Greek stability programme for 2010 and the following years are met. The Council called on the Greek Government to implement all these measures in a rigorous and determined manner to reduce effectively the budgetary deficit by 4% of GDP in 2010. The statement also acknowledged that the Greek Government has not requested any financial support.

The position taken on Greece implicitly reminds all concerned that the Stability and Growth Pact, and adherence to its rules, continues to provide an essential framework for sound budgetary policies, and that there has to be a continued firm commitment to the pact in these difficult times.

At their meeting last evening, the eurogroup — the economic and finance ministers of the euro area — expressed confidence in the plans of the Greek authorities. They agreed that

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Commission would report further next month on the implementation of budgetary measures by Greece and that additional measures would be taken, if considered necessary, to secure the budgetary targets for 2010.

Earlier today, the Ecofin Council adopted a comprehensive and ambitious package of recommendations to Greece, covering fiscal and structural policies, based on proposals from the European Commission and following discussion with all member states. These recommendations require that the Greek authorities take steps to reduce the deficit on the public finances below 3% of GDP by 2012, in line with their obligations under the Stability and Growth Pact. They are also invited to implement specific economic reforms considered consistent with the smooth functioning of the euro area.

As envisaged by the European Council, the EU Commission will closely monitor implementation of the recommendations in liaison with the ECB, and will propose necessary additional measures, drawing on the expertise of the IMF. A first assessment will be done in March.

With regard to Ireland's response to the Greek situation, we welcome the efforts of the Greek Government to tackle the substantial economic and fiscal challenges which the country faces. These measures are key to addressing the fiscal and competitiveness challenges of the Greek economy. We also welcome recently announced measures which clearly show the determination of the Greek Government to consolidate the public finances and restore competitiveness. There is an urgent need for these measures to be implemented in order to regain the confidence of financial markets.

We are very supportive of the Greek Government in its plans to deal with a difficult economic and fiscal situation. This is primarily in the interest of Greek citizens, but also in the common interest of all euro area countries and the entire EU. We are confident that the necessary measures will be implemented speedily and efficiently, and that the Greek authorities will succeed in overcoming the fiscal and macro-economic challenges they face. We also note the important contribution of the Stability and Growth Pact in the context of the fiscal consolidation which is under way in Greece.

It is important to highlight the commitment of the EU to deal with the crisis, which began in 2008. From the outset of the global economic and financial crisis, the EU has taken decisive and concerted action to mitigate its impact and to position the European economy for future recovery. Last week's statement from the European Council should be seen in this context.

In December 2008, the European Council announced a major European economic recovery programme. This has involved concerted action of the order of 5% of GDP in 2009 and 2010, in support of the European economy through a range of fiscal stimulus measures and economic supports, as well as measures to support restoration of the normal functioning of the financial sector and a resumption of a flow of credit to the real economy.

The European economic recovery programme also took account of the position of member states, such as Ireland, where the overall priority is to restore stability to the public finances, while also taking action to support international competitiveness and to position the economy for future growth.

Measures taken by member states under the programme are designed to be timely, temporary and targeted in their impacts. Some member states are out of recession and starting to recover, while others have been more severely hit by the global downturn and financial turmoil, and their economies will take longer to recover. As the latest EUROSTAT figures show, recovery remains fragile, with GDP growth of only 0.1% in the EU-27 in the final quarter of 2009, and some continued stimulus will be required until it becomes self-sustaining. The average EU budget deficit will be approximately 7.5% of gross domestic product in 2010, taking account

of stimulus measures, rising social protection expenditure and depleted revenues. Accelerated spending through the EU budget of €6.25 billion has seen earlier implementation of certain Structural Fund programmes. Member states' short-term labour market measures have provided a measure of protection to jobs, but unemployment in the EU is lagging developments in the real economy and will exceed 10% by the end of 2010. Public indebtedness due to rising deficits and interest payments is now a key policy challenge.

There is a general consensus within the EU and in the G20 that fiscal consolidation will need to be combined with progress on structural reforms to support medium to long-term growth and jobs. In other words, in future there will be a more integrated approach as far as possible. The recent international financial crisis is a stark reminder of just how interconnected global economies have become and of the need for the Union to act decisively if it is to avoid the risk of slipping behind globally.

As well as restoring sound public finances, it will be equally important to promote investment in new sources of growth and social cohesion. In most member states, economic and structural reforms will be essential to offset the detrimental impact of the crisis on potential output. The EU has been developing a strategy to do this.

One of the topics discussed at last week's European Council and which has received relatively little attention was the planned successor to the Lisbon strategy for growth and jobs. Europe 2020, as this new strategy is currently called, aims to provide the means by which sustainable growth and jobs can be generated in the EU. It will do this by providing a reform agenda and the framework to ensure it is pursued at EU, eurozone, member state and, where appropriate, regional levels.

The Lisbon strategy for growth and jobs, which has been in place since 2000, is due to expire this year. It encouraged member states to engage in a programme of wide-ranging structural reforms to enhance the growth potential of the EU economy. Before the global economic and financial crisis, the strategy had helped create more than 18 million jobs within the EU. The post-crisis challenges now facing the EU, including long-term issues such as ageing populations and climate change, require an acceleration of reforms to increase sustainable economic growth and generate employment. This requires a new strategy for long-term structural reforms across the EU. Ireland has been a strong supporter of the Lisbon Agenda and is committed to ensuring its successor, the Europe 2020 strategy, due to be formally endorsed by the European Council later this year, will provide a new and positive departure towards ensuring sustainable growth and jobs in the EU.

As the time approaches for the withdrawal of short-term support measures implemented under the European economic recovery plan, the new EU 2020 strategy will play a vital role in facilitating the implementation of structural reforms across the EU, which will help achieve sustainable economic and employment growth over the long term. In essence, EU 2020 represents the exit strategy from the current short-term fiscal stimulus measures across the EU which, obviously, are not sustainable in the long term.

The challenges of increased unemployment, increased budget deficits and low potential growth highlighted by the recent crisis emphasise the need to retain the focus on sustainable growth and employment. It is expected that the new strategy will be pursued through a better functioning Internal Market, more efficient and inclusive labour markets and increased openness with regard to external trade. Finally, EU 2020 will also play an important role in the consolidation of public finances through the stimulation of employment and growth.

The current difficulties of Greece and the associated movements in the international financial markets underline the importance of continuing to take firm and decisive action to restore stability to Ireland's public finances. This in turn will help return the economy to a sustainable

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growth path. The actions taken by the Government to date, as well as the plan we have set out to restore sustainability to the public finances by reducing the general Government balance to below minus 3% of GDP by 2014, have been well received internationally. For example, the chief economist of the ECB, Jürgen Stark, commented recently that Ireland has won back the trust of the markets.

The 2010 budget was the latest in a series of measures, beginning in mid-2008, designed to restore order to the public finances. The budget re-emphasised the Government's commitment in this regard. Difficult and painful measures were necessary in the 2010 budget. An expenditure adjustment of €4 billion was delivered. As a result of these decisive actions, it is forecast that the deficit will be stabilised in 2010. The Exchequer returns for the end of January 2010 were broadly in line with expectations. The budget also provided for considerable capital investment with €6.4 billion, or 5% of gross national product, provided in 2010 and €5.5 billion each year for the years 2011 to 2016. In addition, tender prices for many new projects have also fallen back significantly, thus enabling us to get better value for money. In 2010, our investment projects will focus on labour-intensive areas such as schools building and maintenance, energy efficiency measures and investment in our tourism infrastructure.

While Ireland's debt level will rise over the coming years, it was relatively low to begin with. General Government debt was estimated at approximately 64.5% of GDP at the end of 2009, below the eurozone average of 78% of GDP. However, when account is taken of the Exchequer cash balances and the assets of the National Pensions Reserve Fund, it is estimated that the net debt ratio stood at approximately 38% of GDP at the end of 2009. In 2010, the National Treasury Management Agency, NTMA, plans to raise €20 billion and already it has raised approximately one-third of this total funding requirement for the year.

Over the past 18 months we have made and implemented difficult decisions. We know that challenges and difficult choices still remain but the Government is determined to continue to take the necessary steps in this regard. This in turn will help return the economy to a sustainable growth path. Alongside fiscal consolidation, the Government is pursuing measures to restore stability to the banking system and reform our regulatory and supervisory structures in line with best EU and international practice. The transfer of assets to NAMA will commence in the coming weeks with the process continuing over the course of the year.

Turning to the outlook for the economy, while the Government is not complacent about the numerous challenges that still confront us and the expectation is that economic activity will contract again this year, there are indications that the economy is stabilising and there are emerging signs that we may be close to the bottom of the current downturn. There is growing consensus among observers that positive economic growth will now return during the second half of this year, although we will have to wait until next year before we experience growth on a full-year basis, as the international recovery gains momentum, competitiveness improves and the domestic economy recovers.

Looking at our economy from a medium to longer-term perspective, our future pattern of growth will, by necessity, be based on a more sustainable export-led growth model. This will require a continued focus on improving our competitiveness and continued reductions in our cost base. Price levels and wages are adjusting to the new circumstances, thereby improving Ireland's competitiveness. Our economy is proving yet again to be flexible and resilient with evidence that the necessary adjustment is under way. Once the necessary adjustments are made, the medium-term outlook is favourable.

The performance of individual member states in sustaining their international competitiveness and dealing with economic imbalances, current account deficits in particular, is increas-

ingly seen as critical to the cohesiveness of the eurozone. This is an important issue and one that is receiving considerable attention within the EU. Eurozone member states are facing important challenges arising from the economic, budgetary and financial implications of the crisis. They are taking steps, however, as we are, to prepare for a return to sustainable growth.

Having considered a detailed report from the European Commission, Ministers are considering appropriate horizontal policy guidelines for the eurozone. It is likely that analysis of this nature will increasingly inform the EU monitoring of macroeconomic performance. The discussions in this area have focused on the need for countries with large current account deficits to reduce them, while it was also accepted that countries such as Germany and the Netherlands, which have run large surpluses from strong export performance, would be urged to stimulate domestic demand.

Ireland is recognised as having taken necessary action to reduce costs, especially public sector wage costs, and regain competitiveness. It is vital we continue with this process. The budget included a number of targeted measures to support economic recovery and employment in 2010. I note a reported warning yesterday from a trade union leader of Armageddon if the Government does not reverse the pay cuts. I am reminded of the old saying, “beware of what you wish for”, as I can think of few quicker ways of bringing forward an outcome which could engulf us all, including the public service unions, than the Government agreeing to such a demand. Our external deficit is also improving. The current account of the balance of payments is expected to move into surplus this year as the economy is rebalancing.

In line with other member states, we note and welcome the recent important statement from the European Council emphasising the cohesion and integrity of the eurozone and that, in the context of current difficulties in relation to Greece, determined and co-ordinated action, if needed, will be taken to safeguard financial stability in the euro area as a whole. I understand that at meetings yesterday and today of the finance ministers of the euro area and the EU 27, respectively, the Greek authorities have reiterated their commitment to take all necessary measures to address their budgetary and economic situation. We welcome this and remain confident the Greek authorities will proceed to implement the relevant measures in a speedy and efficient manner.

It is widely recognised the Irish Government has taken difficult but necessary budgetary action to restore stability to the public finances, with €4 billion in cuts this year equivalent to 2.5% of GDP, following cumulative cuts of 5% of GDP in 2009. Recent developments vindicate the action taken by the Government and underline the importance, in all of our interests, of continuing to implement the budgetary consolidation which the Government has set out. We have begun to make progress in improving competitiveness, with necessary price and wage adjustments under way, and in resolving problems in the banking system. We are making headway in addressing all of these challenges and we are confident that with further efforts we can continue to do so.

We remain, however, in very difficult times and it is essential we maintain our resolve to prepare the economy and public finances for future sustainable growth and jobs, and that we are seen to be doing this. As anyone who has been following the financial press will know, this issue has raised many debates about the governance by the EU and the eurozone and of the financial markets. It is important to exercise restraint in commenting on the affairs of partner countries so as to create the maximum space for appropriate action.

Senator Liam Twomey: I welcome the Minister of State to the House and thank him for his speech. Unfortunately, we have not really tackled where we are in all of this. One of the important points in the Minister of State’s speech is the following: “The performance of individual member states in sustaining their international competitiveness and dealing with economic

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imbalances, current account deficits in particular, is increasingly seen as critical to the cohesiveness of the eurozone.” Politicians, Ministers and officials can dress up their utterances in such a way as to believe they do not matter. However, the cruellest way to learn a lesson about the money markets is when someone such as George Soros decides to make his move and starts short-selling one’s reputation, whether it is Government bonds, the country as a whole or the euro. There is a sense in which the money markets identify Greece as being a wounded animal and are going after it. We are not speaking in real terms about the potential crisis Greece represents if it does not get its act together.

Greece is probably the worst example, but these problems exist in other European countries as well. Spain has a major problem with its deficit, for instance. It is 15 times the size of Ireland and 7.5 times the size of Greece, so if the Spanish economy goes wrong, we will be dealing with a major crisis within the eurozone. I do not know whether the euro is capable of sustaining crisis in the long-term. We should be explaining ourselves clearly and not trying to dress up this problem or lessening the impact of what is happening. This is a very serious crisis. Perhaps the Minister of State, when he is responding, might tell the House whether the European Community is capable of handling a crisis that is growing larger by the day. Has the eurozone the resources because, apart from Germany and Holland, most European countries will not be able to handle a major crisis. There is a really major problem here.

Ireland’s problems are somewhat similar to Greece’s. I am glad the Minister of State says the measures being taken by the Government are in line with what was expected in the budget. I would like to know, however, whether we are really dealing with our deficit and the problems that have been highlighted *ad nauseam* in recent months. We are taking €4 billion in spending cuts out of some parts of the economy, but we are witnessing massive increased spending in others because of the numbers of people who have lost their jobs and the resulting increased social welfare costs. We must take into account, perhaps, that by the end of the year we may not see an overall improvement. There is a need to explain this to the public so that people are ready for the next round of cuts that may come.

The Minister of State referred to the public service unions talking about bringing crisis to the economy. I do not believe there is too much will among public sector workers to bring such a crisis to the level that some union leaders believe it can be brought. Media commentary on Greece would suggest that all civil and public service workers are on strike and throwing stones at the police, day in, day out. They are not, and this is being exaggerated by the media. Civil and public service workers in Greece are seriously concerned about the state of the economy and are aware that this whole thing could go pear-shaped for them. The majority of them have no intention of bringing this crisis to a point where they will receive IOUs rather than euro in their paycheques at the end of each month. It needs to be highlighted more that within Greece there is an understanding of what is going on. There is probably a fear, too, as there is within Government in Ireland, that a real crisis might be generated if matters are taken too far. However, people need to be told just how serious the Greek problem is.

The Government is downplaying economic issues in Ireland by saying that our public debt is very low. I notice that all through the Minister of State’s speech he has made reference to GDP, not GNP. GDP includes the profits multinationals make in this country and which are removed from Ireland straight away. GNP is significantly lower, equivalent to the actual level of economic activity remaining in the country every year. If the national debt is compared with our GNP figures, we are running into serious problems. The Minister was ratcheting up €20 billion worth of extra national debt every year. There is nothing to show from the figures projected in recent budgets that it will be less than €20 billion over the next couple of years. Ireland could easily see itself in five years’ time €100 billion more in debt, equivalent to nearly

60% to 70% of GNP. That is too much and justifies serious and frank discussions with the people because our austerity measures could count for nothing if the eurozone runs into liquidity problems, especially where Spain or Portugal are concerned. In the event, this could really test the resolve of the European Union to work its way through this crisis.

Another major concern is public opinion within Germany and Holland. These countries are not keen to bail out what they consider to be rogue states that have been delinquent financially over a number of years. They are starting to come to terms with the massive sums of money to which the Minister of State has referred to stabilise the economies of countries such as Greece, Spain, Portugal and Ireland. I am not sure they will come to our rescue if this problem becomes a full-blown crisis. We need to have a proper debate with the people on how potentially large this crisis could be.

I have seen comments to the effect that Ireland might even go into trade surplus. The reason we might, in the event, is because our imports have dropped dramatically over the past 18 to 24 months. Our exports have not improved dramatically. The reason there might be a potential balance of trade surplus is that imports have dropped so sharply and consumer spending is dropping. Therefore there is considerable shrinkage within the economy that must be taken into account. We must be far more open in what we say in our debates on this issue because our economy is in difficulty. I do not wish to use the term "in crisis" because that is unfair, but we should not be seen to act as if we were whistling past the graveyard in respect of the concerns that exist in our economy. There is a need for us to tighten up the public finances to a greater extent. There is a need also for an increase in taxation, which most people are against because they believe it would increase the rate of shrinkage of our economy, but there is also a belief in the need to restore competitiveness.

From this point of view, there is a need to examine what is taking place in the public sector. The Minister of State should go back into negotiations with the public sector workers because there is a go slow planned unless the Government does something. That would decrease the efficiency and productivity of the public sector which will reflect on our economy in the longer term. There is a need to hold such debates with the public sector unions and to make the point that they are only damaging their own case in future by insisting on the work to rule under way at the moment. It will damage the economy significantly and will only serve to force the Minister of State to make more dramatic cuts next year. There is a need for the Minister of State to get back into negotiations with public sector unions in order that this country does not end up in the same position in which Greece finds itself at present.

In reality, there is not much more we can say about it. This is an evolving issue and we will see what will happen in the coming months. I become greatly concerned when I see hedge funds beginning to short sell on the financial markets in the way they appear to be in respect of Greece. Obviously, they believe they can smell a kill and that they can make it happen, regardless of what the European Union says. They may well know the eurozone group does not have the resources to take them on or to bail out Greece in the long term. They may also be more aware of an impending crisis for Spain, Portugal and, to some degree, Ireland because there is a sizeable correction under way in our economy. I have no doubt the same correction will come in the Spanish and Portuguese economies and, therefore, hedge funds may well believe that even if they bring this one to a head, they may simply be lining up the other countries to do the same thing there. The European Union must take that on board in the way it deals with this crisis because we have no wish to return to the days of long ago during which governments had to deflate their currencies and economies when they came under sustained attack from such short selling by hedge funds. I trust the Minister of State will provide more detail on these matters in his reply.

Senator Marc MacSharry: I join others in welcoming the Minister of State to the House. I am pleased to have some brief moments to make some points on the proposed emergency funding for Greece. As Senator Alex White remarked today, given our economic crisis it would appear to be a most unusual topic of debate. However, I disagree with Senator White that he would prefer to be discussing Ireland. The ramifications of what happens in Greece are very significant for Ireland. The crisis in Greece poses the most significant challenge yet to the single currency and the goal of economic unity across the Continent. To use one of the banking terms of the past, it is too big to fail in the context of our currency. Greece owes the world €300 billion and if it were to default, there would be very significant implications for many of the major banks in the world which are on the hook for much of the money. A default would reverberate throughout the globe in a major way and it would have a great impact on us. The UK owns one fifth of Greek bonds and there is no question that if Greece does not manage to deal with its issues in the same way and manner with which we have set about dealing with ours, then the future is bleak indeed. However, we have no reason to believe that under the guidance of the EU, such a process will not begin this week following the ECOFIN meeting of recent days.

We have heard many comments in the media regarding Greece's public finances, including that there is a dire financial crisis, that it was dishonest in how it managed its finances, that it will be very difficult to avoid a tragedy and that it was mess of its own making. A general election in 2009 introduced a new government which came to power only to find its predecessors had effectively lied about the real state of the country's finances. The country had gone on a spending spree. It hosted the Olympic Games very proudly in 2004. In a bid to win power and votes, political parties filled the public sector and this eventually led to debt of some €300 billion. There is a 12.7% budget deficit, more than four times the EU limit. Greece must sell €53 billion of its debt this year to avoid the intervention of Europe and it must reduce the deficit by 4% of GDP in line with EU rules. The relative cost of insuring debt against its borrowings is €33.50 per €1,000, more than double our cost which is less than €15 per €1,000.

As the Minister of State, Deputy Mansergh, has outlined, last night eurozone finance ministers imposed a 28-day deadline on Greece, during which the country must demonstrate its austerity measures aimed at cutting its vast deficit from 12.7% to 8.7% of economic output this year in respect of yield of returns. The finance ministers and ECB president, Jean Claude Trichet, stated it would be unwise for them to discuss publicly any measures the EU may employ if Greece were to fail to meet its four-week deadline. There is no question the Irish must be supportive of Greece and of all measures to bring the situation into line. While one cannot speculate on the future of Greece's economy, we must reflect on the impact it may have on us. The uncertainty surrounding the financial health of Greece is a reminder of just how fragile economic recovery may be. However, we can take comfort in the positive international reaction we have received in respect of our budgets and the steps we have taken on our path to recovery. The Minister of State, Deputy Mansergh, has outlined these and it is imperative that Greece begins a process that is at least akin to ours.

Simply put, had we not made the cuts in December's budget and taken other measures dating back to 2008, eurozone finance ministers would probably be in Ireland now, a prospect for which no one would wish. Last week an EU commentator, David Marshall, remarked that the Irish had taken a lot of pain and he was supportive of what we have done. He suggested we got our retaliation in early, recognised things were going very badly, took a lot of pain and cut wages, which is exactly what Greece must do now. He further suggested we should not relax because we have only started this process but that previous decades have shown that Ireland can knuckle down. This is what we have shown in recent months under the stewardship of the Taoiseach, Deputy Cowen, and the Minister for Finance, Deputy Brian Lenihan, in particular.

Many commentators have noted that while difficulties remain in Ireland, the worst of its woes are probably behind it, and this is attributable to the political will that is lacking in several of its neighbours. This was a view from the *Wall Street Journal* in December 2009. Several other international commentators acknowledge that Ireland is taking the appropriate steps.

I wish to make several points in respect of the single currency. Obviously, ECOFIN will determine whatever measures should be taken and Greece must bring its public finances into order. It was encouraging to note that, according to an opinion poll, some 70% of the Greek public was aware that public sector wages should be reduced and that the country must cut its tape to measure. Notwithstanding the protests on the streets that we have seen in the international media in recent weeks, I believe it has the public will to make progress and it is to be hoped its Government will do the same.

I hold concerns about some issues to which Senator Norris referred on the Order of Business in respect of Goldman Sachs and the need for some level of international regulation in lending to countries and in international banking. There is an incentive for major banks such as J.P. Morgan and Goldman Sachs to spot the difficulties nations are having and design derivatives for them to window-dress their actual financial circumstances to mislead others. This has undermined the strength of the euro in recent days and certainly undermines the European Union. There were suggestions Italy had engaged in this practice. From 2001 Greece forward sold its future lottery receipts and airport landing fees, which is a disgrace. It was also wrong. It was on foot of doing so that Greece joined the single currency.

Derivatives can be very useful instruments but they become bad if they are used as window-dressing, as they have been in this instance. I am encouraged that the Greek Government, having been approached by Goldman Sachs before Christmas, declined to enter into such agreements. However, it points to the fact that if we are to avoid a recurrence of the catastrophe in financial markets in recent years and the economic downturn that has affected so many countries, we have a responsibility to sign up to a set of basic regulations, otherwise we will be one step away from the next crisis. As with the world of crime, the world of banking always has the potential to design derivatives to hide the next financial disaster. That is what we have seen in Greece. I would like to believe the developed nations of the world will sign up to a set of regulatory reforms to govern lending to governments. However, I have not seen much evidence of this to date, be it under the auspices of the World Bank, the IMF, the United Nations or another organisation. The *Financial Times* stated in recent days that if a government wanted to cheat, it could. We must try to prevent this to the maximum extent.

As we overcome the crises in Greece and perhaps other countries, we must be cognisant of the future management of the eurozone. As I said a number of times in the House, Ireland was very lucky to be in the eurozone in that it saved us to a great extent, but there was a flaw in the sense that we were experiencing growth of 8% and 9% year on year with money available at a rate of 2%. That fed the frenzy in Ireland somewhat. It is a weakness within the system that although Ireland constitutes only 1% of the eurozone economy, interest rates will not be affected if inflation is featuring throughout the eurozone but not here. As we begin to see the eurozone economies recover in the next year or so, interest rates will begin to rise. However, at that time our employment levels will not have had time to recover to the same extent. These are flaws that need to be contemplated by ECOFIN and the ECB because while there were and are many benefits to our being involved in the euro, which I certainly desire, there are also weaknesses. I am not putting forward solutions, as better minds than mine can come up with a better way to proceed.

Senator Feargal Quinn: I wish to share my time with Senator Norris.

An Cathaoirleach: Is that agreed? Agreed.

Senator Feargal Quinn: I first visited Greece in May 1967. Before doing so, I went to collect my drachmas in the bank in Dublin and the staff asked me whether I was still going. In the week I arrived in Greece there was a *coup d'état*. The tanks were in the streets and the colonels took over. It was a dramatic time in history and there were very few tourists in the country. My tour was one of the first since the *coup d'état*. I know Greece comparatively well and this example reminds me that Greece is being targeted. The euro zone is comparatively strong but it is only as strong as its weakest link. It is as if Greece is being targeted. It may be deserved because it may well be correct that the Greeks have not behaved themselves and misled us a little, or a lot, with regard to the figures they produced, even those pertaining to their entry into the eurozone. Therefore, it is understandable Greece is not trusted.

The proposed emergency funding for Greece is extremely serious for the eurozone. Many forget or do not realise this fact. The Greeks cannot continue to produce estimates that suggest a deficit amount for 2009 of more than 12% of GDP, while the level of public debt is above 120% of GDP. Many even believe this is the most serious test of the eurozone since its foundation.

It is very stark. What is surprising is that there is so much indifference to helping the Greeks. A poll in the German newspaper *Bild am Sonntag* showed that 53% of Germans had said the European Union should, if necessary, expel Greece from the euro zone. The Lower House of the Dutch Parliament has just passed a motion, backed by all parties, prohibiting the use of Dutch taxpayers' money to bail out Greece, either through bilateral aid or EU funds. The Bundestag in Germany has drafted an opinion deeming aid to Greece illegal. The Bundestag indicates that state bodies may not purchase the debt of another state, in whatever guise it is presented. One can only imagine the trouble Ireland would be in if it were in Greece's position and had to face such negativity and the prospect of seeking out such help.

One of the main problems is that Greece is struggling to convince the market, especially investors, that it is tackling its debt crisis. The European Union has also played a part in this, as it has failed so far to outline the concrete steps Greece must take to remedy its finances. I understand today that EU leaders will now wait until March to see whether Greece can implement some measures to reduce its debt. Greece is procrastinating and putting off measures to stabilise its economy. The Greek Finance Minister announced just yesterday that his Government would not be adding new measures to the public sector cuts and higher fuel taxes unveiled last week. In addition, the Greeks are reluctant to reconsider their generous pensions system, despite the degree of relief it could bring to them. It concerns me that there is no clear and unambiguous message issued jointly by both the European Union and Greece. They seem to be pulling in different directions and this lack of co-operation is harming Greece and the eurozone.

I agree with Brendan Keenan who wrote last week, "The crisis in Greece seems to show that reducing the budget deficit — however illogical and harmful in a shrinking economy — is the only option in these unprecedented times". Ireland has managed to escape being the first to be targeted but maintaining this position will not be easy. We have taken correct steps in recent times to help us in this regard.

With all this talk of Greece, it is easy to forget some of the other problems in Europe. Harvard University economist and former IMF chief economist Kenneth Rogoff has warned Germany could face similar problems to Greece. I had not heard this before. He said:

Germany's public finances are not on a sustainable path . . . There will come a time when Germany will have its own Greece problem . . . It won't be as bad as in Greece, but it will be painful.

Latvia has been largely ignored, although it is an important example of what could go wrong. It is easy to be downbeat about our economic circumstances but let us be thankful that we are the controller of our own destiny. The largest economy in the European Union, Germany, could face a massive problem with regard to its finances, while Latvia is on course to losses greater than those accrued during the Great Depression in the United States. Thank goodness, we are now back in the game. I hope everybody in the country can be convinced of the benefits of the tough steps we have had to take. This is comparatively easy when we consider what has happened to Greece. It must be possible to convince everybody in the country that we must tighten our belts and take some tough decisions. It will not be easy, but we must try to come together and make those decision to our current advantage so we can succeed in that.

Last Saturday the OECD pointed out that our labour cost rose at a faster rate in the third quarter of 2009. That is a reminder of the dangers facing us. No matter what we do with the economy, we must ensure in the long term that we become as competitive as we were in the past. On that basis, I urge the Minister of State not only to convince our citizens of the steps we must take but to convince them that in the long term we must be more competitive if we are to succeed.

Senator David Norris: I thank my colleague, Deputy Quinn, for sharing time. It is not very edifying for us in Ireland to be included in the acronym PIIGS, but that seems to be what has happened and I am not sure it is entirely our own fault. If one looks at the situation, tax evasion is endemic throughout the Hellenic world. I have a house in Cyprus where the same situation obtains as in Greece. It is a national pastime to evade taxes. The entire establishment collaborates, in particular, in land conveyancing, etc. There is a systematic, deliberate and knowing fraud on the government. People do not want to pay tax. We know that. That is the first part of it.

The initial figures given by the Greeks when they entered the eurozone are now quite suspect. However, to my mind the most significant aspect — Senator MacSharry is quite right, I did raise this on the Order of Business — was the quite deliberate and malignant intervention of Goldman Sachs. It astonishes me that the big people get away with it. Implicit in all of this is a lack of morality. I have constantly railed against Standard & Poors, and Fitch, which were also involved in these toxic bundles and derivatives, but it should be placed on the record of this House to the dishonour of Goldman Sachs that it specifically perfected instruments calculated to deceive and to assist the Greek Government in postponing the evil day, in pushing forward all its debt and also to deliberately deceive their colleagues in Europe. That is a disgrace. It may not be illegal, but it is certainly wrong and it should be made illegal. Next we will have these hedge-fund managers and financial gurus also betting against the Greek economy and perhaps trying to bring down the euro. That certainly worries me.

The Minister of State, Deputy Mansergh, stated in his speech that the eurogroup expressed confidence in the plans of the Greek authorities. Almost simultaneously, however, they were stating it is not enough and they need more. The measures adopted by Greece so far are twice as severe within a shorter timescale than what we have adopted here, and we are expecting them to be added to.

It is worrying to hear Senator Quinn state there are moves through different European parliaments to embargo a loan on Greece because the knock-on effect should Greece collapse completely — bankruptcy has been mentioned — would be serious.

In all the documentation issued there is a bureaucratic soft-tone diplomatic language. However, when one comes to the account of EUROSTAT, and its view of the Greek statistics, it speaks of significant uncertainties over the figures. EUROSTAT states that there is a recent

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report on exceptional and unprecedented failures in the reporting of budgetary data by Greece, severe irregularities and political interference with statistics and forecasts.

If Greece has lied, if Greece has landed in this, how many other countries have done the same? We were not prepared for this. Are any methods of investigation of certification being now considered that will prevent this happening in future?

I ask the Minister of State when he will be in a position to respond to what I said about Goldman Sachs. I will not be present when he replies but I will read the Official Report with great interest. Something needs to be done to address these people and their malign influence on the economy.

Senator Dan Boyle: I must admit to being somewhat surprised to hear Members of the House speak of the relevance of today's statements. It is quite obvious that the situation in Greece is serious and has important consequences for our economy, as a fellow member of the euro currency. We need to be aware of events and how they might affect us. It would be a tragedy if, having made a series of difficult decisions which have proven unpopular but which are the right and necessary decisions towards correcting our economy in the short term, we were to fall victim of a failure of take similar political charge in another EU member state.

We must remember that at one stage, before we started getting a handle on our own economic difficulties, on the international bond market we were the euro currency country that was at the bottom of the league in terms of the cost of borrowing money, behind Greece itself. At that stage, the Greek Government made a fairly adamant statement that it would not implement the type of measures necessary to correct its own crisis. That has led to an air of uncertainty that has seen a fall in the value of the euro and placed a threat on the currency itself.

I am confident the currency can and will survive these particular threats, but they do have economic consequences, particularly for this country because the fall in the value of the euro will mean an increase in the cost of the money we have borrowed. It shows a lack of understanding of how international geo-economics affect this country for any Member of this House to state the situation in Greece is not important, is not relevant and does not impact on our economic situation. That is why it is important that the measures taken, and collectively agreed by the eurozone members, the European Union and the Greek Government, are seen to be appropriate.

Senator Norris spoke of the scale of measures that have been promised by the Greek Government, and they have already been taken. One must take into account that Greece is structured differently as an economy to Ireland. There was a political jibe once spoken about our own economy, that Ireland was the most socialised country outside of Albania. While that might have been true then in terms of the scale of our public sector, there is still a particular imbalance as regards the cost of our public services. However, in Greece the balance is even more in favour of public expenditure and that needs to be examined in a real sense at a time of economic crisis.

There has been a reluctance on the part of the Greek Government to face up to these realities. Greece, like our country, has an agricultural base and benefits from funds such as the common agricultural fund, although its farmers benefit, not in terms of beef, other animals, dairy, crops and plants, but instead through the subsidisation of tobacco products. That is another argument, but it is a situation where, in terms of European Union membership, and particularly membership of the eurozone, the Greek Government needs to be reminded of its responsibilities.

It is especially unfortunate that we find ourselves in this area of uncertainty because of the failure to take appropriate action. We cannot take any particular pleasure from it because Ireland, while having put a degree of distance between itself and a grouping of other countries that includes Greece, Spain, Portugal and Italy, is by no means out of the woods. We require further additional action on the same course that we have taken to date. We need to do it into the medium term. We need to be consistent about the type of policies we are applying.

If all of that is undermined by the failure within the eurozone and other member states by Greece, then as a country we have a right to ask questions. Diplomatic niceties would mean that we might couch those reservations in terms of how diplomats and officials from each member government address this issue. We have a duty of care to the economy and citizens to ensure the hard decisions we have made will have the maximum beneficial effect and cannot be undermined by the lack of such political approaches in other member states. My hope is that there is a growing reality in Greece that there are proper support measures from the eurozone members and that this is a crisis that can be overcome. However, I note the contributions of other Members regarding the serious flaws exposed in terms of allowing member states to become members of the eurozone when they were not ready, the falsification of statistics and the use of international financial organisations to play loose and fast in meeting these statistics.

With regard to the position of Ireland and Greece, it must be borne in mind that Greece has a level of national debt which we last dealt with in the 1980s. Even after dealing with our own situation, including whatever measures we take to rescue our financial services, we will only be at a level of debt equal to the EU average. The scale of what must be done in Greece is important. As a fellow eurozone and EU member, Ireland has a collective responsibility to ensure it is addressed properly. However, I like to think we can do it as much by example as anything else, that we are not undermined in what we are doing and that in assisting the eurozone to achieve the necessary stability it does not undermine our economic recovery.

Senator Paschal Donohoe: I thank the Minister of State for attending this debate. I agree with the point made by Senator Boyle. This appears to be a situation of huge gravity and it is important that this debate take place. We should examine what is taking place in the Greek economy and the implications overall for the eurozone.

The nub of the issue is that governments bailed out the banks. One can quibble with the language but governments played a huge role in supporting and stabilising the cost of bank failure. As a result, they have incurred or are incurring debt on their balance sheets owing to dealing with a recession that was induced by the failure of the banks. The question now is: who will bail out the governments? We are seeing a movement of risk and uncertainty of debt from the balance sheets of banks to the balance sheets of elected governments.

Consider the level of debt with which the various European economies are dealing. I looked at some of the statistics when preparing for this debate. The Greek level of national debt stands at nearly eight times its gross domestic product. The level of debt in the eurozone is five times its gross domestic product; the US debt is more than five times its gross domestic product. The levels of debt are getting larger and the markets are looking to the governments to ascertain whether they have confidence that they will be able to sell that debt over time and, second, reduce the level of debt which they are asking the markets to finance.

Some of my colleagues in the House have mentioned the role and responsibility of Greece in this situation. That is a vital point, but there are broader questions to be asked regarding the composition and future of European monetary union. These are very grave questions, to which we must provide answers. Economic and Monetary Union, EMU, has two pillars which I can discern. The first is the credibility and strength of the euro. The second which is required

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to make the euro work is that the fiscal performance of the governments that form the eurozone must be healthy.

Overall, the health of the European economy is dependent on how national governments perform. It is apparent that we have monetary union, but we obviously do not have political union. Different governments can choose different routes in terms of how they wish to manage their taxation, spending and so forth. However, they are making these decisions within the environment of a single currency and single exchange rate. That tension was shielded or managed by the fact that for most of its history the eurozone enjoyed and caused in many cases unprecedented levels of economic growth. However, now that those levels of economic growth are receding, that tension is becoming increasingly apparent. Huge questions have been asked about the stability of monetary union, but this is the first example of these questions being put to governments.

I am a supporter and firm advocate of the need for a single currency and Economic and Monetary Union. My point is that huge questions about how that actually operates did not have to be answered previously because the European economy was doing so well. The German, French and other economies were leading the way and doing the heavy lifting for other economies that did not need to confront major questions regarding their fiscal stability. Three crucial questions must be answered. I do not have the answers and I should not have because they are so big. First, if any government or group of governments plays a role in providing a bailout for the Greek economy, to what degree will that undermine the long-term stability of monetary union and the euro, as opposed to helping it? The issue of moral hazard which we have discussed repeatedly with regard to banks arises with regard to a country.

Second, in an era of normal economic growth or recession, how can we maintain monetary union with the current levels of political integration? The declaration that emerged from the G20 summit spoke about the need for increased peer pressure to be applied to various countries to review the performance of their economies. However, it appears we will have to deal with a bigger question in this regard. If a national government decides to take steps that could potentially undermine the health of monetary union and the broader European economy, will we continue to give it the latitude to do so? That is a huge question which must be teased out. In effect, we could reach a point where the actions of another government will, as Senator Boyle said, drive up the interest rates we are paying on our debt. Let us say a plan is developed for Greece. Does that mean we must have a plan for every other economy that could face this problem? As we help one economy after another, who will pay for this?

These are the three big questions that must be answered. I will conclude with two brief points relating to what I think might form the components of the answers. The first is that Ireland's plans must be credible and supported by everybody. The Opposition has a role to play in that regard. Second, economies that have the ability to drive their domestic demand such as Germany should be acting to do so. If these economies can reflate, it will allow the export performances of other countries to pick up. That is desperately needed, if for nothing else than to help the balance sheets of the countries we are discussing.

Senator Larry Butler: I agree with much of what Senator Donohoe said. If we start bailing out one country, we will find ourselves bailing out more. Greece has not faced up to its responsibilities and commitments within the European Union, which is a serious problem. When a country joins the European Union it must consider what its budget deficit will be, how it will manage it and so forth. I do not believe the Greek Government has done enough. It did not take responsibility for its budgets and now we see the consequences of that, namely, the

European Union has said it cannot allow any country in the European Union to fail, including Greece which is one of the first countries to get into trouble.

We found ourselves in trouble two years ago. I did not see anybody jumping up and down to save this economy or propose how we would rescue the banks. We were criticised by the European Union and Britain when we developed what were extremely good proposals to rescue the banks and the manner in which we tackled our budgetary situation over three budgets. Some €8 billion in spending reductions was achieved over three budgets, which is what I call taking responsibility for running a country. I do not believe this happened in Greece.

Europe needs to examine the economic plan it has in place when there is a downturn, which plan is lacking in the single currency community. There was no plan in place to deal with a downturn in any country. Strong countries such as Germany, France and Britain felt the pinch during the downturn. A recovery is coming in Europe. This issue puts us in real danger. We have taken extremely strong measures. If other countries in the European Union do not live up to their responsibilities, we have a major problem. It will not be just Ireland, Britain or any other country.

The IMF will be merciless if it decides to come in, and the Greeks will be told 4% is no longer enough and cuts of 28% to 30% are required. We faced such a possibility two years ago. In the future, European countries will have to structure a new policy to ensure there is stability and increased monitoring of countries which are running into trouble. Before they are in trouble, there should be a yardstick to indicate there is a serious problem which the country concerned has to correct, and it would be better to do it immediately than in two years' time. This seems to be the problem in terms of how the Greek Government runs its country. I do not want to be critical of anyone. We have all had our own problems. In this country we have had major problems in the banking and building sectors as well as a downturn in the world economy. They have created major difficulties for us.

In terms of our situation regarding the banks, it is time we put in place a plan for our banking system if the banks have not yet done so. We nationalised Anglo Irish Bank. I have seen indications that it will be able to produce a plan soon. This should be aimed at lending to small and medium-sized businesses and export businesses. It is an opportunity. We own the bank and it is time we produced the goods. We have owned it for a year and a half. I ask the Minister of State to examine the matter. It is vital.

I do not subscribe to the view that we must make credit available across the whole banking system because the problem was that the banks lent too much and for bad business reasons. We are now suffering the consequences and have had to bail them out. We should ensure it never happens again. If we learn anything, we should ensure that banks do not lend too much again and, instead, lend money correctly, that is, to businesses and people who can pay them back.

The question that arises concerns what policies will be put in place regarding Greece, Portugal, Spain and Ireland to ensure there is support. If that is the policy, let us have it and see how it will work. If we are in the business of bailing out different countries, it will not work and will reduce the strength of the currency. An exporting company would be delighted to see the euro weaker than the dollar and various other currencies.

Senator Joe O'Toole: I welcome the Minister of State to the House and listened closely to his comments at the beginning of the debate. It is an important debate and I disagree with people who asked me why we would discuss the Greek situation. There is every reason why we should discuss it, one of which has been raised by my colleague, Senator Norris. This is an issue we have to get stuck into.

[Senator Joe O'Toole.]

In effect, what Goldman Sachs has done is worse than the instruments which were created by it and others for the sub-prime business three or four years ago. It is worse than that. In effect, it collaborated with the Greek Government to hide the mounting debts of the Greek economy. It did that, not last year or the year before, but for the past ten years to obscure from the European Union the correct interpretation of its national accounts. This has continued in recent months. I was appalled to learn that in recent months Goldman Sachs again created an instrument to give it billions in what was, in effect, a loan disguised as a currency trade. It was like giving somebody who cannot pay off his or her mortgage a second mortgage under the counter to pay off his or her credit cards and, as a consequence, being left with three large debts rather than two.

I raise this matter because there is a major issue in terms of international regulation. I must declare an interest — I am a board member of the Irish Auditing and Accounting Supervisory Authority and I have a keen interest in global accounting and auditing standards. I am not suggesting the Minister of State has an answer to the question I wish to ask. Charlie McCreevy hammered the table in Ireland and in Washington two years ago and insisted that international accounting standards be similar across the globe. The Securities and Exchange Commission in the United States of America, which is attached to the Stock Exchange, has a certain set of standards, the main part of which comprises the Sarbanes-Oxley Act which was introduced after the Enron disaster. It thinks it is great. It is a joy to be the one to get around it. It is a classic example of trying to have a rule for everything. I guarantee there is no rule which states one should not disguise a loan as a currency trade. That is the problem with rules-based auditing to which many Members on the Government side referred during the banking crisis, including those who did not know what they were talking about. They should all remember this as a classic example of a bank which operated under the strictest regime of rules but got around the intentions of the legislation. That is why rules-based principles will never do the business. In Britain, Ireland and most of Europe, accountancy is principles-based. In other words, one has to be honest and if one is not honest, one has to explain the reason. This is not about trying to have a rule to cover every instance because that simply does not happen. I learned that when I was 14 years of age in Dingle and saw double and treble sets of books in small businesses. This practice has been going on that long; it has gone on forever. If anybody believes there can be a rule to sort that out, it will not work.

How would this practice work? The simple way to deal with it is that auditing standards provided to Europe, whether they come from Greece or Ireland, should provide the same information. In other words, if a person owes, that is a debt, no matter how it arose or what the approach to it may be. Europe must decide on this course. In this country we have been slow to impose European directives, including the one introduced by Commissioner McCreevy, a very important piece of legislation concerning auditing and related transparency. Ireland is the second-last country in Europe to enact this, if my memory is correct. However, I do not want to go into that matter now.

We must insist on proper accounting standards, working with the Securities and Exchange Commission in the United States. The US must be called to book in this regard. It is the worst country in the world regarding co-operation on global issues. It is impossible to deal with. It is the author of its own misfortune in this situation. The bank in question should be brought to book for what it has done. It effectively collaborated in bringing an economy to its knees, not to mention the domino effect this might have all over Europe although I do not believe such an outcome will happen now. What the bank did, however, was inexcusable. I ask the Minister of State to bring to the European Union our demand that accounting standards be interpreted

in a similar or complementary way to those of the United States, or else that standards as practised can be easily understood so that we can have the same information as it is required.

I wish to touch on some other issues regarding our economy. As the Minister of State will recall, I supported the NAMA legislation all the way through this House. There was one issue with which I disagreed and I raised it time and again, namely, credit flow. I asked repeatedly that the Minister for Finance make it absolutely clear that even though NAMA might do what it set out to do it would not create credit. I said this time and again and explained my reason, namely, that the total amount we were to put into the banks would only be enough to bring them to the tier 1, loan-to-asset requirements of the Basel principles. It was never going to do more than that. People were misled, although not by the Minister. I listened to him very closely and although he did not say that NAMA would release credit, neither did he make it clear that this was not the intention of the Bill. The only time he was forced into saying this was when Fine Gael tabled an amendment demanding that what the Minister was issuing as credit guidelines should be credit requirements.

I pointed out at the time, as a number of people have pointed out since, that there is no way the Government can force the banks to act against the best interests of their shareholders. It cannot force the banks to act in the public good. They are bound by company law and would break the law of the land if they were to listen to the Government rather than do the best for their shareholders. That was the reason to which I referred.

One has to look to the future. Previous speakers pointed out the importance of having a third banking force. Senator Butler touched on this and it has been done before. I advise the Minister of State to look at the origins of Rabobank which came about through a conglomeration of co-operatives, or small credit unions. There is a way in which credit unions might be developed into banks. In New Zealand, for example, there is the Kiwibank, a post bank which has developed enormously in the past five years. We have a post bank in this country and we should look to that as well as at other options now being considered that would put two institutions together.

I apologise for going over my time. I welcome the Minister of State to the House and I hope he will bring some of the issues raised back to his Department.

Senator Paschal Mooney: I welcome my former colleague in this House, Deputy Mansergh, in his capacity as Minister of State. It is my first opportunity to sit across from him rather than beside him. I welcome his statement clarifying the position of Ireland. I concur with all the comments made so far in speakers' contributions on this debate. I cannot for the life of me understand how any Member of this House or any person outside could feel that the economic situation in Greece, that country's indebtedness and the manner in which it affects the eurozone and the European Union should not be debated as being of important national interest. Those people can answer for themselves.

Much of what was said in the Chamber raises fundamental questions about the stability of the eurozone if not of the wider European Union. Questions were thrown up that have been lying dormant since the debate on the eurozone and the subsequent implementation of the euro in the early years of this decade. They now come crashing around us because of Greek indebtedness. Seen from a general perspective, there is the question of the lack of an integrated formula that would allow the eurozone work more effectively or, as in the current situation, where there is a group of sovereign states. Therein lies a very real problem. Traditionally, and in the current situation, Germany is not in favour of any kind of bailout. It is also tied by the constitutional court which ruled last June that the EU remains an association of sovereign states. That is exactly what it is.

[Senator Paschal Mooney.]

I am grateful to Tony Barber, the bureau chief in Brussels for the *Financial Times* for a quote which puts in context what the eurozone members are struggling with at present. On 14 January 2010 he stated: “In the context of the eurozone this implies that everything will depend on a superhuman effort from Greece to slash its budget deficit, improve tax collection, purge the public sector of corruption, raise business competitiveness, take the axe to the pensions system and start publishing accurate financial statistics for the first time since independence in 1832.” Mr. Barber goes on to say that is a nice thought.

Therein lies the problem. I do not believe the eurozone will bail out Greece. It is evident from the debates and discussions of the past week that what is being attempted is more of the oversight about which Senator O’Toole spoke. Not only is Greece going to lose some of its national fiscal sovereignty in this context, it will also be put under the microscope more than was ever the case before. Already, the Prime Minister, Mr. Papandreou, resents what he sees as external interference. However, the reality not only for Greece but for countries like Ireland — especially countries like Ireland — is that Greece must get its act together. I do not believe a bailout will help. It is obvious from everything we heard earlier that many parliaments in Europe, in particular the German Parliament, are totally opposed to a bailout but, if such were to occur, it would have very serious implications for the remainder of the eurozone.

I turn briefly to the wider context of what is happening in Greece, what the eurozone ministers are attempting to do and what Ireland is doing. I am pleased to note the Minister for Finance, Deputy Lenihan, who was in Brussels in recent days, said that Ireland is now at a different stage to Greece and other weak eurozone members thanks to the stringent austerity measures he took. He said that Ireland is not among the countries now attracting the most adverse comment and this is reflected in the Irish spreads which have remained relatively steady during the recent crisis. This reflects that we are already some way down the path of addressing the three main challenges facing us: continuing to take firm and decisive action to improve competitiveness, restoring stability in public finances and addressing problems in the banking system.

The Greek Government faces very serious difficulties in raising capital from international markets and it is for that reason it has turned to its eurozone partners for guarantees and offers of a bailout. I am pleased also to see that the European Union is holding steady on this. Mr.

6 o’clock Hank Paulson, the US equivalent of the Minister for Finance, made a comment when he addressed a Senate banking committee in July 2008. This was in the context of the view being expressed that the eurozone may let Greece default, but it will not allow that happen. He made what I think is an apt comment that if a person has a bazooka in his pocket and people know that, the person with the bazooka will probably not have to use it. It is that sort of encouragement the eurozone members are giving now, based on what they have already proposed, namely, that the IMF and the European Commission be involved in the proposals being put forward to Greece which should get us out of the situation. However, it is a very big ask for Greece.

One aspect of the temperament of the Prime Minister, Mr. Papandreou, about which I read some days ago may be relevant. He belongs to a long-standing political dynasty and both his father and grandfather were former Prime Ministers. When the attack on Greek democracy took place with the introduction of the colonels and the takeover by the military junta in 1967, a group of elite soldiers arrived at the house of the current Prime Minister’s father, who was a leading political figure at the time. The current Prime Minister was 13 years of age at that time. One of the soldiers put a gun to his head and said he would shoot him if he did not tell him where his father was. He coolly replied that he did not know where he was. If he had such a

spine of steel in that situation, I have every confidence his Greek Government will find its way out of the current situation. If it does not, not only will international investors move in to pick off Greece, they will then start looking around for similar countries.

To reiterate what the Minister for Finance, Deputy Brian Lenihan, said, I think we are in a much better place. Over the weekend, somebody said the acronym in use in recent months, PIIGS, which refers to the economies of Portugal, Italy, Ireland, Greece and Spain, has now dropped one of its "I"s. In all of the international comment over recent weeks, Ireland is not included. On 28 January, Tony Barber, in his column in the *Financial Times*, suggested that how Greece could dig itself out of the crisis was to study what the Irish Government was doing. He said the Irish banking sector fell into such distress as a result of the global financial crisis that the Government took action. In his opinion, if it had not been for the unorthodox support measure provided by NAMA, it was likely the Irish financial sector would have gone into meltdown. That is praise indeed in the current crisis from a respected international commentator with an internationally respected newspaper. I have every confidence, based on what the Minister of State has brought to the House today and on what the Minister for Finance has been doing in Europe over recent days, that Ireland will not be damaged by what is happening.

The Greek issue must be resolved, but the answer lies with the Greek Government. If there is a combined effort on the part of the European Commission and the IMF and if Greece addresses the structural problems in its economy, we can work our way through the situation. Otherwise, this economy could suffer and none of us wants to see that.

Senator Mary M. White: I welcome the Minister of State to the House and thank him for his excellent speech. Much attention has been paid to the economic crisis in Greece. This is understandable, for Greece has broken important promises and, apparently, committed fraud towards other eurozone members. The exact extent of fraud committed by Greece to appear euro-ready is still uncertain as new details are still emerging, the latest detail being complicity by the controversial US investment bank Goldman Sachs. The *EUobserver* reported:

Investment firms, including Goldman Sachs, arranged currency swaps for Greece over the last decade that allowed Athens to raise funds to reduce its budget deficit while pushing payments well into the future. Those transactions were not classified as loans, reports *The New York Times*, and not made known to Brussels officials.

Greece is fighting a battle to restore its international credibility as well as its economy. Arriving in Brussels yesterday, the Greek Minister for Finance admitted his country is in a terrible mess.

However, the narrow focus on Greece clouds what really matters. This is no mere Greek crisis. It is a crisis for the euro. In his speech, the Minister of State said the EU summit last week agreed to bail out Greece, if needed, but demanded tougher government reforms in Athens to restore economic stability and calm world markets anticipating a single currency collapse. At their meeting yesterday, the ECOFIN ministers expressed confidence in the plans of the Greek authorities. Today, they adopted a comprehensive and ambitious package of recommendations for Greece, covering fiscal and structural policies, based on proposals from the European Commission and following discussion with all member states. These recommendations require that the Greek authorities take steps to reduce the deficit on the public finances below 3% of GDP by 2012, in line with their obligations under the Stability and Growth Pact. The authorities are also requested to implement specific economic reforms considered consistent with the smooth functioning of the euro area. The Minister of State also said that, as envisaged by the European Council, the European Commission will closely monitor

[Senator Mary M. White.]

implementation of the recommendation, in liaison with the ECB, and would propose necessary additional measures, drawing on the expertise of the IMF, and that a first assessment would be done in March.

Many international analysts remain sceptical as to whether Greece's current plans will go far enough, especially since figures released last week show the economy contracted by 2% in 2009 as against a projected contraction of 1.2%. In yesterday's *Financial Times*, a senior Athens banker is reported as saying it was difficult to see how Greece could avoid a further tightening of fiscal policy. French and German officials have said they are willing to wait until March for further assessment. The ECB is anxious to safeguard the eurozone's "no bailout" clause, but last week Mr. Trichet backed a eurozone leaders' pledge to take determined and co-ordinated action if needed to safeguard financial stability in the euro area.

When wrapping up his speech, the Minister of State said it was widely recognised the Government had taken difficult but necessary budgetary action to restore stability to the public finances. There is no doubt the Minister for Finance has restored credibility to the Irish financial situation through his international meetings and as a result of his grasping the crisis from the beginning. We are also making progress in the area of competitiveness, with necessary price and wage adjustments under way and as a result of the resolution of problems in the banking system. However, the Government has not spelled out sufficiently what it intends to do to create employment. People say governments do not create employment, but they do. The actions they take help create jobs. What is our Government's strategic plan for jobs? We now have 12.7% unemployment. I believe unemployment is a scourge.

As I mentioned last week, Dr. Craig Barrett has said there are many inherent inadequacies in our competitiveness, but the Minister of State has said we are making improvements and wages have reduced. Dr. Barrett, previous chairman of Intel, has spelled out the many areas where we are not competitive. The blueprint we developed for bringing in foreign direct investment, which brought in Hewlett Packard, Microsoft and Intel, is no longer our exclusive blueprint. It has been copied worldwide. Today we have competitors in China, Russia, India, Brazil, etc. Our biggest competitor at this time is Israel. Dr. Barrett spelled out the fact that we are only average in the world at mathematics and science. He says the new technologies of the 21st century will be nano-based, but we are not in the business. Those other countries are competing for international mobile investment, but we no longer have the highly educated workforce we had 20 years ago when Intel came here. We have competition from China, India, Israel and the Middle East. Dr. Barrett said that if we want to come first, we have to compete. We are not even in the race at this time. We have become complacent. We thought we were great, we believed our own story and we let the ball drop.

There is a crisis in employment in this country. The Government talks about a smart economy while forgetting that India, China and Israel are all in the smart economy but their educational standards are much higher than ours, including their level of mathematics and science education. I am despondent at present about this crisis. For me, it is all about jobs. Having started a business in the middle of the 1980s during the last world recession, I saw the psychological effect of unemployment. I also saw, when people got a job, how they began to stand up straight and how their self-confidence grew. Work is not just about the money; it is about meeting and talking to people, and being involved rather than stuck at home, depressed.

I cannot think of anything worse than a person losing their job. Many people are worried at present that they will lose their jobs. Every second day, we are hearing about this or that company going out of business. I am sorry to be pessimistic but that is how I feel, and I always

say it as it is. We have our heads in the sand. We have forgotten we are competing with Israel, India and China. Every year, China must create 23 million new jobs for its people. The Government and the people of China are hungry for jobs. We did not have that competition 20 years ago, when we were the only ones with a serious blueprint. Senator MacSharry referred to the IDA being a model but that blueprint is no longer workable to deliver the jobs we need.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I thank the Senators of all parties and the Independent Senators who contributed to the debate, which has been a very good, interesting and high level. Some very big and important questions have been raised, and many of the speakers correctly said they do not expect me to answer those questions as the events and decisions of the months ahead will in many instances provide the answers.

Greece is the cradle of democracy and of European civilisation, and is integral to the European Union. We have a huge interest in this country, as indeed do people in other member states, in the Greeks successfully overcoming their problems. Nothing would be more foolish than to think we could take some satisfaction or escape the consequences of them falling down in what faces them. The issue is the appropriate and intelligent form of solidarity in the circumstances that helps the Greek Government take the appropriate decisions while also protecting the long-term viability and credibility of the euro, in which we in this country have an enormous interest.

In response to Senator Quinn's comments, it is worth noting that the ECOFIN Council is issuing detailed recommendations and requirements to Greece today involving an unprecedented level of detail as to what is required in regard to public finances, debt levels, economic and structural reforms and wage and cost developments. Greece is being asked to show or explain progress on budgetary targets by 16 March and to submit quarterly reports thereafter. It is also being asked to take additional budgetary measures if the targets are at risk.

I compliment Senator Twomey on a very good speech. None of us can understate the seriousness of the situation, which affects not just Greece but the entire eurozone, including Ireland. The Government is confident that it will be resolved by the Greek Government with the support of all the heads of state and government in the EU.

We had an example in another sphere when we stumbled, if one likes, or when a negative decision was taken with regard to the Lisbon referendum. We had the solidarity and cohesion of other member states and help in terms of addressing the problems so we were able to overcome that and ratify the Lisbon treaty. It is a good example of how EU solidarity has worked in the recent past, and the same sort of approach is being applied in the case of Greece.

Senator Twomey is correct in his comments on the demonstrations in Greece, namely, that they have been exaggerated. In a sense, the opinion polls showing 70% support for the Prime Minister countervails the image of mass protests on the streets.

I also agree with what Senator Twomey said, by extension, about the situation here. Remarks are made, of which I quoted one by a trade union leader. However, those leaders, or certainly the vast majority of them, have a better understanding of the situation than their rhetoric sometimes suggests. I believe they are conscious of the fact their members do not wish to be engaged in actions that will seriously and detrimentally affect their own jobs and incomes. For example, it is very easy for trade union leaders to say overtime will not be done but the union members will tell them that if they do not do overtime, their incomes will be reduced. I make the point to underline that I agree with Senator Twomey's analysis of the situation.

[Deputy Martin Mansergh.]

I also agree that much more needs to be done to improve our own public finances, and we have set out commitments in this regard up to the end of 2014. As the natural term of the Government terminates in mid-2012, this will also have to be pursued by its successor, be it the current Government or an alternative formation. We have taken the first important steps and the rewards will begin to be gained through resumed growth before the end of the year.

It is worth pointing out that Greece's problems predate the current economic and financial crisis. It has had for many years excessive deficits in its public finances, large current account deficits and high levels of public debt. Its recent difficulties do not arise primarily from the recession. Unlike here, there were substantial expenditure overruns in 2009 and large revenue shortfall problems owing to poor collection.

A question arises in respect of the relationship between monetary and political union. Obviously, we have a political union of a sort in that the European Union is a political union but it is not a tight political union of the type once envisaged. A Senator quoted a ruling last year by the German federal constitutional court. Broadly, governments remain fiscally sovereign. The European Union is probably the first of its kind in history to be a monetary union but not involving close fiscal union and political union at the same time. In the circumstances, the issue is what is the appropriate degree of co-ordination. The European Council statement underlines the need to keep to the rules of the Stability and Growth Pact. Also, the European Union is looking closely at the important issues of competitiveness and economic imbalances so as to avoid Greek-type problems in the future.

The Independent Senators referred to another set of issues, including financial markets betting against default on Greece's debt. I read with some sympathy last week an editorial in *Le Monde* which referred to the assistance and support governments, in particular western governments, had given the banks all over Europe and America during the past couple of years and now some of the same people so assisted and supported are in front of their screens trying, if they can, to bring down not just one country but also attack the euro, to which it seems there still remains a certain level of ideological opposition, especially in what the French would call the Anglo-Saxon world. Last week the French Finance Minister, Ms Christine Lagarde, pictured with the Minister for Finance, Deputy Brian Lenihan, in one of this morning's newspapers, spoke about the need to look deeply at the use of sovereign country credit default swaps in terms of the need for changes. She also said: "We are closing ranks: whether we are big member states or small member states, we are all in this together and are not going to let any of us down." To be fair, that is exactly the same attitude she took following the first Lisbon treaty referendum here. I met her at one or two European or IMF meetings.

A large number of issues were touched on in the debate. It is one of the most lively discussions taking place in the financial press, from which several Senators quoted. I was familiar with most of the articles quoted by Senator Mooney, whom I welcome back to the House. I am very pleased to see him here. He added much to the House before and I know he will do so again in the future.

Senator Mary White spoke about China and presented in a pessimistic way its need to fill 23 million jobs per annum. If one turns the bottle upside down and believes the bottle is half full rather than half empty, in comparison with big countries such as China, we need to fill relatively few jobs to put us on the pig's back. I would not necessarily be depressed in that regard.

Allegations have been made; whether they have been proved beyond doubt I am not sure but they certainly merit closer examination: that a finance house contributed to distorting a country's finances in such a way that is not transparent. We all know through the European statistics office that there are accounting procedures that are legitimate and that certain items are allowed off balance sheet. Provided they are transparent to the markets and can be taken into account by them, no problem arises. All member states make use of the degree of flexibility allowed in this regard. If this flexibility is used, without others being aware of it, to brush problems under the carpet, obviously that is a very serious matter, against which we will have to be well guarded in the future.

Acting Chairman (Senator Terry Leyden): When is it proposed to sit again?

Senator Marc MacSharry: At 10.30 a.m. tomorrow.

Adjournment Matters.

Schools Building Projects.

Senator Paschal Donohoe: I welcome the Minister of State to the House. This matter, which is of great importance to a part of my constituency, concerns the difficulties faced by a school in the North Wall area that was due to be supported by the Dublin Docklands Development Authority. St. Laurence O'Toole primary school is in the heart of a community which has experienced major difficulties in recent years concerning drugs, deprivation and unemployment. Despite the problems it has faced, the community has done a fantastic job of looking after itself and its children in the face of great difficulty. The school in question reflects so much of the good work and action that has taken place there. It is located in an area that is subject to ferocious criminal, anti-social behaviour and, as a result, it is the object of attention by members of the Garda Síochána, including community gardaí. It is apparent that the school needs to be redesigned and redeveloped. It requires facilities befitting a school facing such difficulties, and those facilities are merited by the teachers and pupils involved.

Much of the redevelopment work was to have been funded by the Dublin Docklands Development Authority as part of its commitment to support local communities. Due to the difficulties the authority is facing, however, it now appears that there is a question mark over that guarantee of €6 million for the school.

I am raising this matter because it is so important to find a way of supporting this school to provide the necessary facilities. The school is facing awful difficulties but is doing a good job none the less in dealing with the current situation. I would appreciate the Minister of State's clarification on two points. First, at what stage are the discussions between the Department and this school concerning the plans for its redesign? Second, in light of the announcement by the Dublin Docklands Development Authority, can the Minister of State say what can be done to provide funding for this school, thus ensuring that when a design plan is agreed, there will be sufficient funding to implement it?

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran): I am taking this Adjournment matter on behalf of my colleague, the Minister for Education and Science, Deputy Batt O'Keeffe. I thank the Senator for raising this matter as it provides me with an opportunity to outline to the Seanad the Government's

[Deputy Michael Finneran.]

strategy for capital investment in educational projects as well as outlining the current position concerning St. Laurence O'Toole national school in Dublin 1.

Modernising facilities in our existing building stock as well as the need to respond to emerging needs in areas of rapid population growth is a significant challenge. The Government has shown a consistent determination to improve the condition of our school buildings and to ensure the appropriate facilities are in place to enable the implementation of a broad and balanced curriculum.

The allocation of funding for school buildings in 2010 is a little under €579 million. This represents a significant investment in the schools building and modernisation programme. This level of funding, at a time of great pressure on public finances, is a sign of the Government's commitment to investing in school infrastructure. It will permit the continuation of the Department's programme of sustained investment in primary and post-primary schools.

All applications for capital funding are assessed in the Department's planning and building unit. The assessment process determines the extent and type of need presenting based on the demographics of an area, proposed housing developments, condition of buildings and site capacity, thus leading to an appropriate accommodation solution. As part of this process, a project is assigned a band rating under published prioritisation criteria for large-scale building projects. These criteria were devised following consultation with the education partners. The original criteria were revised and refined in 2004. Projects are selected for inclusion in the schools building and modernisation programme on the basis of priority of need. This is reflected in the band rating assigned to a project. In other words, a proposed building project moves through the system commensurate with the band rating assigned to it.

The project for St. Laurence O'Toole's primary school emerged from a feasibility study commissioned by the Dublin Docklands Development Authority, DDDA, in 2005. The DDDA subsequently came forward with a proposal to the Department to make a significant contribution towards the building costs of the project. The project is being developed jointly by the Department of Education and Science and the Dublin Docklands Development Authority. The DDDA is acting as project manager on this project as it is the primary funding agent. The project has been assigned a priority band rating of 1.4 under the published prioritisation criteria for large-scale building projects.

The project is currently at stage 1, preliminary sketch scheme, which is an early stage of the architectural planning process. As the project is in the early stages of architectural planning, the Department is not in a position to comment further on the details of the funding arrangements or the overall estimated cost of the project as to do so could potentially affect the tendering process for the project at a future stage. I can inform the Senator that the Department of Education and Science has not received any communication from the DDDA regarding potential difficulties in funding the project.

The progression of all large-scale building projects, including this one, from initial design stage through to construction is dependent on the prioritisation of competing demands on the funding available under the Department's capital budget. The proposed building project will be considered in the context of the Department's multi-annual schools building and modernisation programme. However, in light of current competing demands on the Department's capital budget, it is not possible to give an indicative timeframe for the delivery of the project at this time.

I thank the Senator again for giving me this opportunity to outline to the Seanad the current position regarding the school building project for St. Laurence O'Toole national school in Dublin 1.

Water and Sewerage Schemes.

Senator Denis O'Donovan: I ask the Minister of State to outline the current situation regarding the major regional water scheme for the Dunmanway area. My understanding is that the scheme was to be progressed to actual construction under the 2006-2009 programme. My information from the local authority, however, is that the matter is currently with the Minister for the Environment, Heritage and Local Government. It is a matter for him at this stage. I understand no further assessment is required as this scheme has been proven, beyond yea or nay, to be necessary. It has hampered development in the greater Dunmanway area, so I hope the Minister of State will have positive news concerning the progression of the scheme this year. I hope that will be the outcome of my request to him.

Deputy Michael Finneran: I thank the Senator for this opportunity to clarify the position concerning the Dunmanway regional water supply scheme. The objective of the scheme, which was included in the 2007-2009 water services investment programme, is to improve the existing water supply in Dunmanway and provide for future capacity. The council has already addressed some of the supply problems in Dunmanway through repair work to a raw water supply pipe from the existing source to the existing plant.

It is proposed that the new supply would also provide water to areas at the western edges of Clonakilty which are currently fed from the Clonakilty water supply scheme. This would reduce demand on the existing Clonakilty plant with benefits from a security of supply perspective for the remainder of the Clonakilty area. The scheme has advanced through some of the planning phases and my Department now awaits the submission by Cork County Council of revised contract documents. I understand that the latest revised estimate of cost is now of the order of €11.6 million.

The priority to be accorded to schemes in County Cork is a matter in the first instance for Cork County Council. Last July, local authorities were asked to submit an assessment of needs for water and sewerage services in their areas to my Department by 23 October 2009. My Department is now finalising its consideration of these assessments which have formed a key input to the development of the 2010-2012 water services investment programme. In conducting their assessments, local authorities were asked to prioritise schemes and contracts for progression over the coming years based on key environmental and economic criteria. The 2010 to 2012 programme will be a three-year rolling plan for the provision of major water supply and waste water infrastructure. Strategic environmental and economic objectives have provided the rationale for investment in water services infrastructure since 2000.

With the changed economic climate and the completion of the first cycle of river basin management plans by local authorities in the near future, there is a greater need than ever to focus on these key priorities. The 2010-2012 programme will do this by prioritising projects that target public health and environmental compliance issues, support economic and employment growth, and offer best value for money. It is anticipated the 2010-2012 water services investment programme will be published in the coming weeks and my Department will work in close liaison with Cork County Council to advance priority schemes identified in the programme.

Cancer Screening Programme.

Senator Nicky McFadden: I welcome the Minister of State to the House. Women aged under 50 are being neglected in breast cancer screening. I reject the reasons given by the National Cancer Screening Service for not providing breast screening for women under 50. The service states that pre-menopausal women are unsuitable for routine screening because they would be exposed to excessive radiation as they would need to be screened annually. This is because the breast tissue of women who have not yet reached menopause is usually dense and therefore more difficult to detect a cancer with a mammogram.

Dr. Juliet McAleese who represents the cancer support group, Survive and Thrive, contradicts this assertion. I commend her and her group on highlighting the issue. She states that with digital screening, very low levels of radiation are emitted and such digital screening makes it much easier to view cancer, even in women aged under 50. The real issue, which is being avoided, is money. According to Dr. McAleese, many other countries provide screening for this age group. The American Cancer Society still advises annual mammograms for women starting at age 40. British Columbia in Canada, on which we have based our breast cancer services, also advocates annual breast screening, as does New Zealand and many other European countries.

The most worrying message being delivered by the National Cancer Screening Service is that women under 50 are not at risk of breast cancer, which is most definitely not the case. I know this to be true because many of my friends, acquaintances and constituents have been diagnosed with breast cancer under the age of 50, some with better outcomes than others.

Breast cancer is the biggest single killer in Ireland. Better access to ultrasound and mammography must be facilitated for women under 50. I am disgusted and appalled that BreastCheck nationally has recently decided against lowering the age for mammogram from 50 to 47. Finding cancer as early as possible gives a better chance of survival in all age groups. However, in Ireland the message given to women by the Government, the National Cancer Screening Service and BreastCheck is that breast cancer screening is only for women over 50. Recent figures indicate that 600 women aged under 50 were diagnosed with breast cancer in 2007. Some 455 of these women were in their 40s, which is a staggering figure.

Sadly when a woman first attends her general practitioner with a pain or a lump in her breast, the cancer can often have spread. One in five are presenting with secondary cancers at their first visit to a GP. There is no service for women who are not symptomatic but are just genuinely worried about the risk of cancer. To be screened, a woman must be either over 50, have detected a lump or be in pain. Why can BreastCheck not offer one hour per day for a walk-in service where women who are worried can make an appointment without a referral from a GP? It is foolhardy not to offer a service to women under 50. Women in their 40s are at their prime in their careers, in the middle of rearing and nurturing their little children or caring for ageing parents. We must surely acknowledge that they have a right to access screening, thereby increasing their chances of survival. It is a frightening indictment of the Government that lack of funding could be a reason that service is not extended to women under 50.

Deputy Michael Finneran: I have been asked by the Minister for Health and Children, Deputy Harney, to respond to this question on her behalf. The Government welcomes the opportunity to address the House and to outline the position on breast cancer screening under the BreastCheck programme.

Breast cancer is the most commonly diagnosed cancer in women in Ireland. More than 2,300 women are diagnosed with breast cancer each year in Ireland and approximately 670 women

die of the disease. However, survival rates for breast cancer are improving. Latest figures from the National Cancer Registry of Ireland show that five-year survival for breast cancer is more than 77% for women diagnosed between 2000 and 2004. Early detection is known to be a significant factor in improving outcomes. In this regard, breast screening has a key role. Its primary objective is to reduce mortality from breast cancer through early detection.

BreastCheck, the national breast screening programme, provides free mammograms to women aged between 50 and 64 years. In 2008 and early 2009, BreastCheck provided free mammograms to more than 90,000 women. Of these, 672 women were diagnosed with breast cancer. Indeed, from the commencement of screening in 2000 until 31 March 2009, BreastCheck had provided almost 500,000 screening appointments to 236,000 women and 3,075 cancers were detected. In 2009, the national roll-out of BreastCheck to all counties was completed with the commencement of screening in Donegal. An estimated 120,000 women were screened in 2009 overall. This year, more than €22 million has been allocated for BreastCheck.

BreastCheck invites women aged 50 to 64 for regular screening as the incidence of breast cancer is highest in this age group. In Ireland more than 70% of breast cancers occur in women over 50 years of age. While the incidence of breast cancer in women aged 40 to 49 is increasing, the incidence is still approximately 50% lower than that for the 50 to 59 age range.

Given that the incidence and risk of breast cancer in women increases with age, it remains the intention of the Minister for Health and Children to extend BreastCheck to women in the 65 to 69 age group as soon as resources and capacity allow. However, the immediate priority for the National Cancer Screening Service is to ensure that preparatory work for the national colorectal screening programme takes place this year and in 2011 in order for screening to commence in early 2012 for men and women in the 60-69 age group.

The effectiveness of screening below age 50 remains an issue of debate. Several randomised controlled trials in screening have included younger age groups but have not confirmed significant reductions in mortality in the 40-49 age group. In 1991, the UK's National Health Service set up a large randomised controlled trial to measure the effectiveness of screening women from age 40. The trial is ongoing and interim results indicate that a reduction in breast cancer mortality is likely to be observed. However, the size of the reduction is uncertain and this issue awaits further follow-up.

In 2008 the board of the National Cancer Screening Service commissioned an internal review to examine the evidence for reducing the lower screening age limit from 50 to 47. The review concluded that while a reduction in screening age might be of some benefit to some younger women, the merits of extending the programme age range downwards from a population-based screening perspective is still a matter of debate.

BreastCheck has now been extended to all parts of the country and €22 million has been allocated to the programme for 2010. The Minister intends to extend BreastCheck to women in the 65-69 age group as soon as resources and capacity allow. The effectiveness of screening below age 50, however, remains an issue of debate.

I reiterate that women of any age who have concerns about breast cancer should seek the advice of their GP who will, if appropriate, refer them to the symptomatic breast services in one of the eight designated specialist cancer centres.

Senator Nicky McFadden: Will the Minister please reply to my question as to whether BreastCheck could provide an hour's walk-in appointments service for women under 50? I believe that is a reasonable request. I accept all the Minister of State has said on behalf of the

[Senator Nicky McFadden.]

Minister for Health and Children. Really, she has reiterated just how good BreastCheck is, and how important is early detection. I also accept what she said about it remaining an issue for debate.

None the less, from my understanding of the situation and the people I know who have been diagnosed, some who have lymph cancer as well as breast cancer would have benefited from early detection. Accordingly, I cannot accept that it is not a major issue.

Deputy Michael Finneran: I thank the Senator for her contributions and I realise this is a very important issue. I will certainly relay her further comments to the Minister for Health and Children on this issue. I know it is an issue that involves 50% of the population and as such, needs to be addressed. As the Minister has said, the debate on the review is ongoing and every input is worthy of consideration. I shall certainly take back the views that been expressed.

The Seanad adjourned at 6.55 p.m. until 10.30 a.m. on Wednesday, 17 February 2010.